

Half Yearly Report December 2019



CORPORATE INFORMATION

as at December 31, 2019

Board of Directors

Azhar Hamid
Chairman

Yasir Qadri
Chief Executive Officer

Syed Furrukh Zaeem
Director

Naz Khan
Director

Tauqeer Mazhar*
Director

Sadia Saeed
Director

Imran Sarwar
Director

Audit Committee

Naz Khan
Chair

Imran Sarwar
Member

Sadia Saeed
Member

Tauqeer Mazhar*
Member

Risk and Compliance Committee

Imran Sarwar
Chairman

Syed Furrukh Zaeem
Member

Yasir Qadri
Member

Azhar Hamid
Member

Tauqeer Mazhar*
Member

HR & Compensation Committee

Azhar Hamid
Chairman

Naz Khan
Member

Syed Furrukh Zaeem
Member

Sadia Saeed
Member

Yasir Qadri
Member

Shariah Advisory Board

Mufti Muhammad Hassaan Kaleem
Member

Mufti Muhammad Najeeb Khan
Member

Chief Financial Officer

Umair Ahmed

Company Secretary

Bilal Javaid**

Registered Office

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

Head Office

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

Date of incorporation of the Management Company/ Pension Fund Manager

Incorporated in Pakistan on
3 April 2001 as a Public Limited

Company under the Companies
Ordinance, 1984

Management Quality Rating

AM1 by VIS Credit Rating Company

Funds Under Management

UBL Liquidity Plus Fund
Launch Date: 21 June 2009

UBL Government Securities Fund
Launch Date: 27 July 2011

UBL Money Market Fund
Launch Date: 14 October 2010

UBL Income Opportunity Fund
Launch Date: 29 March 2013

UBL Growth & Income Fund
Launch Date: 2 March 2006

UBL Asset Allocation Fund
Launch Date: 20 August 2013

UBL Stock Advantage Fund
Launch Date: 4 August 2006

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

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

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

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

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

UBL Retirement Savings Fund
Launch Date: 10 May 2010

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

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

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

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

UBL Financial Planning Fund
Launch Date: 28 September 2017

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

UBL Dedicated Equity Fund
Launch Date: 29 May 2018

UBL Financial Sector Fund
Launch Date: 06 April 2018

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

* Subsequent to the period ended 31 December 2019, Director resigned on 30 January 2020.

** Appointed by the Board on 25 February 2020 after the previous Company Secretary had resigned.



Directors' Report

The Board of Directors of UBL Fund Managers Limited is pleased to present to you the reports of its **UBL Liquidity Plus Fund (ULPF)**, **UBL Money Market Fund (UMMF)**, **UBL Cash Fund (UCF)**, **UBL Government Securities Fund (UGSF)**, **UBL Income Opportunity Fund (UIOF)**, **UBL Growth and Income Fund (UGIF)**, **UBL Asset Allocation Fund (UAAF)**, **UBL Stock Advantage Fund (USF)**, **UBL Dedicated Equity Fund (UDEF)**, **UBL Financial Sector Fund (UFSF)**, **UBL Capital Protected Fund – III (UCPF-III)**, **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)], for the period ended December 31, 2019.

Economy & Money Market Review – 1HFY'20.

During 1HFY20, economic slowdown persisted on account of stabilization measures taken by the government, as reflected in LSM numbers, where 4MFY20 numbers witnessed a decline of 6.48% YoY, major shrinkage came from automobiles, petroleum, Iron and steel products, pharmaceutical and chemicals. During the period under review, SBP increased policy rate by 100bps to 13.25% in July MPS meeting, but, thereafter maintaining the Status Quo in the next two MPS meetings held in Sept'19 and Nov'19, citing persistence inflationary pressure.

With the implementation of contractionary monetary & fiscal policy, the country's external position has started to strengthen as 5MFY20 current account deficit declined by 73% to USD 1.8bn vs. USD 6.7bn during SPLY mainly underpinned by a sharp plunge in trade deficit on account of import compression. Further, due to healthy financial flows, the overall balance of payments position posted a surplus of USD2bn during the same period. Going forward, we believe FY20 balance of payments position to remain healthy due to contained current deficit and adequate flows on financial account.

PBS revised its CPI base year to 2015-16; under the revised base average headline inflation for 1HFY20 clocked in at 11.1% relative to 5.98% in the SPLY, driven by higher perishable food item prices, uptick in utility tariffs and lagged impact of currency devaluation last year. Inflation is likely to remain elevated over the next few months before declining in 4QFY19 onwards.

On fiscal side, 3MFY20 detailed account manifested highly encouraging results with the consolidated fiscal deficit halved to 0.7% (PKR -286bn) as compared to 1.4% (PKR -542bn) in 1QFY20, whereas the primary balance showed a surplus of 0.6% (PKR 286bn) surpassing the IMF's primary deficit target of 0.2% (PKR -102bn). The above outstanding performance was mainly driven by promising growth in total revenues, up by ~35% YoY mainly driven by 172% YoY growth in non-tax revenues. Besides, the limited growth in current expenditures ~7% YoY also supported the overall fiscal performance. Further, with the successful IMF staff review, SBP received USD 452mn as second tranche of USD 6bn loan.

Stock Market Review 1HFY'20

After a prolonged hiatus, the local bourse finally made a strong recovery from Sep'19, turning earlier 2MFY20 negative returns to positive trajectory and recording a hefty return of ~20% during 1HFY20. The turnaround was primarily due to improvement in the country's external accounts, impressive performance on the fiscal side as mentioned above, currency stabilization and successful IMF staff review. Other than that, decline in fixed income yields by 250-270bps from 13.9%-13.7% to 11.7%-11.0% range (3Y-10Y PIB) strengthened the view that interest have peaked out, underscoring expectations of a rate cut in the near-term. Along with that, a decline in real estate prices also triggered the investors to shift investment into equity markets.



Fund-wise performance is as follows:

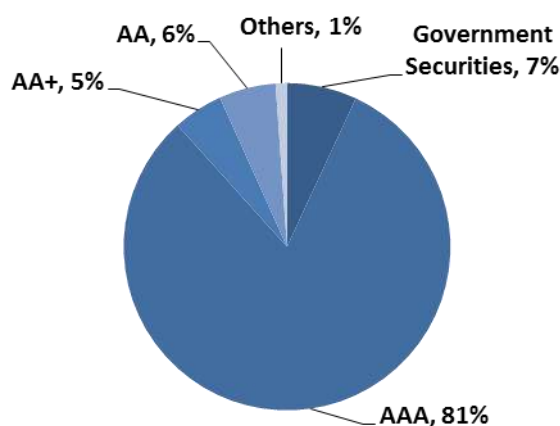
1) UBL LIQUIDITY PLUS FUND (ULPF)

UBL Liquidity Plus Fund (ULPF) is an open end Money Market Fund with investment objective to provide attractive daily returns while maintaining comparatively high liquidity. ULPF yielded return of 13.05%p.a. during 1HFY20. Major exposure was maintained in cash and placement with banks at the end of Dec19, thus maintaining high portfolio quality. The net assets of the fund were PKR 9,836mn at the end of 1HFY20. The Asset allocation was made as such to ensure high liquidity is kept intact. The weighted average maturity of the Fund was 12.13 days at the end 1HFY20.

	ULPF	Benchmark
1HFY'20 Return:	13.05%	12.67%
Standard Deviation (12m Rolling):	0.13%	1.46%
Sharpe Ratio (12m Rolling):	(6.32)	(0.62)

Asset Allocation (% of Total Assets)	Oct'19	Nov'19	Dec'19
Commercial Paper	5%	6%	5%
Placements with Banks	19%	11%	8%
Placements with DFIs	11%	19%	0%
Placements with NBFCs	0%	0%	0%
Reverse Repo	0%	0%	0%
T-Bills	52%	4%	7%
PIBs	0%	0%	0%
Cash	11%	53%	79%
Others	1%	7%	1%
Leverage	Nil	Nil	Nil

ULPF-Portfolio Quality





ULPF vs. Benchmark

	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
ULPF (p.a)	13.22%	13.05%	11.49%	8.11%	7.30%	8.71%
Benchmark	12.74%	12.67%	11.40%	7.69%	6.89%	8.15%

Returns are annualized using the Morningstar Methodology

The Fund earned total income of PKR 626.675 million for the half year ended Dec 31, 2019 which mainly includes markup / interest income on bank balances, placements and government securities. After accounting for the expenses of PKR 67.144 million, the Fund managed to earn a net income of PKR 559.534 million. The net assets of the Fund were PKR 9,835.639 million as at December 31, 2019 representing the net asset value of PKR 101.0961 per unit.

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

2) UBL MONEY MARKET FUND (UMMF)

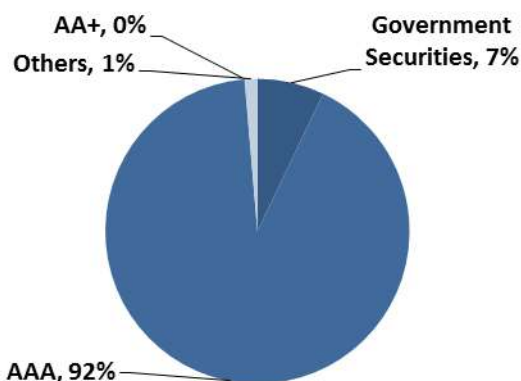
The objective of UBL Money Market Fund is to generate competitive returns within a low risk portfolio to provide a regular stream of income and easy liquidity to its investors by investing a major chunk of the portfolio in short term government securities. During the period under review, UMMF generated a return of 12.70% p.a. whereas its net assets were PKR 4,281 mn at the end of 1HFY20. The Fund Manager maintained a high-quality liquid profile during the period with major allocation to cash & cash equivalents. The weighted average time to maturity of the Fund was 8.16 days at the end of 1HFY20.

	UMMF	Benchmark
1HFY'20 Return:	12.70%	12.67%
Standard Deviation (12m Rolling):	0.12%	1.46%
Sharpe Ratio (12m Rolling):	(8.81)	(0.62)

Asset Allocation (% of Total Assets)	Oct'19	Nov'19	Dec'19
Placements with Banks	17%	10%	9%
Placements with DFIs	11%	18%	0%
PIB	0%	0%	0%
GOP Ijarah Sukuk	0%	0%	0%
T-Bills	49%	2%	7%
Cash	22%	69%	83%
Others	1%	1%	1%
Leverage	Nil	Nil	Nil



UMMF - Portfolio Quality



UMMF vs. Benchmark

	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
UMMF (p.a)	12.90%	12.70%	11.27%	7.67%	6.84%	8.25%
Benchmark	12.74%	12.67%	11.40%	7.69%	7.06%	8.81%

Returns are annualized using the Morningstar Methodology

The Fund earned total income of PKR 290.418 million for the half year ended December 31, 2019 which mainly includes markup / interest income on bank balances, placements and government securities. After accounting for the expenses of PKR 33.682 million, the Fund managed to earn a net income of PKR 256.736 million. The net assets of the Fund were PKR 4,281.222 million as at December 31, 2019 representing the net asset value of PKR 106.9299 per unit.

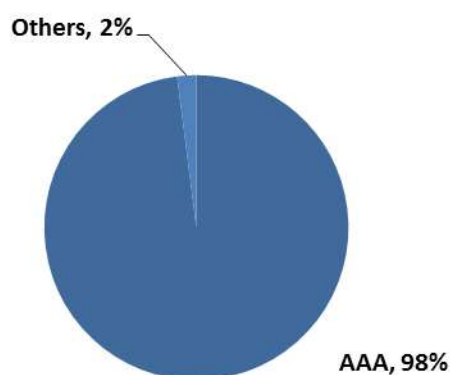
3) UBL CASH FUND (UCF)

The objective of UBL Cash Fund (UCF) is to generate attractive returns within a low risk portfolio to provide a regular stream of income and easy liquidity to its investors. During the period under review, UCF generated a return of 13.98% p.a. whereas its net assets were PKR 318.4 mn at the end of 1HFY20. The weighted average time to maturity of the fund was 1.00 day at the end of 1HFY20.

	UCF	Benchmark
1HFY'20 Return:	13.98%	9.41%
Standard Deviation (12m Rolling):	n/a	n/a
Sharpe Ratio (12m Rolling):	n/a	n/a

Asset Allocation (% of Total Assets)	Oct'19	Nov'19	Dec'19
Placements with Banks	0%	0%	0%
Placements with DFIs	0%	0%	0%
PIB	0%	0%	0%
GOP Ijarah Sukuk	0%	0%	0%
T-Bills	98%	0%	0%
Cash	1%	100%	98%
Others	1%	0%	2%
Leverage	Nil	Nil	Nil

UCF - Portfolio Quality



UCF vs. Benchmark

	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
UCF (p.a)	14.07%	-	-	-	-	13.98%
Benchmark	9.40%	-	-	-	-	9.41%

Returns are annualized using the Morningstar Methodology

The Fund earned total income of PKR 12.118 million for the half year ended December 31, 2019 which mainly includes markup / interest income on bank balances, placements and government securities. After accounting for the expenses of PKR 0.35 million, the Fund managed to earn a net income of PKR 11.768 million. The net assets of the Fund were PKR 318.433 million as at December 31, 2019 representing the net asset value of PKR 103.4069 per unit.

4) UBL GOVERNMENT SECURITIES FUND (UGSF)

The objective of the Fund is to generate a competitive return with minimum risk, by investing primarily in Government Securities. UBL Government Securities Fund posted a return of 12.55%p.a whereas its net assets were

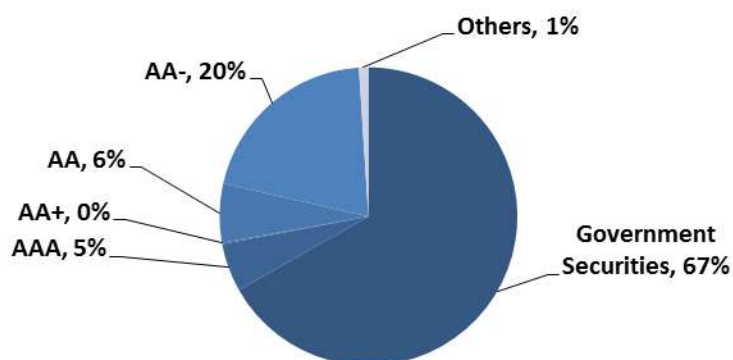


PKR 2,590 mn at the end of 1HFY20. The Fund's exposure was invested in Cash at the end of 1HFY20. The weighted average maturity of the Fund was decreased to 1.21 years by the end of 1HFY20.

	UGSF	Benchmark
1HFY'20 Return:	12.55%	13.53%
Standard Deviation (12m Rolling):	0.45%	1.31%
Sharpe Ratio (12m Rolling):	(3.59)	0.09

Asset Allocation (% of Total Assets)	Oct'19	Nov'19	Dec'19
Placements with banks	0%	0%	0%
PIB	11%	13%	13%
GOP Ijarah Sukuk	0%	0%	0%
Reverse Repo	0%	0%	0%
T-Bills	87%	79%	54%
Cash	1%	7%	32%
Others	1%	1%	1%
Leverage	Nil	Nil	Nil

UGSF - Portfolio Quality



UGSF vs. Benchmark

	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
UGSF (p.a)	12.08%	12.55%	10.67%	7.05%	7.74%	9.11%
Benchmark	13.37%	13.53%	12.42%	8.66%	7.63%	8.36%

Returns are annualized using the Morningstar Methodology

The Fund earned total income of PKR 129.279 million for the half year ended December 31, 2019 which mainly includes markup / interest income on bank balances, placements and government securities. After accounting for the expenses of PKR 18.239 million, the Fund managed to earn a net income of PKR 111.040 million. The net assets of the Fund were PKR 2,589.671 million as at December 31, 2019 representing the net asset value of PKR 112.2834 per unit.



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

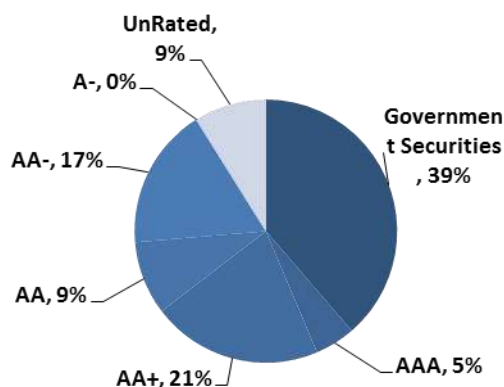
5) UNITED GROWTH & INCOME FUND (UGIF)

UGIF is an open-end Aggressive Fixed Income Fund, investing in medium to long-term fixed income instruments as well as short tenor money market instruments and seeks to generate superior, long term, risk adjusted returns while preserving capital over the long-term. The fund has posted a return of 10.44% p.a. during 1HFY20. Its fund size stood at PKR 897mn end of Dec19. The fund manager increased exposure of fund into TFC and Cash, weighted average time to maturity of the fund was 1.2 years at the end of 1HFY20.

	UGIF	Benchmark
1HFY'20 Return:	10.44%	13.58%
Standard Deviation (12m Rolling):	0.92%	1.14%
Sharpe Ratio (12m Rolling):	(2.19)	0.32

Asset Allocation (% of Total Assets)	Oct'19	Nov'19	Dec'19
Term Finance Certificates/ Sukuks	7%	7%	21%
Commercial Paper	0%	0%	0%
Placements with DFIs	2%	3%	5%
Placements with Banks	0%	0%	0%
Cash	89%	63%	26%
T-Bills	0%	14%	29%
PIBs	0%	5%	10%
GOP Ijarah Sukuk	0%	0%	0%
Spread Transaction	0%	1%	2%
MTS Exposure	0%	0%	0%
Others	2%	8%	7%
Leverage	Nil	Nil	Nil

UGIF Portfolio Quality





UGIF vs. Benchmark

	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
UGIF (p.a)	7.83%	10.44%	10.28%	7.15%	8.74%	6.57%
Benchmark	13.23%	13.58%	12.67%	8.94%	8.23%	10.18%

Returns are annualized using the Morningstar Methodology

The Fund earned a net profit of PKR 81.655 million for the half year ended December 31, 2019. The net assets were PKR 896.930 million as at December 31, 2019 representing a net asset value of PKR 89.4139 per unit.

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

6) UNITED STOCK ADVANTAGE FUND (USF)

USF is an open-end Equity Fund, investing primarily in equities listed on the PSX. The Fund seeks to maximize total returns and outperform its benchmark by investing in a combination of securities offering long term capital gains and dividend yield potential. During the period under review, the fund increased by 20.45% whereas benchmark index's increased by 20.16%, the Fund size stood at PKR 6,294 mn at end of Dec19. The fund manager maintained the exposure in local equity market of around 92% while exposure in cash stood at 7% at the end of Dec19.

	USF	Benchmark
1HFY'20 Return:	20.45%	20.16%
Standard Deviation (12m Rolling):	18.72%	18.38%
Sharpe Ratio (12m Rolling):	(0.00)	(0.13)

Asset Allocation (% of Total Assets)	Oct'19	Nov'19	Dec'19
Equities	90%	90%	92%
International Investments	0%	0%	0%
T-bills	0%	0%	0%
Cash	9%	9%	7%
Others	1%	1%	1%
Leverage	Nil	Nil	Nil

USF vs. Benchmark

	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
USF	28.97%	20.45%	12.23%	-5.37%	39.82%	410.76%
Benchmark	26.98%	20.16%	9.90%	-14.79%	22.89%	227.61%

Returns are on absolute basis



The Fund earned a net gain of PKR 987.738 million for the half year ended December 31, 2019 (including an unrealized gain of PKR 945.112 million on revaluation of investments) as compared to a net loss of PKR 721.789 million (including an unrealized loss of PKR 763.743 million on revaluation of investments) during the same period last year. The capital loss from the sale of securities amounted to PKR 19.109 million (December 31, 2018: capital loss amounting to PKR 45.798 million) and dividend income amounting to PKR 139.987 million (December 31, 2018: PKR 181.788 million). As at December 31, 2019, net assets of the Fund were PKR 6,294.060 million representing the net asset value of PKR 69.09 per unit.

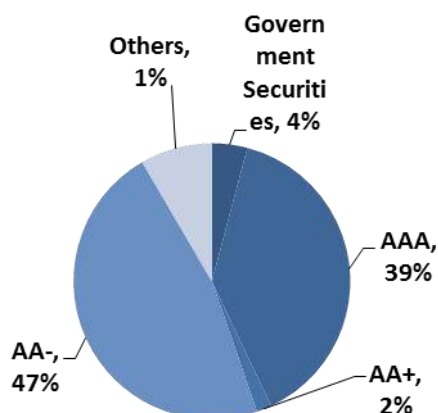
7) **UBL INCOME OPPORTUNITY FUND (UIOF)**

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 14.04% p.a. during 1HFY20. The weighted average maturity of the fund has been reached to 0.23 year at the end of Dec19. The Fund's Asset Size stood at PKR 652 mn as at December 31, 2019.

	UIOF	Benchmark
1HFY'20 Return:	14.04%	13.57%
Standard Deviation (12m Rolling):	0.29%	1.29%
Sharpe Ratio (12m Rolling):	(1.97)	0.13

Asset Allocation (% of Total Assets)	Oct'19	Nov'19	Dec'19
Term Finance Certificates / Sukuks	4%	4%	3%
Placements with Banks	0%	0%	0%
Placements with DFIs	0%	0%	0%
PIBs	0%	0%	0%
GOP Ijarah Sukuk	0%	0%	0%
T-Bills	5%	5%	4%
Spread Transaction	8%	0%	1%
Cash	79%	66%	84%
Others	4%	25%	6%
MTS Exposure	0%	0%	1%

UIOF Portfolio Quality





UIOF vs. Benchmark

	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
UIOF (p.a)	14.01%	14.04%	11.73%	7.31%	7.53%	7.74%
Benchmark	13.41%	13.57%	12.47%	8.71%	7.96%	8.16%

Returns are annualized using the Morningstar Methodology

The Fund earned total income of PKR 33.348 million for the half year ended December 31, 2019 which mainly includes markup / interest income on bank balances, govt. securities and TDRs. After accounting for the expenses of PKR 5.785 million, the Fund managed to earn a net income of PKR 27.563 million. The net assets of the Fund were PKR 651.657 million as at December 31, 2019 representing the net asset value of PKR 117.7413 per unit.

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

8) UBL Asset Allocation Fund (UAAF)

The investment objective of the Fund is to earn competitive return by investing in various asset classes / instruments based on the market outlook. During the period under review, the Fund posted a return of 12.33% as compared to the benchmark return of 12.72%. The fund manager maintained the exposure in local equity market of around 39% while exposure in cash stood at 19% at the end of Dec19. The net assets of the fund were PKR 1,175mn as at December 31, 2019.

	UAAF	Benchmark
1H FY'20 Return:	12.33%	12.72%
Standard Deviation (12m Rolling):	7.63%	7.28%
Sharpe Ratio (12m Rolling):	(0.07)	(0.12)

Asset Allocation (% of Total Assets)	Oct'19	Nov'19	Dec'19
Equities	40%	40%	39%
T-bills	5%	17%	16%
PIBs	8%	13%	12%
TFC/ Sukuk	10%	11%	11%
Placements with Banks	0%	0%	0%
Placements with DFIs	0%	0%	0%
Cash	34%	17%	19%
Others	4%	3%	2%



UAAF vs. Benchmark

	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
UAAF	13.56%	12.33%	11.74%	14.10%	49.89%	97.33%
Benchmark	12.51%	12.72%	11.40%	23.22%	46.88%	77.53%

Returns are on absolute basis

The Fund earned a net income of PKR 142.447 million for the half year ended December 31, 2019 (including an unrealized gain of PKR 78.502 million on revaluation of investments) as compared to a net loss of PKR 25.517 million (including an unrealized loss of PKR 89.528 million on revaluation of investments) during the same period last year. The capital gain from the sale of securities amounted to PKR 10.856 million (December 31, 2018: capital loss amounting to PKR 4.504 million) and dividend income amounting to PKR 17.501 million (December 31, 2018: PKR 32.531 million). As at December 31, 2019, net assets of the Fund were PKR 1,174.926 million representing the net asset value of PKR 148.5466 per unit.

9) UBL Capital Protected Fund III (UCPF-III)

UBL Capital Protected Fund - III (UCPF-III) is an open-end Fund with investment objective to protect the principal investment of the investors upon maturity by placing a significant portion of the Trust Property as TDR with a minimum AA- rated Bank, and remaining in equity market or any other SECP permitted investments to provide investors with better returns. During 1HFY20 fund registered a return of 3.18% as compare to benchmark return of 6.35%. Major exposure was maintained in placements with bank and others during Dec19. The net assets of the fund were PKR 308mn as at December 31, 2019.

	UCPF-III	Benchmark
1HFY'20 Return:	3.18%	6.35%
Standard Deviation (12m Rolling):	1.08%	0.85%
Sharpe Ratio (12m Rolling):	(7.24)	(2.76)

Asset Allocation (% of Total Assets)	Oct'19	Nov'19	Dec'19
Placements with banks	80%	79%	79%
Equities	4%	5%	5%
T-bills	0%	0%	0%
Spread Transactions	0%	0%	0%
Others	16%	16%	16%
Cash	0%	0%	0%
Leverage	Nil	Nil	Nil

UCPF-III vs. Benchmark

	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
UCPF-III	2.61%	3.18%	4.49%	-	-	8.63%
Benchmark	3.91%	6.35%	9.96%	-	-	14.77%

Returns are on absolute basis



The Fund earned a net income of PKR 9.51 million for the half year ended December 31, 2019 (including an unrealized gain of PKR 3.374 million on revaluation of investments) as compared to a net income of PKR 5.316 million (including an unrealized loss of PKR 3.620 million on revaluation of investments) during the same period last year. The capital loss from the sale of securities amounted to PKR 0.033 million (December 31, 2018: capital loss amounting to PKR 0.546 million) and dividend income amounting to PKR 0.225 million (December 31, 2018: PKR 0.315 million). As at December 31, 2019, net assets of the Fund were PKR 308.07 million representing the net asset value of PKR 103.2177 per unit. Subsequent to the half year ended December 31, 2019, UCPF III matured on January 25, 2020.

10) **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 12.47% against benchmark return of negative 20.16%. The fund manager maintained the exposure in local equity market of around 94% while exposure in cash stood at 6% at the end of Dec19. The net assets of the Fund were PKR 983mn as at December 31, 2019.

	UFSF	Benchmark
1HFY'20 Return:	12.47%	20.16%
Standard Deviation (12m Rolling):	17.18%	18.38%
Sharpe Ratio (12m Rolling):	0.04	(0.13)

Asset Allocation (% of Total Assets)	Oct'19	Nov'19	Dec'19
Equities	94%	83%	94%
T-bills	0%	0%	0%
Cash	4%	17%	6%
Others	2%	0%	0%
Leverage	Nil	Nil	Nil

UFSF vs. Benchmark

	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
UFSF	22.06%	12.47%	13.04%	-	-	-9.85%
Benchmark	26.98%	20.16%	9.90%	-	-	-12.51%

Returns are on absolute basis

The Fund earned a net income of PKR 83.311 million for the half year ended December 31, 2019 (including an unrealized gain of PKR 79.743 million on revaluation of investments)). As at December 31, 2019, net assets of the Fund were PKR 983.346 million representing the net asset value of PKR 90.1529 per unit.



11) UBL Dedicated Equity Fund (UDEF)

The investment objective of the Fund is to provide other 'Fund of Funds' schemes an avenue for investing in Equities. During the period under review, the fund declined by 21.22% whereas benchmark index's declining by 20.16%, the fund size stood at PKR 273mn at end of Dec19. The fund manager maintained the exposure in local equity market of around 90% while exposure in cash stood at 9% at the end of Dec19.

	UDEF	Benchmark
1HFY'20 Return:	21.22%	20.16%
Standard Deviation (12m Rolling):	18.19%	18.38%
Sharpe Ratio (12m Rolling):	(0.08)	(0.13)

Asset Allocation (% of Total Assets)	Oct'19	Nov'19	Dec'19
Equities	87%	92%	90%
T-bills	0%	0%	0%
Cash	11%	7%	9%
Others	2%	2%	1%
Leverage	Nil	Nil	Nil

UDEF vs. Benchmark

	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
UDEF	29.60%	21.22%	10.83%	-	-	-1.94%
Benchmark	26.98%	20.16%	9.90%	-	-	-3.33%

Returns are on absolute basis

The Fund earned a net income of PKR 42.220 million for the half year ended December 31, 2019 (including an unrealized gain of PKR 42.761 million on revaluation of investments)). As at December 31, 2019, net assets of the Fund were PKR 272.953 million representing the net asset value of PKR 98.0594 per unit.

12) UBL Financial Planning Fund (UFPP)

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

The Plan yielded return of 10.74% during 1HFY20. Major exposure was maintained in Money Market funds, thus maintaining high portfolio quality. The net assets of the Plan were PKR 103.4mn at the end of 1HFY20.

	UAPPP-I	Benchmark
1HFY'20 Return:	10.74%	10.61%
Standard Deviation (12m Rolling):	4.15%	4.22%
Sharpe Ratio (12m Rolling):	0.04	0.26



Asset Allocation (% of Total Assets)	Oct'19	Nov'19	Dec'19
Equity Funds	21%	31%	44%
Money Market Funds	78%	69%	56%
Income Funds	0%	0%	0%
Others	0%	0%	0%
Cash	0%	0%	0%
Leverage	Nil	Nil	Nil

UAPPP-I vs. Benchmark

	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
UAPPP-I	8.32%	10.74%	12.47%	-	-	14.18%
Benchmark	8.89%	10.61%	13.41%	-	-	16.00%

Returns are on absolute basis

The Plan earned a net income of PKR 9.933 million for the half year ended December 31, 2019 (including an unrealized gain of PKR 8.113 million on revaluation of investments). As at December 31, 2019, net assets of the Plan were PKR 103.481 million representing the net asset value of PKR 114.1761 per unit.

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

The Plan yielded return of 9.54% during 1H FY20. Major exposure was maintained in Placement with banks and equity funds, thus maintaining high portfolio quality. The net assets of the fund were PKR 239mn as at the December 31, 2019.

UAPPP-II Benchmark

1H FY'20 Return:	9.54%	11.79%
Standard Deviation (12m Rolling):	3.82%	3.94%
Sharpe Ratio (12m Rolling):	(0.45)	0.59

Asset Allocation (% of Total Assets)	Oct'19	Nov'19	Dec'19
Equity Funds	25%	33%	40%
Money Market Funds	15%	10%	3%
Income Funds	0%	0%	0%
Others	5%	5%	6%
Cash	0%	0%	0%
Placement with banks	54%	52%	51%
Leverage	Nil	Nil	Nil



UAPPP-II vs. Benchmark

	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
UAPPP-II	8.26%	9.54%	10.58%	-	-	13.65%
Benchmark	9.83%	11.79%	14.61%	-	-	18.55%

Returns are on absolute basis

The Plan earned a net income of PKR 20.736 million for the half year ended December 31, 2019 (including an unrealized gain of PKR 15.090 million on revaluation of investments)). As at December 31, 2019, net assets of the Plan were PKR 239.419 million representing the net asset value of PKR 111.1485 per unit.

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

The Plan yielded return of 10.8% during 1HFY20 against benchmark return of 11.93%. Major exposure was maintained in Money Market funds and Equity Funds, thus maintaining high portfolio quality. The net assets of the Plan were PKR 180.3mn as at the December 31, 2019.

UAPPP-III Benchmark

1HFY'20 Return:	10.88%	11.93%
Standard Deviation (12m Rolling):	5.38%	5.56%
Sharpe Ratio (12m Rolling):	(0.12)	0.16

Asset Allocation (% of Total Assets)	Oct'19	Nov'19	Dec'19
Equity Funds	29%	38%	50%
Money Market Funds	71%	62%	49%
Income Funds	0%	0%	0%
Others	0%	0%	1%
Cash	0%	0%	0%
Placement with banks	0%	0%	0%
Leverage	Nil	Nil	Nil

UAPPP-III vs. Benchmark

	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
UAPPP-III	10.63%	10.88%	11.64%	-	-	11.36%
Benchmark	10.74%	11.93%	13.16%	-	-	13.51%

Returns are on absolute basis

The Plan earned a net income of PKR 19.548 million for the half year ended December 31, 2019 (including an unrealized gain of PKR 16.351 million on revaluation of investments)). As at December 31, 2019, net assets of the Plan were PKR 180.302 million representing the net asset value of PKR 111.2335 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 18.58%. Major exposure was maintained in PIBs at the end of Dec19, thus maintaining high portfolio quality. The net assets of the fund was PKR 379.7mn as at the December 31, 2019.

	USSP-I	Benchmark
1HFY'20 Return:	18.58%	13.53%
Standard Deviation (12m Rolling):	2.41%	1.31%
Sharpe Ratio (12m Rolling):	(0.31)	0.09

Asset Allocation (% of Total Assets)	Oct'19	Nov'19	Dec'19
Placements with banks	0%	0%	0%
PIB*	97%	96%	96%
GOP Ijarah Sukuk	0%	0%	0%
Reverse Repo	0%	0%	0%
T-Bills	0%	0%	0%
Cash	0%	1%	1%
Others	3%	4%	4%
Leverage	Nil	Nil	Nil

USSP-I vs. Benchmark

	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
USSP-I (p.a)	16.42%	18.58%	11.54%	-	-	11.05%
Benchmark	13.37%	13.53%	12.42%	-	-	12.13%

Returns are annualized using the Morningstar Methodology

The Plan earned total income of PKR 22.278 million for the half year ended December 31, 2019. After accounting for the expenses of PKR 4.052 million, the Plan managed to earn a net income of PKR 18.226 million. As at December 31, 2019, net assets of the Plan were PKR 379.789 million representing a net asset value of PKR 101.8609 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 18.88%. Major exposure was maintained in PIB at the end of Dec19. The net assets of the Plan were PKR 774mn as at the 31 December 2019.



	USSP-II	Benchmark
1HFY'20 Return:	18.88%	13.53%
Standard Deviation (12m Rolling):	n/a	n/a
Sharpe Ratio (12m Rolling):	n/a	n/a

Asset Allocation (% of Total Assets)	Oct'19	Nov'19	Dec'19
Placements with banks	0%	0%	0%
PIB*	97%	96%	96%
GOP Ijarah Sukuk	0%	0%	0%
Reverse Repo	0%	0%	0%
T-Bills	0%	0%	0%
Cash	0%	1%	1%
Others	3%	4%	4%
Leverage	Nil	Nil	Nil

USSP-II vs. Benchmark

	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
USSP-II (p.a)	17.04%	18.88%	-	-	-	11.84%
Benchmark	13.37%	13.53%	-	-	-	12.62%

Returns are annualized using the Morningstar Methodology

The Plan earned total income of PKR 52.966 million for the half year ended December 31, 2019. After accounting for the expenses of PKR 6.273 million, the Plan managed to earn a net income of PKR 46.693 million. As at December 31, 2019, net assets of the Fund were PKR 774.214 million representing the net asset value of PKR 100.7762 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 20.97%. Major exposure was in PIB at the end of Dec19. The net assets of the Plan were PKR 147mn as at the 31 December 2019.

	USSP-III	Benchmark
1HFY'20 Return:	20.97%	13.53%
Standard Deviation (12m Rolling):	n/a	n/a
Sharpe Ratio (12m Rolling):	n/a	n/a



Asset Allocation (% of Total Assets)	Oct'19	Nov'19	Dec'19
Placements with banks	0%	0%	0%
PIB*	96%	95%	95%
GOP Ijarah Sukuk	0%	0%	0%
Reverse Repo	0%	0%	0%
T-Bills	0%	0%	0%
Cash	1%	1%	1%
Others	3%	4%	4%
Leverage	Nil	Nil	Nil

USSP-III vs. Benchmark

	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
JSSP-III (p.a)	19.74%	20.97%	-	-	-	15.31%
Benchmark	13.37%	13.53%	-	-	-	13.12%

Returns are annualized using the Morningstar Methodology

The Plan earned total income of PKR 20.875 million for the half year ended December 31, 2019. After accounting for the expenses of PKR 2.113 million, the Plan managed to earn a net income of PKR 18.762 million. As at December 31, 2019, net assets of the Plan were PKR 147.380 million representing the net asset value of PKR 103.2961 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 15.83%. Major exposure was in PIB at the end of Dec19. The net assets of the Plan were PKR 206mn as at the 31 December 2019.

	USSP-IV	Benchmark
1HFY'20 Return:	15.83%	13.53%
Standard Deviation (12m Rolling):	n/a	n/a
Sharpe Ratio (12m Rolling):	n/a	n/a



Asset Allocation (% of Total Assets)	Oct'19	Nov'19	Dec'19
Placements with banks	0%	0%	0%
PIB*	87%	87%	89%
GOP Ijarah Sukuk	0%	0%	0%
Reverse Repo	0%	0%	0%
T-Bills	0%	0%	0%
Cash	10%	10%	8%
Others	3%	3%	3%
Leverage	Nil	Nil	Nil

USSP-IV vs. Benchmark

	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
JSSP-IV (p.a)	14.38%	15.83%	-	-	-	14.64%
Benchmark	13.37%	13.53%	-	-	-	13.43%

Returns are annualized using the Morningstar Methodology

The Plan earned total income of PKR 13.87 million for the half year ended December 31, 2019. After accounting for the expenses of PKR 1.6 million, the Plan managed to earn a net income of PKR 12.266 million. As at December 31, 2019, net assets of the Plan were PKR 206.738 million representing the net asset value of PKR 101.8246 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 14.46%. The net assets of the Plan were PKR 6,806mn as at 31 December 2019.

	USSP-V	Benchmark
1HFY'20 Return:	14.46%	13.43%
Standard Deviation (12m Rolling):	n/a	n/a
Sharpe Ratio (12m Rolling):	n/a	n/a



Asset Allocation (% of Total Assets)	Oct'19	Nov'19	Dec'19
Placements with banks	0%	0%	0%
PIB*	1%	1%	1%
GOP Ijarah Sukuk	0%	0%	0%
Reverse Repo	0%	0%	0%
T-Bills*	94%	87%	87%
Cash	5%	11%	11%
Others	0%	0%	0%
Leverage	Nil	Nil	Nil

USSP-V vs. Benchmark

	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
USSP-V (p.a)	14.04%	-	-	-	-	14.46%
Benchmark	13.37%	-	-	-	-	13.43%

Returns are annualized using the Morningstar Methodology

During the period from 13 Sept 2019 to 31 December 2019 the Fund earned total income of PKR 242.069 million for the half year ended December 31, 2019. After accounting for the expenses of PKR 10.13 million, the Plan managed to earn a net income of PKR 231.943 million. As at December 31, 2019, net assets of the Plan were PKR 6,806.163 million representing the net asset value of PKR 104.1549 per unit.

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

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

	USSP-VI	Benchmark
1H FY'20 Return:	9.63%	13.56%
Standard Deviation (12m Rolling):	n/a	n/a
Sharpe Ratio (12m Rolling):	n/a	n/a



Asset Allocation (% of Total Assets)	Oct'19	Nov'19	Dec'19
Placements with banks	0%	0%	0%
PIB*	49%	49%	49%
GOP Ijarah Sukuk	0%	0%	0%
Reverse Repo	0%	0%	0%
T-Bills	43%	43%	43%
Cash	6%	6%	6%
Others	2%	2%	2%
Leverage	Nil	Nil	Nil

USSP-VI vs. Benchmark

	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
JSSP-VI (p.a)	8.73%	-	-	-	-	9.63%
Benchmark	13.37%	-	-	-	-	13.56%

Returns are annualized using the Morningstar Methodology

During the period from 09 August 2019 to 31 December 2019 the Plan earned total income of PKR 7.328 million for the half year ended December 31, 2019. After accounting for the expenses of PKR 0.91 million, the Plan managed to earn a net income of PKR 6.42 million. As at December 31, 2019, net assets of the Plan were PKR 198.328 million representing the net asset value of PKR 103.7984 per unit.

Future outlook

With stabilization policy in place, the country's overall macro-economic conditions have started to reap the fruits, as witnessed in improvement twin deficit, balance of payment and SBP's reserves. We expect inflation is likely to remain elevated for the next few months before easing off in 4QFY20. We believe interest rates have peaked out; however SBP is likely to maintain a status quo for next 1-2 MPS meeting before changing its stance in order to attract the more foreign flows in debt market, and on account of higher inflation reading for the near term.

On a cautious note, the assassination of Iranian Commander Qassem Soleimani by a US drone attack has created security concerns in the Middle East. Iran and its supporters, (as per news flows) have promised to retaliate and thus an escalation on that front cannot be ruled out.

Following this event, Brent Oil prices have increased by 6% to USD ~70.0/bbl, elevated oil prices could elongate stabilization efforts on account of heavy reliance on energy imports. Nevertheless, we think any significant Balance of Payment (BoP) crisis is unlikely, as hot-money flows and other bilateral and multilateral support will mitigate the increase in imports and current account deficit.

Notwithstanding the recent US-Iran tensions, we maintain our sanguine view on the Equity market. The market has rallied ~45% from its bottom in mid-Aug-2019; we think it can extend further with major catalysts in the offing including; a successful Eurobond, panda bond offering, likely favorable IMF review in for 2nd & 3rd quarter with improvement in macro-economic indicators yet to become more pronounced in the form of lower inflation readings. From a fundamental perspective, despite recent run-up, the market valuations remain attractive primarily due to double-digit growth in corporate profitability and current earnings yield differential from 10Y PIB yield is ~3.5%



which is still much higher than the average yield difference of 0.7% over the last 10 years. In addition to this, the market is currently trading at P/B of 1.2x which is significantly lower than the historical average of 1.8x.

Acknowledgements

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

FOR & ON BEHALF OF THE BOARD

-- sd --

Yasir Qadri
CHIEF EXECUTIVE

Karachi, Dated: 25 February 2020

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
Management Co.Rating	AM1 (VIS)

Head Office

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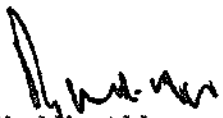
TRUSTEE REPORT TO THE UNIT HOLDERS

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, 2019 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, 2020



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 2019 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 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.



KPMG Taseer Hadi & Co.

The engagement partner on the engagement resulting in this independent auditor's review report is Zeeshan Rashid.

Date: 27 February 2020

Karachi

KPMG Taseer Hadi & Co.
KPMG Taseer Hadi & Co.
Chartered Accountants

UBL Special Savings Fund
Condensed Interim Statement of Assets and Liabilities (Un-Audited)
As at 31 December 2019

		31 December 2019						
		USSP-I	USSP-II	USSP-III	USSP-IV	USSP-V	USSP-VI	Total
Note		(Rupees in '000)						
Assets								
Bank balances	6	2,081	5,497	1,320	17,172	777,941	11,882	815,893
Investments	7	388,115	786,609	149,739	193,908	6,027,373	183,635	7,729,379
Profit receivables		14,628	29,755	5,794	7,356	11,632	3,755	72,920
Prepayments and other receivables		51	29	18	12	27	7	144
Preliminary expenses and floatation cost	8	700	-	-	-	-	-	700
Advance tax	9	214	108	112	4	-	-	438
Total assets		405,789	821,998	156,983	218,452	6,816,973	199,279	8,619,474
Liabilities								
Payable to the Management Company	10	3,055	1,920	409	256	3,803	661	10,104
Payable to Central Depository Company of Pakistan Limited - Trustee	11	23	49	15	13	394	11	505
Payable to Securities and Exchange Commission of Pakistan	12	42	86	27	21	360	12	548
Dividend payable		13,579	33,801	6,328	9,024	-	-	62,732
Accrued expenses and other payables	13	9,301	11,928	2,824	2,400	6,253	267	32,973
Total liabilities		26,000	47,784	9,603	11,714	10,810	951	106,862
Net assets		379,789	774,214	147,380	206,738	6,806,163	198,328	8,512,612
Unit holders' fund (as per statement attached)		379,789	774,214	147,380	206,738	6,806,163	198,328	8,512,612
Contingencies and commitments								
14		(Number of units)						
Number of units in issue		3,728,505	7,682,506	1,426,770	2,030,340	65,346,570	1,910,706	
		(Rupees)						
Net assets value per unit		101.8609	100.7762	103.2961	101.8246	104.1549	103.7984	

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

For UBL Fund Managers Limited
(Management Company)

SD

Chief Financial Officer

SD

Chief Executive Officer

SD

Director

UBL Special Savings Fund
Condensed Interim Statement of Assets and Liabilities (Audited)
As at 30 June 2019

Assets

Bank balances
Investments
Profit receivables
Prepayments and other receivables
Preliminary expenses and floatation cost
Advance tax
Total assets

30 June 2019				
USSP-I	USSP-II	USSP-III	USSP-IV	Total
(Rupees in '000)				
23,311	39,497	543	37,274	100,625
426,850	840,705	255,564	130,003	1,653,122
16,294	33,486	11,179	6,212	67,171
-	22,152	191	9,894	32,237
890	-	-	-	890
214	39	36	3	292
467,559	935,879	267,513	183,386	1,854,337

Liabilities

Payable to the Management Company
Payable to Central Depository Company of Pakistan Limited - Trustee
Payable to Securities and Exchange Commission of Pakistan
Dividend payable
Accrued expenses and other payables
Total liabilities

2,447	983	1,957	219	5,606
40	77	22	14	153
229	213	23	10	475
-	627	-	-	627
5,123	32,160	686	356	38,325
7,839	34,060	2,688	599	45,186

Net assets

459,720	901,819	264,825	182,787	1,809,151
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Unit holders' fund (as per statement attached)

459,720	901,819	264,825	182,787	1,809,151
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Contingencies and commitments

Number of units in issue

(Number of units)			
4,709,959	9,257,824	2,678,767	1,833,947

Net assets value per unit

(Rupees)			
97.6060	97.4116	98.8607	99.6688

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

For UBL Fund Managers Limited
(Management Company)

SD

Chief Financial Officer

SD

Chief Executive Officer

SD

Director

UBL Special Savings Fund
Condensed Interim Income Statement (Un-Audited)
For the 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	Total	For the period from 09 November 2018 to 31 December 2018
		USSP-I	USSP-II	USSP-III	USSP-IV	USSP-V	USSP-VI		USSP-I
Note		(Rupees in '000)							
Income									
Profit on bank deposits and profit / return on investments calculated using the effective interest method	15	25,811	52,713	17,272	13,914	242,671	7,782	360,163	5,375
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	5,375
Expenses									
Remuneration of the Management Company	10	2,083	4,304	1,357	1,054	1,800	602	11,200	555
Sindh sales tax on the Management Company's remuneration		271	560	177	137	234	78	1,457	72
Allocation of expenses relating to the Fund	10	-	-	-	-	1,807	-	1,807	55
Selling and marketing expenses	10	833	-	-	-	-	-	833	-
Remuneration of Central Depository Company of Pakistan Limited - Trustee	11	141	292	92	71	1,220	40	1,856	63
Annual fee of Securities and Exchange Commission of Pakistan	12	42	86	27	21	360	12	548	42
Auditors' remuneration		50	43	35	38	18	21	205	132
Formation cost		190	-	-	-	-	-	190	54
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	973
Net income for the period from operating activities		18,591	47,627	19,137	12,511	236,583	6,549	340,998	4,402
Provision for Sindh Workers' Welfare Fund (SWWF)	13.1	(365)	(934)	(375)	(245)	(4,640)	(129)	(6,688)	(87)
Net income for the period before taxation		18,226	46,693	18,762	12,266	231,943	6,420	334,310	4,315
Taxation	16	-	-	-	-	-	-	-	-
Net income for the period after taxation		18,226	46,693	18,762	12,266	231,943	6,420	334,310	4,315
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	4,315
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	4,315
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	4,315
		16,935	42,580	10,293	12,051	226,272	5,989	314,120	4,315
Earnings per unit									

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

For UBL Fund Managers Limited
(Management Company)

SD

Chief Financial Officer

SD

Chief Executive Officer

SD

Director

UBL Special Savings Fund
Condensed Interim Income Statement (Un-Audited)
For the quarter ended 31 December 2019

Quarter ended 31 December 2019							Total	For the period from 09 November 2018 to 31 December 2018 USSP-I
Note	USSP-I	USSP-II	USSP-III	USSP-IV	USSP-V	USSP-VI		
	(Rupees in '000)							
Income								
Profit on bank deposits and Profit / return on investments calculated using the effective interest method	15	11,793	23,680	7,966	6,783	214,344	6,385	270,951
Realised (loss) / gain 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)	13.1	(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	16	-	-	-	-	-	-	-
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 / (loss)		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 21 form an integral part of these condensed interim financial information.

For UBL Fund Managers Limited
(Management Company)

SD

Chief Financial Officer

SD

Chief Executive Officer

SD

Director

UBL Special Savings Fund
Condensed Interim Statement of Comprehensive Income (Un-Audited)
For the 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	Total	For the period from 09 November 2018 to 31 December 2018
	USSP-I	USSP-II	USSP-III	USSP-IV	USSP-V	USSP-VI		USSP-I
	(Rupees in '000)							
Net income for the period after taxation	18,226	46,693	18,762	12,266	231,943	6,420	334,310	4,315
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	35,171	74,471	25,570	15,606	226,559	5,424	382,801	4,315

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

For UBL Fund Managers Limited
(Management Company)

SD

Chief Financial Officer

SD

Chief Executive Officer

SD

Director

UBL Special Savings Fund
Condensed Interim Statement of Comprehensive Income (Un-Audited)
For the quarter ended 31 December 2019

	Quarter ended 31 December 2019						Total	For the quarter from 09 November 2018 to 31 December 2018 USSP-I
	USSP-I	USSP-II	USSP-III	USSP-IV	USSP-V	USSP-VI		
	(Rupees in '000)							
Net income for the quarter after taxation	9,959	20,610	10,471	5,955	204,915	5,175	257,085	4,315
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	15,433	32,811	11,926	7,305	200,050	4,179	271,704	4,315

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

For UBL Fund Managers Limited
(Management Company)

SD

Chief Financial Officer

SD

Chief Executive Officer

SD

Director

UBL Special Savings Fund
Condensed Interim Statement of Movement in Unit Holders' Fund (Un-Audited)
For the half year ended 31 December 2019

	Half year ended 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				For the period from 09 November 2018 to 31 December 2018							
	USSP-I				USSP-II				USSP-III				USSP-IV				USSP-V				USSP-VI				USSP-I							
	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	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)				(Rupees in '000)				(Rupees in '000)				(Rupees in '000)				(Rupees in '000)			
Net assets at beginning of the period	471,249	136	(11,665)	459,720	925,449	1,024	(24,654)	901,819	267,855	(60)	(2,970)	264,825	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, 2,135,978 units (31 December 2018 : 7,176,217 units)																																
- Capital value	293	-	-	293	-	-	-	-	1,088	-	-	1,588	36,636	-	-	36,636	6,725,599	-	-	6,725,599	213,597	-	-	213,597	6,977,713	-	-	6,977,713	717,622			
- Element of income during the period relating to other comprehensive income	-	-	9	9	-	-	-	-	-	-	35	35	-	-	(76)	(76)	-	-	11,486	11,486	-	-	(27)	(27)	-	-	11,427	11,427	-			
- Relating to net income for the period after taxation	5	-	-	5	-	-	-	-	46	-	-	46	299	-	-	299	40,202	-	-	40,202	2,406	-	-	2,406	42,918	-	-	42,918	2,079			
Total proceeds on issuance of units	298	-	-	298	-	-	-	-	1,634	-	35	1,669	36,935	-	(76)	36,819	6,765,801	-	11,486	6,777,287	216,003	-	(27)	215,976	7,026,631	-	11,427	7,032,058	719,701			
Redemption of 984,454, 1,575,318, 1,368,063, 171,190, 1,009,421 and 225,273 units (31 December 2018 : 2,014,976 units)																																
- Capital value	(96,089)	-	-	(96,089)	(153,454)	-	-	(153,454)	(125,362)	-	-	(125,362)	(17,062)	-	-	(17,062)	(190,941)	-	-	(190,941)	(22,528)	-	-	(22,528)	(605,436)	-	-	(605,436)	(201,498)			
- Element of income during the period relating to other comprehensive income	-	-	(1,250)	(1,250)	-	-	(2,254)	(2,254)	-	-	(3,010)	(3,010)	-	-	(40)	(40)	-	-	(352)	(352)	-	-	124	124	-	-	(6,782)	(6,782)	-			
- Relating to net income for the period after taxation	179	(1,291)	-	(1,112)	(1)	(4,113)	(2,254)	(4,114)	-	(8,469)	-	(8,469)	-	(215)	-	(215)	(719)	(5,671)	-	(6,390)	(237)	(431)	-	(668)	(778)	(20,190)	-	(20,968)	-			
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)	(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)	(201,498)			
Total comprehensive income for the period	-	10,226	16,945	35,171	-	46,693	27,778	74,471	-	18,762	6,808	25,570	-	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 (31 December 2018 : @ Rs. 0.8513 per unit paid)	(8)	(16,945)	(5)	(16,958)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(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)	-	-	-	-	-	-	-	-	-	-	-	-	(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	(8)	1,281	16,940	18,213	-	4,439	27,778	32,217	(33)	10,997	6,763	17,727	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	(2,079)			
Net assets at end of the period	375,629	126	4,034	375,789	771,894	1,350	870	774,214	144,094	2,468	818	147,380	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	516,124			
Undistributed income brought forward:																																
- Realised income	136	-	-	-	1,024	-	-	-	(60)	-	-	-	(78)	-	-	-	-	-	-	-	-	-	-	-	1,022	-	-	-	-			
- Unrealised income	136	-	-	-	1,024	-	-	-	(60)	-	-	-	(78)	-	-	-	-	-	-	-	-	-	-	-	1,022	-	-	-	-			
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	-	-	4,315	-			
	16,935	-	-	-	42,580	-	-	-	10,293	-	-	-	12,051	-	-	-	226,272	-	-	-	5,989	-	-	-	314,120	-	-	4,315	-			
Distribution during the period																																
- UBL Special Savings Plan I @ Rs. 4.5 per unit paid on 28 December 2019 (31 December 2018 : @ Rs. 0.8513 per unit paid)	(16,945)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(16,945)	-	-	-	-			
- 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	-	-	-	-	-	-	-	-	(7,765)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(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	126	-	-	-	1,350	-	-	-	2,468	-	-	-	997	-	-	-	226,272	-	-	-	5,989	-	-	-	237,202	-	-	-	1,191			
Undistributed income carried forward comprise of:																																
- Realised income	126	-	-	-	1,350	-	-	-	2,468	-	-	-	997	-	-	-	226,272	-	-	-	5,989	-	-	-	237,202	-	-	-	1,191			
- Unrealised income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
	126	-	-	-	1,350	-	-	-	2,468	-	-	-	997	-	-	-	226,272	-	-	-	5,989	-	-	-	237,202	-	-	-	1,191			
	(Rupees)																															
Net assets value per unit at end of the period	101.8609				100.7762				103.2961				101.8246				104.1549				103.7884				100.2307							

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

For UBL Fund Managers Limited
(Management Company)

SD

Chief Financial Officer

SD

Chief Executive Officer

SD

Director

UBL Special Savings Fund
Condensed Interim Cash Flow Statement (Un-Audited)
For the half year ended 31 December 2019

	Half year ended December, 2019				For the period from 13 Sept 2019 to 31 December 2019	For the period from 09 August 2019 to 31 December 2019	Total	For the period from 09 November 2018 to 31 December 2018
	USSP-I	USSP-II	USSP-III	USSP-IV	USSP-V	USSP-VI		USSP-I
	(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	4,315
Adjustments:								
Profit on bank deposits and profit / return on investments calculated using the effective interest method	(25,811)	(52,713)	(17,272)	(13,914)	(242,671)	(7,782)	(360,163)	(5,375)
Provision for Sindh Workers' Welfare Fund	365	934	375	245	4,640	129	6,688	87
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)	(5,288)
	(3,207)	(4,860)	(1,332)	(1,346)	(5,486)	(732)	(16,963)	(973)
<i>(Increase) / decrease in assets</i>								
Investments	60,508	98,588	121,731	(55,867)	(6,033,033)	(184,448)	(5,992,521)	-
Prepayments and other receivables	(51)	22,123	173	9,882	(27)	(7)	32,093	(53)
Preliminary expenses and floatation cost	-	-	-	-	-	-	-	(1,077)
Advance tax	-	(69)	(76)	(1)	-	-	(146)	-
	60,457	120,642	121,828	(45,986)	(6,033,060)	(184,455)	(5,960,574)	(1,130)
<i>Increase / (decrease) in liabilities</i>								
Payable to the Management Company	608	937	(1,548)	37	3,803	661	4,498	2,596
Payable to Central Depository Company of Pakistan Limited - Trustee	(17)	(28)	(7)	(1)	394	11	352	46
Payable to Securities and Exchange Commission of Pakistan	(187)	(127)	4	11	360	12	73	42
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)	1,063
	17,796	12,790	6,540	10,870	6,170	822	54,988	3,747
Profits received during the period	18,826	39,504	16,756	8,015	230,713	3,343	317,157	1,284
Net cash generated from / (used) in operating activities	93,872	168,076	143,792	(28,447)	(5,801,663)	(181,022)	(5,605,392)	2,928
CASH FLOWS FROM FINANCING ACTIVITIES								
Proceeds from issuance of units	294	-	1,591	36,638	6,777,287	215,976	7,031,786	719,101
Payments on redemption of units	(98,451)	(159,822)	(136,841)	(17,317)	(197,683)	(23,072)	(633,186)	(201,498)
Total distribution to unit holders	(16,945)	(42,254)	(7,765)	(10,976)	-	-	(77,940)	(5,203)
Net cash (used) in / generated from financing activities	(115,102)	(202,076)	(143,015)	8,345	6,579,604	192,904	6,320,660	512,400
Net (decrease) / increase in cash and cash equivalents	(21,230)	(34,000)	777	(20,102)	777,941	11,882	715,268	515,328
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>	<u>515,328</u>
Cash and cash equivalents								
Bank balances	<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>	<u>515,328</u>

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

For UBL Fund Managers Limited
(Management Company)

SD
Chief Financial Officer

SD
Chief Executive Officer

SD
Director

UBL Special Savings Fund

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

For the half year ended 31 December 2019

1. LEGAL STATUS AND NATURE OF BUSINESS

UBL Special Savings Fund (the Fund) was established under the Non Banking Finance Companies (Establishment & Regulation) Rules, 2003 (the NBFC Rules) and Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations) and was approved as an open end mutual fund by the Securities and Exchange Commission of Pakistan ("SECP"). It was constituted under a Trust Deed, dated 19 October 2018 between UBL Fund Managers Limited (a wholly owned subsidiary company of United Bank Limited) as the Management Company and Central Depository Company of Pakistan Limited ("CDC") as the Trustee. The Fund commenced its operations from 09 November 2018.

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

The Fund has been categorized by the Management Company as Capital protected fund. The Fund consists of six plans namely, UBL Special Savings Fund - Plan I ("USSP I"), UBL Special Savings Fund - Plan II ("USSP II"), UBL Special Savings Fund - Plan III ("USSP III"), UBL Special Savings Fund - Plan IV ("USSP IV"), UBL Special Savings Fund - Plan V ("USSP V") and UBL Special Savings Fund - Plan VI ("USSP VI") The investment objectives of each plan is as follows:

The "UBL Special Savings Plan-I (USSP-I)" shall be an open-end Capital Protected Fund that aims to not only provide its unit-holders capital preservation but competitive regular returns from a portfolio of fixed income investments in line with the risk tolerance of the Investor.

The "UBL Special Savings Plan-II (USSP-II)" is an allocation plan under "UBL Special Savings Fund" with an objective to earn competitive regular return with capital preservation for unit holders who held their investment within Plan for thirty six (36) months & beyond from (commencement of life of Plan).

The "UBL Special Savings Plan-III (USSP-III)" is an allocation plan under "UBL Special Savings Fund" with an objective to earn competitive regular return with capital preservation for unit holders who held their investment within Plan for thirty six (36) months & beyond from (commencement of life of Plan).

The "UBL Special Savings Plan-IV (USSP-IV)" is an allocation plan under "UBL Special Savings Fund" with an objective to earn competitive regular return with capital preservation for unit holders who held their investment within Plan for twenty four (24) months & beyond from (commencement of life of Plan).

The "UBL Special Savings Plan-V (USSP-V)" is an Allocation Plan under "UBL Special Savings Fund" with an objective to earn competitive regular return with capital preservation for unit holders who held their investment within Plan for thirty six (36) months & beyond from (Commencement of Life of Plan).

The "UBL Special Savings Plan-VI (USSP-VI)" is an Allocation Plan under "UBL Special Savings Fund" with an objective to earn competitive regular return with capital preservation for unit holders who held their investment within Plan for twenty four (24) months & beyond from (Commencement of Life of Plan).

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

VIS Credit Rating Company has re-affirmed quality rating of 'AM1' (stable outlook) to the Management Company as on 31 December 2019.

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

In case where requirements differ, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules and the NBFC Regulations have been followed.

2.1.2 This condensed interim financial information does not include all the information and disclosures required in the annual financial statements and should therefore be read in conjunction with the annual audited financial statements of the Fund as at and for the year ended 30 June 2019. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Fund's financial position and performance since the last financial statements.

2.1.3 In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that these condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at 31 December 2019.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

3. SIGNIFICANT ACCOUNTING 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 2019.

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 2019.

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 2019.

6. BANK BALANCES

6.	BANK BALANCES	Note	31 December 2019 (Un-Audited)						
			USSP I	USSP II	USSP III	USSP IV	USSP V	USSP VI	Total
			(Rupees in '000)						
	Saving accounts	6.1	<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>
				Note	30 June 2019 (Audited)				
					USSP I	USSP II	USSP III	USSP IV	Total
					(Rupees in '000)				
	Saving accounts			6.1	<u>23,311</u>	<u>39,497</u>	<u>543</u>	<u>37,274</u>	<u>100,625</u>
6.1	These carry profit rates ranging from 13.55% to 14.25% (30 June 2019: 7% to 13.15%) per annum.								

6.1 These carry profit rates ranging from 13.55% to 14.25% (30 June 2019: 7% to 13.15%) per annum.

7. INVESTMENTS

		31 December 2019 (Un-Audited)						
	Note	USSP-I	USSP-II	USSP-III	USSP-IV	USSP-V	USSP-VI	Total
At fair value through other comprehensive income								
Government securities								
- Pakistan investment bonds	7.1	388,115	786,609	149,739	193,908	93,683	97,418	1,709,472
- Market Treasury Bills	7.1	-	-	-	-	5,933,690	86,217	6,019,907
		<u>388,115</u>	<u>786,609</u>	<u>149,739</u>	<u>193,908</u>	<u>6,027,373</u>	<u>183,635</u>	<u>7,729,379</u>
30 June 2019 (Audited)								
		USSP I	USSP II	USSP III	USSP IV	USSP V	USSP VI	Total
(Rupees in '000)								
At fair value through other comprehensive income								
Government securities - Pakistan investment bonds	7.1			426,850	840,705	255,564	130,003	1,653,122

7.1 Investment in Government Securities - at fair value through other comprehensive income

Issue date	Tenor	Face value				Amortised Cost as at 31 December 2019	Market value as at 31 December 2019	Market value as a percentage of	
		As at 01 July 2019	Purchased during the period	Sold / matured during the period	As at 31 December 2019			Total investments of plan	Net assets of the Plan
		----- (Rupees in '000) -----							
Held by USSP I									
Pakistan Investment Bonds									
12 July 2018	3 years	480,500	-	159,500	321,000	299,237	297,820	76.73%	78.42%
12 July 2018	5 years	-	100,000	-	100,000	83,582	90,295	23.27%	23.78%
		<u>480,500</u>	<u>100,000</u>	<u>159,500</u>	<u>421,000</u>	<u>382,819</u>	<u>388,115</u>	<u>100.00%</u>	<u>102.20%</u>
Held by USSP II									
Pakistan Investment Bonds									
12 July 2018	3 years	761,000	-	101,000	660,000	615,481	612,341	77.85%	79.09%
12 July 2018	5 years	200,000	-	7,000	193,000	167,954	174,268	22.15%	22.51%
		<u>961,000</u>	<u>-</u>	<u>108,000</u>	<u>853,000</u>	<u>783,435</u>	<u>786,609</u>	<u>100.00%</u>	<u>101.60%</u>
Held by USSP III									
Pakistan Investment Bonds									
12 July 2018	3 years	195,000	-	92,000	103,000	95,313	95,562	63.82%	64.84%
12 July 2018	5 years	100,000	-	40,000	60,000	50,587	54,177	36.18%	36.76%
		<u>295,000</u>	<u>-</u>	<u>132,000</u>	<u>163,000</u>	<u>145,900</u>	<u>149,739</u>	<u>100.00%</u>	<u>101.60%</u>

Issue date	Tenor	Face value				Amortised Cost as at 31 December 2019	Market value as at 31 December 2019	Market value as a percentage of	
		As at 01 July 2019	Purchased during the period	Sold / matured during the period	As at 31 December 2019			Total investments of plan	Net assets of the Plan
		----- (Rupees in '000) -----							
Held by USSP IV									
Pakistan Investment Bonds									
12 July 2018	3 years	100,000	109,000	-	209,000	191,124	193,908	100.00%	93.79%
12 July 2018	5 years	50,000	-	50,000	-	-	-	0.00%	0.00%
		<u>150,000</u>	<u>109,000</u>	<u>50,000</u>	<u>209,000</u>	<u>191,124</u>	<u>193,908</u>	<u>100.00%</u>	<u>93.79%</u>
Held by USSP V									
Pakistan Investment Bonds									
19 September 2019	3 years	-	100,000	-	100,000	93,807	93,683	1.55%	1.38%
		<u>-</u>	<u>100,000</u>	<u>-</u>	<u>100,000</u>	<u>93,807</u>	<u>93,683</u>	<u>1.55%</u>	<u>1.38%</u>
Market Treasury Bills									
18 July 2019	3 months	-	1,975,000	1,975,000	-	-	-	-	-
1 August 2019	3 months	-	450,000	450,000	-	-	-	-	-
12 September 2019	6 months	-	500,000	-	500,000	487,352	487,286	8.08%	7.16%
12 September 2019	1 year	-	2,500,000	-	2,500,000	2,289,523	2,289,433	37.98%	33.64%
26 September 2019	1 year	-	1,656,000	-	1,656,000	1,509,316	1,509,642	25.05%	22.18%
10 October 2019	1 year	-	1,000,000	-	1,000,000	909,968	907,546	15.06%	13.33%
24 October 2019	3 months	-	500,000	500,000	-	-	-	-	-
24 October 2019	6 months	-	500,000	200,000	300,000	288,459	288,017	4.78%	4.23%
24 October 2019	1 year	-	500,000	-	500,000	454,318	451,766	7.50%	6.64%
		<u>-</u>	<u>9,581,000</u>	<u>3,125,000</u>	<u>6,456,000</u>	<u>5,938,936</u>	<u>5,933,690</u>	<u>98.45%</u>	<u>87.18%</u>
Held by USSP VI									
Pakistan Investment Bonds									
12 July 2018	3 years	-	125,000	20,000	105,000	97,988	97,418	53.05%	49.12%
		<u>-</u>	<u>125,000</u>	<u>20,000</u>	<u>105,000</u>	<u>97,988</u>	<u>97,418</u>	<u>53.05%</u>	<u>49.12%</u>
Market Treasury Bills									
10 October 2019	3 months	-	75,000	75,000	-	-	-	-	-
10 October 2019	1 year	-	155,000	60,000	95,000	86,630	86,217	46.95%	43.47%
		<u>-</u>	<u>230,000</u>	<u>135,000</u>	<u>95,000</u>	<u>86,630</u>	<u>86,217</u>	<u>46.95%</u>	<u>43.47%</u>

8. PRELIMINARY EXPENSES AND FLOATATION COST

	31 December 2019 (Un-Audited)						30 June 2019 (Audited)
	USSP I	USSP II	USSP III	USSP IV	USSP V	USSP VI	USSP I
	(Rupees in '000)						
Deferred formation cost	890	-	-	-	-	-	1,131
Amortisation during the period	(190)	-	-	-	-	-	(241)
Unamortised formation cost at end of the period	700	-	-	-	-	-	890

- 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. The management is confident that the same shall be refunded after filing of Income Tax Return for the Tax year 2020.

10. PAYABLE TO THE MANAGEMENT COMPANY

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

During the period ended 31 December 2019, the Management Company has charged remuneration at the rate of 1% and 0.1% per annum of average daily net assets of USSP I, USSP II, USSP III, USSP IV, USSP VI and USSP V respectively.

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.

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.

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

The Trustee is entitled to a remuneration for services rendered to the Fund under the provisions of the Trust Deed and Offering Document as per the tariff specified therein, based on the daily net assets value of the Fund. The remuneration is paid to the Trustee on monthly basis in arrears. The tariff structure applicable to the Fund in respect of the trustee fee has been revised effective from 01 July 2019 where by the revised tariff is 0.06% per annum of average daily net assets.

12. PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

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

13. ACCRUED EXPENSES AND OTHER PAYABLES

	Note	31 December 2019 (Un-Audited)						
		USSP I	USSP II	USSP III	USSP IV	USSP V	USSP VI	Total
		(Rupees in '000)						
Provision for Sindh Workers' Welfare Fund (SWWF)	13.1	937	1,514	435	276	4,640	129	7,931
Auditors' remuneration payable		37	37	37	37	18	22	188
Withholding tax payable		3,365	8,413	1,431	1,953	-	-	15,162
Zakat deducted at source		715	1,329	39	-	-	-	2,083
Other payables		4,247	635	882	134	1,595	116	7,609
		<u>9,301</u>	<u>11,928</u>	<u>2,824</u>	<u>2,400</u>	<u>6,253</u>	<u>267</u>	<u>32,973</u>
		30 June 2019 (Audited)						
		USSP I	USSP II	USSP III	USSP IV			Total
Provision for Sindh Workers' Welfare Fund (SWWF)		561	580	68	31			1,240
Auditors' remuneration payable		123	50	17	6			196
Withholding tax payable		3,130	3,695	448	212			7,485
Zakat deducted at source		715	1,288	32	-			2,035
Other payables		594	26,547	121	107			27,369
		<u>5,123</u>	<u>32,160</u>	<u>686</u>	<u>356</u>			<u>38,325</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 2019.

The Fund has recognised provision for SWWF amounting to Rs. 0.365, Rs. 0.934, Rs. 0.375, Rs. 0.245, Rs. 4.64 and Rs. 0.129 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. 0.2512, Rs. 0.1971, Rs. 0.3007, Rs. 0.1361, Rs. 0.0710 and Rs. 0.0673 per unit respectively (30 June 2019 : USSP I Rs 0.1191 ,USSP II Rs 0.0626 ,USSP III Rs 0.0252, USSP IV Rs 0.0168).

14. CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments outstanding as at 31 December 2019.

**15. PROFIT ON BANK DEPOSITS AND PROFIT / RETURN ON INVESTMENTS
CALCULATED USING THE EFFECTIVE INTEREST METHOD**

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	For the period from 09 November 2018 to 31 December 2018
USSP I	USSP II	USSP III	USSP IV	USSP V	USSP VI		USSP I
(Rupees in '000)							
Profits on:							
- Bank balances	473	1,604	410	2,053	13,110	2,908	5,375
- Pakistan investment bonds	25,338	51,109	16,862	11,861	1,859	1,942	-
- Treasury bills	-	-	-	-	227,702	2,932	-
	<u>25,811</u>	<u>52,713</u>	<u>17,272</u>	<u>13,914</u>	<u>242,671</u>	<u>7,782</u>	<u>5,375</u>

Quarter ended 31 December 2019 (Un-Audited)						Total	For the period from 09 November 2018 to 31 December 2018
USSP I	USSP II	USSP III	USSP IV	USSP V	USSP VI		USSP I
(Rupees in '000)							
Profits on:							
- Bank balances	139	239	95	869	12,759	1,511	5,375
- Pakistan investment bonds	11,654	23,441	7,871	5,914	1,859	1,942	-
- Treasury bills	-	-	-	-	199,726	2,932	-
	<u>11,793</u>	<u>23,680</u>	<u>7,966</u>	<u>6,783</u>	<u>214,344</u>	<u>6,385</u>	<u>5,375</u>

16. TAXATION

The Fund's income is exempt from Income Tax as per Clause (99) of Part 1 of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90 percent of the accounting income for the year, as reduced by the capital gains whether realised or unrealised, is distributed to the unit holders in cash. The Fund is also exempt from the provision of Section 113 (minimum tax) under Clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The Fund has not recorded a tax liability in the current period, as the Management Company intends to distribute more than 90 percent of the Fund's accounting income as reduced by capital gains (whether realised or unrealised) for the year ended 30 June 2020 to its unit holders.

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).

	2019					
	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), Al - Ameen Islamic Financial Services (Private) Limited (Subsidiary of the Management Company), entities under the common management or directorship, Central Depository Company of Pakistan Limited as trustee and custodian of the Fund, the directors and officers of the Management Company and unit holders holding 10% or more of the Fund's net assets.

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

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

	Management Company	Associated companies	Trustee	Funds under common management	Directors and key executives	Other connected persons / related parties
----- (Transaction during the period ended 31 December 2019) -----						
----- (Rupees in '000) -----						
USSP I						
Sale of securities	-	44,330	-	3,721	-	-
Remuneration	2,083	-	125	-	-	-
Sindh sales tax on remuneration	271	-	16	-	-	-
Selling and marketing expense	833	-	-	-	-	-
----- Balances held as at 31 December 2019 (Un-Audited) -----						
----- (Rupees in '000) -----						
Remuneration payable*	384	-	23	-	-	-
Sales load and other payables	1,133	27	-	-	-	-
Formation cost payable	1,132	-	-	-	-	-
Payable against selling and marketing	406	-	-	-	-	-

* 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
USSP II	----- (Transaction during the period ended 31 December 2019) ----- ----- (Rupees in '000) -----					
Sale of securities	-	-	-	4,641	-	-
Remuneration	4,304	-	258	-	-	-
Sindh sales tax on remuneration	560	-	34	-	-	-
	-----Balances held as at 31 December 2019 (Un-Audited) ----- ----- (Rupees in '000) -----					
Remuneration payable*	776	-	49	-	-	-
Sales load and other payables	1,144	564	-	-	-	-
* This balance is inclusive of Sindh Sales Tax.						
USSP III	----- (Transaction during the period ended 31 December 2019) ----- ----- (Rupees in '000) -----					
Dividend paid	-	-	-	-	-	891
Remuneration	1,357	-	81	-	-	-
Sindh sales tax on remuneration	177	-	11	-	-	-
	-----Balances held as at 31 December 2019 (Un-Audited) ----- ----- (Rupees in '000) -----					
Units held (units in '000)	-	-	-	-	-	162
Units held (Rupees in '000)	-	-	-	-	-	16,734
Remuneration payable*	245	-	15	-	-	-
Sales load and other payables	164	43	-	-	-	-
Dividend payable						891
* This balance is inclusive of Sindh Sales Tax.						
USSP IV	----- (Transaction during the period ended 31 December 2019) ----- ----- (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 31 December 2019 (Un-Audited) -----						
----- (Rupees in '000) -----						
Units held (units in '000)	-	-	-	-	-	856
Units held (Rupees in '000)	-	-	-	-	-	87,162
Remuneration payable*	207	-	13	-	-	-
Sales load and other payables	49	68	-	-	-	-
Dividend payable						4,709

* This balance is inclusive of Sindh Sales Tax.

USSP V

----- (Transaction during the period from 13 September 2019 to 31 December 2019) -----						
----- (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 31 December 2019 (Un-Audited) -----						
----- (Rupees in '000) -----						
Units held (units in '000)	-	-	-	-	-	62,548
Units held (Rupees in '000)	-	-	-	-	-	6,514,681
Remuneration payable*	656	-	394	-	-	-
Sales load and other payables	2,008	15				
Reimbursement of expenses	1,139					

* This balance is inclusive of Sindh Sales Tax.

USSP VI

----- (Transaction during the period from 9 August 2019 to 31 December 2019) -----						
----- (Rupees in '000) -----						
Units issued	-	-	-	-	6	-
Remuneration	602	-	35			
Sindh sales tax on remuneration	78	-	5			
Profit on savings accounts	-	-	-	-	-	-

-----Balances held as at 31 December 2019 (Un-Audited) -----						
----- (Rupees in '000) -----						
Units held (units in '000)	-	-	-	-	6	-
Units held (Rupees in '000)	-	-	-	-	623	-
Remuneration payable*	190	-	11	-	-	-
Sales load and other payables	471	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 from 9 November 2018 to 31 December 2018) -----						
----- (Rupees in '000) -----						
USSP I						
Units issued	201,498	-	-	-	-	-
Units redeemed	201,498	-	-	-	-	-
Dividend paid	1,703					
Allocated expenses	55	-	-	-	-	-
Remuneration*	627	-	63	-	-	-

----- Balances held as at 30 June 2019 (Audited) -----						
----- (Rupees in '000) -----						
Remuneration payable*	451	-	40	-	-	-
Sales load and other payables	363	-	-	-	-	-
Formation cost payable	1,137	-	-	-	-	-
Payable against selling and marketing	496	-	-	-	-	-

* This balance is inclusive of Sindh Sales Tax.

----- Balances held as at 30 June 2019 (Audited) -----						
----- (Rupees in '000) -----						
USSP II						
Remuneration payable*	855	-	77	-	-	-
Sales load and other payables	128	-	-	-	-	-

* This balance is inclusive of Sindh Sales Tax.

----- Balances held as at 30 June 2019 (Audited) -----						
----- (Rupees in '000) -----						
USSP III						
Units held (units in '000)	-	-	-	-	-	1,069
Units held (Rupees in '000)	-	-	-	-	-	105,682
Remuneration payable*	244	-	22	-	-	-
Sales load and other payables	1,713	-	-	-	-	-

* This balance is inclusive of Sindh Sales Tax.

----- Balances held as at 30 June 2019 (Audited) -----						
----- (Rupees in '000) -----						
USSP IV						
Units held (units in '000)	-	-	-	-	-	856
Units held (Rupees in '000)	-	-	-	-	-	85,316
Remuneration payable*	155	-	14	-	-	-
Sales load and other payables	64	-	-	-	-	-

* This balance is inclusive of Sindh Sales Tax.

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.

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

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

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

		31 December 2019 (Un-Audited)								
		USSP I								
On-balance sheet financial instruments		Carrying amount				Fair value				
		Mandatorily at fair value through profit or loss	Designated as at fair value through profit or loss	At fair value through other comprehensive income	Amortised cost	Total	Level 1	Level 2	Level 3	Total
	Note	----- (Rupees in '000) -----								
Financial assets measured at fair value										
Investment in Debt Securities.	7	-	-	388,115	-	388,115	-	388,115	-	388,115
Financial assets not measured at fair value										
Bank balances	20.2	-	-	-	2,081	2,081				
Profits receivables		-	-	-	14,628	14,628				
Prepayments and other receivables		-	-	-	51	51				
		-	-	-	16,760	16,760				
Financial liabilities not measured at fair value										
Payable to the Management Company	20.2	-	-	-	3,055	3,055				
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	23	23				
Dividend payable		-	-	-	13,579	13,579				
Accrued expenses and other payables		-	-	-	8,364	8,364				
		-	-	-	25,021	25,021				

On-balance sheet financial instruments		USSP II								
		Carrying amount				Fair value				
		Mandatorily at fair value through profit or loss	Designated as at fair value through profit or loss	At fair value through other comprehensive income	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Note		----- (Rupees in '000) -----								
Financial assets measured at fair value										
Investment in Debt Securities.	7	-	-	786,609	-	786,609	-	786,609	-	786,609
Financial assets not measured at fair value										
Bank balances	20.2	-	-	-	5,497	5,497				
Profits receivables		-	-	-	29,755	29,755				
Prepayments and other receivables		-	-	-	29	29				
		-	-	-	35,281	35,281				
Financial liabilities not measured at fair value										
Payable to the Management Company	20.2	-	-	-	1,920	1,920				
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	49	49				
Dividend payable		-	-	-	33,801	33,801				
Accrued expenses and other payables		-	-	-	10,414	10,414				
		-	-	-	46,184	46,184				
		USSP III								
On-balance sheet financial instruments		Carrying amount				Fair value				
		Mandatorily at fair value through profit or loss	Designated as at fair value through profit or loss	At fair value through other comprehensive income	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Note		----- (Rupees in '000) -----								
Financial assets measured at fair value										
Investment in Debt Securities.	7	-	-	149,739	-	149,739	-	149,739	-	149,739
Financial assets not measured at fair value										
Bank balances	20.2	-	-	-	1,320	1,320				
Profits receivables		-	-	-	5,794	5,794				
Prepayments and other receivables		-	-	-	18	18				
		-	-	-	7,132	7,132				
Financial liabilities not measured at fair value										
Payable to the Management Company	20.2	-	-	-	409	409				
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	15	15				
Dividend payable		-	-	-	27	27				
Accrued expenses and other payables		-	-	-	2,389	2,389				
		-	-	-	2,840	2,840				

Financial assets measured at fair value

Financial assets not measured at fair value

Financial liabilities not measured at fair value

20.2	-	-	-	256	256
	-	-	-	13	13
	-	-	-	9,024	9,024
	-	-	-	2,124	2,124
	-	-	-	11,417	11,417

Financial assets measured at fair value

Financial assets not measured at fair value

Financial liabilities not measured at fair value

20.2	-	-	-	3,803	3,803
	-	-	-	394	394
	-	-	-	1,613	1,613
	-	-	-	5,810	5,810

		USSP VI								
On-balance sheet financial instruments		Carrying amount				Fair value				
		Mandatorily at fair value through profit or loss	Designated as at fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Note		----- (Rupees in '000) -----								
Financial assets measured at fair value										
Investments	7	-	-	183,635	-	183,635	-	183,635	-	183,635
Financial assets not measured at fair value	20.2									
Bank balances		-	-	-	11,882	11,882				
Profits receivables		-	-	-	3,755	3,755				
Prepayments and other receivables		-	-	-	7	7				
		-	-	-	15,644	15,644				
Financial liabilities not measured at fair value	20.2									
Payable to the Management Company		-	-	-	661	661				
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	11	11				
Accrued expenses and other payables		-	-	-	138	138				
		-	-	-	810	810				
30 June 2019 (Audited)										
USSP I										
On-balance sheet financial instruments		Carrying amount				Fair value				
		Mandatorily at fair value through profit or loss	Designated as at fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Note		----- (Rupees in '000) -----								
Financial assets measured at fair value										
Investments	7	-	-	426,850	-	426,850	-	426,850	-	426,850
Financial assets not measured at fair value	20.2									
Bank balances		-	-	-	23,311	23,311				
Profits receivables		-	-	-	16,294	16,294				
Prepayments and other receivables		-	-	-	-	-				
		-	-	-	39,605	39,605				
Financial liabilities not measured at fair value	20.2									
Payable to the Management Company		-	-	-	2,447	2,447				
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	40	40				
Accrued expenses and other payables		-	-	-	4,562	4,562				
		-	-	-	7,049	7,049				

On-balance sheet financial instruments		USSP II								
		Carrying amount				Fair value				
		Mandatorily at fair value through profit or loss	Designated as at fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Note		(Rupees in '000)								
Financial assets measured at fair value										
Investments	7	-	-	840,705	-	840,705	-	840,705	-	840,705
Financial assets not measured at fair value										
20.2										
Bank balances		-	-	-	39,497	39,497				
Profits receivables		-	-	-	33,486	33,486				
Prepayments and other receivables		-	-	-	22,152	22,152				
		-	-	-	95,135	95,135				
Financial liabilities not measured at fair value										
20.2										
Payable to the Management Company		-	-	-	983	983				
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	77	77				
Dividend payable		-	-	-	627	627				
Accrued expenses and other payables		-	-	-	31,580	31,580				
		-	-	-	33,267	33,267				
On-balance sheet financial instruments		USSP III								
		Carrying amount				Fair value				
		Mandatorily at fair value through profit or loss	Designated as at fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Note		(Rupees in '000)								
Financial assets measured at fair value										
Investments	7	-	-	255,564	-	255,564	-	255,564	-	255,564
Financial assets not measured at fair value										
20.2										
Bank balances		-	-	-	543	543				
Profits receivables		-	-	-	11,179	11,179				
Prepayments and other receivables		-	-	-	191	191				
		-	-	-	11,913	11,913				
Financial liabilities not measured at fair value										
20.2										
Payable to the Management Company		-	-	-	1,957	1,957				
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	22	22				
Accrued expenses and other payables		-	-	-	618	618				
		-	-	-	2,597	2,597				

On-balance sheet financial instruments

On-balance sheet financial instruments		USSP IV								
		Carrying amount				Fair value				
		Mandatorily at fair value through profit or loss	Designated as at fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total	Level 1	Level 2	Level 3	Total
		(Rupees in '000)								
Financial assets measured at fair value	Note									
Investments	7	-	-	130,003	-	130,003	-	130,003	-	130,003
Financial assets not measured at fair value	20.2									
Bank balances		-	-	-	37,274	37,274				
Profits receivables		-	-	-	6,212	6,212				
Prepayments and other receivables		-	-	-	9,894	9,894				
		-	-	-	53,380	53,380				
Financial liabilities not measured at fair value	20.2									
Payable to the Management Company		-	-	-	219	219				
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	14	14				
Accrued expenses and other payables		-	-	-	325	325				
		-	-	-	558	558				

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. GENERAL

21.1 All financial information presented has been rounded off to the nearest thousand rupees unless otherwise stated.

21.2 This condensed interim financial information was authorized for issue by Board of Directors of the Management Company on 25 February, 2020

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 National Bank of Pakistan
Management Co. Rating	AM1 (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



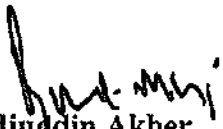
TRUSTEE REPORT TO THE UNIT HOLDERS

UBL 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, 2019 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, 2020



Grant Thornton

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the unitholders' of UBL Stock Advantage Fund

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **UBL Stock Advantage Fund** ("the Fund") as at **December 31, 2019** and the related 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, and notes to the condensed financial statements for the six months then ended (here-in-after referred to as the "interim financial statements"). Management 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.

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.

Other Matter

The financial statements of the Fund for the half year ended December 31, 2018 and for the year ended June 30, 2019 were reviewed and audited by another auditor who expressed an un-modified conclusion / opinion on those statements dated February 27, 2019 and September 24, 2019 respectively.

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

Chartered Accountants

Karachi

Date: February 25, 2020

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Karachi 75530

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UBL STOCK ADVANTAGE FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT DECEMBER 31, 2019

		(Un-audited) December 31, 2019	(Audited) June 30, 2019
	Note	----- (Rupees in 000') -----	
ASSETS			
Bank balances	4	452,475	370,665
Investments	5	5,967,416	5,092,738
Dividend and profit receivable		26,578	32,378
Receivable against purchase of investments		-	12,139
Security deposits, prepayments and other receivables		8,414	8,763
Advance tax	6	2,942	2,938
Total assets		6,457,825	5,519,621
LIABILITIES			
Payable to UBL Fund Managers Limited - Management Company	7	23,476	17,811
Payable to Central Depository Company of Pakistan Limited -Trustee		710	620
Payable to Securities and Exchange Commission of Pakistan	8	508	6,348
Payable against purchase of investments		18,082	-
Accrued expenses and other liabilities	9	120,989	97,181
Total liabilities		163,765	121,960
Net Assets		6,294,060	5,397,661
Unitholders' Fund (As Per Statement Attached)		6,294,060	5,397,661
CONTINGENCIES AND COMMITMENTS			
	10	----- (Number of units) -----	
Number of Units in Issue		91,102,992	94,106,978
		----- (Rupees) -----	
Net Asset Value Per Unit		69.09	57.36
Face Value per Unit		100	100

The annexed notes from 1 to 18 form an integral part of this condensed interim 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, 2019

		Half year ended December 31,		Quarter ended December 31,	
		2019	2018	2019	2018
Note		(Rupees in 000')			
INCOME					
		23,974	23,306	15,414	8,528
		(19,109)	(45,798)	28,950	(62,539)
		139,987	181,788	81,337	96,696
		229	-	-	-
			</		

The annexed notes from 1 to 18 form an integral part of this condensed interim 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, 2019

	Half year ended December 31,		Quarter ended December 31,	
	2019	2018	2019	2018
	----- (Rupees in 000') -----			
Net income/(loss) for the period after taxation	987,738	(721,789)	1,331,870	(638,063)
Other comprehensive income	-	-	-	-
Total comprehensive income/(loss) for the period	987,738	(721,789)	1,331,870	(638,063)

The annexed notes from 1 to 18 form an integral part of this condensed interim 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, 2019

	December 31, 2019			December 31, 2018
	Capital value	Undistributed income	Total	Total
	------(Rupees. in 000')-----			
Net assets at beginning of the period	5,211,407	186,254	5,397,661	6,891,411
Amount received on issuance of 45,275,250 units (2018: 37,025,064 units)				
- Capital value	2,596,988	-	2,596,988	2,536,587
- Element of income/(loss)	181,933	-	181,933	(43,724)
Total amount received on issuance of units	2,778,921	-	2,778,921	2,492,863
Amount paid on redemption of 48,279,236 units (2018: 35,668,470 units)				
- Capital value	(2,769,297)	-	(2,769,297)	(2,443,647)
- Element of income/(loss)	6,159	(107,122)	(100,963)	56,917
Total amount paid on redemption of units	(2,763,138)	(107,122)	(2,870,260)	(2,386,730)
Total comprehensive income/(loss) for the period	-	987,738	987,738	(721,789)
Net assets at end of the period	<u>5,227,190</u>	<u>1,066,869</u>	<u>6,294,060</u>	<u>6,275,755</u>
Undistributed income brought forward comprising of:				
- Realised	-	1,276,940	1,276,940	1,721,841
- Unrealised	-	(1,090,686)	(1,090,686)	(436,754)
Undistributed income brought forward - net	-	186,254	186,254	1,285,087
Accounting income available for distribution				
- Related to capital gain	-	820,025	820,025	-
- Excluding capital gain	-	60,591	60,591	-
	-	880,616	880,616	-
Net loss for the period after taxation	-	-	-	(721,789)
Undistributed income carried forward - net	-	<u>1,066,869</u>	<u>1,066,869</u>	<u>563,298</u>
Undistributed income carried forward comprising of:				
- Realised	-	121,757	121,757	1,327,041
- Unrealised	-	945,112	945,112	(763,743)
	-	<u>1,066,869</u>	<u>1,066,869</u>	<u>563,298</u>
	------(Rupees)-----			
Net assets value per unit at the beginning of the period			57.36	68.51
Net assets value per unit at the end of the period			<u>69.09</u>	<u>61.56</u>

The annexed notes from 1 to 18 form an integral part of this condensed interim 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 CASH FLOWS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2019

	December 31, 2019	December 31, 2018
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income/(loss) for the period before taxation	987,738	(721,789)
Adjustments for non-cash charges and other items:		
Profit on bank deposits	(23,974)	(23,306)
Loss on sale of securities - net	19,109	45,798
Dividend income	(139,987)	(181,788)
Provision for Sindh Workers' Welfare Fund	19,767	-
Other income	(229)	-
Unrealised (gain)/loss on re-measurement of investments classified as FVTPL	(945,112)	763,743
	(1,070,426)	604,447
	(82,688)	(117,342)
Decrease / (increase) in assets		
Investments	51,554	(260,996)
Security deposits, prepayments and other receivables	12,488	(78,202)
	64,042	(339,198)
Increase / (decrease) in liabilities		
Payable to UBL Fund Managers Limited - Management	5,665	(1,138)
Payable to Central Depository Company of Pakistan Limited	90	(26)
Payable to Securities and Exchange Commission	(5,840)	(3,095)
Payable against purchase of investments	18,082	79,044
Accrued expenses and other liabilities	4,041	(3,020)
	22,038	71,765
Cash generated from/(used in) operations	3,393	(384,775)
Profit received on bank deposits	19,343	23,173
Dividend received	150,418	186,956
Income tax paid	(4)	(16)
Net cash inflow from/(used in) operating activities	173,149	(174,662)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net receipts from issuance of units	2,778,921	2,492,863
Net payments on redemption of units	(2,870,260)	(2,386,730)
Net cash (used in)/inflow from financing activities	(91,339)	106,133
Net increase/(decrease) in cash and cash equivalents during the period	81,810	(68,529)
Cash and cash equivalents at the beginning of the period	370,665	581,965
Cash and cash equivalents at the end of the period	452,475	513,436

The annexed notes from 1 to 18 form an integral part of this condensed interim 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, 2019

1. LEGAL STATUS AND NATURE OF BUSINESS

UBL Stock Advantage Fund (the Fund) was established under the Trust Deed executed between UBL Fund Managers Limited (a wholly owned subsidiary company of United Bank Limited) as the Management Company and Central Depository Company of Pakistan Limited (CDCPL) 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 is registered with the SECP as a Non-Banking Finance Company under the NBFC Rules, 2003. The registered office of the Management Company is situated at 4th Floor, STSM Building, Beaumont Road, Civil Lines, Karachi, Pakistan.

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

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

JCR-VIS Credit Rating Company Limited has reaffirmed management quality rating of AM1 to the Management Company as on December 31, 2019.

Title to the assets of the Fund is held in the name of the CDCPL 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 and Notified Entities Regulations, 2008 (the NBFC Regulations), the NBFC Rules and requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017 along with 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 along with 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, however, 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, 2019.

The comparative statement of assets and liabilities presented in this condensed interim financial statements has been extracted from the annual audited financial statements of the Fund for the year ended June 30, 2019, whereas the comparative condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of 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, 2018.

UBL STOCK ADVANTAGE FUND
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR 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, 2019.

2.2 Basis of measurement

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

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

2.3 Functional and presentation currency

Items included in this condensed interim financial statements are measured using the currency of the primary economic environment in which the Fund operates. This condensed interim financial statements is presented in Pakistani 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 the same as those applied in the preparation of annual audited financial statements for the year ended June 30, 2019 except for the adoption of the following new and amendments standards, interpretation and improvements to IFRS by the Company which became effective for the current period:

IFRS 16 - Leases

IFRS 9 - Prepayment Features with Negative Compensation (Amendments)

IAS 19 - Plan Amendment, Curtailment or Settlement (Amendments)

IAS 28 - Long-term Interests in Associates and Joint Ventures (Amendments)

IFRIC 23 - Uncertainty over Income Tax Treatments

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

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

		(Unaudited) December 31, 2019	(Audited) June 30, 2019
4. BANK BALANCES	Note	-----Rupees in 000'-----	
- Profit and loss sharing accounts	4.1	449,713	370,576
- Current account		2,762	89
		<u>452,475</u>	<u>370,665</u>

- 4.1** Profit rates on these accounts range between 3.75% to 13.55% (June 30, 2019: 6.2% to 11.25%) per annum.

		(Unaudited) December 31, 2019	(Audited) June 30, 2019
5. INVESTMENTS	Note	-----Rupees in 000'-----	
At FVTPL			
- equity securities	5.1	5,967,416	5,092,738
- government securities	5.2	-	-
		<u>5,967,416</u>	<u>5,092,738</u>

UBL STOCK ADVANTAGE FUND
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2019

5.1 Equity securities

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

Name of Investee Company		As at July 01, 2019	Purchased / bonus received during the period	Sold during the period	As at December 31, 2019	Total carrying value as at December 31, 2019	Total market value as at December 31, 2019	Appreciation / (diminution) as at December 31, 2019	Market value as a percentage of net assets	Market value as a percentage of total value of Investment	Investment as a percentage of paid-up capital of investee company
Quoted investments		Note	Shares		Rupees in '000			Percentage (%)			
OIL AND GAS MARKETING COMPANIES											
Hascol Petroleum Limited		27,500	-	(27,500)	-	-	-	-	0.00	0.00	0.00
Pakistan State Oil Company Limited	5.3 and 5.4	777,915	198,263	(307,100)	669,078	94,863	128,222	33,359	2.04	2.14	171.02
						94,863	128,222	33,359	2.04	2.14	
OIL AND GAS EXPLORATION COMPANIES											
Oil & Gas Development Company Limited	5.3	2,608,152	784,662	(531,900)	2,860,914	369,285	407,165	37,880	6.47	6.81	66.52
Pakistan Petroleum Limited		1,236,417	642,483	(311,500)	1,567,400	183,175	214,953	31,778	3.42	3.60	69.13
Pakistan Oilfields Limited		427,548	23,500	(200,600)	250,448	101,103	111,880	10,777	1.78	1.87	88.23
National Refinery Limited		58,900	-	(47,700)	11,200	1,271	1,580	309	0.03	0.03	14.01
Mari Petroleum Company Limited		372,872	68,837	(30,500)	411,209	373,459	538,725	165,266	8.56	9.01	339.07
						1,028,293	1,274,304	246,011	20.25	21.31	
GLASS MANUFACTURING COMPANIES											
Tariq Glass Industries Limited		-	385,500	-	385,500	35,168	41,249	6,080	0.66	0.69	524.79
						35,168	41,249	6,080	0.66	0.69	
FERTILIZER											
Engro Corporation Limited		1,083,426	71,500	(404,400)	750,526	200,806	259,119	58,313	4.12	4.33	130.26
Engro Fertilizers Limited	5.3	1,511,301	100,000	(780,500)	830,801	53,803	61,006	7,202	0.97	1.02	62.22
Fauji Fertilizer Company Limited		1,969,409	614,000	(372,000)	2,211,409	198,091	224,392	26,300	3.57	3.75	173.82
Fauji Fertilizer Bin Qasim Limited		2,663,924	-	(2,663,924)	-	-	-	-	0.00	0.00	0.00
						452,701	544,516	91,816	8.65	9.11	
CHEMICALS											
Engro Polymer & Chemicals Limited		4,243,398	348,000	(1,099,500)	3,491,898	94,538	115,966	21,428	1.84	1.94	384.18
Lotte Chemical Pakistan Limited		1,223,000	-	(1,223,000)	-	-	-	-	0.00	0.00	0.00
						94,538	115,966	21,428	1.84	1.94	
CEMENT											
Cherat Cement Company Limited		893,955	-	(893,455)	500	14	27	12	0.00	0.00	0.28
Maple Leaf Cement Factory		100,000	-	(100,000)	-	-	-	-	0.00	0.00	0.00
Kohat Cement Company Limited		2,621,710	1,156,272	(168,000)	3,609,982	191,063	279,413	88,349	4.44	4.67	1797.25
Lucky Cement Limited	5.3	303,398	92,000	(113,700)	281,698	104,620	120,679	16,059	1.92	2.02	87.11
Pioneer Cement Limited		940,500	-	(940,500)	-	-	-	-	0.00	0.00	0.00
						295,698	400,119	104,421	6.36	6.69	
PAPER AND BOARD											
Century Paper and Board Mills		1,454,072	220,000	-	1,674,072	53,192	84,842	31,650	1.35	1.42	1138.68
Packages Limited		127,600	-	(81,800)	45,800	13,766	18,262	4,497	0.29	0.31	51.24
						66,957	103,104	36,147	1.64	1.72	
INSURANCE											
Adamjee Insurance Company Limited		4,765,015	929,744	(100,000)	5,594,759	198,371	235,483	37,113	3.74	3.94	1598.50
IGI Holdings Limited		-	167,000	-	167,000	29,443	34,068	4,625	0.54	0.57	117.09
						227,814	269,551	41,738	4.28	4.51	
COMMERICAL BANKS											
Bank Alfalah Limited		8,692,589	1,479,227	(2,038,500)	8,133,316	354,580	371,693	17,112	5.91	6.22	457.66
Habib Bank Limited		3,595,099	1,192,200	(1,738,400)	3,048,899	368,857	479,958	111,101	7.63	8.03	207.85
National Bank Of Pakistan		50,326	-	(50,000)	326	11	14	3	0.00	0.00	0.02
MCB Bank Limited		1,686	100,000	(100,000)	1,686	286	346	59	0.01	0.01	0.14
United Bank Limited		3,127,891	363,100	(1,202,000)	2,288,991	335,859	376,539	40,680	5.98	6.30	186.98
Faysal Bank Limited	5.4	44,364	-	-	44,364	955	844	(111)	0.01	0.01	2.92
Allied Bank Limited		2,854,226	404,800	(101,800)	3,157,226	325,256	301,831	(23,425)	4.80	5.05	275.72
Bank Al Habib Limited		7,000	3,922,000	-	3,929,000	276,630	299,233	22,603	4.75	5.00	353.51
						1,662,433	1,830,456	168,023	29.08	30.61	
TEXTILE COMPOSITE											
Nishat Mills Limited		1,065,031	208,000	(365,500)	907,531	82,514	96,325	13,811	1.53	1.61	258.11
Gul Ahmed Textile Mills Limited		2,529,121	432,224	(1,198,000)	1,763,345	69,194	76,018	6,824	1.21	1.27	494.63
Kohinoor Textile Mills Limited	5.4	738,639	2,386,494	(1,000)	3,124,133	85,635	122,060	36,425	1.94	2.04	1043.83
						237,343	294,403	57,060	4.68	4.92	
POWER GENERATION AND DISTRIBUTION											
The Hub Power Company Limited	5.3	4,826,954	185,000	(1,415,000)	3,596,954	284,143	335,776	51,633	5.33	5.62	277.30
Saif Power Limited		1,530,316	1,202,903	(60,000)	2,673,219	48,915	56,031	7,116	0.89	0.94	691.70
Lalpir Power limited		2,001,643	327,000	(327,000)	2,001,643	26,021	29,044	3,022	0.46	0.49	526.97
Pak Gen Power Limited		2,355,835	1,764,639	(125,000)	3,995,474	56,657	73,197	16,540	1.16	1.22	1073.82
K-Electric Limited (face value Rs. 3.5 per share)		6,799,547	705,937	(3,045,000)	4,460,484	19,313	19,492	179	0.31	0.33	16.15
						435,050	513,540	78,490	8.16	8.59	
AUTOMOBILE PARTS AND ACCESSORIES											
Thal Limited (face value Rs. 5 per share)		285,920	138,600	(38,100)	386,420	136,395	130,699	(5,696)	2.08	2.19	476.89
						136,395	130,699	(5,696)	2.08	2.19	
ENGINEERING											
International Steels Limited		17,420	-	(17,420)	-	-	-	-	0.00	0.00	0.00
Pak Eelektron Limited		469,500	-	(180,000)	289,500	5,796	7,837	2,041	0.12	0.13	53.35
International Industries Limited		240,800	770,230	(290,800)	720,230	60,593	79,830	19,237	1.27	1.34	546.12
						66,389	87,667	21,278	1.39	1.47	
FOOD AND PERSONAL CARE PRODUCTS											
Al Shaheer Corporation	5.4	2,233,418	150,000	-	2,383,418	30,585	33,678	3,093	0.54	0.56	1677.08
						30,585	33,678	3,093	0.54	0.56	
PHARMACEUTICALS											
The Searle Company Limited	5.4	258,426	-	(184,200)	74,226	10,879	14,009	3,131	0.22	0.23	34.94
						10,879	14,009	3,131	0.22	0.23	
TECHNOLOGY & COMMUNCATION											
Systems Limited		1,079,100	247,000	(38,500)	1,287,600	123,462	160,049	36,587	2.54	2.68	1042.42
						123,462	160,049	36,587	2.54	2.68	
BROKERAGE											
Anif Habib Limited		-	455,000	-	455,000	23,738	25,885	2,147	0.41	0.43	689.39
						23,738	25,885	2,147	0.41	0.43	
Total December 31, 2019						5,022,304	5,967,416	945,112			
Total June 30, 2019						6,183,424	5,092,738	(1,090,686)			

UBL STOCK ADVANTAGE FUND
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2019

5.2 Government securities

Issue Date	Tenor	Face value				Market value as at December 31, 2019
		As at July 01, 2019	Purchased during the period	Sold / matured during the period	As at December 31, 2019	

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

Market treasury bills

18-Jul-2019	3 months	-	300,000	300,000	-	-
07-Nov-2019	3 months	-	300,000	300,000	-	-
07-Nov-2019	3 months	-	300,000	300,000	-	-
		-	900,000	900,000	-	-

Carrying value before marked to market as at December 31, 2019

-

5.3 The above equity securities include 0.987 million shares (June 30, 2019: 1.641 million shares) pledged with National Clearing Company of Pakistan Limited having market value of Rs. 86.205 million (June 30, 2019: Rs. 117.475 million) for guaranteeing settlement of the Fund's trades in accordance with circular No. 11 dated October 23, 2007 issued by the SECP.

5.4 The Finance Act, 2014 brought amendments in the Income Tax Ordinance, 2001 (ITO 2001) whereby the bonus shares received by a shareholder are to be treated as income and a tax at the rate of 5 percent is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the company declaring bonus shares which shall be considered as final discharge of tax liability on such income. The Management Company of the Fund jointly with other Asset Management Companies (AMCs) and Mutual Funds Association of Pakistan, has filed a petition in Honorable Sindh High Court to declare the amendments brought in ITO 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the mutual funds based on the premise of exemptions available to mutual funds under clause 99 of Part I and clause 47B of Part IV of Second Schedule to the ITO 2001. The Honorable Sindh High Court has granted stay order till the final outcome of the case. Certain investee companies of the Fund, in pursuance of aforesaid amendment, withheld shares equivalent to 5% of bonus announcement of the Fund having fair market value of Rs. 11.030 million (June 30, 2019: Rs. 8.792 million) at period end. Such shares have not been deposited by the investee companies in CDC account of income tax department. The Fund has included in its investments the withheld shares and recorded them at fair market value at period end. Through Finance Act, 2018, the tax on bonus shares is withdrawn.

6. ADVANCE TAX

The income of the Fund is exempt under clause 99 of Part I of the Second Schedule of the ITO 2001 (ITO 2001). Further, the Fund is exempt under clause 47(B) of Part IV of Second Schedule of ITO 2001 from withholding tax under section 150, 151 and 233 of ITO 2001. The Federal Board of Revenue (FBR), through a circular "C.No.1 (43) DG (WHT)/ 2008-Vol.II- 66417-R" 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 financial year ended June 30, 2016, prior to receiving tax exemption certificate(s) from CIR various withholding agents had deducted advance tax under section 150 and 151 of ITO 2001. The Management Company has filed refund application and is confident that the same shall be refunded.

7. PAYABLE TO UBL FUND MANAGERS LIMITED MANAGEMENT COMPANY	Note	(Unaudited) December 31, 2019	(Audited) June 30, 2019
		-----Rupees in '000'-----	
Management fee (including Sindh sales tax there against)		12,247	10,522
Sales load and conversion charges		1,549	516
Allocated expenses	7.1	1,529	999
Selling and marketing expenses	7.2	8,135	5,757
Other payable		17	17
		23,476	17,811

UBL STOCK ADVANTAGE FUND
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2019

7.1 Allocated expenses

As per regulation 60(3)(s) of the amended NBFC Regulations dated November 25, 2015, fee and expenses pertaining to registrar services, accounting, operation and valuation services related to a Collective Investment Scheme (CIS) were chargeable to the scheme, maximum up to 0.1% of the average annual net assets or the actual cost whichever is lower. SECP vide S.R.O. 639 (I)/2019 has substituted the clause (s) and (v) of sub regulation 3 of regulation 60 and has removed the maximum cap of 0.1%, accordingly the Management Company during the period has charged the expense 0.1% of the average annual net assets.

7.2 Selling and marketing expenses

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

The Management Company has charged fee and expenses related to selling and marketing expenses at the rate of 1.01% per annum of net assets of the Fund.

		(Unaudited) December 31, 2019	(Audited) June 30, 2019
8. PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	-----Rupees in 000'-----	
SECP fee	8.1	<u>508</u>	<u>6,348</u>

8.1 Under the provisions of the NBFC Regulations, a collective investment scheme classified as equity scheme is required to pay annual fee to the SECP equivalent to 0.095% of the average annual net assets of the Fund. SECP vide S.R.O 685(I)/2019 has revised the rate of annual fees to 0.02% effective from July 01, 2019.

		(Unaudited) December 31, 2019	(Audited) June 30, 2019
9. ACCRUED EXPENSES AND OTHER LIABILITIES	Note	-----Rupees in 000'-----	
Auditors remuneration		303	359
Zakat deducted at source		279	244
Brokerage and settlement charges		3,121	1,652
Capital gain tax		2,206	6
Provision for indirect taxes and duties	9.1	45,195	45,195
Provision for Sindh Workers' Welfare Fund	9.2	69,156	49,389
Other payables		730	336
		<u>120,989</u>	<u>97,181</u>

9.1 Provision for indirect taxes and duties

This includes provision for federal excise duty (FED) as at December 31, 2019 amounting to Rs. 34.896 million (June 30, 2019: Rs. 34.896 million). There is no change in the status of the legal proceeding on this matter, which has been fully disclosed in note 14.1 to the annual audited financial statements for the year ended June 30, 2019. As a matter of abundant caution, the Management Company has maintained full provision for FED aggregating to Rs. 45.195 million. Had the provision not been provided for, the net assets value per unit would have been higher by Re. 0.38 (June 30, 2019: Re. 0.37).

UBL STOCK ADVANTAGE FUND
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2019

9.2 Provision for Sindh Workers' Welfare Fund

This represents provision for Sindh Workers' Welfare Fund (SWWF) as at December 31, 2019. 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 0.76 (June 30, 2019: Re. 0.52). The details regarding this provision are disclosed in note 14.2 to the annual audited financial statements for the year ended June 30, 2019.

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

10. CONTINGENCIES AND COMMITMENTS

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

11. TAXATION

According to Regulation 63 of the NBFC Regulations, the Management Company is required to distribute, by way of dividend, more than 90 percent of accounting income received or derived from sources other than capital gains (both realised and unrealised) during the year. Since the Fund has incurred net loss during the half year ended December 31, 2019, no provision for taxation has been made in this condensed interim financial information as the management believes that the Fund will qualify for exemption under clause 99 of Part I of the Second Schedule to the ITO 2001.

12. EARNINGS PER UNIT

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

13. TOTAL EXPENSE RATIO

As per Directive 23 of 2016 dated July 20, 2016 issued by the SECP, the Total Expense Ratio of the Fund is 2.03% as on December 31, 2019 (June 30, 2019: 3.20%) and this includes 0.54% (June 30, 2019: 0.40%) representing sales tax, Sindh Workers' Welfare Fund and SECP fee.

14. FAIR VALUES OF ASSETS AND LIABILITIES

The carrying values of all financial assets and liabilities are estimated to approximate their fair values. There were no transfers amongst levels during the period.

UBL STOCK ADVANTAGE FUND**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)****FOR THE HALF YEAR ENDED DECEMBER 31, 2019****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, 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	-	-	-	-	-

UBL STOCK ADVANTAGE FUND
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2019

Half year ended December 31, 2018

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	317	-	-	43	11,096
Units redeemed	678	26	-	56	-

(Rupees in '000)

Profit on bank deposits	-	2,037	-	-	-
Bank charges	-	22	-	-	-
Value of units issued	20,000	-	-	2,804	750,000
Value of units redeemed	45,209	1,850	-	3,566	-
Purchase of securities	-	51,805	-	-	-
Sale of securities	-	171,701	-	-	-
Dividend received	-	14,641	-	-	-
Remuneration (including sales tax)	82,543	-	4,697	-	-
Allocation of expenses	3,653	-	-	-	-
CDS expenses	-	-	206	-	-
Selling And Marketing Expense	14,610	-	-	-	-

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

As at December 31, 2019

(Units in '000)

Balances held

Units held	2,619	-	-	408	35,276
------------	-------	---	---	-----	--------

(Rupees in '000)

Units held	180,936	-	-	28,186	2,437,206
Bank balances	-	20,443	-	-	-
Deposits	-	-	100	-	-
Investments	-	376,539	-	-	292,797
Profit receivable	-	284	-	-	-
Remuneration payable	12,247	-	709	-	-
Sales load payable	1,194	14	-	-	-
Conversion charges payable	78	-	-	-	-
Allocated expenses payable	1,529	-	-	-	-
Selling and marketing expense payable	8,135	-	-	-	-
Other Payable	17	-	-	-	-

UBL STOCK ADVANTAGE FUND
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE 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
--------------------	--	---------	-------------------------------	-------------------------------------	---

As at June 30, 2019

(Units in '000)

Balances held

Units held	3,732	69	-	-	220	7,633
------------	-------	----	---	---	-----	-------

(Rupees in '000)

Units held	256	5	-	-	15	523
Bank balances	-	51,764	-	-	-	-
Deposits	-	-	100	-	-	-
Investments	-	395,974	-	-	-	-
Profit receivable	-	472	-	-	-	-
Remuneration payable	13,367	-	761	-	-	-
Sales load and conversion charges payable	311	3	-	-	-	-
Allocated expenses payable	1,204	-	-	-	-	-
Selling and marketing expense payable	7,248	-	-	-	-	-
Other Payable	17	-	-	-	-	-

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

** These include transactions and balances in relation to the entities where common directorship exists as at 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 The 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, 2018 have not been reviewed.

18. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on 25 February, 2020 by the Board of Directors of the Management Company.

For UBL Fund Managers Limited
 (Management Company)

SD

Chief Executive Officer

SD

Chief Financial Officer

SD

Director

UMMF

UBL Money Market Fund

INVESTMENT OBJECTIVE

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

Management Company	UBL Fund Managers Limited
Trustee	Central Depository Company of Pakistan Limited 99-B, Block-B, S.M.C.H.S., Main Shahra-e-Faisal, Karachi. Tel: (9221) 111-111-500
Distribution Company	United Bank Limited (for detail of others, please visit our website: www.ublfunds.com.pk)
Auditor	KPMG - Taseer Hadi & Co
Bankers	United Bank Limited Bank Alfalah Limited MCB Bank Limited Faysal Bank Limited Samba Bank Limited Allied Bank Limited Habib Bank Limited Sindh Bank Limited Zarai Taraqiat Bank Ltd Habib Metropolitan Bank Limited Askari Bank Limited National Bank of Pakistan Meezan Bank Limited
Management Co.Rating	AM1 (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
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Email: info@cdcpak.com



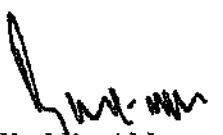
TRUSTEE REPORT TO THE UNIT HOLDERS

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, 2019 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, 2020



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 Money Market Fund

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **UBL Money Market Fund** ("the Fund") as at 31 December 2019 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 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.



KPMG Taseer Hadi & Co.

The engagement partner on the engagement resulting in this independent auditor's review report is Zeeshan Rashid.

Date: 27 February 2020

Karachi

KPMG Taseer Hadi & Co.

KPMG Taseer Hadi & Co.
Chartered Accountants

UBL Money Market Fund

Condensed Interim Statement of Assets and Liabilities

As at 31 December 2019

		31 December 2019 (Un-Audited) (Rupees in '000)	30 June 2019 (Audited)
	Note		
Assets			
Bank balances	6	3,860,098	2,388,715
Letter of placements	7	400,000	340,000
Investments	8	331,473	-
Profits receivable		53,135	21,992
Deposits, prepayments and other receivables		7,419	1,373
Advance tax	9	1,595	1,589
Total assets		4,653,720	2,753,669
Liabilities			
Payable to the Management Company	10	7,100	2,684
Payable to Central Depository Company of Pakistan Limited - Trustee	11	249	222
Payable to Securities and Exchange Commission of Pakistan	12	428	1,414
Payable against purchase of investments		331,500	-
Accrued expenses and other payables	13	33,221	23,918
Total liabilities		372,498	28,238
Net assets		4,281,222	2,725,431
Unit holders' fund (as per the statement attached)		4,281,222	2,725,431
Contingencies and Commitments	14		
		(Number of Units)	
Number of units in issue		40,037,639	27,071,133
		(Rupees)	
Net assets value per unit		106.9299	100.6767

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 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 31 December 2019

		Half year ended		Quarter ended		
		31 December		31 December		
		2019	2018	2019	2018	
Note		(Rupees in '000)				
Income						
	Markup on bank deposits and mark-up / return on investments calculated using the effective interest method	15	293,854	76,606	142,650	51,413
	Realised loss on sale of investments		(3,441)	(1,905)	(1,763)	-
	Net unrealised loss on revaluation of investments classified as 'at fair value through profit or loss'		(27)	-	(27)	-
	Other income		32	59	32	59
			290,418	74,760	140,892	51,472
Total income						
Expenses						
	Remuneration of the Management Company	10	17,033	5,634	7,037	3,756
	Sindh Sales tax on the Management Company's remuneration		2,214	732	915	488
	Allocation of expenses relating to the Fund	10	2,138	882	1,027	556
	Selling and marketing expenses	10	4,039	-	3,081	-
	Remuneration of Central Depository Company of Pakistan Limited - Trustee	11	1,571	1,175	754	685
	Annual fee of Securities and Exchange Commission of Pakistan	12	428	661	206	417
	Bank charges		230	135	126	79
	Auditors' remuneration		359	468	197	267
	Listing fees		14	14	7	7
	Legal and professional charges		81	82	6	38
	Brokerage expenses		338	157	214	157
	Other expenses		99	145	-	40
	Total operating expenses		28,544	10,085	13,570	6,490
	Net income from operating activities		261,874	64,675	127,322	44,982
	Provision for Sindh Workers' Welfare Fund	13.2	(5,138)	(1,269)	(2,497)	(849)
	Net income for the period before taxation		256,736	63,406	124,825	44,133
	Taxation	16	-	-	-	-
	Net income for the period after taxation		256,736	63,406	124,825	44,133
Allocation of net income for the period:						
	Net income for the period after taxation		256,736	63,406	124,825	42,479
	Income already paid on redemption of units		(101,702)	(26,267)	(59,000)	(23,471)
	Accounting income available for distribution		155,034	37,139	65,825	19,008
Accounting income available for distribution						
	- Relating to capital gains		-	-	-	-
	- Excluding capital gains		155,034	37,139	65,825	19,008
			155,034	37,139	65,825	19,008
Earnings per unit						

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 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 31 December 2019

	Half year ended 31 December		Quarter ended 31 December	
	2019	2018	2019	2018
	----- (Rupees in '000) -----			
Net income for the period after taxation	256,736	63,406	124,825	44,133
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>256,736</u>	<u>63,406</u>	<u>124,825</u>	<u>44,133</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 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 31 December 2019

	Half year ended 31 December					
	2019			2018		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees in '000)					
Net assets as at the beginning of the period	2,714,135	11,296	2,725,431	1,590,492	25,180	1,615,672
Issuance of 76,697,474 units (31 December 2018: 32,385,947 units)						
- Capital value	7,721,650	-	7,721,650	3,253,685	-	3,253,685
- Element of income	170,785	-	170,785	52,906	-	52,906
Total proceeds on issuance of units	7,892,435	-	7,892,435	3,306,591	-	3,306,591
Redemption of 63,730,968 units (31 December 2018: 31,678,390 units)						
- Capital value	(6,416,223)	-	(6,416,223)	(3,182,604)	-	(3,182,604)
- Element of (loss)	(75,455)	(101,702)	(177,157)	(32,141)	(26,267)	(58,408)
Total payments on redemption of units	(6,491,678)	(101,702)	(6,593,380)	(3,214,745)	(26,267)	(3,241,012)
Total comprehensive income for the period	-	256,736	256,736	-	63,406	63,406
Distribution during the period	-	-	-	(59,908)	(18,746)	(78,654)
Net income for the period less distribution	-	256,736	256,736	(59,908)	44,660	(15,248)
Net assets at end of the period	4,114,892	166,330	4,281,222	1,622,430	43,573	1,666,003
Undistributed income brought forward:						
- Realised income		11,296			25,180	
- Unrealised income		-			-	
		11,296			25,180	
Accounting income available for distribution						
- Relating to capital gains		-			-	
- Excluding capital gains		155,034			37,139	
		155,034			37,139	
Distribution during the period		-			(18,746)	
Undistributed income carried forward		166,330			43,573	
Undistributed income carried forward comprise of:						
- Realised income		166,357			43,573	
- Unrealised (loss)		(27)			-	
		166,330			43,573	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the period		100.6767			105.6073	
Net assets value per unit at end of the period		106.9299			104.0834	

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 Financial Officer

SD

Chief Executive Officer

SD

Director

UBL Money Market Fund
Condensed Interim Cash Flow Statement (Un-Audited)
For the half year ended 31 December 2019

	Half Year ended	
	31 December 2019	31 December 2018
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	256,736	63,406
Adjustments:		
Markup on bank deposits and mark-up / return on investments calculated using the effective interest method	(293,854)	(76,606)
Provision for Sindh Workers' Welfare Fund	5,138	1,269
Net unrealised loss on revaluation of investments classified as 'at fair value through profit or loss'	27	-
Realised loss on sale of investments	3,441	1,905
	(285,248)	(73,432)
<i>(Increase) / decrease in assets</i>		
Investments	(334,941)	(1,905)
Deposits, prepayments and other receivables	(4,707)	(121)
Advance tax	(6)	(5)
	(339,654)	(2,031)
<i>Increase / (decrease) in liabilities</i>		
Payable to the Management Company	4,416	1,224
Payable to Central Depository Company of Pakistan Limited - Trustee	27	41
Payable to Securities and Exchange Commision of Pakistan	(986)	(167)
Payable against purchase of investments	331,500	-
Accrued expenses and other payables	4,165	3,875
	339,122	4,973
Profits received	262,711	66,495
Net cash generated from operating activities	233,667	59,411
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issuance of units	7,891,096	3,306,122
Payments on redemption of units	(6,593,380)	(3,241,012)
Cash distribution to unit holders	-	(78,654)
Net cash generated from / (used) in financing activities	1,297,716	(13,544)
Net increase in cash and cash equivalents	1,531,383	45,867
Cash and cash equivalents at beginning of the period	2,728,715	1,625,596
Cash and cash equivalents at end of the period	4,260,098	1,671,463
Cash and cash equivalents		
Bank balances	3,860,098	1,231,463
Letter of placements	400,000	440,000
	4,260,098	1,671,463

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 Financial Officer

SD
Chief Executive Officer

SD
Director

UBL Money Market Fund

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

For the half year ended 31 December 2019

1. LEGAL STATUS AND NATURE OF BUSINESS

UBL Money Market Fund (the Fund) was established under the Trust Deed executed between UBL Fund Managers Limited (the Management Company - a wholly owned subsidiary company of United Bank Limited), as the Management Company, and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on 10 August 2010 and was approved by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the requirements of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). The Fund commenced its operations from 14 October 2010.

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.

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

The investment objective of the fund is to 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.

VIS Credit Rating Company has re-affirmed quality rating of 'AM1' (stable outlook) to the Management Company as on 31 December 2019.

The Fund has been rated as AA(f) by VIS on 31 December 2019.

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

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) and Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations).

In case where requirements differ, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules and the NBFC Regulations have been followed.

2.1.2 This condensed interim financial information does not include all the information and disclosures required in the annual audited financial statements and should therefore be read in conjunction with the annual audited financial statements of the Fund as at and for the year ended 30 June 2019. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Fund's financial position and performance since the last financial statements.

2.1.3 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 2019.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

3. SIGNIFICANT ACCOUNTING 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 2019.

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 2019.

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 2019.

	<i>Note</i>	31 December 2019 (Un-Audited) ----- (Rupees in '000) -----	30 June 2019 (Audited)
6. BANK BALANCES			
Savings accounts	6.1	3,860,037	2,386,541
Current accounts	6.2	61	2,174
		<u>3,860,098</u>	<u>2,388,715</u>

6.1 These carry profit rates ranging from 10.25% to 14.4% (30 June 2019: 4% to 13.4%) per annum. This includes balance with United Bank Limited (holding company of the Management Company) of Rs. 5.91 million (30 June 2019: Rs. 13.61 million) carrying profit rate of 11.75% (30 June 2019: 8.25%) per annum.

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

		31 December 2019 (Un-Audited) ----- (Rupees in '000) -----	30 June 2019 (Audited)
7. LETTER OF PLACEMENTS			
Letter of placements	7.1	400,000	340,000
		<u>400,000</u>	<u>340,000</u>

7.1 This has been placed with Zarai Taraqiati Bank Limited at discount at a rate of 13.71% per annum and will mature on 22 January 2020.

8. INVESTMENTS	At fair value through profit or loss - Market Treasury Bills	Note 8.1	31 December 2019 (Un-Audited)	30 June 2019 (Audited)
			(Rupees in '000)	
			331,473	-
			331,473	-

8.1 Market Treasury Bills

Issue date	Tenor	Face value				Amortised Cost as at 31 December 2019	Market value as at 31 December 2019	Market value as a percentage of	
		As at 01 July 2019	Purchased during the period	Sold / matured during the period	As at 31 December 2019			Total investments	Net assets of the Plan
		----- (Rupees in '000) -----							
23-May-2019	3 months	-	285,000	285,000	-	-	-	-	-
25-Apr-2019	3 months	-	1,235,000	1,235,000	-	-	-	-	-
09-May-2019	3 months	-	500,000	500,000	-	-	-	-	-
09-May-2019	3 months	-	225,000	225,000	-	-	-	-	-
09-May-2019	3 months	-	280,000	280,000	-	-	-	-	-
18-Jul-2019	3 months	-	850,000	850,000	-	-	-	-	-
18-Jul-2019	3 months	-	1,000,000	1,000,000	-	-	-	-	-
18-Jul-2019	3 months	-	500,000	500,000	-	-	-	-	-
18-Jul-2019	3 months	-	380,000	380,000	-	-	-	-	-
18-Jul-2019	3 months	-	280,000	280,000	-	-	-	-	-
18-Jul-2019	3 months	-	40,000	40,000	-	-	-	-	-
18-Jul-2019	3 months	-	280,000	280,000	-	-	-	-	-
18-Jul-2019	3 months	-	150,000	150,000	-	-	-	-	-
18-Jul-2019	3 months	-	80,000	80,000	-	-	-	-	-
18-Jul-2019	3 months	-	100,000	100,000	-	-	-	-	-
18-Jul-2019	3 months	-	500,000	500,000	-	-	-	-	-
18-Jul-2019	3 months	-	500,000	500,000	-	-	-	-	-
18-Jul-2019	3 months	-	100,000	100,000	-	-	-	-	-
18-Jul-2019	3 months	-	120,000	120,000	-	-	-	-	-
18-Jul-2019	3 months	-	1,244,000	1,244,000	-	-	-	-	-
18-Jul-2019	3 months	-	55,000	55,000	-	-	-	-	-
18-Jul-2019	3 months	-	300,000	300,000	-	-	-	-	-
18-Jul-2019	3 months	-	50,000	50,000	-	-	-	-	-
18-Jul-2019	3 months	-	45,000	45,000	-	-	-	-	-
29-Aug-2019	3 months	-	200,000	200,000	-	-	-	-	-
29-Aug-2019	3 months	-	150,000	150,000	-	-	-	-	-
18-Jul-2019	3 months	-	175,000	175,000	-	-	-	-	-
10-Oct-2019	3 months	-	500,000	500,000	-	-	-	-	-
10-Oct-2019	3 months	-	550,000	550,000	-	-	-	-	-
01-Aug-2019	3 months	-	283,000	283,000	-	-	-	-	-
16-Aug-2019	3 months	-	450,000	450,000	-	-	-	-	-
01-Aug-2019	3 months	-	390,000	390,000	-	-	-	-	-
24-Oct-2019	3 months	-	500,000	500,000	-	-	-	-	-
16-Aug-2019	3 months	-	330,000	330,000	-	-	-	-	-
16-Aug-2019	3 months	-	500,000	500,000	-	-	-	-	-
24-Oct-2019	3 months	-	180,000	180,000	-	-	-	-	-
16-Aug-2019	3 months	-	300,000	300,000	-	-	-	-	-
16-Aug-2019	3 months	-	300,000	300,000	-	-	-	-	-
18-Jul-2019	6 months	-	300,000	300,000	-	-	-	-	-
07-Nov-2019	3 months	-	500,000	500,000	-	-	-	-	-
07-Nov-2019	6 months	-	500,000	500,000	-	-	-	-	-
07-Nov-2019	3 months	-	500,000	500,000	-	-	-	-	-
07-Nov-2019	3 months	-	350,000	350,000	-	-	-	-	-
07-Nov-2019	6 months	-	365,000	365,000	-	-	-	-	-
21-Nov-2019	3 months	-	150,000	150,000	-	-	-	-	-
21-Nov-2019	3 months	-	150,000	150,000	-	-	-	-	-
19-Dec-2019	3 months	-	340,000	-	340,000	331,500	331,473	100%	7.74%
		-	17,062,000	16,722,000	340,000	331,500	331,473	100%	7.74%

9. ADVANCE TAX

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

10. PAYABLE TO MANAGEMENT COMPANY

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

During the period ended 31 December 2019, the Management Company has charged remuneration at the rates and subject to the limits as stated below:

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

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

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

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

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

12. PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

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

	Note	31 December 2019 (Un-Audited) ----- (Rupees in '000) -----	30 June 2019 (Audited)
13. ACCRUED EXPENSES AND OTHER PAYABLES			
Provision for indirect duties and taxes	13.1	9,499	9,499
Provision for Sindh Worker's Welfare Fund	13.2	10,765	5,627
Auditors' remuneration payable		324	471
Brokerage payable		383	219
Capital gains tax payable		1,035	2,595
Withholding tax and zakat deducted at source		569	5,329
Payable against redemption of units		10,089	-
Sales load and Other payables		557	178
		33,221	23,918

13.1 The legal status of applicability of Federal Excise Duty on the Fund is the same as that disclosed in note 14.1 to the annual audited financial statements for the year ending 30 June 2019. As a matter of abundant caution, the Management Company has maintained full provision for Federal Excise Duty (FED) till 30 June 2019. Had the provision not been provided for, the net assets value per unit would have been higher by Rs. 0.2276 per unit (30 June 2019: Rs. 0.3366 per unit).

13.2 The legal status of applicability of Sindh Workers' Welfare Fund (SWWF) is same as that disclosed in note 14.2 to the annual audited financial statements for the year ended 30 June 2019.

The Fund has recognised provision for SWWF amounting to 5.13 million in these condensed interim financial information. Had the SWWF not been provided for, the net assets value per unit would have been higher by Rs. 0.2688 per unit (30 June 2019: Rs. 0.2079 per unit).

14. CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments outstanding as at 31 December 2019.

	Half year ended		Quarter ended	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
15. MARKUP ON BANK DEPOSITS AND MARK-UP / RETURN ON INVESTMENTS CALCULATED USING THE EFFECTIVE INTEREST METHOD				
	(Unaudited)		(Rupees in '000)	
Profits on:				
- Bank balances	118,842	27,908	74,374	19,297
- Term deposit receipts / letter of placement	50,084	12,846	28,400	11,941
- Market treasury bills	124,928	35,852	39,876	20,175
	293,854	76,606	142,650	51,413

16. TAXATION

The Fund's income is exempt from Income Tax as per Clause (99) of Part 1 of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90 percent of the accounting income for the year, as reduced by the capital gains whether realised or unrealised, is distributed to the unit holders in cash. The Fund is also exempt from the provision of Section 113 (minimum tax) under Clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The Fund has not recorded a tax liability in the current period, as the Management Company intends to distribute more than 90 percent of the Fund's accounting income as reduced by capital gains (whether realised or unrealised) for the year ended 30 June 2020 to its unit holders.

17. EARNINGS PER UNIT

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

18. TOTAL EXPENSE RATIO

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. TER of the Fund for the period ended 31 December 2019 is 1.57 % which include 0.37% representing government levy, Sindh Workers' Welfare Fund and SECP fee.

19. TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

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

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

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

	Management company	Associated companies	Trustee	Funds under common management	Directors and key executives	Other connected persons / related parties
----- (Transaction during the half year ended 31 December 2019) -----						
----- (Rupees in '000) -----						
Profit on savings accounts	-	653	-	-	-	-
Bank charges	-	49	-	-	-	-
Units issued	1,301,530	1,200	-	76,574	59,097	-
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	17,033	-	1,390	-	-	-
Sales tax on remuneration	2,214	-	181	-	-	-
Reimbursement of expenses	2,138	-	-	-	-	-
Marketing and selling expenses	4,039	-	-	-	-	-
Central Depository Company expense	-	-	2	-	-	-
Dividend Paid	-	-	-	-	-	-

----- (Balances held as at 31 December 2019) -----						
----- (Rupees in '000) -----						
Units held (in Units '000)	-	-	-	1,441	552	-
Units held	-	-	-	154,086	59,025	-
Bank balances*	-	5,978	-	-	-	-
Profit receivable on savings account	-	87	-	-	-	-
Remuneration payable**	2,729	-	249	-	-	-
Sales load and other payable	597	231	-	-	-	-
Other payables	16	-	-	-	-	-
Reimbursement of expenses payable	678	-	-	-	-	-
Marketing and selling expenses	3,080	-	-	-	-	-
Security Deposit	-	-	100	-	-	-

* These carry profit rate at 11.75% per annum.

** Remuneration for the half year 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 half year ended 31 December 2018 -----						
----- (Rupees in '000) -----						
Profit on savings accounts	-	2,412	-	-	-	-
Bank charges	-	32	-	-	-	-
Units issued	30,955	598	-	548,586	12,107	252,780
Units redeemed	605,822	23,986	-	279,279	4,105	11,053
Purchase of securities	-	-	-	980,283	-	-
Sale of securities	-	-	-	395,528	-	-
Remuneration	5,634	-	1,040	-	-	-
Sales tax on remuneration	732	-	135	-	-	-
Reimbursement of expenses	882	-	-	-	-	-
Central Depository Company Expense	-	-	3	-	-	-
Dividend Paid	30,986	1,171	-	7,662	0.45	-
----- (Balances held as at 30 June 2019) -----						
----- (Rupees in '000) -----						
Units held (in Units '000)	-	-	-	3,862	235	3,979
Units held	-	-	-	388,767	23,641	400,604
Bank balances*	-	15,787	-	-	-	-
Remuneration payable**	2,038	-	222	-	-	-
Sales load and other payable	466	-	-	-	-	-
Payable against allocated expenses	180	-	-	-	-	-
Receivable from issuance of unit	1,000	-	-	174	-	-
Profit receivable	-	52	-	-	-	-
Security Deposit	-	-	100	-	-	-

* These carry profit rate of 8.25% per annum.

** Remuneration for the half year 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 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.

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 that the entity can access at the measurement date (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

On-balance sheet financial instruments

31 December 2019

Note	Carrying amount					Fair value			
	Mandatorily at fair value through profit or loss	Designated as at fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----									
Financial assets measured at fair value									
Investment in Debt securities	-	331,473	-	-	331,473	-	331,473	-	331,473
Financial assets not measured at fair value									
20.1									
Bank balances	-	-	-	3,860,098	3,860,098				
Letter of Placements	-	-	-	400,000	400,000				
Profits receivable	-	-	-	53,135	53,135				
Deposits, prepayments and other receivables	-	-	-	7,405	7,405				
	-	-	-	4,320,638	4,320,638				
Financial liabilities not measured at fair value									
20.1									
Payable to the Management Company	-	-	-	7,100	7,100				
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	249	249				
Accrued expenses and other payables	-	-	-	11,353	11,353				
	-	-	-	18,702	18,702				

30 June 2019

	Carrying amount					Fair value			
	Mandatorily at fair value through profit or loss	Designated as at fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----									
Financial assets not measured at fair value									
20.1									
Bank balances	-	-	-	2,388,715	2,388,715				
Letter of placements	-	-	-	340,000	340,000				
Profits receivable	-	-	-	21,992	21,992				
Deposits, prepayments and other receivables	-	-	-	1,275	1,275				
	-	-	-	2,751,982	2,751,982				
Financial liabilities not measured at fair value									
20.1									
Payable to the Management Company	-	-	-	2,684	2,684				
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	222	222				
Accrued expenses and other payables	-	-	-	8,792	8,792				
	-	-	-	11,698	11,698				

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

20.2 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 these financial statements. 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. GENERAL

- 21.1** All financial information presented has been rounded off to the nearest thousand rupees unless otherwise stated.
- 21.2** Corresponding figure related to net assets value per unit as disclosed in note 13.1 has been corrected to rectify the error related to the prior period. However, the correction is not material to the condensed interim financial information.
- 21.3** This condensed interim financial information was authorized for issue by Board of Directors of the Management Company on February 25, 2020.

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

SD

Chief Financial Officer

SD

Chief Executive Officer

SD

Director

ULPF

UBL Liquidity Plus Fund

INVESTMENT OBJECTIVE

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

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 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)(VIS)

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Email: info@cdcpak.com



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, 2019 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, 2020

AUDITORS' REPORT TO THE UNITHOLDERS ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **UBL LIQUIDITY PLUS FUND** (here-in-after referred to as the "Fund") as at December 31, 2019, 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. The figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2019 and December 31, 2018 have not been subject to limited scope review, as we are only required to review the cumulative figures for the half year ended December 31, 2019.

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, 2019 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 condensed interim financial information for the half year ended December 31, 2018 and the annual financial statements of the Fund for the year ended June 30, 2019 were reviewed and audited respectively by another firm of Chartered Accountants, whose review report dated February 27, 2019 and audit report dated August 30, 2019, expressed an unmodified conclusion and an unmodified opinion respectively.

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

Deloitte Yousuf Adil
Chartered Accountants

Date: February 26, 2020
Place: Karachi

UBL LIQUIDITY PLUS FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT DECEMBER 31, 2019

		(Un-audited) December 31, 2019	(Audited) June 30, 2019
	Note	----- (Rupees in '000) -----	
ASSETS			
Bank balances	4	8,505,721	5,986,231
Placements, Commercial Papers and Term Deposit Receipts	5	1,333,726	850,000
Investments - net	6	740,940	-
Mark-up / interest receivable		105,411	66,745
Security deposits, prepayments and other receivables		12,357	47,904
Advance income tax	7	1,994	1,994
Total assets		10,700,149	6,952,874
LIABILITIES			
Payable to UBL Fund Managers Limited - Management Company	8	11,939	6,449
Payable to Central Depository Company of Pakistan Limited - Trustee	9	522	548
Payable to Securities and Exchange Commission of Pakistan	10	909	8,912
Payable against purchase of investment		740,989	-
Accrued expenses and other liabilities	11	110,151	99,639
Total liabilities		864,510	115,548
Net Assets		9,835,639	6,837,326
Unit Holders' Fund (as per statement attached)		9,835,639	6,837,326
CONTINGENCIES AND COMMITMENTS			
	12	----- (Number of units) -----	
Number of Units in Issue	13	97,289,969	67,843,773
		----- (Rupees) -----	
Net Asset Value Per Unit		101.0961	100.7804
Face Value per Unit		100.0000	100.0000

The annexed notes 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 LIQUIDITY PLUS FUND
CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2019

		Half year ended		Quarter ended	
		December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
Note		(Rupees in '000)			
INCOME					
Financial income		631,547	577,139	309,426	299,753
Loss on sale of investments - net		(4,969)	(14,237)	(1,869)	(10,591)
Unrealized (loss) / gain on revaluation of investments classified as financial assets 'at fair value through profit or loss' - net		(49)	-	(49)	525
Other income		146	197	146	197
Total income		626,675	563,099	307,654	289,884
EXPENSES					
Remuneration of UBL Fund Managers Limited - Management Company	8.1	36,149	42,441	15,358	21,886
Sindh sales tax on remuneration of Management Company		4,699	5,517	1,996	2,845
Remuneration of Central Depository Company of Pakistan Limited - Trustee	9	3,338	5,916	1,623	2,835
Annual fee of Securities and Exchange Commission of Pakistan	10	909	5,126	442	2,426
Bank charges		340	303	196	113
Auditors' remuneration		388	542	205	306
Brokerage and settlement expenses		621	1,271	289	759
Allocated expenses	8.2	2,990	6,442	2,210	2,843
Allocated selling and marketing expenses	8.3	6,279	-	4,640	-
Fees and subscription charges		137	135	62	60
Listing fee		14	14	14	2
Legal and professional charges		80	106	80	53
Printing expenses		-	10	-	5
Other expenses		-	10	-	10
Total expenses		55,944	67,833	27,115	34,143
Net operating income for the period		570,731	495,266	280,539	255,741
Provision for Sindh Workers' Welfare Fund (SWWF)	11.2	(11,197)	(9,717)	(5,499)	(5,014)
Net income for the period before taxation		559,534	485,549	275,040	250,727
Taxation	14	-	-	-	-
Net income for the period after taxation		559,534	485,549	275,040	250,727
Allocation of net income for the period					
- Net income for the period after taxation		559,534	485,549	275,040	250,727
- Income already paid on units redeemed		(28,011)	(12,556)	(12,240)	(3,690)
Net income for the period available for distribution		531,523	472,993	262,800	247,037
Net income for the period available for distribution					
- Relating to capital gains		-	-	-	-
- Excluding capital gains		531,523	472,993	262,800	247,037
		531,523	472,993	262,800	247,037
Earnings per unit	15				

The annexed notes 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 LIQUIDITY PLUS FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2019

	<u>Half year ended</u>		<u>Quarter ended</u>	
	<u>December 31,</u>	<u>December 31,</u>	<u>December 31,</u>	<u>December 31,</u>
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	<u>----- (Rupees in '000) -----</u>			
Net income for the period after taxation	559,534	485,549	275,040	250,727
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	559,534	485,549	275,040	250,727

The annexed notes 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 LIQUIDITY PLUS FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2019

	Half year ended					
	December 31, 2019			December 31, 2018		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees. in '000)					
Net assets at the beginning of the period	6,731,381	105,945	6,837,326	14,120,429	333,781	14,454,210
Amount received on issuance of 167,338,827 units (2018: 155,004,416 units)						
- Capital value	16,864,474	-	16,864,474	15,606,372	-	15,606,372
- Element of income	33,745	-	33,745	18,493	-	18,493
Total amount received on issuance of units	16,898,219	-	16,898,219	15,624,865	-	15,624,865
Amount paid on redemption of 137,892,631 units (2018: 188,127,228 units)						
- Capital value	(13,896,875)	-	(13,896,875)	(18,941,289)	-	(18,941,289)
- Element of income	(6,947)	(28,011)	(34,958)	(6,754)	(12,556)	(19,310)
Total amount paid on redemption of units	(13,903,822)	(28,011)	(13,931,833)	(18,948,043)	(12,556)	(18,960,599)
Total comprehensive income for the period	-	559,534	559,534	-	485,549	485,549
Annual distribution:						
Rs. 5.5510 per unit declared on July 02, 2018 as cash dividend	-	-	-	(501,698)	(253,759)	(755,457)
Interim distributions:						
July 2019 to December 2019						
Re. 0.4494 per unit declared on July 14, 2019 as cash dividend	(3,064)	(29,356)	(32,420)	-	-	-
Re. 0.4500 per unit declared on July 28, 2019 as cash dividend	(214)	(32,686)	(32,900)	-	-	-
Re. 0.6064 per unit declared on August 15, 2019 as cash dividend	(1,798)	(52,396)	(54,194)	-	-	-
Re. 0.4712 per unit declared on August 29, 2019 as cash dividend	(2,938)	(43,393)	(46,331)	-	-	-
Re. 0.5675 per unit declared on September 15, 2019 as cash dividend	(6,673)	(56,033)	(62,706)	-	-	-
Re. 0.5009 per unit declared on September 29, 2019 as cash dividend	(3,041)	(50,834)	(53,875)	-	-	-
Re. 0.5173 per unit declared on October 13, 2019 as cash dividend	(806)	(48,876)	(49,682)	-	-	-
Re. 0.4849 per unit declared on October 27, 2019 as cash dividend	(1,018)	(41,355)	(42,373)	-	-	-
Re. 0.4459 per unit declared on November 10, 2019 as cash dividend	(715)	(38,627)	(39,342)	-	-	-
Re. 0.4592 per unit declared on November 24, 2019 as cash dividend	(394)	(34,734)	(35,128)	-	-	-
Re. 0.4805 per unit declared on December 8, 2019 as cash dividend	(3,085)	(36,630)	(39,715)	-	-	-
Re. 0.4946 per unit declared on December 22, 2019 as cash dividend	(1,359)	(37,584)	(38,943)	-	-	-
July 2018 to December 2018						
Re. 0.2669 per unit declared on July 15, 2018 as cash dividend	-	-	-	(4,803)	(33,544)	(38,347)
Re. 0.2539 per unit declared on July 29, 2018 as cash dividend	-	-	-	(3,678)	(36,912)	(40,590)
Re. 0.2629 per unit declared on August 12, 2018 as cash dividend	-	-	-	(364)	(36,890)	(37,254)
Re. 0.2502 per unit declared on August 26, 2018 as cash dividend	-	-	-	(192)	(34,310)	(34,502)
Re. 0.2500 per unit declared on September 09, 2018 as cash dividend	-	-	-	(481)	(34,740)	(35,221)
Re. 0.2461 per unit declared on September 23, 2018 as cash dividend	-	-	-	(216)	(33,390)	(33,606)
Re. 0.2691 per unit declared on October 07, 2018 as cash dividend	-	-	-	(2,975)	(34,290)	(37,265)
Re. 0.2955 per unit declared on October 21, 2018 as cash dividend	-	-	-	(333)	(38,315)	(38,648)
Re. 0.2938 per unit declared on November 04, 2018 as cash dividend	-	-	-	(2,086)	(36,837)	(38,922)
Re. 0.2732 per unit declared on November 18, 2018 as cash dividend	-	-	-	(916)	(37,553)	(38,469)
Re. 0.2746 per unit declared on December 02, 2018 as cash dividend	-	-	-	(127)	(35,477)	(35,603)
Re. 0.3109 per unit declared on December 16, 2018 as cash dividend	-	-	-	(350)	(35,167)	(35,517)
Re. 0.3683 per unit declared on December 30, 2018 as cash dividend	-	-	-	(1,271)	(36,664)	(37,934)
Net income for the period less distribution	(25,102)	57,030	31,927	(519,490)	(232,299)	(751,789)
Net assets at the end of the period	9,700,675	134,964	9,835,639	10,277,760	88,926	10,366,686
Undistributed income brought forward comprising of:						
- Realised	-	105,945	105,945	-	333,781	333,781
- Unrealised	-	-	-	-	-	-
Total undistributed income brought forward	-	105,945	105,945	-	333,781	333,781
Accounting income available for distribution						
- Related to capital gain	-	-	-	-	-	-
- Excluding capital gain	-	531,523	531,523	-	472,993	472,993
Distribution during the period:						
Annual distribution	-	-	-	-	(253,759)	(253,759)
Interim distributions during the half year ended December 31, 2019 as cash dividend	-	(502,504)	(502,504)	-	(464,089)	(464,089)
Undistributed income carried forward - net	-	134,964	134,964	-	88,926	88,926
Undistributed income carried forward comprising of:						
- Realised	-	135,013	135,013	-	88,926	88,926
- Unrealised	-	(49)	(49)	-	-	-
	-	134,964	134,964	-	88,926	88,926
	(Rupees)					
Net assets value per unit at the beginning of the period			100.7804			106.2344
Net assets value per unit at the end of the period			101.0961			100.7092

The annexed notes 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 LIQUIDITY PLUS FUND
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2019

Half year ended	
December 31,	December 31,
2019	2018
------(Rupees in '000)-----	
CASH FLOWS FROM OPERATING ACTIVITIES	
Net income for the period before taxation	559,534 485,549
Adjustments for:	
Financial income	(631,693) (577,336)
Loss on sale of investments - net	4,969 14,237
Unrealized (loss) / gain on revaluation of investments classified as financial assets 'at fair value through profit or loss' - net	49 -
Provision for Sindh Workers' Welfare Fund (SWWF)	11,197 9,717
	(615,478) (553,382)
Cash used in operations before working capital changes	(55,944) (67,833)
(Increase) / decrease in assets	
Placements, Commercial Papers and Term Deposit Receipts	500,000 -
Investments - net	(745,958) (14,237)
Security deposits, prepayments and other receivables	35,547 (43,183)
Advance income tax	- 500
	(210,411) (56,920)
Increase / (decrease) in liabilities	
Payable to UBL Fund Managers Limited - Management Company	5,490 (1,726)
Payable to Central Depository Company of Pakistan Limited - Trustee	(26) (300)
Payable to Securities and Exchange Commission of Pakistan	(8,003) (1,954)
Payable against purchase of investment	740,989 -
Accrued expenses and other liabilities	(685) (46,212)
	737,765 (50,192)
Cash generated from / (used in) operations	471,410 (174,945)
Mark-up received on bank balances and investments	593,027 519,857
Net cash generated from operating activities	1,064,437 344,912
CASH FLOWS FROM FINANCING ACTIVITIES	
Receipts from issuance of units	16,898,219 15,624,865
Payments against redemption of units	(13,931,833) (18,960,599)
Dividend paid	(527,607) (1,237,338)
Net cash generated from / (used in) financing activities	2,438,779 (4,573,073)
Net increase / (decrease) in cash and cash equivalents during the period	3,503,216 (4,228,161)
Cash and cash equivalents at the beginning of the period	6,336,231 14,571,421
Cash and cash equivalents at the end of the period	9,839,447 10,343,260
CASH AND CASH EQUIVALENTS	
Bank balances	8,505,721 7,643,260
Placements, Commercial Papers and Term Deposit Receipts	1,333,726 2,700,000
	9,839,447 10,343,260

The annexed notes 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 LIQUIDITY PLUS FUND

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2019

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** UBL Liquidity Plus Fund (the "Fund") was established under the Trust Deed executed between UBL Fund Managers Limited (the Management Company - a wholly owned subsidiary company of United Bank Limited), as the management company, and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on May 07, 2009 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on June 11, 2009 in accordance with the requirements of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) as an open-ended mutual fund. The Fund commenced its operations from June 21, 2009.
- 1.2** The Management Company of the Fund is registered with the SECP as a Non-Banking Finance Company under the NBFC Rules, 2003. The registered office of the Management Company is situated at 4th Floor, STSM Building, Beaumont Road, Civil Lines, Karachi.
- 1.3** The Fund is an open-end mutual fund categorised as money market scheme and is listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering them to the Fund at the option of the unit holder.
- 1.4** The investment objective of the Fund is to seek and provide attractive daily returns while maintaining comparatively high liquidity by investing in diversified portfolio of low risk assets.
- 1.5** VIS Credit Rating Company has reaffirmed management quality rating of "AM1" (stable outlook) to the Management Company as on December 31, 2019 and assigned a stability rating of "AA (f)" to the Fund as on December 31, 2019.
- 1.6** 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 disclosures made in this condensed interim financial information have, however, been limited based on the requirements of International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2019.
- 2.1.3** The comparative statement of asset and liabilities presented in this condensed interim financial information has been extracted from the annual audited financial statements of the Fund for the year ended June 30, 2019, whereas the comparative condensed interim income statement, condensed interim statement of comprehensive income, condensed interim distribution statement, condensed interim statement of cash flows, condensed interim statement of movement in unit holders' fund are extracted from the unaudited condensed interim financial statements for the period ended December 31, 2018.
- 2.1.4** In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial information give a true and fair view of the state of the Fund's affairs as at December 31, 2019.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

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

- 3.1** The accounting policies applied in the preparation of this condensed interim financial information are the same as those applied in the preparation of the audited financial statements of the Fund for the year ended June 30, 2019.
- 3.2** The preparation of this condensed interim financial information in conformity with 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. Actual results may differ from these estimates. 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 applied to the financial statements as at and for the year ended June 30, 2019.
- 3.3** There are certain standards, interpretations on approved accounting standards 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, 2019. 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, 2019.

	Note	(Un-audited) December 31, 2019	(Audited) June 30, 2019
		-----Rupees in '000-----	
4. BANK BALANCES			
In local currency:			
- Profit and loss sharing accounts		4	4
- Current account	4.1	8,505,717	5,986,227
		8,505,721	5,986,231

- 4.1** Mark-up rates on these savings accounts range between 9.00% to 14.40% per annum (June 30, 2019: 4.00% to 13.40% per annum). This includes an amount held by a related party (United Bank Limited) amounting to Rs. 28.413 million (June 30, 2019: Rs. 29.278 million) on which return is earned at 11.75% (June 30, 2019: 4.50%) per annum.

5. PLACEMENTS, COMMERCIAL PAPERS AND TERM DEPOSIT RECEIPTS

Particulars	Note	As at July 1, 2019	Purchased during the period	Matured during the period	As at December 31, 2019	Market value as a percentage of net assets of the Fund
-----Rupees in '000-----						-----%
Term Deposits Receipts	5.1	-	1,830,000	1,830,000	-	0.00
Letter of Placements	5.2	850,000	9,098,292	9,098,292	850,000	8.64
Commercial Papers - at book value	5.3	-	483,726	-	483,726	4.92
Total as at December 31, 2019 (Un-audited)	5.4	850,000	11,412,018	10,928,292	1,333,726	13.56
Term Deposits Receipts		1,580,000	2,250,000	3,830,000	-	0.00
Letter of Placements		-	48,383,000	47,533,000	850,000	12
Commercial Papers		-	-	-	-	0.00
Total as at June 30, 2019 (Audited)		1,580,000	50,633,000	51,363,000	850,000	12

- 5.1. Term Deposit Receipts (TDRs) having face value of Rs. 1,830 million carrying interest rate ranging from 13.75% to 14.45% were acquired and matured during the period.
- 5.2. Letter of Placements (LOPs) having face value of Rs. 9,098 million carrying interest rates ranging from 12.50% to 13.71% were acquired and matured during the period.
- 5.3. Commercial Paper (CP) having a face value of Rs. 500 million carrying interest rate of 15.40% was acquired during the year with a maturity date of March 23, 2020.
- 5.4. This includes LOPs and Commercial Paper carrying interest rate ranging from 13.71% to 15.40% per annum and will mature in January 2020 and March 2020 respectively.

6. INVESTMENTS - NET

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

Name of security	Note	As at July 1, 2019	Purchased during the period	Sold / matured during the period	As at December 31, 2019	Total carrying value as at December 31, 2019	Total market value as at December 31, 2019	Appreciation / (diminution) as at December 31, 2019	Market value as a percentage of total investment of the Fund	Market value as a percentage of net assets of the Fund
-----Number of holdings-----						-----Rupees in '000-----			-----%	
Market Treasury Bills - 3 months	6.1	-	320,510	312,910	7,600	740,989	740,940	(49)	100	8
Market Treasury Bills - 6 months	6.1	-	15,850	15,850	-	-	-	-	-	-
Total as at December 31, 2019 (Un-audited)						740,989	740,940	(49)	100	8
Total as at June 30, 2019 (Audited)						-	-	-	-	-
Pakistan Investment Bonds - 3 years	6.1	-	5,000	5,000	-	-	-	-	-	-
Total as at December 31, 2019 (Un-audited)						-	-	-	-	-
Total as at June 30, 2019 (Audited)						-	-	-	-	-

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

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. The Management Company has filed refund application and is confident that the same shall be refunded.

8. PAYABLE TO UBL FUND MANAGERS LIMITED - MANAGEMENT COMPANY	Note	(Un-audited) December 31, 2019	(Audited) June 30, 2019
		-----Rupees in '000-----	
Management fee (including Sindh Sales Tax thereagainst)	8.1	5,757	6,314
Allocated expenses	8.2	1,398	-
Conversion charges payable		127	118
Allocated selling and marketing expenses	8.3	4,640	-
Other payable		17	17
		11,939	6,449

- 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 half year ended December 31, 2019, the Management Company has charged remuneration at the rates and subject to the limits as stated below:

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

8.2 Allocated expenses

Startig from September 05, 2019 ,allocated expenses are being charged by the Management Company at 0.1% of daily net assets as per Regulation 60 of the NBFC Regulations amended vide SECP's S.R.O. 639 (I) / 2019 dated June 20, 2019.

The aforementioned S.R.O. has substituted clause (s) and (v) of sub regulation 3 of regulation 60 and accordingly has removed cap of charging 0.1% per annum of annual net assets on account of fee and expenses related to registrar services, accounting, operation and valuation services, provided total expense ratio remains within the allowed limit.

As per regulation 60(3)(s) of the amended NBFC Regulations dated November 25, 2015, fee and expenses pertaining to registrar services, accounting, operation and valuation services related to a Collective Investment Scheme (CIS) were chargeable to the scheme, maximum up to 0.1% of the average annual net assets or the actual cost whichever is lower. Accordingly, the management has charged allocated expenses uptill December 18, 2018.

After the implication of aforementioned S.R.O. the management is now charging 0.1% of net assets from September 05, 2019.

8.3 Allocated selling and marketing expenses

Started from September 05, 2019 allocated selling and marketing expenses are being charged by the Management Company at 0.21% of daily net assets of the Fund as per SECP Circular No. 40 of 2016 dated December 30, 2016 amended vide SECP's S.R.O. 639 (I) / 2019, dated June 20, 2019.

The aforementioned S.R.O. has amended clause (s) and (v) of sub regulation 3 of regulation 60 and accordingly has removed cap of charging 0.4% per annum of average annual net assets on account of Selling and Marketing expenses, respectively, provided total expense ratio remain within the allowed limit.

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

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

10. PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

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

		(Un-audited) December 31, 2019	(Audited) June 30, 2019
	Note	-----Rupees in '000-----	
11. ACCRUED EXPENSES AND OTHER LIABILITIES			
Auditors' remuneration payable		871	530
Brokerage expense payable		669	1,112
Payable against legal charges		86	61
Capital gains tax payable		1,524	520
Zakat deducted at source payable		1,919	1,263
Withholding tax payable		5,538	5,154
Provision for indirect duties and taxes	11.1	55,390	55,390
Provision for Sindh Workers' Welfare Fund	11.2	44,129	32,932
Dividend payable		-	2,652
Other payable		25	25
		110,151	99,639

11.1 Provision for indirect taxes and duties

This represents provision for federal excise duty (FED) as at December 31, 2019 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, which has been fully disclosed in note 14.1 to the annual audited financial statements of the Fund for the year ended June 30, 2019. As a matter of abundant caution, 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. 0.5693 (June 30, 2019: Re. 0.8164).

11.2 Provision for Sindh Workers' Welfare Fund (SWWF)

This represents provision for Sindh Workers' Welfare Fund (SWWF) as at December 31, 2019. 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. 0.4536 (June 30, 2019: Re. 0.4854). The details regarding this provision are disclosed in note 14.2 to the annual audited financial statements for the year ended June 30, 2019.

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

12. CONTINGENCIES AND COMMITMENTS

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

	(Un-audited) December 31, 2019	(Audited) June 30, 2019
13. NUMBER OF UNITS IN ISSUE	-----Number of Units-----	
Total units in issue at the beginning of the period	67,843,773	136,059,656
Units issued during the period	167,338,827	295,813,917
Units redeemed during the period	(137,892,631)	(364,029,800)
Total units in issue at the end of the period	97,289,969	67,843,773

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, 2020 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 Directive 23 of 2016 dated July 20, 2016 issued by SECP, the Total Expense Ratio of the Fund is 1.48% as on December 31, 2019 (June 30, 2019: 1.21%) and this includes 0.19% (June 30, 2019: 0.34%) representing government levy, 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 table below provides information on financial assets or liabilities carried at fair values, by valuation

As at December 31, 2019 (un-audited)				
ASSETS	Fair Value			
	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----				
Investment in securities - financial assets at fair value through profit or loss				
- Market Treasury Bills	740,940	-	-	740,940
As at June 30, 2019 (audited)				
ASSETS	Fair Value			
	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----				
Investment in securities - financial assets at fair value through profit or loss				
- Market Treasury Bills	-	-	-	-

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

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

18. TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS / RELATED PARTIES

18.1 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), Directors and Officers of Management Company and persons having 10% or more beneficial ownership of the units of the Fund.

18.2 Transactions with the connected persons are carried out in the normal course of business, 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, 2019 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, 2019 -----						
----- (Units in '000) -----						
Units issued	77,445	27	2,276	-	85	14,614
Units redeemed	63,002	-	-	-	132	-
----- (Rupees in '000) -----						
Value of units issued	7,821,749	2,764	230,000	-	8,556	1,473,989
Value of units redeemed	6,369,946	-	-	-	13,319	-
Mark-up on PLS accounts	-	878	-	-	-	-
Bank and other charges	-	59	-	-	-	-
Purchase of securities	-	-	-	4,400,291	-	-
Sale of securities	-	4,648,154	-	2,184,868	-	-
Remuneration (inclusive of SST)	40,848	-	3,338	-	-	-
Allocated selling and marketing expenses	6,279	-	-	-	-	-
Allocated expense	2,990	-	-	-	-	-
Custody fee	-	-	2	-	-	-
Dividend paid	4,689	4	-	-	737	109,190
----- As at December 31, 2019 -----						
----- (Units in '000) -----						
Units held	14,443	27	2,276	-	100	21,603
----- (Rupees in '000) -----						
Value of units held	1,460,128	2,776	230,145	-	10,074	2,183,962
Bank Balances	-	-	28,413	-	-	-
Deposits	-	-	100	-	-	-
Remuneration (inclusive of SST)	5,757	-	522	-	-	-
Allocated expenses payable	1,398	-	-	-	-	-
Allocated selling and marketing expenses payable	4,640	-	-	-	-	-
Other payable	144	-	-	-	-	-
Mark-up receivable	-	350	-	-	-	-
Transactions during the period						
----- Half year ended December 31, 2018 -----						
----- (Rupees in '000) -----						
Value of units issued	136,779	6,102	-	17,989	3,368	5,234,913
Value of units redeemed	779,416	16,151	-	175,005	14,744	2,183,343
Mark-up on PLS accounts	-	13,695	-	-	-	-
Bank and other charges	-	27	-	-	-	-
Purchase of securities	-	1,100,000	-	1,030,534	-	-
Sale of securities	-	-	-	491,649	-	-
Remuneration (inclusive of SST)	47,958	-	5,916	-	-	-
Allocated expense	6,442	-	-	-	-	-
Custody fee	-	-	3	-	-	-
Dividend paid	38,911	894	-	9,747	1,812	128,867
----- As at June 30, 2019 -----						
----- (Units in '000) -----						
Units held	-	-	-	-	147	24,399
----- (Rupees in '000) -----						
Value of units held	-	-	-	-	14,847	2,458,989
Bank Balances	-	29,278	-	-	-	-
Deposits	-	-	100	-	-	-
Remuneration (inclusive of SST)	6,314	-	548	-	-	-
Other payable	135	-	-	-	-	-
Mark-up receivable	-	279	-	-	-	-

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

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

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

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, 2019 have not been reviewed by auditors.

20. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on February 25, 2020 by the Board of Directors of the Management Company.

For UBL Fund Managers Limited
(Management Company)

SD
Chief Executive Officer

SD
Chief Financial Officer

SD
Director

UIOF

UBL Income Opportunity Fund

INVESTMENT OBJECTIVE

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

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

**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
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Email: info@cdcpak.com



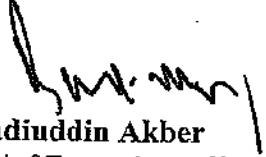
TRUSTEE REPORT TO THE UNIT HOLDERS

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, 2019 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, 2020

TO THE UNIT HOLDERS ON 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 2019**, 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 notes to the accounts for the six month period then ended (here-in-after referred to as "interim financial statements"). Management Company is responsible for the preparation and presentation of this interim financial statements in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial statements based on our review. The figures of the unconsolidated condensed interim profit and loss account and unconsolidated condensed interim statement of comprehensive income for the quarters ended 31 December 2019 and 31 December 2018 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 2019.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Statements 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 standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the audit resulting in this independent auditor's report is Shaikh Ahmed Salman.



Chartered Accountants

Date: 26 February 2020

Karachi

UBL INCOME OPPORTUNITY FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT DECEMBER 31, 2019

		(Un-audited) December 31, 2019 ----- (Rupees in '000) -----	(Audited) June 30, 2019
	Note		
ASSETS			
Bank balances	4	562,280	648,809
Investments	5	56,513	184,264
Dividend and mark-up receivable		10,864	8,609
Advance tax	6	346	236
Deposits, prepayments and other receivables		29,570	4,869
Receivable against margin trading system (MTS)		7,944	-
TOTAL ASSETS		667,517	846,787
LIABILITIES			
Payable to UBL Fund Managers Limited - Management Company	7	2,815	1,389
Payable to Central Depository Company of Pakistan - Trustee	8	42	131
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)	9	44	1,090
Accrued expenses and other payables	10	6,755	10,917
Payable against purchase of investments		6,204	-
TOTAL LIABILITIES		15,860	13,527
NET ASSETS		651,657	833,260
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		651,657	833,260
CONTINGENCIES AND COMMITMENTS	11		
		----- (Number of units) -----	
NUMBER OF UNITS IN ISSUE		5,534,655	7,561,461
		----- (Rupees) -----	
NET ASSETS VALUE PER UNIT		117.7413	110.1983

The annexed notes from 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 INCOME OPPORTUNITY FUND
CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2019

		Half year ended		Quarter ended	
		December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
Note		(Rupees in '000)			
INCOME					
Financial income on:					
- Bank balances		22,300	72,788	13,418	46,972
- Term deposit receipts		3,056	337	484	337
- Government securities		3,600	662	737	352
- Term finance certificates		1,501	904	809	483
- Marginal trading system		300	1,584	300	584
(Loss) / gain on redemption / sale of investments classified as 'at fair value through profit or loss' - net		(2,952)	129	(2,809)	-
Dividend income		5,483	-	5,483	-
Unrealised (loss) / gain on revaluation of investments classified as 'at fair value through profit or loss' - net		(238)	317	(185)	334
Other income		298	41	281	9
Total income		33,348	76,762	18,518	49,071
EXPENSES					
Remuneration of the Management Company		2,909	7,676	1,539	4,907
Sales tax on management fee		378	998	200	638
Allocation of expenses related to the Fund		218	840	118	497
Selling and marketing expenses		218	497	118	497
Remuneration of the Trustee		163	1,139	88	636
Sales tax on remuneration of the Trustee		21	148	11	83
Annual fee to Securities and Exchange Commission of Pakistan		44	630	24	372
Auditors' remuneration		220	206	122	112
Brokerage and settlement expenses		842	497	664	122
Listing fee expense		14	14	7	7
Legal and professional charges		80	82	39	38
Bank charges and other expenses		126	138	67	72
Total expenses		5,233	12,865	2,997	7,981
Net operating income for the period		28,115	63,897	15,521	41,090
Provision for Sindh Workers' Welfare Fund (SWWF)	10.2	(552)	(1,255)	(305)	(807)
Net income for the period before taxation		27,563	62,642	15,216	40,283
Taxation	12	-	-	-	-
Net income for the period after taxation		27,563	62,642	15,216	40,283
<i>Allocation of net income for the period</i>					
Income already paid on units redeemed		(9,340)	(14,669)	(4,834)	(13,403)
Net income for the period available for distribution		18,223	47,973	10,382	26,880
<i>Net income available for distribution:</i>					
- Relating to capital gains		-	273	(1,143)	182
- Excluding capital gains		18,223	47,700	11,525	26,698
		18,223	47,973	10,382	26,880

Earning per unit

13

The annexed notes from 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 INCOME OPPORTUNITY FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2019

	Half year ended		Quarter ended	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
	----- (Rupees in '000) -----			
Net income for the period after taxation	27,563	62,642	15,216	40,283
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u><u>27,563</u></u>	<u><u>62,642</u></u>	<u><u>15,216</u></u>	<u><u>40,283</u></u>

The annexed notes from 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 INCOME OPPORTUNITY FUND
CONDENSED INTERIM STATEMENT CASH FLOWS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2019

	Half year ended	
	December 31, 2019	December 31, 2018
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	27,563	62,642
Adjustments for:		
Financial income	(30,757)	(76,275)
Loss / (gain) on redemption / sale of investments classified as 'at fair value through profit or loss' - net	2,952	(129)
Dividend income	(5,483)	-
Unrealised loss / (gain) on revaluation of investments 'at fair value through profit or loss' - net	238	(317)
Provision for Sindh Workers' Welfare Fund (SWWF)	552	1,255
	(32,498)	(75,466)
Cash used in operations before working capital changes	(4,935)	(12,824)
Working capital changes		
Decrease / (increase) in assets		
Investments	124,561	134
Advance tax	(110)	(3)
Deposits, prepayments and other receivables	(24,701)	14,084
Receivable against margin trading system (MTS)	(7,944)	185,538
	91,806	199,753
Increase / (decrease) in liabilities		
Payable to UBL Fund Managers Limited - Management Company	1,426	2,774
Payable to Central Depository Company of Pakistan - Trustee	(89)	158
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)	(1,046)	381
Accrued expenses and other payables	(4,714)	(9,224)
Payable against purchase of investments	6,204	-
	1,781	(5,911)
Dividend and mark-up received	33,985	60,684
Net cash flows generated from operating activities	122,637	241,702
CASH FLOWS FROM FINANCING ACTIVITIES		
Net receipt from issuance of units	1,102,658	2,366,232
Net payment against redemption of units	(1,311,824)	(734,187)
Distribution during the period	-	(23,043)
Net cash (used in) / generated from financing activities	(209,166)	1,609,002
Net (decrease) / increase in cash and cash equivalents during the period	(86,529)	1,850,704
Cash and cash equivalents at beginning of the period	648,809	326,966
Cash and cash equivalents at end of the period	562,280	2,177,670

The annexed notes from 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 INCOME OPPORTUNITY FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2019

	Half year ended					
	December 31, 2019			December 31, 2018		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees in '000)					
Net assets at beginning of the period	821,353	11,907	833,260	539,431	17,837	557,268
Amount received on issuance of 9,506,016 (2018: 21,200,238) units						
Capital value	1,047,547	-	1,047,547	2,331,503	-	2,331,503
Element of income during the period;						
- Relating to net income for the period after taxation	55,111	-	55,111	34,729	-	34,729
	1,102,658	-	1,102,658	2,366,232	-	2,366,232
Redemption of 11,532,822 (2018: 6,521,348) units						
Capital value	(1,270,897)	-	(1,270,897)	(717,187)	-	(717,187)
Element of income during the period;						
- Relating to net income for the period after taxation	(31,587)	(9,340)	(40,927)	(2,331)	(14,669)	(17,000)
	(1,302,484)	(9,340)	(1,311,824)	(719,518)	(14,669)	(734,187)
Total comprehensive income for the period	-	27,563	27,563	-	62,642	62,642
Distribution during the period Nil (2018: Rs.4.7439 per unit declared on July 02, 2018 as cash dividend)	-	-	-	(15,541)	(7,502)	(23,043)
Net assets at end of the period	621,527	30,130	651,657	2,170,604	58,308	2,228,912
Undistributed income brought forward comprising of:						
- Realised	-	11,907	11,907	-	17,837	17,837
- Unrealised	-	-	-	-	-	-
	-	11,907	11,907	-	17,837	17,837
Accounting income available for distribution:						
- Relating to capital gains	-	-	-	-	273	273
- Excluding capital gains	-	18,223	18,223	-	47,700	47,700
	-	18,223	18,223	-	47,973	47,973
Distribution during the period Nil (2018: Rs.4.7439 per unit declared on July 02, 2018 as cash dividend)	-	-	-	-	(7,502)	(7,502)
Undistributed income carried forward	-	30,130	30,130	-	58,308	58,308
Undistributed income carried forward comprising of:						
- Realised	-	30,368	30,368	-	57,991	57,991
- Unrealised (loss) / gain	-	(238)	(238)	-	317	317
	-	30,130	30,130	-	58,308	58,308
			- (Rupees) -			- (Rupees) -
Net assets value per unit at beginning of the period			110.1983			114.7192
Net assets value per unit at end of the period			117.7413			114.0892

The annexed notes from 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 INCOME OPPORTUNITY FUND
NOTES TO THE INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2019

1. LEGAL STATUS AND NATURE OF BUSINESS

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

2.1.1 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, 2019.
- 2.1.3** These interim financial statements are un-audited but subject to limited scope review by the auditors. Figures for the quarters ended December 31, 2019 and December 31 2018 as reported in these interim financial statements have not been subject to limited scope review by the external auditors.
- 2.1.4** 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, 2019, 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, 2018.
- 2.1.5** 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, 2019.

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, 2019.

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)

IFRS 11 Joint Arrangements: Previously held interests in a joint operation

IFRS 16 Leases

IAS 12 Income Taxes: Income tax consequences of payments on financial instruments classified as equity (Amendments)

IAS 19 Plan Amendment, Curtailment or Settlement (Amendments)

IAS 23 Borrowing Costs: Borrowing costs eligible for capitalisation

IAS 28 Long-term Interests in Associates and Joint Ventures (Amendments)

IFRIC Interpretation 23 Uncertainty over Income Tax Treatments

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, 2019.

		(Un-audited) December 31, 2019	(Audited) June 30, 2019
	Note	----- (Rupees in '000) -----	
4. BANK BALANCES			
Current account		10	-
Saving accounts	4.1	<u>562,270</u>	<u>648,809</u>
		<u>562,280</u>	<u>648,809</u>

- 4.1** These carry mark-up at the rates ranging from 5.50% to 14.25% (June 30, 2019: 3.75% to 13.90%) per annum and include balances of Rs.7.05 (June 30, 2019: Rs.2.36) 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	27,599	-
Government Securities - Pakistan Investment Bonds	5.2	-	-
Debt securities - Term Finance Certificates	5.3	21,537	21,685
Quoted equity securities - Spread transactions	5.4	<u>7,377</u>	<u>-</u>
		<u>56,513</u>	<u>21,685</u>

'At amortised cost'

Letter of placement		-	60,092
Term deposit receipt		-	102,487
		<u>56,513</u>	<u>184,264</u>

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

Purchase yield range	Maturity upto	As at July 01, 2019	Purchased during the period	Sold during the period	As at December 31, 2019	December 31, 2019			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 -										
3 months	13.61%	10-Oct-19	-	12,250	(12,250)	-	-	-	-	-
1 year	13.04%	27-Aug-20	-	300	-	300	27,698	27,599	(99)	4.24
Total as at December 31, 2019 (un-audited)						27,698	27,599	(99)	4.24	48.84

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

Purchase yield range	Maturity upto	As at July 01, 2019	Purchased during the period	Sold during the period	As at December 31, 2019	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	13.43%	12-Jul-23	-	500	(500)	-	-	-	-	-

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

Particulars	Note	Number of certificates				December 31, 2019			Market value as a % of net assets	Market value as a % of total investments
		As at July 01, 2019	Purchased during the period	Sold / matured during the period	As at December 31, 2019	Carrying value	Market value	Unrealised Gain / (loss)		
Commercial banks						----- (Rupees in '000) -----			----- % -----	
Bank AL Habib Limited - unlisted (Issue date - March 17, 2016)	5.3.1 & 5.3.2	2,000	-	-	2,000	9,886	9,811	(75)	1.51	17.36
Habib Bank Limited - unlisted (Issue date - February 19, 2016)	5.3.1 & 5.3.2	120	-	-	120	11,794	11,726	(68)	1.80	20.75
Total as at December 31, 2019 (Un-audited)						21,680	21,537	(143)	3.31	38.11
Total as at June 30, 2019 (Audited)						21,899	21,685	(214)		

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

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

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

5.4 Quoted equity securities - Spread transactions

Name of Investee Company	Number of shares				Balance as at December 31, 2019			Market value as percentage of total investments	Market value as percentage of net assets	Market value as a percentage of paid-up capital of the investee
	As at July 01, 2019	Purchased during the period	Sold during the period	As at December 31, 2019	Carrying value as at December 31, 2019	Market value as at December 31, 2019	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	-	9,500	(9,500)	-	-	-	-	-	-	-
Pakistan Petroleum Limited	-	24,500	(24,500)	-	-	-	-	-	-	-
					-	-	-	-	-	-
Oil and gas marketing companies										
Sui Southern Gas Company Limited	-	24,500	(24,500)	-	-	-	-	-	-	-
					-	-	-	-	-	-
Pharmaceuticals										
The Searle Company Limited	-	302,500	(302,500)	-	-	-	-	-	-	-
					-	-	-	-	-	-
Engineering										
Amreli Steels Limited	-	110,500	(110,500)	-	-	-	-	-	-	-
International Steels Limited	-	446,000	(391,500)	54,500	3,136	3,139	3	5.55	0.48	0.07
Mughal Iron & Steel Industries Limited	-	43,000	(43,000)	-	-	-	-	-	-	-
					3,136	3,139	3	5.55	0.48	0.07
Refinery										
Atock Refinery Limited	-	38,000	(38,000)	-	-	-	-	-	-	-
National Refinery Limited	-	2,500	(2,500)	-	-	-	-	-	-	-
					-	-	-	-	-	-

Name of Investee Company	Number of shares				Balance as at December 31, 2019			Market value as percentage of total investments	Market value as percentage of net assets	Market value as a percentage of paid-up capital of the investee
	As at July 01, 2019	Purchased during the period	Sold during the period	As at December 31, 2019	Carrying value as at December 31, 2019	Market value as at December 31, 2019	Unrealized gain / (loss)			
----- (Rupees in '000) -----										

Name of Investee Company	Number of shares				Balance as at December 31, 2019			Market value as percentage of total investments	Market value as percentage of net assets	Market value as a percentage of paid-up capital of the investee
	As at July 01, 2019	Purchased during the period	Sold during the period	As at December 31, 2019	Carrying value as at December 31, 2019	Market value as at December 31, 2019	Unrealized gain / (loss)			
					----- (Rupees in '000) -----			----- % -----		
Technology and communication										
NetSol Technologies Limited	-	25,500	(25,500)	-	-	-	-	-	-	-
					-	-	-	-	-	-
Transport										
Pakistan International Bulk Terminal	-	740,500	(739,000)	1,500	16	16	-	0.03	0.00	0.00
					16	16	-	0.03	0.00	0.00
Vanaspati and allied industries										
Unity Foods Limited	-	2,487,500	(2,487,000)	500	8	8	-	0.01	0.00	0.00
					8	8	-	0.01	0.00	0.00
Fertilizer										
Fauji Fertilizer Company Limited	-	500	(500)	-	-	-	-	-	-	-
Engro Fertilizers Limited	-	295,000	(295,000)	-	-	-	-	-	-	-
Engro Corporation Limited	-	1,500	(1,500)	-	-	-	-	-	-	-
Fauji Fertilizer Bin Qasim Limited	-	123,000	(108,000)	15,000	293	293	-	0.52	0.04	0.00
					293	293	-	0.52	0.04	0.00
Cement										
D.G. Khan Cement Company Limited	-	115,000	(115,000)	-	-	-	-	-	-	-
Fauji Cement Company Limited	-	325,000	(320,000)	5,000	78	78	-	0.14	0.01	0.00
Cherat Cement Company Limited	-	276,500	(276,500)	-	-	-	-	-	-	-
Pioneer Cement Limited	-	104,000	(101,000)	3,000	91	92	1	0.16	0.01	-
					169	170	1	0.30	0.02	0.00
Total as at December 31, 2019 (Un-audited)					7,373	7,377	4			
Total as at June 30, 2019 (Audited)					-	-	-			

6. ADVANCE TAX

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

		(Un-audited) December 31, 2019	(Audited) June 30, 2019
7. PAYABLE TO UBL FUND MANAGERS LIMITED - MANAGEMENT COMPANY	Note	---- (Rupees in '000) ----	
Remuneration payable to the Management Company	7.1	636	881
Sales tax on management fee	7.2	83	114
Payable against allocated expenses	7.3	87	68
Selling and marketing expenses	7.4	117	226
Sales load and other payables		1,892	100
		<u>2,815</u>	<u>1,389</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, 2019: 13%)

7.3 Upto June 19, 2019 in accordance with Regulation 60 of the NBFC Regulations, the Management Company was entitled to charge expenses related to registrar services, accounting, operations and valuation services, related to a Collective Investment Scheme (CIS) at the rate of up to 0.1% of the average annual net assets of the scheme or actual whichever is less. However, SECP vide SRO 639 dated June 20, 2019 removed the maximum cap of 0.1%.

Therefore, with effect from June 20, 2019, the Management Company can charge expenses related to registrar services, accounting, operations and valuation services to the CIS based on its discretion provided the Total Expense Ratio (TER) prescribed by the SECP vide SRO 639 dated June 20, 2019 is complied with.

7.4 The SECP had allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) initially for a period of three years (i.e. from January 01, 2017 till December 31, 2019). The maximum cap of selling and marketing expense was 0.4% per annum of the net assets of the Fund or actual expenses whichever is lower.

During the current period, the SECP through its circular 11 dated July 05, 2019 has 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 has been lifted and now the asset management company is 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. Furthermore, the time limit of three years has also been removed in the revised conditions.

Accordingly, the Board of Directors of Management Company have resolved that the selling and marketing expenses will be charged based on the discretion of the Management Company provided the Total Expense Ratio (TER) prescribed by the SECP vide SRO 639 dated June 20, 2019 is complied with.

8. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN - TRUSTEE

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

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

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

10. 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	3,605	3,053
Zakat deducted at source payable		10	10
Auditors' remuneration		204	261
Withholding tax deducted at source payable		-	5,614
Tax payable on capital gain on redemption of units		269	45
Legal and professional charges payable		115	61
Brokerage payable		404	55
Other payables		551	221
		6,755	10,917

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 15.1 to the annual financial statements of the Fund for the year ended June 30, 2019. 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, 2019 would have been higher by Re.0.28 (June 30, 2019: Re.0.21) per unit.

10.2 The status of Sindh Workers' Welfare Fund (SWWF) is same as disclosed in 15.2 annual financial statements for the year ended June 30, 2019. Had the SWWF not been provided, the net assets value per unit of the Fund would have been higher by Re.0.65 (June 30, 2019: Re.0.40).

11. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at December 31, 2019 and June 30, 2019.

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 2.66% as on December 31, 2019 (2018: 0.85%), this includes 0.46% (2018: 0.18%) representing Government Levy, Sindh Workers' Welfare Fund and SECP Fee and 0.03% (2018: 0.03%) representing expenses related to MTS. 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, 2019 are as follows:

	Management company	Associated companies	Trustee	Funds under common management	Directors and key executives	Other connected persons / related parties
	(Rupees in '000)					
	For The 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	-	-
Remuneration *	3,287	-	184	-	-	-
Central Depository System (CDS) charges	-	-	2	-	-	-
Allocated expenses by the Management Company	218	-	-	-	-	-
Selling and marketing expenses	218	-	-	-	-	-

	For The Half Yearly Ended December 31, 2018 (Un-audited)					
Transactions during the period						
Mark-up on saving accounts	-	124	-	-	-	-
Bank charges	-	10	-	-	-	-
Units issued	1,992,347	-	-	-	877	49,013
Units redeemed	490,000	-	-	-	2,045	60,093
Sale of investment	-	-	-	734,375	-	-
Dividend paid	-	-	-	-	600	11,566
Remuneration *	8,674	-	1,287	-	-	-
CDS charges	-	-	63	-	-	-
Allocated expenses by the Management Company	840	-	-	-	-	-
Selling and marketing expenses	497	-	-	-	-	-

	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, 2019 (Un-audited)					
Balances held						
Units held (units in '000)	-	-	-	-	160	964
Units held (Rupees in '000)	-	-	-	-	18,839	113,503
Bank balances	-	7,048	-	-	-	-
Remuneration payable*	719	-	42	-	-	-
Security deposit	-	-	100	-	-	-
Sales load and other payable	1,892	-	-	-	-	-
Mark-up receivable	-	88	-	-	-	-
Payable against allocated expenses	87	-	-	-	-	-
Selling and marketing expense payable	117	-	-	-	-	-

	As at June 30, 2019 (Audited)					
Balances held						
Units held (units in '000)	4,765	-	-	-	112	-
Units held (Rupees in '000)	525,095	-	-	-	12,342	-
Bank balances	-	2,357	-	-	-	-
Remuneration payable*	995	-	132	-	-	-
Security deposit	-	-	100	-	-	-
Sales load and other payables	100	-	-	-	-	-
Mark-up receivable	-	23	-	-	-	-
Payable against allocated expenses	68	-	-	-	-	-
Selling and marketing expense payable	226	-	-	-	-	-

* 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
	----- (Rupees in '000) -----		
<u>December 31, 2019 (Un-audited)</u>			
Financial assets measured at fair value			
Debt securities	-	21,537	-
Government securities	-	27,599	-
Quoted equity securities - spread transactions	7,377	-	-
	<u>7,377</u>	<u>49,136</u>	<u>-</u>

	Fair value		
	Level 1	Level 2	Level 3
	----- (Rupees in '000) -----		
<u>June 30, 2019 (Audited)</u>			
Financial assets measured at fair value			
Debt securities	-	21,685	-

17. GENERAL

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

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

18. DATE OF AUTHORISATION FOR ISSUE

These interim financial statements were authorised for issue on February 25, 2020 by the Board of Directors of the Management Company.

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

SD
Chief Executive Officer

SD
Chief Financial Officer

SD
Director

UGSF

UBL Government Securities Fund

INVESTMENT OBJECTIVE

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

Management Company	UBL Fund Managers Limited
Trustee	Central Depository Company of Pakistan Limited 99-B, Block-B, S.M.C.H.S., Main Shahra-e-Faisal, Karachi. Tel: (9221) 111-111-500
Distribution Company	United Bank Limited (for detail of others, please visit our website: www.ublfunds.com.pk)
Auditors	BDO Ebrahim & Co., Chartered Accountants
Bankers	United Bank Limited Bank Alfalah Limited MCB Bank Limited Faysal Bank Limited Allied Bank Limited Habib Bank Limited - Islamic Banking Habib Metropolitan Bank Limited JS Bank Limited Meezan Bank Limited Samba Bank Limited Sindh Bank Limited Askari Bank Limited National Bank of Pakistan Limited Zarai Taraqati Bank Limited Soneri Bank Limited
Management Co. Rating	AM 1 (VIS Credit Rating Company Limited)
Fund Rating	A+ (f) (VIS Credit Rating Company Limited)

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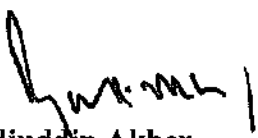
TRUSTEE REPORT TO THE UNIT HOLDERS

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, 2019 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, 2020

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, 2019 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 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, 2019 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 December 31, 2019 and December 31, 2018 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 2020



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, 2019

		December 31, 2019 (Unaudited)	June 30, 2019 (Audited)
	Note	----- (Rupees in '000) -----	
ASSETS			
Bank balances	4	860,641	1,109,748
Term deposit receipts	5	-	-
Investments	6	1,786,434	525,571
Mark up / interest receivable		21,223	25,236
Prepayments and other receivables		1,142	1,325
Advance tax	7	5,175	5,175
TOTAL ASSETS		2,674,615	1,667,055
LIABILITIES			
Payable to UBL Fund Managers Limited - Management Company		3,864	2,265
Payable to Central Depository Company of Pakistan Limited - Trustee	8	161	190
Payable to Securities and Exchange Commission of Pakistan	9	189	1,270
Accrued expenses and other liabilities	10	80,730	129,816
TOTAL LIABILITIES		84,944	133,541
NET ASSETS		2,589,671	1,533,514
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		2,589,671	1,533,514
CONTINGENCIES AND COMMITMENTS	11	----- (Number of units) -----	
NUMBER OF UNITS IN ISSUE		23,063,712	14,496,497
		----- (Rupees) -----	
NET ASSETS VALUE PER UNIT		112.2834	105.7851

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

For UBL Fund Managers Limited
(Management Company)

SD
CHIEF EXECUTIVE OFFICER

SD
CHIEF FINANCIAL OFFICER

SD
DIRECTOR

UBL GOVERNMENT SECURITIES FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2019

		Half Year ended		Quarter ended	
		December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
Note		----- (Rupees in '000) -----	----- (Rupees in '000) -----	----- (Rupees in '000) -----	----- (Rupees in '000) -----
INCOME					
		131,073	76,031	76,116	40,161
		(1,032)	(4,424)	(232)	(1,961)
		(809)	(2,445)	(2,753)	(1,878)
		47	27	47	27
TOTAL INCOME		129,279	69,189	73,178	36,349
EXPENSES					
		11,419	8,987	6,627	4,379
		1,484	1,169	861	569
		945	886	554	428
		695	1,178	364	576
		189	665	111	321
		85	76	35	31
		156	304	22	170
		810	255	361	92
		77	107	38	56
		156	156	78	78
		-	27	-	6
Total operating expenses		16,016	13,810	9,051	6,706
Operating income for the period		113,263	55,379	64,127	29,643
		(2,223)	(1,087)	(1,258)	(581)
Net income for the period before taxation		111,040	54,292	62,869	29,062
		-	-	-	-
Net income for the period after taxation		111,040	54,292	62,869	29,062
Allocation of net income for the period					
		(14,396)	(6,125)	(11,958)	(4,885)
Net income for the period available for distribution		96,644	48,167	50,911	24,177
		-	-	-	-
		96,644	48,167	50,911	24,177
Earnings per unit		96,644	48,167	50,911	24,177

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

For UBL Fund Managers Limited
(Management Company)

SD
CHIEF EXECUTIVE OFFICER

SD
CHIEF FINANCIAL OFFICER

SD
DIRECTOR

UBL GOVERNMENT SECURITIES FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2019

	Half year ended		Quarter ended	
	December 31,	December 31,	December 31,	December 31,
	2019	2018	2019	2018
	----- (Rupees in '000) -----		----- (Rupees in '000) -----	
Net income for the period after taxation	111,040	54,292	62,869	29,062
Other comprehensive income				
Items that will be reclassified subsequently to income statement	-	-	-	-
Items that will not be reclassified subsequently to income statement	-	-	-	-
Total comprehensive income for the period	<u>111,040</u>	<u>54,292</u>	<u>62,869</u>	<u>29,062</u>

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

For UBL Fund Managers Limited
(Management Company)

SD
CHIEF EXECUTIVE OFFICER

SD
CHIEF FINANCIAL OFFICER

SD
DIRECTOR

UBL GOVERNMENT SECURITIES FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2019

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS FUNDS (UNAUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2019

Half year ended

	December 31, 2019			December 31, 2018		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees in '000)			(Rupees in '000)		
Net assets at the beginning of the year	1,324,250	209,264	1,533,514	1,609,216	267,824	1,877,040
Issuance of 15,303,869 units (2018: 7,002,296 units)						
Capital value of units	1,618,921	-	1,618,921	419,745	-	419,745
Element of income	68,581	-	68,581	4,402	-	4,402
Due to net income earned						
Total proceeds on issuance of units	1,687,502	-	1,687,502	424,147	-	424,147
Redemption of 6,736,654 units (2018: 12,354,514 units)						
Capital value of units	(712,638)	-	(712,638)	(655,561)	-	(655,561)
Element of loss	(15,351)	(14,396)	(29,747)	(3,451)	(6,125)	(9,576)
Due to net income earned						
Total payments on redemption of units	(727,989)	(14,396)	(742,385)	(659,012)	(6,125)	(665,137)
Total comprehensive income for the year	-	111,040	111,040	-	54,292	54,292
Distributions during the period:						
Rs. 4.9688 per unit declared on July 2, 2018 as cash dividend	-	-	-	(23,040)	(61,316)	(84,356)
Net income for the period less distribution	-	111,040	111,040	(23,040)	(7,024)	(30,064)
Net assets at the end of the period	2,283,763	305,908	2,589,671	1,351,311	254,675	1,605,986
Undistributed income brought forward comprises of:						
Realised gain		212,437	212,437		268,218	268,218
Unrealised (loss)		(3,173)	(3,173)		(394)	(394)
Total undistributed income brought forward		209,264	209,264		267,824	267,824
Income available for distribution:						
Relating to capital gains	-	-	-	-	-	-
Excluding capital gains	96,644	96,644	96,644	48,167	48,167	48,167
Distribution during the period:						
Rs. 4.9688 per unit declared on July 2, 2018 as cash dividend	-	-	-	(61,316)	(61,316)	(61,316)
Undistributed income carried forward		305,908	305,908		254,675	254,675
Undistributed income carried forward comprises of:						
Realised gain		306,717	306,717		257,120	257,120
Unrealised loss		(809)	(809)		(2,445)	(2,445)
Total undistributed income carried forward		305,908	305,908		254,675	254,675
	(Rupees)			(Rupees)		
Net assets value per unit at the beginning of the period	105.7851			110.5634		
Net assets value per unit at the end of the period	112.2834			108.9266		

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

For UBL Fund Managers Limited
(Management Company)

SD
CHIEF EXECUTIVE OFFICER

SD
CHIEF FINANCIAL OFFICER

SD
DIRECTOR

UBL GOVERNMENT SECURITIES FUND
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2019

	Half year ended	
	December 31, 2019	December 31, 2018
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	111,040	54,292
Adjustments for:		
Financial income	(131,073)	(76,031)
Unrealised loss on revaluation of investments at fair value through profit or loss - net	809	2,445
Capital loss on sale of investments - net	1,032	4,424
Provision for Sindh Workers' Welfare Fund	2,223	1,087
	(127,009)	(68,075)
Cash used in operations before working capital changes	(15,969)	(13,783)
Working capital changes		
(Increase) / decrease in assets		
Investments - net	(1,262,704)	(203,733)
Prepayments and other receivables	183	2,493
Advance tax	-	(51)
	(1,262,521)	(201,291)
Increase / (decrease) in liabilities		
Payable to UBL Fund Managers Limited - Management Company	1,599	(446)
Payable to Central Depository Company of Pakistan Limited - Trustee	(29)	(16)
Annual fee payable to Securities and Exchange Commission of Pakistan	(1,081)	(1,380)
Accrued expenses and other liabilities	(51,309)	(1,126,745)
	(50,820)	(1,128,587)
Cash used in operations	(1,329,310)	(1,343,661)
Profit received on bank balances and investments	135,086	69,685
Net cash flow (used in) operating activities	(1,194,224)	(1,273,976)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issuance of units	1,687,502	424,147
Payments against redemption of units	(742,385)	(665,137)
Dividend paid	-	(84,356)
Net cash generated from / (used in) financing activities	945,117	(325,346)
Net decrease in cash and cash equivalents	(249,107)	(1,599,322)
Cash and cash equivalents at the beginning of the period	1,109,748	4,101,409
Cash and cash equivalents at the end of the period	860,641	2,502,087
CASH AND CASH EQUIVALENTS		
Bank balances	860,641	1,458,856
Market Treasury Bills	-	1,043,231
	860,641	2,502,087

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

For UBL Fund Managers Limited
(Management Company)

SD
CHIEF EXECUTIVE OFFICER

SD
CHIEF FINANCIAL OFFICER

SD
DIRECTOR

UBL GOVERNMENT SECURITIES FUND
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL
INFORMATION (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2019

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, 2019 and a stability rating of "A+(f)" to the Fund as at December 31, 2019.

2 BASIS OF PREPARATION

2.1 Statement of compliance

- 2.1.1 This condensed interim financial information has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards 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, 2019.
- 2.1.3 The comparative statement of assets and liabilities presented in this condensed interim financial information has been extracted from the annual audited financial statements of the Fund for the year ended June 30, 2019, whereas the comparative condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of movement in unit holders' fund are extracted from the unaudited condensed interim financial information for the half year ended December 31, 2018.
- 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, 2019 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, 2019.

2.2 Basis of measurement

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

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

		December 31, 2019 (Unaudited)	June 30, 2019 (Audited)
	Note	----- (Rupees in '000) -----	
4	BANK BALANCES		
	Cash at bank		
	In current accounts	10	-
	In savings accounts	860,631	1,109,748
		<u>860,641</u>	<u>1,109,748</u>

- 4.1 Profit rates on these savings accounts range from 3.75% to 13.85% per annum (June 30, 2019: 3.75% to 13.4% per annum). This includes an amount held by a related party (United Bank Limited) amounting to Rs. 6.743 million (June 30, 2019: Rs. 1.992 million) on which return is earned at 12.25% (June 30, 2019: 8.25%) per annum.

5 TERM DEPOSIT RECEIPTS

Opening balance		-	-
Acquired during the period	5.1	130,000	-
Matured during the period	5.1	(130,000)	-
Closing balance		<u>-</u>	<u>-</u>

- 5.1 This term deposit receipt carried interest at the rate of 13.75% per annum and matured on September 30, 2019.

6 INVESTMENTS

Pakistan Investment Bonds	6.1 & 6.2	342,900	519,324
Market Treasury Bills	6.1 & 6.3	1,437,099	-
GOP Ijarah Sukuk	6.1 & 6.4	6,435	6,247
		<u>1,786,434</u>	<u>525,571</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, 2019 (Un-Audited)	Market value as at June 30, 2019 (Audited)	Percentage of investment
	Note	----- No. of holdings -----				----- (Rupees in '000) -----		
Pakistan Investment Bonds								
PIB-3 Years	6.3	3,600	7,700	9,800	1,500	139,620	319,804	7.82%
PIB-5 Years	6.3	-	3,750	3,750	-	-	-	0.00%
PIB- 10 Years	6.3	2,000	-	-	2,000	203,280	199,520	11.38%
Market Treasury Bills								
T-bill 3 months	6.4	-	60,500	60,500	-	-	-	0.00%
T-bill 6 months	6.4	-	12,560	12,300	260	25,726	-	1.44%
T-bill 12 months	6.4	-	27,060	11,500	15,560	1,411,373	-	79.01%
GOP Ijarah Sukuk								
3 Year	6.5	65	-	-	65	6,435	6,247	0.36%
		<u>5,665</u>	<u>111,570</u>	<u>97,850</u>	<u>19,385</u>	<u>1,786,434</u>	<u>525,571</u>	<u>100.00%</u>

- 6.2 These comprise of fixed and floating rate Pakistan Investment Bonds (PIBs) having face value amounting to Rs. 150.000 million and Rs. 200.000 million respectively (June 30, 2019: Rs. 360.00 and Rs. 200.00 million respectively) and carry interest rates ranging from 7.25% to 9.00% and 14.64% respectively (June 30, 2019: 12.50% to 13.88% and 8.55% respectively).
- 6.3 These represent Market Treasury Bills (MTBs) having a face value of Rs. 1,582.000 million (June 30, 2019: Nil) and carrying purchase yield of 13.083% per annum (June 30, 2019: Nil).
- 6.4 These represent Government of Pakistan (GOP) Ijarah Sukuk having face value of Rs. 6.500 million (June 30, 2019: Rs 6.500 million) and carry purchase yield of 5.24% per annum (June 30, 2019: 5.24% per annum).

7 ADVANCE TAX

The income of the Fund is exempt from tax under clause 99 of Part I of the Second Schedule of the Income Tax Ordinance 2001 (ITO 2001). Further, the Fund is exempt under clause 47(B) of Part IV of Second Schedule of ITO 2001 from withholding of tax under section 150, 150A, 151 and 233 of ITO 2001. The Federal Board of Revenue through a circular "C.No.1 (43) DG (WHT)/ 2008-Vol.II- 66417-R" dated May 12, 2015, made it mandatory to obtain exemption certificates under section 159 (1) of the ITO 2001 from Commissioner Inland Revenue (CIR). 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, 2019 (Un-Audited)	June 30, 2019 (Audited)
	-----Rupees in '000-----	
8 PAYABLE TO CENTRAL DEPOSITORY COMPANY LIMITED OF PAKISTAN - TRUSTEE		
Trustee fee payable	161	190
	<u>161</u>	<u>190</u>

- 8.1 Earlier, the Trustee fee was charged as per the details disclosed in note 12.1 to the annual audited financial statements of the Fund for the year ended June 30, 2019. CDC, vide notification CDC/CEO/L-112/02/2019, dated June 27, 2019, has revised the rates of the Trustee fee, with effect from July 1, 2019, according to which, Trustee fee shall be charged at the rate of 0.06% of the average annual net assets of the Fund.
- 8.2 The Provincial Government of Sindh has levied Sindh Sales Tax at the rate of 13% (June 30, 2019: 13%) on the Trustee fee through the Sindh Sales Tax on Services Act, 2011.

		December 31, 2019 (Un-Audited)	June 30, 2019 (Audited)
		-----Rupees in '000-----	
9	PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN		
	Annual fee payable	9.1	189
			1,270

- 9.1 Under the regulation 62 of the NBFC Regulations, a Collective Investment Scheme (CIS) categorized as an income scheme is required to pay as annual fee to the SECP, an amount equal to 0.075% of the average annual net assets of the Scheme. However, SECP, vide S.R.O. 685 (I)/2019, dated June 28, 2019, has reduced the rate of the fee to 0.02% of the average annual net assets for all categories of CIS(s), with effect from July 1, 2019. During the period, Management Company has charged the fee accordingly. The fee is payable annually in arrears.

10 ACCRUED EXPENSES AND OTHER LIABILITIES

10.1 Provision for indirect taxes and duties

Provision for Federal Excise Duty (FED) as at December 31, 2019 amounted to Rs. 52.558 million (June 30, 2019: Rs. 52.558). There is no change in the status of the legal proceeding on this matter, which has been fully disclosed in note 14.1 to the annual audited financial statements of the Fund for the year ended June 30, 2019. 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. 2.0950 per unit (June 30, 2019: Rs.3.3333 per unit).

10.2 Provision For Sindh Workers' Welfare Fund

Provision for Sindh Workers' Welfare Fund (SWWF) as at December 31, 2019 amounted to Rs. 21.678 million (June 30, 2019: Rs. 19.455 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, 2019.

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. 0.9399 per unit (June 30, 2019: Rs. 1.3420 per unit).

11 CONTINGENCIES AND COMMITMENTS

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

12 TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed to the unit holders in 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, 2020 to its unit holders, accordingly, no provision for current and deferred taxation has been recognised in this condensed interim financial information.

13 EARNINGS PER UNIT

Earnings per unit 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.

14 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 1.93% as on December 31, 2019 and this includes 0.43% representing Government levy, Sindh Workers Welfare Fund and SECP fee.

15 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, 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	-	-	-	-	-
Transactions during the half year ended December 31, 2018 (Un-Audited)						
Profit on savings accounts	-	99	-	-	-	-
Bank charges	-	16	-	-	-	-
Units issued	-	-	-	-	4	14,731
Units redeemed	-	-	-	-	1	15,000
Sales load paid	247	10	-	-	-	-
Purchase of securities	-	-	-	491,649	-	-
Sale of securities	-	-	-	-	-	-
Remuneration (including Sindh sales tax)	10,156	-	1,178	-	-	-
Allocated expenses	886	-	-	-	-	-
Dividend paid	-	-	-	-	5	19,810
Balances held as at December 31, 2019 (Un-Audited)						
Units held (in Units '000)	-	-	-	-	1	11,581
Units held (in Rupees '000)	-	-	-	-	108	1,300,313
Bank balances	-	6,743	-	-	-	-
Remuneration payable	2,930	-	161	-	-	-
Sales load payable	356	211	-	-	-	-
Conversion charges payable	157	-	-	-	-	-
Allocated expenses payable	404	-	-	-	-	-
Other payables	17	-	-	-	-	-
Profit receivable	-	80	-	-	-	-
Balances held as at June 30, 2019 (Audited)						
Units held (in Units '000)	-	-	-	-	63	3,987
Units held (in Rupees '000)	-	-	-	-	6,664	421,765
Bank balances	-	1,992	-	-	-	-
Remuneration payable	1,881	-	190	-	-	-
Sales load payable	126	282	-	-	-	-
Conversion charges payable	151	-	-	-	-	-
Allocated expenses payable	142	-	-	-	-	-
Other payables	17	-	-	-	-	-
Profit receivable	-	45	-	-	-	-

16 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, 2019		As at December 31, 2019		
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	342,900	-	342,900	-
Market Treasury Bills	1,437,099	-	1,437,099	-
Government of Pakistan Ijara Sukuk	6,435	-	6,435	-
	1,786,434	-	1,786,434	-
Financial assets not measured at fair value				
Bank balances	-	860,641	-	-
Mark up / interest receivable	-	21,223	-	-
Other receivables	-	892	-	-
	-	882,756	-	-
	1,786,434	882,756	1,786,434	-
Financial liabilities not measured at fair value				
Payable to Management Company	-	3,527	-	-
Payable to Trustee	-	142	-	-
Accrued expenses and other liabilities	-	5,705	-	-
	-	9,374	-	-

Carrying Amount		Fair value		
As at June 30, 2019		As at June 30, 2019		
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	519,324	-	519,324	-
Market Treasury Bills	-	-	-	-
Government of Pakistan Ijara Sukuk	6,247	-	6,247	-
	525,571	-	525,571	-
Financial assets not measured at fair value				
Bank balances	-	1,109,748	-	-
Mark up / interest receivable	-	25,236	-	-
Other receivables	-	1,261	-	-
	-	1,136,245	-	-
	525,571	1,136,245	525,571	-
Financial liabilities not measured at fair value				
Payable to Management Company	-	2,049	-	-
Payable to Trustee	-	168	-	-
Accrued expenses and other liabilities	-	45,361	-	-
	-	47,578	-	-

16.1 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.

16.2 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.

16.3 Transfers during the period

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

17 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.

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 Board of Directors of the Management Company on 25 February 2020.

**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 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 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



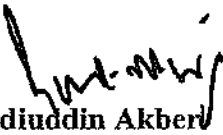
TRUSTEE REPORT TO THE UNIT HOLDERS

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, 2019 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, 2020

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 2019**, the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement movement in unit holders' fund and notes to the accounts for the six month period then ended (here-in-after referred to as "interim financial statements"). Management Company is responsible for the preparation and presentation of this interim financial statements in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial statements based on our review. The figures of the unconsolidated condensed interim profit and loss account and unconsolidated condensed interim statement of comprehensive income for the quarters ended 31 December 2019 and 31 December 2018 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 2019.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Statements 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 standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the audit resulting in this independent auditor's report is Shaikh Ahmed Salman.



Chartered Accountants

Date: 26 February 2020

Karachi

UBL GROWTH AND INCOME FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT DECEMBER 31, 2019

		(Un-audited) December 31, 2019	(Audited) June 30, 2019
	Note	----- (Rupees in '000) -----	
ASSETS			
Bank balances	4	245,037	1,100,418
Investments	5	636,832	633,787
Mark-up receivable		27,339	27,775
Advance tax	6	3,829	3,408
Deposits, prepayments and other receivables		31,266	17,805
Receivable against settlement of spread transactions		-	6,106
TOTAL ASSETS		944,303	1,789,299
LIABILITIES			
Payable to UBL Fund Managers Limited - Management Company	7	4,837	4,396
Payable to Central Depository Company of Pakistan - Trustee	8	137	243
Annual fee payable to Securities and Exchange Commission of Pakistan (SECP)	9	154	980
Accrued expenses and other payables	10	42,245	48,891
TOTAL LIABILITIES		47,373	54,510
NET ASSETS		896,930	1,734,789
UNIT HOLDERS' FUNDS (AS PER STATEMENT ATTACHED)		896,930	1,734,789
CONTINGENCIES AND COMMITMENTS	11		
		----- (Number of units) -----	
NUMBER OF UNITS IN ISSUE		10,031,216	20,397,520
		----- (Rupees) -----	
NET ASSETS VALUE PER UNIT		89.4139	85.0490

The annexed notes from 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 GROWTH AND INCOME FUND
CONDENSED INTERIM INCOME STATEMENT
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2019 (UN-AUDITED)

		Half year ended		Quarter ended	
		December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
	Note	(Rupees in '000)			
INCOME					
Financial income on:					
- Bank balances		68,254	23,718	46,158	7,519
- Term deposit receipts		1,647	-	1,647	-
- Letter of placement		3,529	-	118	-
- Government securities		15,231	498	8,351	-
- Term finance certificates		16,149	20,029	5,721	9,764
Dividend income		2,458	-	2,413	-
Unrealised loss on revaluation of investments classified as 'at fair value through profit or loss' - net		(1,188)	(8,017)	(1,143)	(4,174)
Loss on sale and redemption of investments classified as 'at fair value through profit or loss' - net		(13,104)	(1,344)	(12,330)	(1,343)
Loss on spread transactions - net		(497)	-	(497)	-
Other income / (loss)		2,236	2,585	1,225	(2,971)
Total income		94,715	37,469	51,663	8,795
Reversal of provision against debt securities - net	5.6.1	3,888	5,834	2,974	5,832
EXPENSES					
Remuneration of the Management Company		8,259	7,632	4,891	2,756
Sales tax on management fee		1,074	992	636	358
Allocated expenses by the Management Company		770	509	460	184
Remuneration of the Trustee		653	904	390	350
Annual fee to SECP		154	382	92	158
Selling and marketing expenses		3,081	2,035	1,840	735
Auditors' remuneration		167	391	64	228
Legal and professional charges		73	76	35	38
Brokerage and settlement charges		888	434	689	240
Bank charges and other expenses		194	204	95	54
Total expenses		15,313	13,559	9,192	5,101
Net operating income for the period		83,290	29,744	45,445	9,526
Provision for Sindh Workers' Welfare Fund (SWWF)	10.2	(1,635)	(584)	(892)	(202)
Net income for the period before taxation		81,655	29,160	44,553	9,324
Taxation	12	-	-	-	-
Net income for the period after taxation		81,655	29,160	44,553	9,324
<i>Allocation of net income for the period:</i>					
Income already paid on units redeemed		(46,203)	(15,965)	(36,777)	(12,739)
Accounting income available for distribution:		35,452	13,195	7,776	(3,415)
- Relating to capital gains		-	-	-	-
- Excluding capital gains		35,452	13,195	7,776	-
		35,452	13,195	7,776	-
Earnings per unit					
13					

The annexed notes from 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 GROWTH AND INCOME FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2019 (UN-AUDITED)

	Half year ended		Quarter ended	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
	----- (Rupees in '000) -----			
Net income for the period after taxation	81,655	29,160	44,553	9,324
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	81,655	29,160	44,553	9,324

The annexed notes from 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 GROWTH AND INCOME FUND
CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED DECEMBER 31, 2019 (UN-AUDITED)

	December 31, 2019	December 31, 2018
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	81,655	29,160
Adjustments for:		
Financial income	(104,810)	(44,245)
Dividend income	(2,458)	-
Unrealised loss on revaluation of investments classified as 'at fair value through profit or loss' - net	1,188	8,017
Loss on sale and redemption of investments classified as 'at fair value through profit or loss' - net	13,104	1,344
Loss on spread transactions - net	497	-
Reversal of provision against debt securities - net	(3,888)	(5,834)
Provision for Sindh Workers' Welfare Fund (SWWF)	1,635	584
	(94,732)	(40,134)
(Increase) / decrease in assets		
Investments	(163,946)	137,515
Advance tax	(421)	(5)
Deposits, prepayments and other receivables	(13,461)	(990)
Receivable against settlement of spread transactions	6,106	-
	(171,722)	136,520
(Decrease) / increase in liabilities		
Payable to UBL Fund Managers Limited - Management Company	441	552
Payable to Central Depository Company of Pakistan - Trustee	(106)	(97)
Annual fee payable to Securities and Exchange Commission of Pakistan (SECP)	(826)	(2,036)
Accrued expenses and other payables	(8,281)	(156)
	(8,772)	(1,737)
Dividend and mark up received	107,704	49,184
Net cash (used in) / generated from operating activities	(85,867)	172,993
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issuance of units	2,557,150	469,016
Payments against redemption of units	(3,476,664)	(1,205,463)
Cash distribution to unit holders	-	(64,536)
Net cash used in financing activities	(919,514)	(800,983)
Net decrease in cash and cash equivalents	(1,005,381)	(627,990)
Cash and cash equivalents at the beginning of the period	1,250,418	811,972
Cash and cash equivalents at the end of the period	245,037	183,982

The annexed notes from 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 GROWTH AND INCOME FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE HALF YEAR ENDED DECEMBER 31, 2019 (UN-AUDITED)

	December 31, 2019				December 31, 2018			
	Capital value	Undistributed (loss) / income	Unrealised appreciation on re-measurement of investments classified as 'FVOCI' - net	Total	Capital value	Undistributed (loss) / income	Unrealised appreciation on re-measurement of investments classified as 'FVOCI' - net	Total
	(Rupees in '000)							
Net assets at beginning of the period	2,215,081	(480,531)	239	1,734,789	1,742,360	(440,998)	239	1,301,602
Amount received on issuance of 29,369,437 (2018: 5,468,010) units								
Capital value	2,497,841	-	-	2,497,841	464,194	-	-	464,194
Element of income during the period;								
- Relating to net income for the period after taxation	59,309	-	-	59,309	4,822	-	-	4,822
	2,557,150	-	-	2,557,150	469,016	-	-	469,016
Amount paid on redemption of 39,735,741 (2018: 13,976,921) units								
Capital value	(3,379,485)	-	-	(3,379,485)	(1,186,539)	-	-	(1,186,539)
Element of income during the period;								
- Relating to net income for the period after taxation	(50,976)	(46,203)	-	(97,179)	(2,959)	(15,965)	-	(18,924)
	(3,430,461)	(46,203)	-	(3,476,664)	(1,189,498)	(15,965)	-	(1,205,463)
Total comprehensive income for the period	-	81,655	-	81,655	-	29,160	-	29,160
Distribution during the period	-	-	-	-	(21,945)	(42,591)	-	(64,537)
Net income / (loss) for the period less distribution	-	81,655	-	81,655	(21,945)	(13,431)	-	(35,377)
Net assets at end of the period	1,341,770	(445,079)	239	896,930	999,933	(470,394)	239	529,778
Undistributed loss brought forward:								
- Realised	-	(471,676)	-	(471,676)	-	(440,855)	-	(440,855)
- Unrealised	-	(8,855)	239	(8,616)	-	(143)	239	96
	-	(480,531)	239	(480,292)	-	(440,998)	239	(440,759)
Accounting income available for distribution:								
- Relating to capital gains	-	-	-	-	-	-	-	-
- Excluding capital gains	-	35,452	-	35,452	-	13,195	-	13,195
	-	35,452	-	35,452	-	13,195	-	13,195
Distribution during the period	-	-	-	-	-	(42,591)	-	(42,591)
Undistributed (loss) / income carried forward	-	(445,079)	239	(444,840)	-	(470,394)	239	(470,155)
Undistributed (loss) / income carried forward								
- Realised	-	(443,891)	-	(443,891)	-	(462,377)	-	(462,377)
- Unrealised	-	(1,188)	239	(949)	-	(8,017)	239	(7,778)
	-	(445,079)	239	(444,840)	-	(470,394)	239	(470,155)
				- (Rupees) -				- (Rupees) -
Net assets value per unit at beginning of the period				85.0490				89.3150
Net assets value per unit at end of the period				89.4139				87.3607

The annexed notes from 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 GROWTH AND INCOME FUND
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2019 (UN-AUDITED)

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** UBL Growth and Income Fund (the Fund) was established under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations) and was approved as an open-end mutual fund by the Securities and Exchange Commission of Pakistan (SECP). It was constituted under the Trust Deed, dated 21 December 2004 between UBL Fund Managers Limited (a wholly owned subsidiary company of United Bank Limited) as the Management Company, a company incorporated under the Companies Ordinance, 1984 and Central Depository Company of Pakistan Limited (CDC) as the Trustee.
- 1.2** The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through certificate of registration issued by SECP. The registered office of the Management Company is situated at 4th Floor, STSM Building, Beaumont Road, Civil Lines, Karachi.
- 1.3** The Fund is an aggressive fixed income scheme and units of the Fund are listed on the Pakistan Stock Exchange. Units are offered for public subscription on a continuous basis. The units of the Fund can be transferred to / from other funds managed by the Management Company and can also be redeemed by surrendering to the Fund.
- 1.4** As per the offering document, the Fund shall invest in a diversified portfolio of Government securities, investment grade term finance certificates (TFCs), rated corporate debts, certificates of investments (COIs), marginal trading system (MTS), spread transactions (including spread on equity transactions) and other money market instruments.
- 1.5** VIS Credit Rating Company has re-affirmed an asset manager quality rating of 'AM1' (stable outlook) to the Management Company and a stability rating of "A(f)" to the Fund as on December 31, 2019.
- 1.6** Title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as 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, 2019.

2.1.3 These condensed interim financial statements are un-audited but subject to limited scope review by the auditors. Figures for the quarter ended December 31, 2019 and December 31, 2018 as reported in these interim financial statements have not been subject to limited scope review by the external auditors.

2.1.4 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, 2019, whereas the comparative condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of movement in unit holders' fund are extracted from the unaudited interim financial statements for the period ended December 31, 2018.

2.1.5 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, 2019.

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, 2019.

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)

IFRS 11 Joint Arrangements: Previously held interests in a joint operation

IFRS 16 Leases

IAS 12 Income Taxes: Income tax consequences of payments on financial instruments classified as equity (Amendments)

IAS 19 Plan Amendment, Curtailment or Settlement (Amendments)

IAS 23 Borrowing Costs: Borrowing costs eligible for capitalisation

IAS 28 Long-term Interests in Associates and Joint Ventures (Amendments)

IFRIC Interpretation 23 Uncertainty over Income Tax Treatments

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, 2019.

		(Un-audited) December 31, 2019	(Audited) June 30, 2019
	Note	----- (Rupees in '000) -----	
4. BANK BALANCES			
Current accounts		60	50
Saving accounts	4.1	<u>244,977</u>	<u>1,100,368</u>
	4.2	<u>245,037</u>	<u>1,100,418</u>

- 4.1** These carry mark-up at rates ranging from 11% to 14.40% per annum (June 30, 2019: 4.00% to 13.15%) per annum.

- 4.2** These include balances of Rs.1.57 (June 30, 2019: Rs.3.31) million held with United Bank Limited and Rs.0.02 (June 30, 2019: 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	272,272	-
Government securities - Pakistan Investment Bonds	5.2	92,779	133,252
Quoted equity securities (Spread Transactions)	5.3	18,126	-
Debt securities - quoted	5.4	83,842	20,774
Debt securities - unquoted	5.4	116,207	275,953
		<u>583,226</u>	<u>429,979</u>

Fair value through other comprehensive income

Debt securities - quoted	5.5	-	-
Debt securities - unquoted	5.5	-	-
Debt securities - Pre-IPO placement	5.6	-	-
		<u>-</u>	<u>-</u>

At amortised cost

Letter of placement	5.7	53,606	50,079
Term deposit receipt		-	153,729
		<u>53,606</u>	<u>203,808</u>
		<u>636,832</u>	<u>633,787</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, 2019			Market value as a % of net assets	Market value as a % of total investments	
Purchase yield range	Maturity upto	As at July 01, 2019	Purchased during the period	Sold during the period	As at December 31, 2019	Carrying value	Market value	Unrealised loss			
----- (Number of holding) -----						----- (Rupees in '000) -----			----- % -----		
Market Treasury Bills - 3 months	13.62%	30-Jan-20	-	51,000,000	(51,000,000)	-	-	-	-	-	
Market Treasury Bills - 6 months	13.50%	7-May-20	-	1,000,000	(1,000,000)	-	-	-	-	-	
Market Treasury Bills - 1 year	13.01%	22-Oct-20	-	3,000,000	-	3,000,000	273,151	272,272	(879)	30.36	42.75
Total as at December 31, 2019 (Un-audited)						273,151	272,272	(879)	30.36	42.75	
Total as at June 30, 2019 (Audited)						-	-	-			

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

Purchase yield range	Maturity upto	As at July 01, 2019	Purchased during the period	Sold during the period	As at December 31, 2019	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	12.50%	12-Jul-21	1,500,000	1,500,000	(2,000,000)	1,000,000	92,913	92,779	(134)	10.34	14.57
Pakistan Investment Bonds - 5 years	13.61%	12-Jul-23	-	2,250,000	(2,250,000)	-	-	-	-	-	-
Total as at December 31, 2019 (Un-audited)						92,913	92,779	(134)	10.34	14.57	
Total as at June 30, 2019 (Audited)						136,323	133,252	(3,071)			

5.3 Quoted equity securities - Spread transactions

Name of Investee Company	Number of shares				Balance as at December 31, 2019			Market value as percentage of total investments	Market value as percentage of net assets	Market value as a percentage of paid-up capital of the investee
	As at July 01, 2019	Purchased during the period	Sold during the period	As at December 31, 2019	Carrying value as at December 31, 2019	Market value as at December 31, 2019	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 and Gas Development Company	-	222,000	222,000	-	-	-	-	-	-	-
Pakistan Oilfields Limited	-	3,000	3,000	-	-	-	-	-	-	-
Pakistan Petroleum Limited	-	85,000	85,000	-	-	-	-	-	-	-
Oil and gas marketing companies										
Pakistan State Oil Company Limited	-	122,000	122,000	-	-	-	-	-	-	-
Sui Southern Gas Company Limited	-	275,000	275,000	-	-	-	-	-	-	-
Pharmaceuticals										
The Searle Company Limited	-	238,000	238,000	-	-	-	-	-	-	-
Engineering										
Amreli Steels Limited	-	426,000	401,000	25,000	918	918	-	0.14	0.10	0.03
International Steels Limited	-	778,000	778,000	-	-	-	-	-	-	-
Mughal Iron & Steel Industries Limited	-	34,000	34,000	-	-	-	-	-	-	-
Refinery										
Atock Refinery Limited	-	176,000	176,000	-	-	-	-	-	-	-
National Refinery Limited	-	130,000	130,000	-	-	-	-	-	-	-
Commercial banks										
The Bank of Punjab	-	1,924,000	1,924,000	-	-	-	-	-	-	-
Habib Bank Limited	-	9,000	9,000	-	-	-	-	-	-	-
National Bank of Pakistan	-	501,000	480,000	21,000	916	918	2	0.14	0.10	-
Chemical										
Descon Oxychem Limited	-	65,000	65,000	-	-	-	-	-	-	-
Engro Polymer & Chemicals Limited	-	10,000	10,000	-	-	-	-	-	-	-
Lotte Chemical Pakistan Limited	-	2,477,000	2,477,000	-	-	-	-	-	-	-
Food and personal care products										
Frieslandcampins Engro Foods Limited	-	2,000	2,000	-	-	-	-	-	-	-
Fauji Foods Limited	-	1,052,500	285,000	767,500	10,924	10,937	13	1.72	1.22	0.21

Name of Investee Company	Number of shares				Balance as at December 31, 2019			Market value as percentage of total investments	Market value as percentage of net assets	Market value as a percentage of paid-up capital of the investee
	As at July 01, 2019	Purchased during the period	Sold during the period	As at December 31, 2019	Carrying value as at December 31, 2019	Market value as at December 31, 2019	Unrealised gain			
----- (Rupees in '000) ----- % -----										
Textile composite										
Gul Ahmed Textile Mills Limited	-	28,000	28,000	-	-	-	-	-	-	-
Nishat Mills Limited	-	2,000	2,000	-	-	-	-	-	-	-
					-	-	-	-	-	-
Automobile assembler										
Gandhara Industries Limited	-	3,000	3,000	-	-	-	-	-	-	-
					-	-	-	-	-	-
Automobile parts and accessories										
The General Tyre & Rubber	-	46,000	46,000	-	-	-	-	-	-	-
					-	-	-	-	-	-
Power generation and distribution										
The Hub Power Company Limited	-	40,000	40,000	-	-	-	-	-	-	-
Kot Addu Power Company Limited	-	36,000	36,000	-	-	-	-	-	-	-
K-Electric Limited (Par value at Rs. 3.5)	-	2,566,000	2,566,000	-	-	-	-	-	-	-
					-	-	-	-	-	-
Technology and communication										
NetSol Technologies Limited	-	1,000	1,000	-	-	-	-	-	-	-
					-	-	-	-	-	-
Transport										
Pakistan International Bulk Terminal	-	387,000	378,000	9,000	101	102	1	0.02	0.01	-
					101	102	1	0.02	0.01	-
Vanaspati and allied industries										
Unity Foods Limited	-	3,522,000	3,193,000	329,000	5,221	5,251	30	0.82	0.59	0.10
					5,221	5,251	30	0.82	0.59	0.10
Fertilizer										
Fauji Fertilizer Company Limited	-	155,000	155,000	-	-	-	-	-	-	-
Engro Fertilizers Limited	-	233,000	233,000	-	-	-	-	-	-	-
Fauji Fertilizer Bin Qasim Limited	-	327,000	327,000	-	-	-	-	-	-	-
					-	-	-	-	-	-
Cement										
D.G. Khan Cement Company Limited	-	274,000	274,000	-	-	-	-	-	-	-
Fauji Cement Company Limited	-	64,000	64,000	-	-	-	-	-	-	-
Cherat Cement Company Limited	-	75,000	75,000	-	-	-	-	-	-	-
Kohat Cement Company Limited	-	7,000	7,000	-	-	-	-	-	-	-
Pioneer Cement Limited	-	180,000	180,000	-	-	-	-	-	-	-
					-	-	-	-	-	-
Total as at December 31, 2019 (Un-audited)					18,080	18,126	46			
Total as at June 30, 2019 (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)

Face value of Net Asset each unless otherwise stated										
Particulars	Note	As at July 01, 2019	Purchased during the period	Sold during the period	As at December 31, 2019	Carrying value as at December 31, 2019	Market value as at December 31, 2019	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)	5.5.1	1,000	-	-	1,000	1,366				
Less: Provision for impairment						(1,366)				
						-	-	-	-	-
Commercial banks										
Soneri Bank Limited - TFC (July 08, 2015)		770	-	(770)	-	-	-	-	-	-
Dawood Hercules Corporation Limited - Sukuk (November 16, 2017) (Face value at Rs.80,000 each)		190	-	-	190	15,150	15,160	10	2.38	1.69
Bank AL Habib Limited - TFC (March 17, 2016) (Face value at Rs.4,993 each)		-	1,200	-	1,200	5,881	5,887	6	0.92	0.66
Dawood Hercules Corporation Limited - Sukuk (March 01, 2018) (Face value at Rs. 90,000 each)		-	700	-	700	62,791	62,795	4	9.86	7.00
Total as at December 31, 2019 (Un-audited)						83,822	83,842	20	13.16	9.35
Total as at June 30, 2019 (Audited)						21,050	20,774	(276)		
Unquoted										
Personal goods										
Azgard Nine Limited - PPTFC (December 04, 2007)	5.5.1	7,000	-	-	7,000	13,181				
Less: Provision for impairment						(13,181)				
						-	-	-	-	-
Household goods										
New Allied Electronics Industries Limited - TFC (May 15, 2007)	5.5.1	18,000	-	-	18,000	18,094				
Less: Provision for impairment						(18,094)				
						-	-	-	-	-
New Allied Electronics Industries Limited - Sukuk (December 03, 2007)	5.5.1	10,000	-	-	10,000	35,000				
Less: Provision for impairment						(35,000)				
						-	-	-	-	-
Commercial banks										
JS Bank Limited - TFC (December 14, 2016)		9,000	-	(9,000)	-	-	-	-	-	-
Habib Bank Limited - TFC (February 19, 2016) (Face value at Rs. 99,860 each)		424	-	-	424	41,673	41,432	(241)	6.51	4.62
JS Bank Limited - TFC (December 29, 2017)*		1,000	-	(1,000)	-	-	-	-	-	-

Particulars	Note	As at July 01, 2019	Purchased during the period	Sold during the period	As at December 31, 2019	Carrying value as at December 31, 2019	Market value as at December 31, 2019	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	74,775	74,775	-	11.74	8.34
Chemical										
Ghani Gases Limited - Sukuk (February 02, 2017)		93	-	(93)	-	-	-	-	-	-
Financial services										
Security Leasing Corporation Limited - Sukuk II (September 19, 2007)	5.5.1	5,000	-	-	5,000	5,574 (5,574)				
Less: Provision for impairment						-	-	-	-	-
Total as at December 31, 2019 (Un-audited)						116,448	116,207	(241)	18.25	12.96
Total as at June 30, 2019 (Audited)						281,461	275,953	(5,508)		

5.4.1	Name of security	Number of certificates	Interest rate per annum	Maturity
	Dawood Hercules Corporation Limited (November 16, 2017)	190	3M KIBOR + 1.00%	November 16, 2022
	Bank AL Habib Limited (March 17, 2016)	1,200	6M KIBOR + 0.75%	March 17, 2026
	Dawood Hercules Corporation Limited (March 01, 2018)	700	3M KIBOR + 1.00%	March 1, 2023
	Habib Bank Limited (February 19, 2016)	424	6M KIBOR + 0.50%	February 19, 2026
	Jahangir Siddiqui & Co. Ltd. (July 18, 2017)	20,000	6M KIBOR + 1.40%	July 18, 2022

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, 2019	Purchased during the period	Sold during the period	As at December 31, 2019	Carrying value as at December 31, 2019	Market value as at December 31, 2019	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	28,890				
Less: Provision for impairment						(28,890)				
						-	-	-	-	-
Azgard Nine Limited - TFC (May 17, 2010)	5.5.1	10,000	-	-	10,000	29,375				
Less: Provision for impairment						(29,375)				
						-	-	-	-	-
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, 2019 (Un-audited)						-	-	-	-	-
Total as at June 30, 2019 (Audited)						-	-	-		

		As at July 01, 2019	Purchased during the period	Sold during the period	As at December 31, 2019	Carrying value as at December 31, 2019	Market value as at December 31, 2019	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>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, 2019 (Un-audited)						-	-	-	-	-
Total as at June 30, 2019 (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, 2019	(Audited) June 30, 2019
	Note	----- (Rupees in '000) -----	
5.6 Debt securities - Pre-IPO placement			
Pre - IPO placement	5.6.1	64,168	68,056
Less: Provision for impairment		(64,168)	(68,056)
		-	-

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.

During the period, the Company has paid Rs.5.554 million against the said disbursement out of which Rs.1.666 million and Rs.3.888 million relates to interest and principal. Accordingly, the Management Company has reversed the provision for impairment with the amount received.

5.7 This carries mark-up of 14.00% (June 30, 2019: 14.00%) held with Pak Brunei Investment Company and will mature by January 02, 2020.

5.8 Disclosure of non compliant investments as at 31 December 2019

Name of security	Note	As at July 01, 2019	Purchased during the period	Sold during the period	As at December 31, 2019	Carrying value as at 31 December 2019 (Rupees in '000)	Percentage of total investment	Percentage of net assets
----- (Number of shares) -----								
Personal goods								
Azgard Nine Limited	5.8.1	200,000	-	-	200,000	-	0.00%	0.00%

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%

6. ADVANCE TAX

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

		(Un-audited) December 31, 2019	(Audited) June 30, 2019
	Note	----- (Rupees in '000) -----	
7. PAYABLE TO UBL FUND MANAGERS LIMITED - MANAGEMENT COMPANY			
Remuneration payable to the Management Company	7.1	1,792	1,688
Sales tax on management fee	7.2	233	219
Allocated expenses payable	7.3	327	171
Selling and marketing expenses payable	7.4	1,840	2,094
Sales load payable		559	141
Other payables		86	83
		4,837	4,396

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 at the rate of 13% (June 30, 2019: 13%) on gross value of management fee is applied under the provisions of Sindh Sales Tax on Services Act, 2011.

7.3 Upto June 19, 2019 in accordance with Regulation 60 of the NBFC Regulations, the Management Company was entitled to charge expenses related to registrar services, accounting, operations and valuation services, related to a Collective Investment Scheme (CIS) at the rate of upto 0.1% of the average annual net assets of the scheme or actual whichever is less. However, SECP vide SRO 639 dated June 20, 2019 removed the maximum cap of 0.1%.

Therefore, with effect from June 20, 2019, the Management Company can charge expenses related to registrar services, accounting, operations and valuation services to the CIS based on its discretion provided the Total Expense Ratio (TER) prescribed by the SECP vide SRO 639 dated June 20, 2019 is complied with.

7.4 The SECP had allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) initially for a period of three years (i.e from January 01, 2017 till December 31, 2019). The maximum cap of selling and marketing expense was 0.4% per annum of the net assets of the Fund or actual expenses whichever is lower.

During the current period, the SECP through its circular 11 dated July 05, 2019 has 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 has been lifted and now the asset management company is 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. Furthermore, the time limit of three years has also been removed in the revised conditions.

Accordingly, the Board of Directors of Management Company have resolved that the selling and marketing expenses will be charged based on the discretion of the Management Company provided the Total Expense Ratio (TER) prescribed by the SECP vide SRO 639 dated June 20, 2019 is complied with.

8. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN - TRUSTEE

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

9. ANNUAL FEE PAYABLE TO 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, 2019: 0.075%) of net assets on all categories of collective investment schemes which is effective from July 01, 2019.

		(Un-audited) December 31, 2019	(Audited) June 30, 2019
	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	13,772	12,137
Auditors' remuneration		148	258
Brokerage payable		1,008	568
Withholding tax / zakat deducted at source payable		528	9,246
Capital gains tax payable		714	706
Legal and professional charges payable		123	76
Custodian fee payable		83	45
Transaction charges payable to NCCPL		91	90
Sales load and other payables		1,419	1,406
		42,245	48,891

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 15.1 to the annual financial statements of the Fund for the year ended June 30, 2019. 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, 2019 would have been higher by Rs.2.43 (June 30, 2019: Rs.1.19) per unit.

10.2 The status of Sindh Workers' Welfare Fund (SWWF) is same as disclosed in note 15.2 to the annual financial statements for the year ended June 30, 2019. Had the SWWF not been provided, the net assets value per unit of the Fund would have been higher by Rs.1.37 (June 30, 2019: Re.0.60).

11. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at December 31, 2019 and June 30, 2019.

12. TAXATION

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

The management 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 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 2.20% as on December 31, 2019 (2018: 1.40%), this includes 0.39% (2018: 0.21%) representing Government Levy, Sindh Workers' Welfare Fund and SECP fee and 0.00% (2018: 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, 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	-	-	-	-	-	-
	----- (Rupees in '000) -----					
	----- (For the half year ended December 31, 2018) (Un-audited) -----					
Transactions during the period						
Profit on bank balances	-	1,529	-	-	-	-
Units issued	-	-	-	-	11	9,905
Units redeemed	-	-	-	-	6	47,869
Bank charges	-	11	-	-	-	-
Purchase of securities	-	-	-	-	-	-
Sale of securities	-	-	-	636,681	-	-
Remuneration *	8,624	-	904	-	-	-
Expenses allocated by the Management Company	509	-	-	-	-	-
Selling and marketing expenses	2,035	-	-	-	-	-
Central Depository Service charges	-	-	54	-	-	-
Dividend paid	-	-	-	-	6	10,780

	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, 2019) (Un-audited) -----					
Balances held						
Units held (units in '000)	-	-	-	-	72	4,063
Units held (Rupees in '000)	-	-	-	-	6,438	363,292
Bank balances	-	1,594	-	-	-	-
Deposits	-	-	100	-	-	-
Markup receivable - bank balances	-	208	-	-	-	-
Remuneration payable	2,025	-	137	-	-	-
Expenses allocated by the Management Company	327	-	-	-	-	-
Sales load and other payable	645	95	-	-	-	-
Selling and marketing expenses	1,840	-	-	-	-	-
CDC fee payable	-	-	45	-	-	-
	----- (Rupees in '000) -----					
	----- (As at June 30, 2019) (Audited) -----					
Balances held						
Units held (number of units in '000)	7,850	-	-	-	55	5,715
Units held (Rupees in '000)	667,635	-	-	-	4,678	486,055
Bank balances	-	3,328	-	-	-	-
Deposits	-	-	100	-	-	-
Mark-up receivable - bank balances	-	118	-	-	-	-
Remuneration payable	1,907	-	243	-	-	-
Expenses allocated by the Management Company	171	-	-	-	-	-
Sales load and other payable	141	42	-	-	-	-
Selling and marketing expenses	2,094	-	-	-	-	-
CDC fee payable	-	-	45	-	-	-
Other payable	84	-	-	-	-	-

* Remuneration for the period is inclusive of sales tax

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.

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

[illegible]

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

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

These interim financial statements was authorised for issue by the Board of Directors of the Management Company on 25 February, 2020

**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, 2019 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, 2020

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, 2019 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 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, 2019 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 December 31, 2019 and December 31, 2018 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 2020



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, 2019

		December 31, 2019 (Unaudited)	June 30, 2019 (Audited)
	Note	----- (Rupees in '000) -----	
ASSETS			
Bank balances	4	58,522	64,596
Investments	5	931,332	798,595
Mark-up / interest receivable		1,365	3,141
Deposits, prepayments and other receivables		2,583	2,518
Preliminary expenses and floatation costs		781	902
Advance tax	6	39	39
TOTAL ASSETS		994,622	869,791
LIABILITIES			
Payable to UBL Fund Managers Limited - Management Company		6,350	3,957
Payable to Central Depository Company of Pakistan Limited - Trustee	7	193	167
Payable to Securities and Exchange Commission of Pakistan	8	82	605
Accrued expenses and other liabilities	9	4,651	3,709
TOTAL LIABILITIES		11,276	8,438
NET ASSETS		983,346	861,353
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		983,346	861,353
CONTINGENCIES AND COMMITMENTS	10		
		----- (Number of units) -----	
NUMBER OF UNITS IN ISSUE		10,907,536	10,745,730
		----- (Rupees) -----	
NET ASSETS VALUE PER UNIT		90.1529	80.1577

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

For UBL Fund Managers Limited
(Management Company)

SD
CHIEF EXECUTIVE OFFICER

SD
CHIEF FINANCIAL OFFICER

SD
DIRECTOR

UBL FINANCIAL SECTOR FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2019

		Half year ended December 31, 2019	Half Year ended December 31, 2018	Quarter ended December 31, 2019	Quarter ended December 31, 2018
Note		(Rupees in '000)			
INCOME					
		1,741	1,188	849	593
		23,607	9,965	10,962	3,616
		10,561	(7,828)	10,402	(7,928)
		79,743	(52,222)	153,296	(37,098)
		-	29	-	29
Total income/(loss)		115,652	(48,868)	175,509	(40,788)
EXPENSES					
		8,170	4,529	4,332	2,240
		1,062	589	563	291
		409	226	217	112
	7	922	512	488	253
	8	82	215	44	106
		16	22	12	9
		197	117	146	66
		913	938	512	388
		14	14	7	7
		77	107	38	56
		121	121	60	60
		1,985	906	1,217	448
		-	10	-	5
Total operating expenses		13,968	8,306	7,636	4,041
Operating profit / (loss) for the period		101,684	(57,174)	167,873	(44,829)
	9	(1,996)	-	(1,996)	-
Net profit / (loss) for the period before taxation		99,688	(57,174)	165,877	(44,829)
	11	-	-	-	-
Net profit / (loss) for the period after taxation		99,688	(57,174)	165,877	(44,829)
Allocation of net income for the period					
		(16,377)	-	(16,377)	-
Net profit / (loss) for the period		83,311	(57,174)	149,500	(44,829)
Income available for distribution:					
		73,854	-	147,248	-
		9,457	-	2,252	-
		83,311	-	149,500	-
Earnings per unit	12				

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

For UBL Fund Managers Limited
(Management Company)

SD
CHIEF EXECUTIVE OFFICER

SD
CHIEF FINANCIAL OFFICER

SD
DIRECTOR

UBL FINANCIAL SECTOR FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2019

	Half year ended December 31, 2019	Half year ended December 31, 2018	Quarter ended December 31, 2019	Quarter ended December 31, 2018
	----- (Rupees in '000) -----			
Net profit/(loss) for the period	99,688	(57,174)	144,517	(44,829)
Other comprehensive income				
Items that will be reclassified subsequently to income statement	-	-		-
Items that will not be reclassified subsequently to income statement	-	-		-
Total comprehensive income/(loss) for the period	<u>99,688</u>	<u>(57,174)</u>	<u>144,517</u>	<u>(44,829)</u>

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

For UBL Fund Managers Limited
(Management Company)

SD
CHIEF EXECUTIVE OFFICER

SD
CHIEF FINANCIAL OFFICER

SD
DIRECTOR

UBL FINANCIAL SECTOR FUND
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2019

	Half year ended December 31, 2019	Half year ended December 31, 2018
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit/(loss) for the period before taxation	99,688	(57,174)
Adjustments for:		
Financial income	(1,741)	(1,188)
Dividend income	(23,607)	(9,965)
Capital (gain)/loss on sale of investments - net	(10,561)	7,828
Unrealised (gain)/loss on revaluation of investments classified as 'at fair value through profit or loss' - net	(79,743)	52,222
Provision for Sindh Workers' Welfare Fund	(1,996)	-
Amortization of preliminary expenses and floatation costs	121	121
	(117,527)	49,018
Cash used in operations before working capital changes	(17,839)	(8,156)
	SD	
Working capital changes		
(Increase) in assets		
Investments - net	(42,433)	(115,858)
Advance tax	-	(39)
Deposits, prepayments and other receivables	(65)	(2,810)
	(42,498)	(118,707)
Increase / (decrease) in liabilities		
Payable to UBL Fund Managers Limited - Management Company	2,393	(365)
Payable to Central Depository Company of Pakistan Limited - Trustee	26	38
Annual fee payable to Securities and Exchange Commission of Pakistan	(523)	175
Accrued expenses and other liabilities	2,938	(29,865)
	4,834	(30,017)
Profit received on bank balances	3,517	439
Dividend received	23,607	9,965
Net cash used in operating activities	(28,379)	(146,476)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issuance of units	402,314	315,487
Payment against redemption of units	(380,009)	(263,467)
Net cash generated from financing activities	22,305	52,020
Net decrease in cash and cash equivalents	(6,074)	(94,456)
Cash and cash equivalents at the beginning of the period	64,596	112,287
Cash and cash equivalents at the end of the period	58,522	17,831
CASH AND CASH EQUIVALENT		
Bank balances	58,522	17,831

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

For UBL Fund Managers Limited
(Management Company)

SD

SD

SD

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

UBL FINANCIAL SECTOR FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2019

	-----Half year ended December 31, 2019-----			-----Half year ended December 31, 2018-----			
	Capital value	Undistributed loss	Total	Capital value	Undistributed loss	Unrealised diminution on re-measurement of investments classified as 'available for sale' - net	Total
	----- (Rupees in '000) -----			----- (Rupees in '000) -----			
Net assets at the beginning of the period	981,918	(120,565)	861,353	387,846	(119)	(15,574)	372,153
Transfer of unrealised diminution on re-measurement of investments classified as 'available for sale' - net to undistributed loss upon adoption of IFRS-9	-	-	-	-	(15,574)	15,574	-
Issuance of 4,824,699 units							
Capital value of units	386,737	-	386,737	323,206	-	-	323,206
Element of income/(loss)							
Due to net income earned / (loss) incurred	15,577	-	15,577	(7,719)	-	-	(7,719)
Total proceeds on issuance of units	402,314	-	402,314	315,487	-	-	315,487
Redemption of 4,662,893 units							
Capital value of units	(373,767)	-	(373,767)	(275,601)	-	-	(275,601)
Element of (loss) / income	-	-	-	-	-	-	-
Due to net income earned / (loss) incurred	10,135	(16,377)	(6,242)	12,134	-	-	12,134
Total payments on redemption of units	(363,632)	(16,377)	(380,009)	(263,467)	-	-	(263,467)
Total comprehensive income/(loss) for the period	-	99,688	99,688	-	(57,174)	-	(57,174)
Net assets at the end of the period	<u>1,020,600</u>	<u>(37,254)</u>	<u>983,346</u>	<u>439,866</u>	<u>(72,867)</u>	<u>-</u>	<u>366,999</u>
Undistributed loss / Unrealised diminution on re-measurement of investments classified as 'available for sale' brought forward comprises of:							
Realised loss		(9,249)	(9,249)		(119)	-	(119)
Unrealised loss		(111,316)	(111,316)		-	(15,574)	(15,574)
Total undistributed loss brought forward		(120,565)	(120,565)		(119)	(15,574)	(15,693)
Transfer of unrealised diminution on re-measurement of investments classified as 'available for sale' - net to undistributed loss upon adoption of IFRS-9		-	-		(15,574)	15,574	-
Income available for distribution:							
Relating to capital gains	73,854	73,854		-	-	-	-
Excluding capital gains	9,457	9,457		-	-	-	-
	83,311	83,311		-	-	-	-
Net loss for the period	-	-	-	(57,174)	-	-	(57,174)
Undistributed loss carried forward	<u>(37,254)</u>	<u>(37,254)</u>		<u>(72,867)</u>	<u>-</u>	<u>-</u>	<u>(72,867)</u>
Undistributed loss carried forward comprises of:							
Realised loss		(116,997)	(116,997)		(20,645)	-	(20,645)
Unrealised gain		79,743	79,743		(52,222)	-	(52,222)
Total undistributed loss carried forward	<u>(37,254)</u>	<u>(37,254)</u>		<u>(72,867)</u>	<u>-</u>	<u>-</u>	<u>(72,867)</u>
			(Rupees)				(Rupees)
Net assets value per unit at the beginning of the period			80.1577				91.2211
Net assets value per unit at the end of the period			90.1529				79.7557

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

For UBL Fund Managers Limited
(Management Company)

SD

CHIEF EXECUTIVE OFFICER

SD

CHIEF FINANCIAL OFFICER

SD

DIRECTOR

UBL FINANCIAL SECTOR FUND
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL
INFORMATION (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2019

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, 2019.

2 BASIS OF PREPARATION

2.1 Statement of compliance

- 2.1.1 This condensed interim financial information has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards 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, 2019.
- 2.1.3 The comparative statement of assets and liabilities presented in this condensed interim financial information has been extracted from the audited financial statements of the Fund for the year ended June 30, 2019. The comparative information for condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cashflows and condensed interim statement of movement in unit holders' fund are extracted from the unaudited condensed interim financial information for the half year ended December 31, 2018.
- 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, 2019 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, 2019.

2.2 Basis of measurement

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

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

		December 31, 2019 (Unaudited) ----- (Rupees in '000) -----	June 30, 2019 (Audited)
	Note		
4	BANK BALANCES		
	Cash at bank		
	In savings accounts	4.1	<u>58,522</u> <u>64,596</u>
4.1	Profit rates on these savings accounts range between 8% to 12% per annum (June 30, 2019: 8% to 10.25%). This includes an amount held by a related party (United Bank Limited) amounting to Rs. 58.508 million (June 30, 2019: Rs. 63.897 million) on which profit is earned at 12.25% per annum.		
5	INVESTMENTS IN EQUITY SHARES		
	Financial assets classified as at fair value through profit or loss	5.1	<u>931,332</u> <u>798,595</u>

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		Number of shares				Balance as at December 31, 2019				As at December 31, 2019		
		As at July 1, 2019	Purchased during the period	Sold during the period	As at December 31, 2019	Carrying value as at December 31, 2019	Market value as at December 31, 2019	Unrealised gain / (loss) on revaluation of investments	Market value as at June 30, 2019	Market value as a percentage of net assets	Market value as a percentage of total value of investment	Investment as percentage of paid up capital of investee company
		-----Number of shares-----				----- (Rupees in '000) -----						
COMMERCIAL BANKS												
Allied Bank Limited	1,322,800	321,900	-	1,644,700	169,346	157,233	(12,113)	138,920	15.99%	16.88%	1.37%	
Bank Al Falah Limited	3,379,400	221,000	788,000	2,812,400	123,156	128,527	5,371	147,308	13.07%	13.80%	0.72%	
United Bank Limited	543,800	35,100	99,500	479,400	70,452	78,861	8,409	80,145	8.02%	8.47%	0.64%	
Habib Bank Limited	1,246,400	206,400	433,300	1,019,500	123,185	160,490	37,305	141,168	16.32%	17.23%	1.09%	
MCB Bank Limited	476,600	65,000	116,100	425,500	75,710	87,202	11,492	83,143	8.87%	9.36%	0.74%	
Arif Habib limited	-	193,500	-	193,500	11,613	11,008	(605)	-	1.12%	1.18%	0.07%	
Bank Al Habib Limited	679,000	1,179,000	67,500	1,790,500	133,212	136,365	3,153	53,220	13.87%	14.64%	1.23%	
National Bank of Pakistan	543,500	49,000	503,000	89,500	2,977	3,875	898	18,294	0.39%	0.42%	0.02%	
	8,191,500	2,270,900	2,007,400	8,455,000	709,651	763,561	53,910	662,198	77.65%	81.99%		
INSURANCE												
Adamjee Insurance Company Limited	3,891,500	444,500	350,000	3,986,000	141,938	167,771	25,833	136,397	17.06%	18.01%	4.79%	
	3,891,500	444,500	350,000	3,986,000	141,938	167,771	25,833	136,397	17.06%	18.01%		
Total - December 31, 2019	12,083,000	2,715,400	2,357,400	12,441,000	851,589	931,332	79,743	798,595	94.71%	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. 37.01 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, 2019 (Un-Audited)	June 30, 2019 (Audited)
-----Rupees in '000-----	

7 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN - TRUSTEE

Trustee fee payable	<u>193</u>	<u>167</u>
---------------------	------------	------------

- 7.1 As per the Trust Deed and Offering Document, the tariff applicable to the Fund in respect of the Trustee fee during the year ended December 31, 2019 is as follows:

Net assets	Tariff per annum
Upto Rs. 1,000 million	Rs. 0.7 million or 0.20% p.a. of NAV, whichever is higher
On an amount exceeding Rs. 1,000 million	Rs. 2.0 million plus 0.10% p.a. of NAV

- 7.2 The Provincial Government of Sindh has levied Sindh Sales Tax at the rate of 13% (June 30, 2019: 13%) on the Trustee fee through the Sindh Sales Tax on Services Act, 2011.

8 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Annual fee payable	8.1	<u>82</u>	<u>605</u>
--------------------	-----	-----------	------------

- 8.1 Under the regulation 62 of the NBFC Regulations, a Collective Investment Scheme (CIS) categorized as an income scheme is required to pay as annual fee to the SECP, an amount equal to 0.075% of the average annual net assets of the Scheme. However, SECP, vide S.R.O. 685 (I)/2019, dated June 28, 2019, has reduced the rate of the fee to 0.02% of the average annual net assets for all categories of CIS(s), with effect from July 1, 2019. During the period, Management Company has charged the fee accordingly. The fee is payable annually in arrears.

9 ACCRUED EXPENSES AND OTHER LIABILITIES

9.1 Provision for Sindh Workers' Welfare Fund

Provision for Sindh Workers' Welfare Fund (SWWF) as at December 31, 2019 amounted to Rs. 1.996 million (June 30, 2019: 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, 2019.

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. 0.1830 per unit (June 30, 2019: Rs. Nil).

10 CONTINGENCIES AND COMMITMENTS

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

11 TAXATION

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

The Management Company intends to distribute by way of cash dividend at least 90% of the income as reduced by capital gain whether realized or unrealized earned by the end of this year to the unit holders. Accordingly, no provision for current and deferred taxation has been recognised in this condensed interim financial information.

12 EARNINGS PER UNIT

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

13 TOTAL EXPENSE RATIO

As per Directive 23 of 2016 dated July 20, 2016 issued by SECP, the Total Expense Ratio of the Fund is 1.97% as on December 31, 2019 and this includes 0.41% 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, 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	-	-

	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, 2018					
Profit on savings accounts	-	1,188	-	-	-
Bank charges	-	21	-	-	-
Units issued	75,000	-	-	7,100	-
Units redeemed	75,604	-	-	1,863	-
Purchase of equity securities	-	36,215	-	-	-
Sale of equity securities	-	24,232	-	-	-
Sales load paid	3,008	-	-	-	-
Dividend received	-	1,350	-	-	-
Remuneration (including sales tax)	5,118	-	512	-	-
Allocated expenses	226	-	-	-	-
Selling and marketing expenses	906	-	-	-	-
Balances held as at December 31, 2019					
Units held (in Units '000)	2,296	5,107	-	46	-
Units held (in Rupees '000)	206,985	460,445	-	4,159	-
Bank balances	-	58,508	-	-	-
Profit receivable	-	1,365	-	-	-
Investments	-	78,861	-	-	-
Remuneration payable	1,947	-	193	-	-
Allocated expenses payable	153	-	-	-	-
Selling and marketing expense payable	1,218	-	-	-	-
Sales load payable	3,025	-	-	-	-
Conversion charges payable	7	-	-	-	-
Balances held as at June 30, 2019					
	(Audited)				
Units held (in Units '000)	1,496	5,096	-	67	-
Units held (in Rupees '000)	119,948	-	-	5,375	-
Bank balances	-	64,583	-	-	-
Profit receivable	-	3,141	-	-	-
Investments	-	80,145	-	-	-
Remuneration payable	1,671	-	167	-	-
Allocated expenses payable	74	-	-	-	-
Selling and marketing expense payable	917	-	-	-	-
Sales load payable	1,311	-	-	-	-
Conversion charges payable	5	-	-	-	-

15 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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, 2019		----- As at December 31, 2019 -----		
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	931,332	-	931,332	-
Financial assets not measured at fair value				
Bank balances	-	58,522	-	-
Mark-up / interest receivable	-	1,365	-	-
Deposits and other receivables	-	2,500	-	-
	-	62,387		
	931,332	62,387	931,332	-
Financial liabilities not measured at fair value				
Payable to UBL Fund Managers Limited Management Company	-	6,126	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	-	171	-	-
Accrued expenses and other liabilities	-	2,247	-	-
	-	8,544	-	-

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

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

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 GENERAL

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

18 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue by the Board of Directors of the Management Company on 25 February 2020.

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

SD

CHIEF EXECUTIVE OFFICE

SD

CHIEF FINANCIAL OFFICER

SD

DIRECTOR

SD SD

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

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Tel: (92-21) 111-111-500
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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, 2019 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, 2020

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 2019**, the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement movement in unit holders' fund and notes to the accounts for the six month period then ended (here-in-after referred to as "interim financial statements"). Management Company is responsible for the preparation and presentation of this interim financial statements in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial statements based on our review. The figures of the unconsolidated condensed interim profit and loss account and unconsolidated condensed interim statement of comprehensive income for the quarters ended 31 December 2019 and 31 December 2018 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 2019.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Statements 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 standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the audit resulting in this independent auditor's report is Shaikh Ahmed Salman.



Chartered Accountants

Date: 26 February 2020

Karachi

UBL FINANCIAL PLANNING FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED)
AS AT DECEMBER 31, 2019

		December 31, 2019 (Un-audited)			Total	June 30, 2019 (Audited)		For the period from October 24, 2018 to June 30, 2019 (Audited)	Total
		UBL Active Principal Preservation Plan I	UBL Active Principal Preservation Plan II	UBL Active Principal Preservation Plan III		UBL Active Principal Preservation Plan I	UBL Active Principal Preservation Plan II	UBL Active Principal Preservation Plan III	
Note		(Rupees in '000)							
ASSETS									
Bank balances	4	157	55	288	500	1,195	521	1,751	3,467
Investments	5	104,075	240,549	179,248	523,872	168,177	309,837	190,265	668,279
Prepayments, mark-up and other receivables		136	231	1,405	1,772	46	188	21	255
Advance tax	6	1	-	-	1	1	-	-	1
Preliminary expenses and floatation costs		37	92	-	129	167	203	-	370
TOTAL ASSETS		104,406	240,927	180,941	526,274	169,586	310,749	192,037	672,372
LIABILITIES									
Payable to UBL Fund Managers Limited - Management Company	7	466	588	37	1,091	463	570	21	1,054
Payable to Central Depository Company of Pakistan - Trustee	8	7	16	12	35	16	29	18	63
Annual fee payable to Securities and Exchange Commission of Pakistan (SECP)	9	11	24	19	54	129	240	104	473
Accrued expenses and other payables	10	441	880	571	1,892	226	1,194	1,447	2,867
TOTAL LIABILITIES		925	1,508	639	3,072	834	2,033	1,590	4,457
NET ASSETS		103,481	239,419	180,302	523,202	168,752	308,716	190,447	667,915
UNIT HOLDERS' FUND									
(AS PER STATEMENT ATTACHED)		103,481	239,419	180,302	523,202	168,752	308,716	190,447	667,915
CONTINGENCIES AND COMMITMENTS									
11									
NUMBER OF UNITS IN ISSUE		906,331	2,154,046	1,620,928		1,636,777	3,042,371	1,898,372	
NET ASSETS VALUE PER UNIT		114.1761	111.1485	111.2335		103.1001	101.4723	100.3210	

The annexed notes from 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 FINANCIAL PLANNING FUND
CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)
FOR THE PERIOD ENDED DECEMBER 31, 2019

	For the period ended December 31, 2019 (Un-audited)			Total	For the period ended December 31, 2018		For the period from October 24, 2018 to December 31, 2018	Total	For the quarter ended December 31, 2019			Total	For the quarter ended December 31, 2018		For the period from October 24, 2018 to December 31, 2018	Total
	UBL Active Principal Preservation Plan I	UBL Active Principal Preservation Plan II	UBL Active Principal Preservation Plan III		UBL Active Principal Preservation Plan I	UBL Active Principal Preservation Plan II			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		
Note																
(Rupees in '000)																
INCOME																
Mark-up on bank accounts	129	53	77	259	111	35	12	158	4	1	28	33	16	9	12	37
Unrealised gain / (loss) on re-measurement of investments classified as 'at fair value through profit or loss	8,113	15,090	16,351	39,554	1,116	1,932	(623)	2,425	6,435	14,343	14,431	35,209	(479)	(357)	(623)	(1,459)
Income from term deposit receipt (TDR)	-	4,194	-	4,194	-	4,194	-	4,194	-	2,097	-	2,097	-	2,097	-	2,097
Net gain on redemption of investments classified as classified as 'at fair value through profit or loss	728	1,212	3,123	5,063	222	951	235	1,408	1,827	2,759	4,736	9,322	134	863	235	1,232
Dividend income	-	-	-	-	74	670	-	744	-	-	-	-	-	230	-	230
Other income	1,504	1,801	683	3,988	171	568	6	745	7	-	513	520	42	479	6	527
Total income	10,474	22,350	20,234	53,058	1,694	8,350	(370)	9,674	8,273	19,200	19,708	47,181	(287)	3,321	(370)	2,664
EXPENSES																
Remuneration of the Management Company	-	623	-	623	-	623	-	623	-	311	-	311	-	311	-	311
Sales tax on management fee	-	81	-	81	-	81	-	81	-	40	-	40	-	40	-	40
Allocation of expenses relating to the Fund	57	122	95	274	87	162	39	288	25	59	48	132	43	80	39	162
Remuneration of the Trustee	40	85	66	191	87	162	39	288	17	41	33	91	44	80	39	163
Sales tax on remuneration of the Trustee	5	11	9	25	11	21	5	37	2	5	5	12	5	10	5	20
Annual fee to SECP	11	24	19	54	65	122	29	216	5	11	10	26	32	60	29	121
Amortization of preliminary expenses and floatation costs	130	112	-	242	130	112	-	242	65	56	-	121	65	56	-	121
Auditors' remuneration	63	63	63	189	97	81	24	202	32	32	32	96	51	35	24	110
Legal and professional charges	26	26	26	78	53	34	10	97	13	14	13	40	15	15	10	40
Bank charges and other expenses	10	52	17	79	17	17	4	38	4	5	7	16	5	12	4	21
Total expenses	342	1,199	295	1,836	547	1,415	150	2,112	163	574	148	885	260	699	150	1,109
Net income / (loss) for the period from operating activities	10,132	21,151	19,939	51,222	1,147	6,935	(520)	7,562	8,110	18,626	19,560	46,296	(547)	2,622	(520)	1,555
Provision for Sindh Workers' Welfare Fund (SWWF)	10.1	(199)	(415)	(391)	(1,005)	(23)	(136)	(159)	(159)	(365)	(383)	(907)	(10)	(51)	-	(62)
Net income for the period before taxation	9,933	20,736	19,548	50,217	1,124	6,799	(520)	7,403	7,951	18,261	19,177	45,389	(557)	2,571	(520)	1,493
Taxation	12	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net income / (loss) for the period after taxation	9,933	20,736	19,548	50,217	1,124	6,799	(520)	7,403	7,951	18,261	19,177	45,389	(557)	2,571	(520)	1,493
<i>Allocation of net income for the period:</i>																
Net income for the period after taxation	9,933	20,736	19,548	50,217	1,124	6,799	(520)	7,403	7,951	18,261	19,177	45,389	(557)	2,571	(520)	1,493
Income already paid on units redeemed	(93)	(25)	(1,993)	(2,111)	(61)	(198)	-	(259)	(14)	-	(1,993)	(2,007)	-	-	-	-
	9,840	20,711	17,555	48,106	1,063	6,601	(520)	7,144	7,937	18,261	17,184	43,382	(557)	2,571	(520)	1,493
<i>Accounting income / (loss) available for distribution</i>																
- Relating to capital gains	8,764	16,283	17,459	42,506	1,273	2,749	-	3,502	8,248	16,283	17,152	41,683	(345)	506	-	161
- Excluding capital gains	1,076	4,428	96	5,600	(210)	3,852	-	3,642	(311)	1,978	32	1,699	(212)	2,065	-	1,852
	9,840	20,711	17,555	48,106	1,063	6,601	-	7,144	7,937	18,261	17,184	43,382	(557)	2,571	-	1,493

Earning per unit

13

The annexed notes from 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 FINANCIAL PLANNING FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE PERIOD ENDED DECEMBER 31, 2019

For the period ended December 31, 2019 (Un-audited)			Total	For the period ended December 31, 2018		For the period from October 24, 2018 to December 31, 2018	Total	For the quarter ended December 31, 2019			Total	For the quarter ended December 31, 2018		For the period from October 24, 2018 to December 31, 2018	Total	
UBL Active Principal Preservation Plan I	UBL Active Principal Preservation Plan II	UBL Active Principal Preservation Plan III		UBL Active Principal Preservation Plan I	UBL Active Principal Preservation Plan II	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	9,933	20,736	19,548	50,217	1,124	6,799	(520)	7,403	7,951	18,261	19,177	45,389	(557)	2,571	(520)	1,493
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	9,933	20,736	19,548	50,217	1,124	6,799	(520)	7,403	7,951	18,261	19,177	45,389	(557)	2,571	(520)	1,493

The annexed notes from 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 FINANCIAL PLANNING FUND
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE PERIOD ENDED DECEMBER 31, 2019

	For the period ended December 31, 2019 (Un-audited)				For the period ended December 31, 2018		For the period from October 24, 2018 to December 31, 2018	
	UBL Active Principal Preservation Plan I	UBL Active Principal Preservation Plan II	UBL Active Principal Preservation Plan III	Total	UBL Active Principal Preservation Plan I	UBL Active Principal Preservation Plan II	UBL Active Principal Preservation Plan III	Total
(Rupees in '000)								
CASH FLOWS FROM OPERATING ACTIVITIES								
Net income / (loss) for the period before taxation	9,933	20,736	19,548	50,217	1,124	6,799	(520)	7,403
Adjustments for:								
Mark-up on bank accounts	(129)	(53)	(77)	(259)	(111)	(35)	(12)	(158)
Unrealised (gain) / loss on re-measurement of investments classified as 'at fair value through profit or loss	(8,113)	(15,090)	(16,351)	(39,554)	(1,116)	(1,932)	623	(2,425)
Income from term deposit receipt (TDR)	-	(4,194)	-	(4,194)	-	(4,194)	-	(4,194)
Net gain on sale of investments classified as classified as 'at fair value through profit or loss	(728)	(1,212)	(3,123)	(5,063)	(222)	(951)	(235)	(1,408)
Dividend income	-	-	-	-	-	(670)	-	(670)
Amortization of preliminary expenses and floatation costs	130	112	-	242	130	112	-	242
Provision for Sindh Workers' Welfare Fund (SWWF)	199	415	391	1,005	23	136	-	159
	(8,641)	(20,022)	(19,160)	(47,823)	(1,296)	(7,534)	376	(8,454)
Decrease / (increase) in assets								
Investments	72,944	85,591	30,492	189,027	4,477	22,212	(210,369)	(183,680)
Prepayments, mark-up and other receivables	(15)	4,179	(1,392)	2,772	61	(4,227)	(4)	
Advance tax	-	-	-	-	(1)	-	-	(1)
Preliminary expenses and floatation costs	-	-	-	-	(444)	(444)	(32)	(920)
	72,929	89,770	29,100	191,799	4,093	17,541	(210,405)	(184,601)
Increase / (decrease) in liabilities								
Payable to UBL Fund Managers Limited - Management Company	3	18	16	37	417	(2,451)	3,593	1,559
Payable to Central Depository Company of Pakistan - Trustee	(9)	(13)	(6)	(28)	1	2	20	23
Annual fee payable to Securities and Exchange Commission of Pakistan (SECP)	(118)	(216)	(85)	(419)	19	101	29	149
Accrued expenses and other payables	16	(729)	(1,267)	(1,980)	65	(4,834)	1,369	(3,400)
	(108)	(940)	(1,342)	(2,390)	502	(7,182)	5,011	(1,669)
Mark-up and dividend received	53	23	84	160	111	4,899	12	5,022
Net cash flows generated operating activities	74,166	89,567	28,230	191,963	4,534	14,523	(205,526)	(186,468)
CASH FLOWS FROM FINANCING ACTIVITIES								
Net receipt from issuance of units	-	-	-	-	-	362	211,004	211,366
Cash dividend paid to unit holders	-	-	-	-	-	(405)	-	(405)
Net payment against redemption of units	(75,204)	(90,033)	(29,693)	(194,930)	(4,296)	(14,194)	(4,534)	(23,024)
Net cash flows used in financing activities	(75,204)	(90,033)	(29,693)	(194,930)	(4,296)	(14,237)	206,470	187,937
Net increase in cash and cash equivalent during the period	(1,038)	(466)	(1,463)	(2,967)	238	286	944	1,469
Cash and cash equivalents at beginning of the period	1,195	521	1,751	3,467	749	80	-	829
Cash and cash equivalents at end of the period	157	55	288	500	987	366	944	2,297

The annexed notes from 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 FINANCIAL PLANNING FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS (UN-AUDITED)
FOR THE PERIOD ENDED DECEMBER 31, 2019

	For the period ended December 31, 2019 (Un-audited)									Total	For The Period Ended December 31, 2018						For the period from October 24, 2018 to December 31, 2018			Total
	UBL Active Principal Preservation Plan I			UBL Active Principal Preservation Plan II			UBL Active Principal Preservation Plan III				UBL Active Principal Preservation Plan I			UBL Active Principal Preservation Plan II			UBL Active Principal Preservation Plan III			
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total		Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	
	(Rupees in '000)										(Rupees in '000)									
Net assets at beginning of the period	163,614	5,138	168,752	304,219	4,497	308,716	189,616	831	190,447	667,915	171,657	1,508	173,165	322,086	2,032	324,118	-	-	-	497,283
Issuance of units:																				
UBL Active Principal Preservation Plan I (Nil Units) (2018: Nil Units)																				
- Capital value	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Element relating to the income for the period after taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
UBL Active Principal Preservation Plan II (Nil Units) (2018: 3,606 Units)																				
- Capital value	-	-	-	-	-	-	-	-	-	-	-	-	-	362	-	362	-	-	-	362
- Element relating to the income for the period after taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
UBL Active Principal Preservation Plan III (Nil Units) (2018: 2,110,001 Units)																				
- Capital value	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	211,000	-	211,000	211,000
- Element relating to the income for the period after taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4	-	4	4
	-	-	-	-	-	-	-	-	-	-	-	-	-	362	-	362	211,004	-	211,004	211,366
Redemption of units																				
UBL Active Principal Preservation Plan I (730,446 Units) (2018: 42,023 Units)	(75,309)	-	(75,309)	-	-	-	-	-	-	(75,309)	(4,239)	-	(4,239)	-	-	-	-	-	-	(4,239)
- Capital value	198	(93)	105	-	-	-	-	-	-	105	4	(61)	(57)	-	-	-	-	-	-	(57)
- Element relating to the income for the period after taxation																				
UBL Active Principal Preservation Plan II (888,325 Units) (2018: 139,346 Units)				(90,140)	-	(90,140)	-	-	-	(90,140)	-	-	-	(14,005)	-	(14,005)	-	-	-	(14,005)
- Capital value	-	-	-	132	(25)	107	-	-	-	107	-	-	-	9	(198)	(189)	-	-	-	(189)
- Element relating to the income for the period after taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
UBL Active Principal Preservation Plan III (277,443 Units) (2018: 45,330 Units)							(27,833)	-	(27,833)	(27,833)	-	-	-	-	-	-	(4,533)	-	(4,533)	(4,533)
- Capital value	-	-	-	-	-	-	133	(1,993)	(1,860)	(1,860)	-	-	-	-	-	-	(1)	-	(1)	(1)
- Element relating to the income for the period after taxation	-	-	-	-	-	-														
	(75,111)	(93)	(75,204)	(90,008)	(25)	(90,033)	(27,700)	(1,993)	(29,693)	(194,930)	(4,235)	(61)	(4,296)	(13,996)	(198)	(14,194)	(4,534)	-	(4,534)	(23,024)
Total comprehensive income for the period	-	9,933	9,933	-	20,736	20,736	-	19,548	19,548	50,217	-	1,124	1,124	-	6,799	6,799	-	(520)	(520)	7,403
Distribution during the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(405)	(405)	-	-	-	(405)
Net income for the period less distribution	-	9,933	9,933	-	20,736	20,736	-	19,548	19,548	50,217	-	1,124	1,124	-	6,394	6,394	-	(520)	(520)	6,998
Net assets at end of the period	88,503	14,978	103,481	214,211	25,208	239,419	161,916	18,386	180,302	523,202	167,422	2,571	169,993	308,452	8,228	316,680	206,470	(520)	205,950	692,623
Undistributed income brought forward:																				
- Realised	-	9,274	9,274	-	10,714	10,714	-	6,511	6,511	26,499	-	330	330	-	1,509	1,509	-	-	-	1,839
- Unrealised	-	(4,136)	(4,136)	-	(6,217)	(6,217)	-	(5,680)	(5,680)	(16,033)	-	1,178	1,178	-	523	523	-	-	-	1,701
	-	5,138	5,138	-	4,497	4,497	-	831	831	10,466	-	1,508	1,508	-	2,032	2,032	-	-	-	3,540
Accounting income available for distribution:																				
- Relating to capital gains	-	8,764	8,764	-	16,283	16,283	-	17,459	17,459	42,506	-	1,273	1,273	-	2,749	2,749	-	-	-	4,022
- Excluding capital gains	-	1,076	1,076	-	4,428	4,428	-	96	96	5,600	-	(210)	(210)	-	3,852	3,852	-	(520)	(520)	3,122
	-	9,840	9,840	-	20,711	20,711	-	17,555	17,555	48,106	-	1,063	1,063	-	6,601	6,601	-	(520)	(520)	7,144
Distribution during the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(405)	(405)	-	-	-	(405)
Undistributed income carried forward	-	14,978	14,978	-	25,208	25,208	-	18,386	18,386	58,572	-	2,571	2,571	-	8,228	8,228	-	(520)	(520)	10,279
Undistributed income carried forward																				
- Realised	-	6,865	6,865	-	10,118	10,118	-	2,035	2,035	19,018	-	1,455	1,455	-	6,296	6,296	-	103	103	7,854
- Unrealised	-	8,113	8,113	-	15,090	15,090	-	16,351	16,351	39,554	-	1,116	1,116	-	1,932	1,932	-	(623)	(623)	2,425
	-	14,978	14,978	-	25,208	25,208	-	18,386	18,386	58,572	-	2,571	2,571	-	8,228	8,228	-	(520)	(520)	10,279
	-- (Rupees) --			-- (Rupees) --			-- (Rupees) --				-- (Rupees) --			-- (Rupees) --			-- (Rupees) --			
Net assets value per unit at end of the period	114.1761			111.1485			111.2335				101.5168			102.6494			99.7496			

The annexed notes from 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 FINANCIAL PLANNING FUND
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED DECEMBER 31, 2019

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. Presently, the fund offers only UBL Active Principal Preservation Plan I, UBL Active Principal Preservation Plan II & UBL Active Principal Preservation Plan III.
- 1.5** VIS Credit Rating Company has re-affirmed an asset manager quality rating of 'AM1' (stable outlook) to the Management Company.
- 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, 2019.

2.1.3 These interim financial statements are un-audited but subject to limited scope review by the auditors. Figures for the quarters ended December 31, 2019 and December 31 2018 as reported in these interim financial statements have not been subject to limited scope review by the external auditors.

2.1.4 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, 2019, 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, 2018.

2.1.5 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, 2019.

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, 2019.

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)

IFRS 11 Joint Arrangements: Previously held interests in a joint operation

IFRS 16 Leases

IAS 12 Income Taxes: Income tax consequences of payments on financial instruments classified as equity (Amendments)

IAS 19 Plan Amendment, Curtailment or Settlement (Amendments)

IAS 23 Borrowing Costs: Borrowing costs eligible for capitalisation

IAS 28 Long-term Interests in Associates and Joint Ventures (Amendments)

IFRIC Interpretation 23 Uncertainty over Income Tax Treatments

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, 2019.

	December 31, 2019 (Un-audited)				June 30, 2019 (Audited)			
	UBL Active Principal Preservation Plan I	UBL Active Principal Preservation Plan II	UBL Active Principal Preservation Plan III	Total	UBL Active Principal Preservation Plan I	UBL Active Principal Preservation Plan II	UBL Active Principal Preservation Plan III	Total
Note	----- (Rupees in '000) -----				----- (Rupees in '000) -----			

4. BANK BALANCES

Savings account	4.1	<u>157</u>	<u>55</u>	<u>288</u>	<u>500</u>	<u>1,195</u>	<u>521</u>	<u>1,751</u>	<u>3,467</u>
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4.1 These carry mark-up at the rates ranging from 8.00% to 8.25% (June 30, 2019: 8.00% to 8.25%) 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>104,075</u>	<u>103,824</u>	<u>179,248</u>	<u>387,147</u>	<u>168,177</u>	<u>177,306</u>	<u>190,265</u>	<u>535,748</u>
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5.2 At Amortised Cost

Term Deposit Receipt	5.2.1	<u>-</u>	<u>136,725</u>	<u>-</u>	<u>136,725</u>	<u>-</u>	<u>132,531</u>	<u>-</u>	<u>132,531</u>
		<u>104,075</u>	<u>240,549</u>	<u>179,248</u>	<u>523,872</u>	<u>168,177</u>	<u>309,837</u>	<u>190,265</u>	<u>668,279</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, 2019				
Name of Investee Fund (funds under common management)	As at July 01, 2019	Purchased during the period	Redeemed during the period	As at December 31, 2019	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 Dedicated Equity Fund	455,644	404,162	390,324	469,482	40,963	46,037	5,074	44.49	44.23
UBL Money Market Fund	1,304,352	204,558	966,147	542,763	54,999	58,038	3,039	56.09	55.57
					95,962	104,075	8,113	100.58	99.80
Held by UBL Active Principal Preservation Plan II									
UBL Dedicated Equity Fund	689,972	964,289	663,218	991,043	82,297	97,181	14,884	40.59	40.40
UBL Money Market Fund	1,206,745	241,642	1,386,263	62,124	6,437	6,643	206	2.77	2.76
					88,734	103,824	15,090	43.36	43.16
Held by UBL Active Principal Preservation Plan III									
UBL Dedicated Equity Fund	671,331	759,645	515,011	915,965	78,214	89,819	11,605	49.82	50.11
UBL Money Market Fund	1,350,445	296,091	810,204	836,332	84,683	89,429	4,746	49.60	49.89
					162,897	179,248	16,351	99.42	100.00
Total as at December 31, 2019 (Un-audited)					347,593	387,147	39,554		
Total as at June 30, 2019 (Audited)					551,781	535,748	(16,033)		

5.2.1 This carries mark-up at the rate of 6.75% (June 20, 2019: 6.75%) per annum with maturity upto June 07, 2020 and placed with United Bank Limited (a related party).

6. ADVANCE TAX

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

		December 31, 2019 (Un-audited)				June 30, 2019 (Audited)			
		UBL Active Principal Preservation Plan I	UBL Active Principal Preservation Plan II	UBL Active Principal Preservation Plan III	Total	UBL Active Principal Preservation Plan I	UBL Active Principal Preservation Plan II	UBL Active Principal Preservation Plan III	Total
Note		(Rupees in '000)							
7. PAYABLE TO UBL FUND MANAGERS LIMITED - MANAGEMENT COMPANY									
Remuneration payable	7.1	-	105	-	105	-	102	-	102
Sales tax on remuneration payable	7.2	-	14	-	14	-	13	-	13
Allocated expenses payable	7.3	17	39	32	88	14	26	16	56
Other payables		449	430	5	884	449	430	5	884
		<u>466</u>	<u>588</u>	<u>37</u>	<u>1,091</u>	<u>463</u>	<u>570</u>	<u>21</u>	<u>1,054</u>

7.1 The Management Company has charged 1% per annum of the term deposit receipt placed only in case of UBL Active Principal Preservation Plan II. No management fee is being charged in UBL Active Principal Preservation Plan I & UBL Active Principal Preservation Plan III as no investment is made in term deposits by both plans.

7.2 Sales tax at the rate of 13% (June 30, 2019: 13%) on gross value of management fee is applied under the provisions of Sindh Sales Tax on Services Act, 2011.

7.3 Upto June 19, 2019 in accordance with Regulation 60 of the NBFC Regulations, the Management Company was entitled to charge expenses related to registrar services, accounting, operations and valuation services, related to a Collective Investment Scheme (CIS) at the rate of up to 0.1% of the average annual net assets of the scheme or actual whichever is less. However, SECP vide SRO 639 dated June 20, 2019 removed the maximum cap of 0.1%.

Therefore, with effect from June 20, 2019, the Management Company can charge expenses related to registrar services, accounting, operations and valuation services to the CIS based on its discretion provided the Total Expense Ratio (TER) prescribed by the SECP vide SRO 639 dated June 20, 2019 is complied with.

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, 2019: 0.075%) of net assets on all categories of collective investment schemes which is effective from July 01, 2019.

		December 31, 2019 (Un-audited)				June 30, 2019 (Audited)			
		UBL Active Principal Preservation Plan I	UBL Active Principal Preservation Plan II	UBL Active Principal Preservation Plan III	Total	UBL Active Principal Preservation Plan I	UBL Active Principal Preservation Plan II	UBL Active Principal Preservation Plan III	Total
10. ACCRUED EXPENSES AND OTHER PAYABLE	Note	----- (Rupees in '000) -----							
Provision for Sindh Workers' Welfare Fund (SWWF)	10.1	305	653	412	1,370	106	238	21	365
Auditors' remuneration		73	73	14	160	99	99	40	238
Withholding tax payable		-	-	-	-	-	727	30	757
Capital gain tax payable		-	1	64	65	1	1	-	2
Other payables		63	153	81	297	20	129	1,356	1,505
		<u>441</u>	<u>880</u>	<u>571</u>	<u>1,892</u>	<u>226</u>	<u>1,194</u>	<u>1,447</u>	<u>2,867</u>

10.1 The status of Sindh Workers' Welfare Fund (SWWF) is same as disclosed in note 16.1 to the annual financial statements for the year ended June 30, 2019. Had the SWWF not been provided for, the net assets value per unit would have been higher by Re.0.336 (June 30, 2019: Re.0.065) in UBL Active Principal Preservation Plan I, Re.0.303 (June 30, 2019: Rs.0.078) in UBL Active Principal Preservation Plan II and Re.0.254 (June 30, 2019: Rs.0.011) in UBL Active Principal Preservation Plan III.

11. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at December 31, 2019 and June 30, 2019.

12. TAXATION

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

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

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 I, UBL Active Principal Preservation Plan II and UBL Active Principal Preservation Plan III is 0.47%, 0.67% and 0.37% respectively as on December 31, 2019 (June 30, 2019: 0.62%, 0.93% and 0.27% respectively) and these include 0.19%, 0.22% and 0.22% representing Government Levy, Sindh Worker's Welfare Fund and SECP fee respectively (June 30, 2019: 0.13%, 0.20% and 0.07% respectively). The ratio of each plan is within the maximum limit of 0.5% in case of UBL Active Principal Preservation Plan I, UBL Active Principal Preservation Plan III (as the management fee is not charged) and 2.5% in case of UBL Active Principal Preservation Plan II (as the management fee is 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, 2019 (Un-audited)						
UBL Active Principal Preservation Plan I						
Transactions during the period						
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	-	-
As at December 31, 2019 (Un-audited)						
Balances held						
Units held (units in '000)	-	-	-	-	-	387
Units held (Rupees in '000)	-	-	-	-	-	44,135
Bank balances	-	157	-	-	-	-
Remuneration payable*	-	-	7	-	-	-
Allocated expenses payable	17	-	-	-	-	-
Other payable	449	-	-	-	-	-
Units of mutual funds held	-	-	-	104,075	-	-
Mark-up receivable	-	123	-	-	-	-

	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 II						
Transactions during the period						
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 investments	-	-	-	104,834	-	-
Redemption of investments	-	-	-	194,618	-	-
As at December 31, 2019 (Un-audited)						
Balances held						
Units held (units in '000)	-	-	-	-	-	887
Units held (Rupees in '000)	-	-	-	-	-	98,538
Term Deposit Receipt (TDR)	-	136,725	-	-	-	-
Bank balances	-	55	-	-	-	-
Remuneration payable*	119	-	16	-	-	-
Allocated expenses payable	26	-	-	-	-	-
Other payable	430	-	-	-	-	-
Units of mutual funds held	-	-	-	103,824	-	-
Mark-up receivable on bank balances	-	51	-	-	-	-
Mark-up receivable on TDR	-	13,062	-	-	-	-
For the period ended December 31, 2019 (Un-audited)						
UBL Active Principal 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	-	-

	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, 2019 (Un-audited)					
Balances held						
Units held (units in '000)	-	-	-	-	-	391
Units held (Rupees in '000)	-	-	-	-	-	43,492
Bank balances	-	288	-	-	-	-
Remuneration payable	-	-	12	-	-	-
Allocated expenses payable	32	-	-	-	-	-
Other payable	5	-	-	-	-	-
Units of mutual funds held	-	-	-	179,248	-	-
Mark-up receivable	-	14	-	-	-	-

	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, 2018 (Un-audited)					
UBL Active Principal Preservation Plan I						
<u>Transactions during the period</u>						
Mark-up on bank accounts	-	111	-	-	-	-
Bank and other charges	-	5	-	-	-	-
Remuneration*	-	-	98	-	-	-
Allocated expenses	87	-	-	-	-	-
Purchase of investments	-	-	-	141,152	-	-
Redemption of investments	-	-	-	145,447	-	-
Dividend received	-	-	-	74	-	-

As at June 30, 2019 (Audited)						
Balances held						
Units held (units in '000)	-	-	-	-	-	535
Units held (Rupees in '000)	-	-	-	-	-	55,159
Bank balances	-	1,195	-	-	-	-
Remuneration payable	-	-	16	-	-	-
Allocated expenses payable	14	-	-	-	-	-
Other payable	449	-	-	-	-	-
Mark-up receivable	-	46	-	-	-	-
Units of mutual funds held	-	-	-	168,177	-	-

UBL Active Principal Preservation Plan II	Management Company	Associated companies	Trustee	Funds under common management	Directors and key executives	Other connected persons / related parties
	(Rupees in '000)					
Transactions during the period	For the period ended December 31, 2018 (Un-audited)					
Income from term deposit receipt (TDR)	-	4,194	-	-	-	-
Bank charges	-	5	-	-	-	-
Units issued	-	-	-	-	-	69
Remuneration*	704	-	183	-	-	-
Allocated expenses	162	-	-	-	-	-
Purchase of investment	-	-	-	165,230	-	-
Redemption of investments	-	-	-	187,246	-	-
Dividend paid	-	-	-	-	-	78
Dividend received	-	-	-	670	-	-
	As at June 30, 2019 (Audited)					
Balances held						
Units held (units in '000)	-	-	-	-	-	635
Units held (Rupees in '000)	-	-	-	-	-	64,435
Bank balances	-	521	-	-	-	-
Term deposit receipt (TDR)	-	132,531	-	-	-	-
Allocated expenses payable	26	-	-	-	-	-
Remuneration payable	115	-	29	-	-	-
Other payable	430	-	-	-	-	-
Units of mutual funds held	-	-	-	177,306	-	-
Mark-up receivable on term deposit receipt (TDR)	-	8,868	-	-	-	-
Mark-up receivable	-	23	-	-	-	-

UBL Active Principal Preservation Plan III	Management Company	Associated companies	Trustee	Funds under common management	Directors and key executives	Other connected persons / related parties
	(Rupees in '000)					
Transactions during the period	For the period from October 24, 2018 to December 31, 2018 (Un-audited)					
Mark-up on bank accounts	-	12	-	-	-	-
Bank and other charges	-	2	-	-	-	-
Remuneration*	-	-	44	-	-	-
Allocated expenses	39	-	-	-	-	-
Purchase of investments	-	-	-	432,297	-	-
Redemption of investments	-	-	-	222,260	-	-
	As at June 30, 2019 (Audited)					
Balances held						
Units held (units in '000)	-	-	-	-	-	391
Units held (Rupees in '000)	-	-	-	-	-	39,226
Bank balances	-	1,751	-	-	-	-
Remuneration payable	-	-	18	-	-	-
Allocated expenses payable	16	-	-	-	-	-
Other payable	5	-	-	-	-	-
Sales load payable	-	1,300	-	-	-	-
Mark-up receivable	-	21	-	-	-	-
Units of mutual funds held	-	-	-	190,265	-	-

* 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.

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
	----- (Rupees in '000) -----			
As at December 31, 2019 (Un-audited)				
Financial assets measured at fair value				
Units of mutual funds	-	387,147	-	387,147

	Fair Value			
	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----			
As at June 30, 2019 (Audited)				
Financial assets measured at fair value				
Units of mutual funds	-	535,748	-	535,748

17. GENERAL

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

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 the Board of Directors of the Management Company on 25 February 2020.

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

SD

Chief Executive Officer

SD

Chief Financial Officer

SD

Director

UDEF

UBL Dedicated Equity Fund

INVESTMENT OBJECTIVE

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

Management Company	UBL Fund Managers Limited
Trustee	Central Depository Company of Pakistan Limited 99-B, Block-B, S.M.C.H.S., Main Shahra-e-Faisal, Karachi. Tel: (9221) 111-111-500
Distribution Company	United Bank Limited (for detail of others, please visit our website: www.ublfunds.com.pk)
Auditors	EY Ford Rhodes, Chartered Accountants
Bankers	United Bank Limited JS Bank Limited Soneri Bank Limited
Management Co. Rating	AM1 (VIS)

Head Office

CDC House, 99-B, Block 'B'
S.M.C.H.S. Main Shahra-e-Faisal
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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, 2019 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, 2020

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 2019**, the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cash flow, condensed interim statement movement in unit holders' fund and notes to the accounts for the six month period then ended (here-in-after referred to as "interim financial statements"). Management Company is responsible for the preparation and presentation of this interim financial statements in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial statements based on our review. The figures of the unconsolidated condensed interim profit and loss account and unconsolidated condensed interim statement of comprehensive income for the quarters ended 31 December 2019 and 31 December 2018 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 2019.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Statements 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 standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the audit resulting in this independent auditor's report is Shaikh Ahmed Salman.



Chartered Accountants

Date: 26 February 2020

Karachi

UBL DEDICATED EQUITY FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT DECEMBER 31, 2019

		(Un-audited) December 31, 2019	(Audited) June 30, 2019
	Note	----- (Rupees in '000) -----	
ASSETS			
Bank balances	4	23,689	2,697
Investments	5	248,906	176,071
Dividend and mark-up receivable		516	1,190
Advance tax	6	42	42
Deposits and prepayments		2,543	2,500
Preliminary expenses and floatation costs	7	213	244
Receivable against sale of investments		-	428
TOTAL ASSETS		275,909	183,172
LIABILITIES			
Payable to UBL Fund Managers Limited - Management Company	8	802	606
Payable to Central Depository Company of Pakistan - Trustee	9	53	38
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)	10	20	156
Accrued and other liabilities	11	2,081	614
Payable against purchase of investments		-	175
TOTAL LIABILITIES		2,956	1,589
NET ASSETS		272,953	181,583
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		272,953	181,583
CONTINGENCIES AND COMMITMENTS			
	12		
		----- (Number of units) -----	
NUMBER OF UNITS IN ISSUE		2,783,545	2,244,682
		----- (Rupees) -----	
NET ASSETS VALUE PER UNIT		98.0594	80.8950

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

For UBL Fund Managers Limited
(Management Company)

SD

Chief Executive Officer

SD

Chief Financial Officer

SD

Director

UBL DEDICATED EQUITY FUND
CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2019

		Half year ended		Quarter ended	
		December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
Note		(Rupees in '000)			
INCOME					
Mark-up on bank account		533	411	351	342
Dividend income		5,184	2,164	3,276	1,561
Net unrealised gain / (loss) on revaluation of investments classified as 'at fair value through profit or loss'		42,761	(10,979)	53,084	(10,954)
Net loss on sale of investments classified as at 'fair value through profit and loss'		(1,578)	(795)	2,088	(172)
Total income		46,900	(9,199)	58,799	(9,223)
EXPENSES					
Remuneration of the Management Company		1,956	1,047	1,160	795
Sales tax on management fee		254	136	150	103
Allocated expenses by the Management Company		98	52	58	39
Selling and marketing expenses		391	209	232	159
Remuneration of the Trustee		220	104	87	79
Sales tax on remuneration of the Trustee		29	14	12	10
Annual fee to SECP		21	50	13	38
Amortization of preliminary expenses and floatation costs		31	31	15	16
Brokerage expenses		252	301	147	229
Auditors' remuneration		257	206	161	117
Custody and settlement charges		223	83	110	62
Bank charges and other expenses		103	119	49	57
Total expenses		3,835	2,352	2,194	1,704
Net operating income / (loss) for the period		43,065	(11,551)	56,605	(10,927)
Provision for Sindh Workers' Welfare Fund	11.1	(845)	-	(845)	-
Net income / (loss) for the period before taxation		42,220	(11,551)	55,760	(10,927)
Taxation	13	-	-	-	-
Net income / (loss) for the period after taxation		42,220	(11,551)	55,760	(10,927)
<i>Allocation of net income for the period:</i>					
Net income for the period after taxation		42,220	-	42,220	-
Income already paid on units redeemed		(10,926)	-	(10,926)	-
		31,294	-	31,294	-
<i>Accounting income available for distribution</i>					
- Relating to capital gains		30,239	-	44,228	-
- Excluding capital gains		1,055	-	(12,934)	-
		31,294	-	31,294	-
Earnings per unit	14				

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

For UBL Fund Managers Limited
(Management Company)

SD
Chief Executive Officer

SD
Chief Financial Officer

SD
Director

UBL DEDICATED EQUITY FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2019

	Half year ended		Quarter ended	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
	----- (Rupees in '000) -----			
Net income / (loss) for the year after taxation	42,220	(11,551)	55,760	(10,927)
Other comprehensive income	-	-	-	-
Total comprehensive income / (loss) for the period	<u>42,220</u>	<u>(11,551)</u>	<u>55,760</u>	<u>(10,927)</u>

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

For UBL Fund Managers Limited
(Management Company)

SD
Chief Executive Officer

SD
Chief Financial Officer

SD
Director

UBL DEDICATED EQUITY FUND
CONDENSED ITERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2019

	December 31, 2019	December 31, 2018
	------(Rupees in '000)-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income / (loss) for the year before taxation	42,220	(11,551)
Adjustments for:		
Mark-up on bank account	(533)	(411)
Dividend income	(5,184)	(2,164)
Net unrealised (gain) / loss on revaluation of investments 'classified as at fair value through profit or loss'	(42,761)	10,979
Net loss on sale of investments classified as at 'fair value through profit and loss'	1,578	795
Provision for Sindh Workers' Welfare Fund (SWWF)	845	-
Amortization of preliminary expenses and floatation costs	31	31
	(46,024)	9,230
(Increase) / decrease in assets		
Investments	(31,652)	(157,830)
Advance tax	-	(13)
Deposits and prepayments	(43)	(9)
Receivable against sale of investments	428	-
	(31,267)	(157,852)
Increase / (decrease) in liabilities		
Payable to UBL Fund Managers Limited - Management Company	196	488
Payable to Central Depository Company of Pakistan - Trustee	15	28
Annual fee payable to SECP	(136)	45
Payable against purchase of investments	(175)	2,352
Accrued and other liabilities	622	413
	522	3,326
Mark-up and dividend received	6,391	2,268
Net cash flows used in operating activities	(28,158)	(154,579)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net receipt from issuance of units	217,364	258,549
Net payment against redemption of units	(168,214)	(82,637)
Net cash flows generated from financing activities	49,150	175,912
Net increase in cash and cash equivalents during the period	20,992	21,333
Cash and cash equivalents at beginning of the period	2,697	3,330
Cash and cash equivalents at end of the period	23,689	24,663

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

For UBL Fund Managers Limited
(Management Company)

SD
Chief Executive Officer

SD
Chief Financial Officer

SD
Director

UBL DEDICATED EQUITY FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2019

	For the half year ended					
	December 31, 2019			December 31, 2018		
	Capital value	Undistributed (loss) / income	Total	Capital value	Undistributed loss	Unrealised appreciation on investments classified as 'available for sale' - net
				(Rupees in '000)		
						Total
Net assets at beginning of the period	212,798	(31,215)	181,583	46,598	-	(788)
Reclassification under IFRS 9	-	-	-	-	(788)	788
Amount received on issuance of 2,572,742 units (2018: 2,782,374 units)						
Capital value	208,122	-	208,122	273,036	-	-
Element of income during the period;						
- Relating to net income for the period after taxation	9,242	-	9,242	(14,487)	-	-
	217,364	-	217,364	258,549	-	-
Amount paid on redemption of 2,033,879 units (2018: 873,671 units)						
Capital value	(164,531)	-	(164,531)	(85,734)	-	-
Element of income during the period;						
- Relating to income earned	7,243	(10,926)	(3,683)	3,097	-	-
	(157,288)	(10,926)	(168,214)	(82,637)	-	-
Total comprehensive income / (loss) for the period	-	42,220	42,220	-	(11,551)	-
Distribution during the period	-	-	-	-	-	-
Net income / (loss) for the period less distribution	-	42,220	42,220	-	(11,551)	-
Net assets at end of the period	272,874	79	272,953	222,510	(12,339)	-
Undistributed loss brought forward:						
- Realised	-	(1,922)	(1,922)	-	-	-
- Unrealised	-	(29,293)	(29,293)	-	-	-
Reclassification under IFRS 9	-	-	-	-	(788)	-
	-	(31,215)	(31,215)	-	(788)	-
Accounting income available for distribution:						
- Relating to capital gains	-	30,239	30,239	-	-	-
- Excluding capital gains	-	1,055	1,055	-	-	-
	-	31,294	31,294	-	-	-
Net loss for the period after taxation	-	-	-	-	(11,551)	-
Distribution during the period	-	-	-	-	-	-
Undistributed income carried forward	-	79	79	-	(12,339)	-
Undistributed income carried forward						
- Realised	-	(42,682)	(42,682)	-	(1,360)	-
- Unrealised	-	42,761	42,761	-	(10,979)	-
	-	79	79	-	(12,339)	-
			- (Rupees) -			
Net assets value per unit at beginning of the period	80.8950			98.1306		
Net assets value per unit at end of the period	98.0594			88.4734		

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

For UBL Fund Managers Limited
(Management Company)

SD
Chief Executive Officer

SD
Chief Financial Officer

SD
Director

UBL DEDICATED EQUITY FUND
NOTES TO THE INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2019

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** UBL Dedicated Equity Fund, was established under the Trust Deed executed between UBL Fund Managers Limited (the Management Company - a wholly owned subsidiary company of United Bank Limited), as the Management Company, and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on April 10, 2018 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on May 02, 2018 in accordance with the requirements of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules). The Fund commenced its operations from May 29, 2018.
- 1.2** The Management Company of the Fund is registered with the SECP as a Non-Banking Finance Company under the NBFC Rules. The registered office of the Management Company is situated at 4th Floor, STSM Building, Beaumont Road, Civil Lines, Karachi.
- 1.3** The Fund is an open-ended mutual fund and is 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
- 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, 2019.
- 2.1.3** These interim financial statements are un-audited but subject to limited scope review by the auditors. Figures for the quarters ended December 31, 2019 and December 31 2018 as reported in these interim financial statements have not been subject to limited scope review by the external auditors.
- 2.1.4** 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, 2019, 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, 2018.

2.1.5 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, 2019.

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, 2019.

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)
 IFRS 11 Joint Arrangements: Previously held interests in a joint operation
 IFRS 16 Leases
 IAS 12 Income Taxes: Income tax consequences of payments on financial instruments classified as equity (Amendments)
 IAS 19 Plan Amendment, Curtailment or Settlement (Amendments)
 IAS 23 Borrowing Costs: Borrowing costs eligible for capitalisation
 IAS 28 Long-term Interests in Associates and Joint Ventures (Amendments)
 IFRIC Interpretation 23 Uncertainty over Income Tax Treatments

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, 2019.

		(Un-audited) December 31, 2019	(Audited) June 30, 2019
	Note	----- (Rupees in '000) -----	
4. BANK BALANCES			
Bank account - saving account	4.1	<u>23,689</u>	<u>2,697</u>
4.1	These carry mark-up at the rates ranging from 3.75% to 8.25% (June 30, 2019: 3.75% to 8%) per annum and include a balance of Rs.23.68 (June 30, 2019: Rs.2.68) million held with United Bank Limited (a related party).		
5. INVESTMENTS			
At fair value through profit or loss			
- Equity securities - listed	5.1	<u>248,906</u>	<u>176,071</u>

5.1 Equity securities classified as at 'Fair value classified through profit and loss'

Shares of listed companies - fully paid ordinary shares of Rs.10 each unless stated otherwise:

Name of Investee Company	Note	Number of shares					Balance as at December 31, 2019			Market value as a % of net assets	Market value as a % of total investments	Par value as percentage of total paid up capital of the investee company	
		As at July 01, 2019	Purchased during the period	Bonus / right issue during the period	Sold during the period	As at December 31, 2019	Carrying value	Market value	Appreciation / (diminution)				
							(Rupees in '000)			%			
Cement													
Kohat Cement Company Limited		84,440	59,541	1,459	-	145,440	7,909	11,257	3,348	4.12	4.52	0.07	
Lucky Cement Limited		10,508	4,600	-	(5,300)	9,808	3,620	4,202	582	1.54	1.69	-	
Pioneer Cement Limited		42,000	-	-	(42,000)	-	-	-	-	-	-	-	
							11,529	15,459	3,930	5.66	6.21	-	
Oil and gas exploration companies													
Mari Petroleum Company Limited		12,098	3,959	-	(2,500)	13,557	12,169	17,761	5,592	6.51	7.14	0.01	
Oil & Gas Development Company Limited	5.1.1	87,368	39,500	-	(14,500)	112,368	14,494	15,992	1,498	5.86	6.42	-	
Pakistan Oilfields Limited		15,652	2,900	-	(9,300)	9,252	3,668	4,133	465	1.51	1.66	-	
Pakistan Petroleum Limited		43,763	35,500	7,912	(18,300)	68,875	8,098	9,446	1,348	3.46	3.80	-	
							38,428	47,332	8,903	17.34	19.02	-	
Oil and gas marketing companies													
Pakistan State Oil Company Limited		25,853	6,392	3,638	(10,200)	25,683	3,795	4,922	1,127	1.80	1.98	0.01	
							3,795	4,922	1,127	1.80	1.98	0.01	
Food and personal care products													
Al Shaheer Corporation Limited		29,550	-	-	-	29,550	372	418	46	0.15	0.17	0.02	
							372	418	46	0.15	0.17	0.02	
Fertilizer													
Engro Fertilizers Limited	5.1.1	30,818	-	-	(8,500)	22,318	1,428	1,639	211	0.60	0.66	-	
Engro Corporation Limited		29,823	2,500	-	(7,300)	25,023	6,639	8,639	2,000	3.17	3.47	-	
Fauji Fertilizer Company Limited		59,791	49,500	-	(16,500)	92,791	8,636	9,416	780	3.45	3.78	0.01	
Fauji Fertilizer Bin Qasim Limited		87,076	-	-	(87,076)	-	-	-	-	-	-	-	
							16,703	19,694	2,991	7.22	7.91	0.01	
Chemicals													
Engro Polymer & Chemicals Limited		147,613	71,500	-	(45,000)	174,113	5,084	5,782	698	2.12	2.32	0.02	
ICI Pakistan Limited		50	-	-	-	50	27	34	7	0.01	0.01	-	
Sitara Chemical Industries Limited		13,100	-	-	(1,000)	12,100	3,701	3,611	(90)	1.32	1.45	0.06	
							8,812	9,427	615	3.00	3.78	0.08	
Technology and communication													
Systems Limited		41,750	15,000	-	(1,000)	55,750	5,243	6,930	1,687	2.54	2.78	0.05	
							5,243	6,930	1,687	2.54	2.78	0.05	
Automobile parts and accessories													
Thal Limited (Par value at Rs. 5)		214	15,500	-	-	15,714	4,475	5,315	840	1.95	2.14	0.02	
							4,475	5,315	840	1.95	2.14	0.02	
Leather and Tanneries													
Service Industries Limited		5,812	-	1,128	(1,300)	5,640	2,226	4,381	2,155	1.61	1.76	-	
Bata (Pakistan) Limited		-	1,500	-	-	1,500	2,250	2,990	740	1.10	1.20	-	
							4,476	7,371	2,895	2.71	2.96	-	
Engineering													
International Industries Limited		5,200	27,020	-	(12,200)	20,020	1,681	2,219	538	0.81	0.89	0.02	
							1,681	2,219	538	0.81	0.89	0.02	
Insurance													
Adamjee Insurance Company Limited		192,485	63,000	-	(1,000)	254,485	9,088	10,711	1,623	3.92	4.30	0.07	
IGI Holdings Limited		-	15,000	-	-	15,000	2,550	3,060	510	1.12	1.23	0.01	
							11,638	13,771	2,133	5.04	5.53	0.08	

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, 2019			Market value as a % of net assets	Market value as a % of total investments	Par Value as percentage of total paid up capital of the investee company
		As at July 01, 2019	Purchased during the period	Bonus / right issue during the period	Sold during the period	As at December 31, 2019	Carrying value	Market value	(Diminution) / appreciation			
							----- (Rupees in '000) -----			----- % -----		
Commercial banks												
Allied Bank Limited	5.1.1	109,674	29,000	-	(7,000)	131,674	13,485	12,588	(897)	4.61	5.06	0.01
Bank Alfalah Limited		309,961	132,500	-	(120,000)	322,461	13,827	14,736	909	5.40	5.92	0.02
Faysal Bank Limited		86	16,000	-	(16,000)	86	1	2	2	-	-	-
Habib Bank Limited		133,501	44,500	-	(68,500)	109,501	13,162	17,238	4,076	6.32	6.93	0.01
United Bank Limited		107,209	22,100	-	(55,100)	74,209	10,812	12,207	1,395	4.47	4.90	0.01
Bank AL-Habib Limited		-	179,500	-	(16,000)	163,500	11,349	12,452	1,103	4.56	5.00	0.01
Meezan Bank Limited		-	37,000	-	-	37,000	2,757	3,520	763	1.29	1.41	-
National Bank of Pakistan		1,174	-	-	-	1,174	40	51	11	0.02	0.02	-
							65,433	72,794	7,362	26.67	29.24	0.06
Investment banking												
Arif Habib Limited	-	75,000	-	-	75,000	3,870	4,267	397	1.56	1.71	0.13	
							3,870	4,267	397	1.56	1.71	0.13
Textile composite												
Nishat Mills Limited	38,890	21,000	-	(26,000)	33,890	3,052	3,597	545	1.32	1.45	0.01	
Gul Ahmed Textile Mills Limited	69,879	-	7,475	(32,500)	44,854	1,760	1,934	174	0.71	0.78	0.01	
Kohinoor Textile Mills Limited	3,636	165,000	-	-	168,636	4,378	6,589	2,211	2.41	2.65	0.06	
							9,191	12,120	2,930	4.44	4.88	0.02
Transport												
Pakistan National Shipping Corporation	-	26,000	-	-	26,000	1,611	2,442	831	0.89	0.98	0.02	
							1,611	2,442	831	0.89	0.98	0.02
Power generation and distribution												
The Hub Power Company Limited	161,330	59,500	-	(88,500)	132,330	10,322	12,353	2,031	4.53	4.96	0.01	
Pakgen Power Company Limited	146,165	107,000	-	(35,000)	218,165	2,945	3,997	1,052	1.46	1.61	0.06	
K-Electric Limited (Par value at Rs. 3.5)	140,953	-	-	(132,000)	8,953	39	39	-	0.01	0.02	-	
Lalpir Power Limited	21,357	-	-	(21,000)	357	5	5	-	-	-	-	
Saif Power Limited	64,684	6,500	-	-	71,184	1,335	1,492	157	0.55	0.60	0.02	
							14,646	17,886	3,240	6.55	7.19	0.09
Paper and board												
Century Paper & Board Mills Limited	56,211	19,000	-	(9,500)	65,711	2,287	3,330	1,043	1.22	1.34	0.04	
Packages Limited	5,000	-	-	(5,000)	-	-	-	-	-	-	-	
							2,287	3,330	1,043	1.22	1.34	0.04
Pharmaceuticals												
The Searle Company Limited	6,610	-	-	(6,500)	110	16	21	5	0.01	0.01	-	
Ferozsons Laboratories Limited	6,700	-	-	(6,200)	500	56	105	49	0.04	0.04	-	
							72	126	54	0.05	0.05	-
Miscellaneous												
Synthetic Products Enterprises Limited	85,000	3,400	-	-	88,400	1,884	3,083	1,199	1.13	1.24	0.10	
							1,884	3,083	1,199	1.13	1.24	0.10
Total as at December 31, 2019 (Un-audited)							206,146	248,906	42,761			
Total as at June 30, 2019 (Audited)							205,363	176,071	(29,291)			

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

	December 31, 2019		June 30, 2019	
	(Number of shares)	(Rupees in '000)	(Number of shares)	(Rupees in '000)
Oil & Gas Development Company Limited	14,400	2,049	14,400	1,893
Engro Fertilizers Limited	9,000	661	14,000	896
Habib Bank Limited	14,000	2,204	9,000	1,019
	37,400	4,914	37,400	3,808

6. ADVANCE TAX

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

	Note	(Un-audited) December 2019	(Audited) June 30, 2019
		----- (Rupees in '000) -----	
7. PRELIMINARY EXPENSES AND FLOATATION COSTS			
Preliminary expenses and floatation costs	7.1	244	306
Amortization during the period		(31)	(62)
		<u>213</u>	<u>244</u>

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	467	335
Sales tax on remuneration payable	8.2	61	44
Allocated expenses payable	8.3	42	17
Selling and marketing expenses payable	8.4	232	210
		<u>802</u>	<u>606</u>

8.1 The Management Company charged remuneration at the rate of 2 percent (June 30, 2019: 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, 2019: 13%).

8.3 Uptil June 19, 2019 in accordance with Regulation 60 of the NBFC Regulations, the Management Company was entitled to charge expenses related to registrar services, accounting, operations and valuation services, related to a Collective Investment Scheme (CIS) at the rate of up to 0.1% of the average annual net assets of the scheme or actual whichever is less. However, SECP vide SRO 639 dated June 20, 2019 removed the maximum cap of 0.1%.

Therefore, with effect from June 20, 2019, the Management Company can charge expenses related to registrar services, accounting, operations and valuation services to the CIS based on its discretion provided the Total Expense Ratio (TER) prescribed by the SECP vide SRO 639 dated June 20, 2019 is complied with.

8.4 The SECP had allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) initially for a period of three years (i.e. from January 01, 2017 till December 31, 2019). The maximum cap of selling and marketing expense was 0.4% per annum of the net assets of the Fund or actual expenses whichever is lower.

During the current period, the SECP through its circular 11 dated July 05, 2019 has 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 has been lifted and now the asset management company is 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. Furthermore, the time limit of three years has also been removed in the revised conditions.

Accordingly, the Board of Directors of Management Company have resolved that the selling and marketing expenses will be charged based on the discretion of the Management Company provided the Total Expense Ratio (TER) prescribed by the SECP vide SRO 639 dated June 20, 2019 is complied with.

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 assets value of the Fund. The remunerations paid to the Trustee on monthly basis in arrears. The tariff structure applicable to the Fund in respect of the trustee fee has been revised effective from July 01, 2019 where by the revised tariff is 0.075% of net assets.

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

SECP, vide SRO no. 685(I)/2019 dated June 2019, revised the rate of annual fee at 0.02% (June 30, 2019: 0.095%) of net assets on all categories of collective investment schemes which is effective from July 01, 2019.

		(Un-audited) December 2019	(Audited) June 30, 2019
	Note	-----	----- (Rupees in '000) -----
11. ACCRUED AND OTHER LIABILITIES			
Auditors' remuneration		221	215
Provision for Sindh Workers' Welfare Fund (SWWF)	11.1	858	13
Brokerage payable		402	272
Listing fee payable		22	20
Capital gains tax payable		407	-
Legal and professional fees payable		171	94
		<u>2,081</u>	<u>614</u>

11.1 The status of Sindh Workers' Welfare Fund (SWWF) is same as disclosed in annual financial statements for the year ended June 30, 2019. Had the SWWF not been provided for, the net assets value per unit would have been higher by Re.0.31 (June 30, 2019: Re.0.01).

12. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at December 31, 2019 and June 30, 2019.

13. TAXATION

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

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 (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.

15. TOTAL EXPENSE RATIO

Total Expense Ratio of the Fund is 2.41% as on December 31, 2019 and this includes 0.61% representing Government Levy, Sindh Worker's Welfare Fund and SECP Fee. This ratio is within the maximum limit of 4% 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, 2019 are as follows:

	Management company	Associated companies	Trustee	Funds under common management	Directors and key executives	Other connected persons / related parties
	(Rupees in '000)					
For the 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 invesment	-	3,115	-	-	-	-
Sale of invesment	-	7,661	-	-	-	-
Remuneration *	2,210	-	249	-	-	-
Allocated expenses by the Management Company	98	-	-	-	-	-
Selling and marketing expense	391	-	-	-	-	-
For the Half Yearly Ended December 31, 2018 (Un-audited)						
Transactions during the period						
Mark-up on bank account	-	411	-	-	-	-
Bank charges	-	14	-	-	-	-
Units issued	-	-	-	114,149	-	25,000
Units redeemed	-	-	-	26,427	-	-
Remuneration *	1,183	-	118	-	-	-
Allocated expenses by the Management Company	52	-	-	-	-	-
Selling and marketing expenses	209	-	-	-	-	-
As at December 31, 2019 (Un-audited)						
Balances held						
Units held (units in '000)	-	-	-	2,376	-	-
Units held (Rupees in '000)	-	-	-	233,037	-	-
Bank balances	-	23,675	-	-	-	-
Remuneration payable	528	-	53	-	-	-
Selling and marketing expenses payable	232	-	-	-	-	-
Mark-up receivable	-	515	-	-	-	-
Allocated expenses payable	42	-	-	-	-	-
Investments	-	12,207	-	-	-	-
As at June 30, 2019 (Audited)						
Balances held						
Units held (units in '000)	-	-	-	1,817	-	-
Units held (Rupees in '000)	-	-	-	146,981	-	-
Bank balances	-	2,684	-	-	-	-
Remuneration payable	379	-	38	-	-	-
Selling and marketing expenses payable	210	-	-	-	-	-
Mark-up receivable	-	580	-	-	-	-
Allocated expenses payable	17	-	-	-	-	-
Investments	-	15,800	-	-	-	-

* Remuneration for the period is inclusive of sales tax.

SD
Director

UCPF-III

UBL Capital Protected Fund - III

INVESTMENT OBJECTIVE

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

Management Company	UBL Fund Managers Limited
Trustee	Central Depository Company of Pakistan Limited 99-B, Block-B, S.M.C.H.S., Main Shahra-e-Faisal, Karachi. Tel: (9221) 111-111-500
Distribution Company	United Bank Limited (for detail of others, please visit our website: www.ublfunds.com.pk)
Auditor	BDO Ebrahim & Co. Chartered Accountants
Bankers	Bank Alfalah Limited National Bank of Pakistan United Bank Limited
Management Co.Rating	AM1 (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 CAPITAL PROTECTED FUND-III

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 Capital Protected Fund-III (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, 2019 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.

For the information of the unit holders that the Fund has been matured on January 27, 2020 due to completion of its life i.e. 36 months.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: February 28, 2020

INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO THE UNIT HOLDERS OF UBL CAPITAL PROTECTED FUND III**Introduction**

We have reviewed the accompanying condensed interim statement of assets and liabilities of UBL CAPITAL PROTECTED FUND III ("the Fund") as at December 31, 2019 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 notes to the accounts 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 approved accounting 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, 2019 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Emphasis of matter

We draw attention to note 1.7 to the condensed interim financial information which inter alia states that the Fund commenced its operation from January 27, 2017. The duration of the fund is 24 months from the commencement of the life of the Fund and the Fund shall stand automatically dissolved after the aforementioned period. Accordingly, the condensed interim financial information are not prepared on the going concern basis. However, no adjustments are required as the assets and liabilities are stated at the values at which they are expected to be realized or settled.

Other matters

The figures for the quarter ended December 31, 2019 and December 31, 2018 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 2020**
CHARTERED ACCOUNTANTS
Engagement Partner: Zulfikar Ali Causer

UBL CAPITAL PROTECTED FUND III
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT DECEMBER 31, 2019

		December 31, 2019 (Unaudited)	June 30, 2019 (Audited)
	Note	----- (Rupees in '000) -----	
ASSETS			
Bank balances	4	1,089	2,709
Term deposit receipts	5	242,953	254,014
Investments	6	15,605	14,095
Mark-up / interest receivable		46,715	40,460
Deposits and prepayments		2,651	2,651
Advance tax	7	328	328
Preliminary expenses and floatation costs		52	433
TOTAL ASSETS		309,393	314,690
LIABILITIES			
Payable to UBL Fund Managers Limited - Management Company		289	260
Payable to Central Depository Company of Pakistan Limited - Trustee	8	38	38
Payable to Securities and Exchange Commission of Pakistan	9	31	242
Accrued expenses and other liabilities	10	965	2,083
TOTAL LIABILITIES		1,323	2,623
NET ASSETS		308,070	312,067
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)			
		308,070	312,067
CONTINGENCIES AND COMMITMENTS			
	11		
----- (Number of units) -----			
NUMBER OF UNITS IN ISSUE		2,984,659	3,119,525
----- (Rupees) -----			
NET ASSETS VALUE PER UNIT		103.2177	100.0366

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 CAPITAL PROTECTED FUND III
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2019

		Half year ended		Quarter ended	
		December 31	December 31	December 31	December 31
		2019	2018	2019	2018
Note		----- (Rupees in '000) -----		----- (Rupees in '000) -----	
INCOME					
	Financial income	8,265	9,120	4,072	4,396
	Dividend income	225	315	166	177
	Capital loss on sale of investment - net	(33)	(546)	113	(214)
	Unrealised gain / (loss) on revaluation of investments classified at financial asset 'at fair value through profit or loss' - net	3,374	(3,620)	4,885	(2,716)
	Other income	405	3,025	32	-
	Total income	12,236	8,294	9,268	1,643
EXPENSES					
	Remuneration of UBL Fund Managers Limited - Management Company	1,154	1,244	578	600
	Sindh Sales tax on Management Company's remuneration	150	162	75	78
8	Remuneration of Central Depository Company of Pakistan Limited - Trustee	226	244	113	118
9	Annual fee of Securities and Exchange Commission of Pakistan	31	124	16	60
	Allocated expenses	154	166	77	80
	Bank charges	2	3	2	1
	Auditors' remuneration	131	177	54	104
	Brokerage and settlement Charges	178	207	83	1
	Amortization of preliminary expenses and floatation costs	376	376	188	188
	Legal and professional charges	77	101	38	50
	Fees and subscription charges	14	14	7	7
	Other expenses	43	53	21	119
	Total operating expenses	2,536	2,871	1,252	1,406
	Operating income for the period	9,700	5,423	8,016	237
10.1	Provision for Sindh Workers' Welfare Fund	(190)	(107)	(157)	(5)
	Net income for the period before taxation	9,510	5,316	7,859	232
12	Taxation	-	-	-	-
	Net income for the period after taxation	9,510	5,316	7,859	232
Allocation of net income for the period					
	Income already paid on units redeemed	(35)	(306)	(26)	-
	Net income for the period available for distribution	9,475	5,010	7,833	232
	Relating to capital gains	3,321	-	-	-
	Excluding capital gains	6,154	5,010	7,833	232
	Earnings per unit	9,475	5,010	7,833	232

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 CAPITAL PROTECTED FUND III
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2019

	Half year ended		Quarter ended	
	December 31,	December 31,	December 31,	December 31,
	2019	2018	2019	2018
	----- (Rupees in '000) -----		----- (Rupees in '000) -----	
Net income for the period after taxation	9,510	5,316	7,859	232
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>9,510</u>	<u>5,316</u>	<u>7,859</u>	<u>232</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 CAPITAL PROTECTED FUND III
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2019

	Half year ended	
	December 31, 2019	December 31, 2018
	------(Rupees in '000)-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	9,510	5,316
Adjustments for:		
Financial income	(8,265)	(9,120)
Dividend income	(225)	(315)
Unrealised (gain) / loss on revaluation of investments classified as 'at fair value through profit or loss' - net	(3,374)	3,620
Capital loss on sale of investment - net	33	546
Provision for Sindh Workers' Welfare Fund	190	107
Amortization of preliminary expenses and floatation costs	381	382
	(11,260)	(4,780)
Cash (used in) / generated from operations before working capital changes	(1,750)	536
Working capital changes		
Decrease / (increase) in assets		
Investments - net	1,831	12,400
Term deposit receipts	11,061	84,309
Deposits and prepayments	-	(24)
	12,892	96,685
(Decrease) / increase in liabilities		
Payable to UBL Fund Managers Limited - Management Company	29	(102)
Payable to Central Depository Company of Pakistan Limited - Trustee	-	(10)
Annual fee payable to Securities and Exchange Commission of Pakistan	(211)	(191)
Accrued expenses and other liabilities	(1,308)	44
	(1,490)	(259)
Profit received on bank balances and term deposit receipts	2,010	8,303
Dividend received	225	513
Net cash generated from operating activities	11,887	105,778
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issuance of units	-	1,733
Payment against redemption of units	(13,507)	(100,848)
Dividend paid	-	(2,010)
Net cash used in financing activities	(13,507)	(101,125)
Net (decrease) / increase in cash and cash equivalents	(1,620)	4,653
Cash and cash equivalents at the beginning of the period	2,709	221
Cash and cash equivalents at the end of the period	1,089	4,874

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 CAPITAL PROTECTED FUND III
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2019

	Half year ended December 31, 2019			Half year ended December 31, 2018			
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Unrealised appreciation on re- measurement of investments classified as 'fair value through other comprehensive income'	Total
Note	(Rupees in '000)			(Rupees in '000)			
Net assets at the beginning of the period	312,157	(90)	312,067	410,162	2,604	55	412,821
Transfer of unrealised appreciation on re-measurement of investments classified as available for sale' - net to undistributed income upon adoption of IFRS-9	-	-	-	-	55	(55)	-
Issuance of Nil units (2018: 17,320 units)							
Capital value of units	-	-	-	1,735	-	-	1,735
Element of loss	-	-	-	-	-	-	-
Due to net loss incurred	-	-	-	(2)	-	-	(2)
Total proceeds on issuance of units	-	-	-	1,733	-	-	1,733
Redemption of 134,867 units (2018: 1,007,191 units)							
Capital value of units	(13,491)	-	(13,491)	(100,881)	-	-	(100,881)
Element of (loss) / income	19	(35)	(16)	339	(306)	-	33
Due to net (income) earned / loss incurred							
Total payments on redemption of units	(13,472)	(35)	(13,507)	(100,542)	(306)	-	(100,848)
Total comprehensive income for the period	-	9,510	9,510	-	5,316	-	5,316
Distribution during the period:							
Re. 0.4900 per unit declared on July 2, 2018 as cash dividend	-	-	-	-	(2,010)	-	(2,010)
Net income for the period less distribution	-	9,510	9,510	-	3,306	-	3,306
Net assets at the end of the period	<u>298,685</u>	<u>9,385</u>	<u>308,070</u>	<u>311,353</u>	<u>5,659</u>	<u>-</u>	<u>317,012</u>
Undistributed income / Unrealised appreciation on re-measurement of investments classified as 'available for sale' brought forward comprises of:							
Realised gain		4,754	4,754		10,462	-	10,462
Unrealised loss / gain		(4,844)	(4,844)		(7,858)	55	(7,803)
Total accumulated (loss) / undistributed income brought forward		(90)	(90)		2,604	55	2,659
Transfer of unrealised appreciation on re-measurement of investments classified as available for sale' - net to undistributed income upon adoption of IFRS-9		-	-		55	(55)	-
Income available for distribution:							
Relating to capital gains		3,321	3,321		-	-	-
Excluding capital gains		6,154	6,154		5,010	-	5,010
		9,475	9,475		5,010	-	5,010
Distribution during the period:							
Re. 0.4900 per unit declared on July 2, 2018 as cash dividend		-	-		(2,010)	-	(2,010)
Undistributed income carried forward		<u>9,385</u>	<u>9,385</u>		<u>5,659</u>	<u>-</u>	<u>5,659</u>
Undistributed income carried forward comprises of:							
Realised gain		6,011			9,279		
Unrealised gain / (loss)		3,374			(3,620)		
Total undistributed income carried forward		<u>9,385</u>			<u>5,659</u>		
			(Rupees)			(Rupees)	
Net assets value per unit at the beginning of the period			100.0366			100.6508	
Net assets value per unit at the end of the period			103.2177			101.8793	

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 CAPITAL PROTECTED FUND III
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL
INFORMATION
FOR THE HALF YEAR ENDED DECEMBER 31, 2019

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 UBL Capital Protected Fund III (the Fund) was established under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) as an open-end mutual fund. It was constituted under the Trust Deed, dated October 21, 2016 between UBL Fund Managers Limited (a wholly owned subsidiary company of United Bank Limited) as the Management Company, a company incorporated under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Fund has been registered as a notified entity on January 26, 2017 by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations). The Trust Deed has also been approved by the Securities and Exchange Commission of Pakistan (SECP). The registered office of the Management Company is situated at 4th floor, STSM Building, Beaumont Road, Civil Lines, Karachi.
- 1.2 The Management Company of the Fund is registered with the SECP as a Non-Banking Finance Company under the NBFC Rules.
- 1.3 The Fund is a capital protected scheme and units of the Fund are listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering them to the Fund at the option of the unit holder. The Fund is categorised as an open-ended capital protected scheme in accordance with Circular 7 of 2009 issued by the SECP.
- 1.4 The principal activity of the Fund is to protect the principal investment of investors upon maturity by placing the significant portion of trust property as TDR with a minimum AA- rated bank, and remaining in equity market or any other SECP permitted investments to provide investor with better return.
- 1.5 Title to the assets of the Fund are held in the name of the CDC as the Trustee of the Fund.
- 1.6 JCR-VIS Credit Rating Company has re-affirmed an asset manager quality rating of 'AM1' (stable outlook) to the Management Company as on December 31, 2019.
- 1.7 The Fund commenced its operations from January 26, 2017 and the duration of the Fund is twenty four months from the commencement of the life of the Fund. The Fund is matured subsequently on January 25, 2020. Accordingly, the condensed financial information of the Fund has been prepared on a basis other than going concern. However, no adjustments are required as the assets and liabilities are stated at the values at which they are expected to be realized or settled.

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 published audited financial statements of the Fund for the year ended June 30, 2019.
- 2.1.3 The comparative statement of assets and liabilities presented in this condensed interim financial information has been extracted from the annual audited financial statements of the Fund for the year ended June 30, 2019, whereas the comparative condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of movement in unit holders' fund are extracted from the unaudited condensed interim financial information for the half year ended December 31, 2018.
- 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, 2019 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, 2019.

2.2 Basis of measurement

This condensed interim financial information has been prepared on liquidation basis of accounting and accordingly assets and liabilities have been carried at the values at which they are expected to be realized or settled.

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

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

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

4 BANK BALANCES

Cash at bank		
In savings accounts	<u>1,089</u>	<u>2,709</u>

- 4.1 Profit rates on these savings accounts range between 3.75 % to 12.25% per annum (June 30, 2019: 3.75% to 9%). This includes an amount held by a related party (United Bank Limited) amounting to Rs. 0.206 million (June 30, 2019: Rs. Rs. 0.386 million) on which profit is earned at 12.25% (June 30, 2019: 8.25%)

5 TERM DEPOSIT RECEIPTS

At Amortised Cost

Opening balance		254,014	343,883
Acquired during the period / year		-	97,811
Matured during the period / year	5.1	<u>(11,061)</u>	<u>(187,680)</u>
Closing balance	5.2	<u>242,953</u>	<u>254,014</u>

- 5.1 These Term Deposit Receipts (TDRs) having face value of Rs. 11.061 million carrying interest rate ranging from 3.75% to 5.60% were pre-matured during the period.

- 5.2 These Term Deposit Receipts (TDRs) carry profit of 6.60% having maturity till January 26, 2020.

6 INVESTMENTS

Financial assets classified as at fair value through profit or loss	6.1	<u>15,605</u>	<u>14,095</u>
		<u>15,605</u>	<u>14,095</u>

- 6.1.1 The Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5 percent is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the company declaring bonus shares which shall be considered as final discharge of tax liability on such income. The Management Company of the Fund jointly with other asset management companies and Mutual Funds Association of Pakistan, has filed a petition in Honorable High Court of Sindh to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the mutual funds based on the premise of exemptions available to mutual funds under clause 99 of Part I and clause 47B of Part IV of Second Schedule to the Income Tax Ordinance, 2001. The Honorable High Court of Sindh has granted stay order till the final outcome of the case. In prior year, the investee companies of the Fund, in pursuance of the aforesaid amendment, withheld shares equivalent to 5 % of bonus entitlement of the Fund having fair market value of Rs. 0.035 million at period end. Such shares have not been deposited by the investee companies in CDC account of Income Tax department. The Fund has included in its investment the shares withheld and recorded these at fair market value at year end. Moreover the requirement to deduct tax on bonus shares has been withdrawn through Finance Act, 2018.
- 6.1.2 The above securities include 1600 shares pledged with the National Clearing Company of Pakistan Limited having a market value (in aggregate) amounting to Rs. 0.685 million for guaranteeing settlement of the Fund's trade in accordance with Circular No. 11 dated October 23, 2007 issued by the SECP.

7 ADVANCE TAX

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

December 31, 2019 (Un-Audited)	June 30, 2019 (Audited)
-----Rupees in '000-----	

8 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN - TRUSTEE

Trustee fee payable	8.1	<u>38</u>	<u>38</u>
		<u>38</u>	<u>38</u>

8.1 As per the Trust Deed and Offering Document, the tariff applicable to the Fund in respect of the Trustee fee during the period ended December 31, 2019 is 0.13% of net assets.

8.2 The Provincial Government of Sindh has levied Sindh Sales Tax at the rate of 13% (June 30, 2019: 13%) on the Trustee fee through the Sindh Sales Tax on Services Act, 2011.

9 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Annual fee payable	9.1	<u>31</u>	<u>242</u>
--------------------	-----	-----------	------------

9.1 Under the regulation 62 of the NBFC Regulations, a Collective Investment Scheme (CIS) categorized as an income scheme is required to pay as annual fee to the SECP, an amount equal to 0.075% of the average annual net assets of the Scheme. However, SECP, vide S.R.O. 685 (I)/2019, dated June 28, 2019, has reduced the rate of the fee to 0.02% of the average annual net assets for all categories of CIS(s), with effect from July 1, 2019. During the period, Management Company has charged the fee accordingly. The fee is payable annually in arrears.

10 ACCRUED EXPENSES AND OTHER LIABILITIES

10.1 Provision for Sindh Workers' Welfare Fund

Provision for Sindh Workers' Welfare Fund (SWWF) as at December 31, 2019 amounted to Rs. 0.561 million (June 30, 2019: Rs. 0.371 million). There is no change in the status of the legal proceeding on this matter, which has been fully disclosed in note 15.1 to the annual audited financial statements of the Fund for the year ended June 30, 2019.

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. 0.1880 per unit (June 30, 2019: Re. 0.1189 per unit).

11 CONTINGENCIES AND COMMITMENTS

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

12 TAXATION

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

13 EARNINGS PER UNIT

Earnings per unit 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

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 for the half year ended December 31, 2019 is 0.89% which includes 0.13% representing Government Levy, Worker's Welfare Fund and SECP fee.

15 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 and persons having 10% or more beneficial ownership of the units of the fund.

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 period end are as follows:

	Management Company	Associated Companies	Trustee	Other Connected persons / related parties
	(Un-Audited)			
	(Rupees in '000)			
Transactions during the half year ended December 31, 2019				
Profit on savings accounts	-	34	-	-
Profit on Term deposit receipts	-	8,183	-	-
Bank charges	-	1	-	-
Remuneration (including Sindh sales tax)	1,304	-	226	-
Allocated expenses	154	-	-	-
CDS expense	-	-	2	-
Transactions during the half year ended December 31, 2018				
Profit on savings accounts	-	50	-	-
Profit on Term deposit receipts	-	8,971	-	-
Bank charges	-	1	-	-
Units issued	-	758	-	-
Remuneration (including sindh sales tax)	1,406	-	244	-
Allocated expenses	166	-	-	-
CDS expense	-	-	4	-
Dividend paid	-	876	-	-

	Management Company	Associated Companies	Trustee	Funds under Common Management
	----- (Un-Audited) -----			
	----- (Rupees in '000) -----			
Balances held as at December 31, 2019				
Units held (in Units '000)	-	1,760	-	-
Units held (in Rupees '000)	-	181,663	-	-
Bank balances	-	206	-	-
Deposits	-	-	100	-
Remuneration payable	221	-	38	-
Other payables	17	-	-	-
Term deposit receipts		242,953		
Profit receivable on Term deposit receipts	-	46,702	-	-
Allocated expenses payable	51	-	-	-
Balances held as at June 30, 2019				
	----- (Audited) -----			
Units held (in Units '000)	-	1,760	-	-
Units held (in Rupees '000)	-	176,052	-	-
Bank balances	-	386	-	-
Deposits	-	-	100	-
Remuneration payable	218	-	38	-
Other payables	16	-	-	-
Term deposit receipts	-	254,014	-	-
Profit receivable on Term deposit receipts	-	40,440	-	-
Allocated expenses payable	26	-	-	-

16 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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, 2019		As at December 31, 2019		
	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	15,605	-	15,605	-	-
Financial assets not measured at fair value					
Term deposit receipts	-	242,953	-	-	-
Bank balances	-	1,089	-	-	-
Mark-up / interest receivable	-	46,715	-	-	-
Deposits	-	2,600	-	-	-
	-	293,357			
	15,605	293,357	15,605	-	-
Financial liabilities not measured at fair value					
Payable to UBL Fund Managers Limited - Management Company	-	264	-	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	-	38	-	-	-
Accrued expenses and other liabilities	-	547	-	-	-
	-	849	-	-	-
	Carrying Amount		Fair value		
	As at June 30, 2019		As at June 30, 2019		
	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	14,095	-	14,095	-	-
Financial assets not measured at fair value					
Term deposit receipts	-	254,014	-	-	-
Bank balances	-	2,709	-	-	-
Mark-up / interest receivable	-	40,460	-	-	-
Deposits	-	2,600	-	-	-
	-	299,783			
	14,095	299,783	14,095	-	-
Financial liabilities not measured at fair value					
Payable to UBL Fund Managers Limited - Management Company	-	230	-	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	-	34	-	-	-
Accrued expenses and other liabilities	-	271	-	-	-
	-	535	-	-	-

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

16.2 Transfers during the period

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

17 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.

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 Board of Directors of the Management Company on 25 February 2020.

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

SD

CHIEF EXECUTIVE OFFICER

SD

CHIEF FINANCIAL OFFICER

SD

DIRECTOR

UCF

UBL Cash Fund

INVESTMENT OBJECTIVE

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

Management Company	UBL Fund Managers Limited
Trustee	Central Depository Company of Pakistan Limited 99-B, Block-B, S.M.C.H.S., Main Shahra-e-Faisal, Karachi. Tel: (9221) 111-111-500
Distribution Company	United Bank Limited (for detail of others, please visit our website: www.ublfunds.com.pk)
Auditor	Deloitte Yousuf Adil & Co., Chartered Accountants.
Bankers	United Bank Limited Allied Bank Limited Habib Bank Limited
Management Co.Rating	AM1 (JCR-VIS)
Fund Rating	AA+ (JCR-VIS)

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



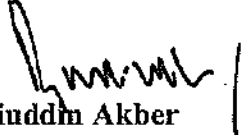
TRUSTEE REPORT TO THE UNIT HOLDERS

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 period from September 23, 2019 to December 31, 2019 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 25, 2020

AUDITORS' REPORT TO THE UNITHOLDERS ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **UBL CASH FUND** (here-in-after referred to as the "Fund") as at December 31, 2019, 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 period from September 23, 2019 to December 31, 2019. 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. The figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2019 has not been subject to limited scope review, as we are only required to review the cumulative figures for the period from September 23, 2019 to December 31, 2019.

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 period from September 23, 2019 to December 31, 2019 is not prepared, in all material respects, in accordance with the 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 Nadeem Yousuf Adil.


Chartered Accountants

Date: February 26, 2020

Place: Karachi

UBL CASH FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT DECEMBER 31, 2019

	Note	(Un-audited) December 31, 2019 (Rupees in '000)
ASSETS		
Bank balances	5	313,904
Investments - net	6	-
Mark-up receivable		4,996
Other receivable		523
Total assets		319,423
LIABILITIES		
Payable to UBL Fund Managers Limited - Management Company	7	603
Payable to Central Depository Company of Pakistan Limited - Trustee	8	21
Payable to the Securities and Exchange Commission of Pakistan	9	18
Accrued expenses and other liabilities	10	348
Total liabilities		990
Net Assets		318,433
Unit Holders' Fund (as per statement attached)		318,433
CONTINGENCIES AND COMMITMENTS		
	11	(Number of units)
Number of Units in Issue	12	3,079,417
		------(Rupees)-----
Net Asset Value Per Unit		103.4069
Face Value per Unit		100.0000

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

For UBL Fund Managers Limited
(Management Company)

SD

Chief Executive Officer

SD

Chief Financial Officer

SD

Director

UBL CASH FUND
CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)
FOR THE PERIOD FROM SEPTEMBER 23, 2019 TO DECEMBER 31, 2019

		For the period from	
		September 23, 2019 to December 31, 2019	October 1, 2019 to December 31, 2019
Note	-----	(Rupees in '000)	-----
		12,383 (265)	11,856 (257)
		12,118	11,599
		65 18 24 8	63 18 5 7
		115	93
		12,003	11,506
10.1		(235)	(225)
		11,768	11,281
13		-	-
		11,768	11,281
		11,768 (3,901)	11,281 (3,901)
		7,867	7,380
		- 7,867	- 7,380
		7,867	7,380

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

For UBL Fund Managers Limited
(Management Company)

SD
Chief Executive Officer

SD
Chief Financial Officer

SD
Director

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

	For the period from	
	September 23, 2019 to December 31, 2019	October 1, 2019 to December 31, 2019
	----- (Rupees in '000) -----	
Net income for the period after taxation	11,768	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	11,768	11,281

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

For UBL Fund Managers Limited
(Management Company)

SD

Chief Executive Officer

SD

Chief Financial Officer

SD

Director

UBL CASH FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UN-AUDITED)
FOR THE PERIOD FROM SEPTEMBER 23, 2019 TO DECEMBER 31, 2019

	For the period from		
	September 23, 2019 to December 31, 2019		
	Capital value	Undistributed income	Total
	------(Rupees. in '000)-----		
Net assets at beginning of the period	-	-	-
Amount received on issuance of 5,684,242 units			
- Capital value	568,424	-	568,424
- Element of income	5,013	-	5,013
Total amount received on issuance of units	573,437	-	573,437
Amount paid on redemption of 2,604,825 units			
- Capital value	(260,483)	-	(260,483)
- Element of loss	(1,965)	(3,901)	(5,866)
Total amount paid on redemption of units	(262,448)	(3,901)	(266,349)
Total comprehensive income for the period	-	11,768	11,768
Interim distribution:			
Re. 0.4228 per unit paid on September 29, 2019	-	(423)	(423)
Net income loss for the period less distribution	-	11,345	11,345
Net assets at end of the period	310,989	7,444	318,433
Undistributed income brought forward comprising of:			
- Realised	-	-	-
- Unrealised	-	-	-
	-	-	-
Accounting income available for distribution			
- Related to capital gain	-	-	-
- Excluding capital gain	-	7,867	7,867
	-	7,867	7,867
Distribution during the period:			
Re. 0.4228 per unit paid on September 29, 2019	-	(423)	(423)
Undistributed income carried forward - net	-	7,444	7,444
Undistributed income carried forward comprising of:			
- Realised	-	7,444	7,444
- Unrealised	-	-	-
	-	7,444	7,444
	------(Rupees)-----		
Net assets value per unit at the beginning of the period			100.0000
Net assets value per unit at the end of the period			103.4069

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

For UBL Fund Managers Limited
(Management Company)

SD
Chief Executive Officer

SD
Chief Financial Officer

SD
Director

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

**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 11,768

Adjustments for:

Loss on sale of investments - net	265
Financial income	(12,383)
Provision for Sindh Workers' Welfare Fund (SWWF)	235
	(11,883)
Cash used in operations before working capital changes	(115)

(Increase) in assets

Investment - net	(265)
Other receivable	(523)
	(788)

Increase in liabilities

Payable to UBL Fund Managers Limited - Management Company	603
Payable to Central Depository Company of Pakistan Limited - Trustee	21
Payable to the Securities and Exchange Commission of Pakistan	18
Accrued expenses and other liabilities	113
	755

Cash used in operations

Mark-up received on bank balances	(148)
	7,387
Net cash generated from operating activities	7,239

CASH FLOWS FROM FINANCING ACTIVITIES

Net receipts from issuance of units	573,437
Net payments against redemption of units	(266,349)
Dividend paid	(423)
Net cash generated from financing activities	306,665
Net increase in cash and cash equivalents during the period	313,904
Cash and cash equivalents at the beginning of the period	-
Cash and cash equivalents at the end of the period	313,904

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

For UBL Fund Managers Limited
(Management Company)

SD
 Chief Executive Officer

SD
 Chief Financial Officer

SD
 Director

UBL CASH FUND
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE PERIOD FROM SEPTEMBER 23, 2019 TO DECEMBER 31, 2019

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** 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 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on August 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.
- 1.2** The Management Company of the Fund is registered with the SECP as a Non-Banking Finance Company under the NBFC Rules, 2003. The registered office of the Management Company is situated at 4th Floor, STSM Building, Beaumont Road, Civil Lines, Karachi.
- 1.3** The Fund is an open-end mutual fund categorised as money market scheme and is listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund at the option of the unit holder.
- 1.4** The investment objective of the Fund is to generate attractive returns within a low risk portfolio to provide a regular stream of income and easy liquidity to its investors.
- 1.5** VIS Credit Rating Company has assigned Management quality rating of "AM1" (stable outlook) to the management company as on December 31, 2019 and assigned a stability rating of "AA+ (f)" to the Fund as on December 31, 2019.
- 1.6** Title to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.

2. BASIS OF PREPARATION

2.1 Statement of compliance

- 2.1.1** 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** IFRS 9 "Financial Instruments" has also introduced a new impairment model for financial assets which requires recognition of impairment charge based on 'expected credit losses' (ECL) approach rather than 'incurred credit losses' approach, as previously given under IAS 39. However, the SECP vide its letter dated November 21, 2017, has deferred the applicability of requirements relating to impairment for debt securities on mutual funds till further instructions. Currently, the Asset Management Companies are required to continue to follow the requirements of Circular 33 of 2012 for impairment of debt securities. Furthermore, the ECL has impact on all other assets of the Fund which are exposed to credit risk. However, majority of the assets of the Fund other than debt securities (for which there is a separate criteria as mentioned above) that are exposed to credit risk pertain to counter parties which have high credit rating. Therefore, the management believes that the impact of the ECL would be very minimal and hence, the same has not been accounted for in these financial statements.

- 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.
- 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 give a true and fair view of the state of the Fund's affairs as at December 31, 2019.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

2.4 Critical accounting estimates and judgements

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. Actual results may differ from these estimates.

The areas involving a higher degree of judgement or complexity, or areas where estimates and assumptions are significant to the financial statements as a whole are as follows:

- (i) Classification and measurement of financial assets (note 4.2.1);
- (ii) Impairment of financial assets (note 4.2.2);
- (iii) Provision for taxation (notes 4.7 and 13); and
- (iv) Provision for Sindh Workers' Welfare Fund (note 10.1).

3. NEW ACCOUNTING STANDARDS / AMENDMENTS AND IFRS INTERPRETATIONS

3.1 New accounting standards / amendments and IFRS interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Fund's operations or are not expected to have significant impact on the Fund's financial statements other than certain additional disclosures.

	Effective from accounting periods beginning on or after:
Amendments to IFRS 3 'Business Combinations' - Amendments regarding the definition of business	January 01, 2020
Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures' - Sale or contribution of assets between an investor and its associate or joint venture	Effective date is deferred indefinitely earlier adoption is permitted
Amendments to References to the Conceptual Framework in IFRS Standards	January 01, 2020
Amendments to IAS 1 'Presentation of Financial Statements' Amendments regarding the definition of materiality and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'. Clarify the definition of 'Material' and align the definition used in the Conceptual Framework and the Standards.	January 01, 2020

Certain annual improvements have also been made to a number of IFRSs which are also not expected to have material impact on financial reporting of the Fund.

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 17 – Insurance Contracts

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in the preparation of this condensed interim financial information are set out below. These policies have been consistently applied during the period.

4.1 Cash and cash equivalents

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

4.2 Financial instruments

4.2.1 Classification and measurement of financial assets and financial liabilities

IFRS 9 contains three principal classification categories for financial assets:

- Measured at amortized cost (“AC”),
- Fair value through other comprehensive income (“FVOCI”) and
- Fair value through profit or loss (“FVTPL”).

Financial assets at amortised cost

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

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

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Financial assets at FVOCI

A financial asset is measured at FVOCI only if it meets both of the following conditions and is not designated as FVTPL

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

On initial recognition, for an equity investment that is not held for trading, the Fund may irrevocably elect to present subsequent changes in fair value in OCI, only dividend income is recognised in income statement. This election is made on an investment-by-investment basis.

FVOCI financial assets are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI.

Financial assets at FVTPL

All other financial assets are classified at FVTPL (for example: debt securities not classified either as AC or FVOCI).

In addition, on initial recognition, the Fund may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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

Financial assets designated at fair value through profit or loss are subsequently carried at fair value, with gains and losses arising from changes in fair value recorded in the income statement.

Recognition

Financial assets and financial liabilities are recognised in the Fund's statement of financial position when the Fund becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Classification and measurement of financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

4.2.2 Impairment

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

In case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of an equity security below its cost is considered as objective evidence of impairment. In case of available for sale securities, the cumulative loss previously recognised in the statement of comprehensive income is removed therefrom and recognised in the income statement. However, the decrease in impairment loss on equity securities is not reversed through income statement.

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

4.2.3 Derecognition

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

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

4.2.4 Regular way contracts

All purchases and sales of securities that require delivery within the time frame established by regulation or market convention are recognised at the trade date. Trade date is the date on which the Fund commits to purchase or sell assets.

4.3 Offsetting of financial instruments

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

4.4 Derivatives

Derivative instruments are initially recognized at fair value and subsequent to initial measurement each derivative instrument is remeasured to its fair value and the resultant gain or loss is recognised in the income statement. Derivatives with positive fair values (unrealised gains) are included in other assets and derivatives with negative fair values (unrealised losses) are included in other liabilities in the statement of assets and liabilities.

4.5 Provisions

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

4.6 Collaterals

Cash collaterals provided by the Fund are identified in the statement of assets and liabilities as margin and are not included as a component of cash and cash equivalents. For collaterals other than cash, if the party to whom the collaterals are provided has a right by contract or custom to sell or re-pledge the collaterals, the Fund classifies those collaterals in the statement of assets and liabilities separately from other assets and identifies the assets as pledged collaterals. Where the party to whom the collaterals are provided does not have the right to sell or re-pledge, a disclosure of the collaterals provided is made in the notes to the financial statements.

4.7 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 ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders (excluding distribution made by issuance of bonus units).

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

The Fund has not recognised any amount in respect of deferred tax in these financial statements as the Fund intends to continue availing the tax exemption in future years by distributing in cash at least ninety percent of its accounting income for the year as reduced by capital gains, whether realised or unrealised, to its unit holders.

4.8 Distributions

Dividend distribution to the Unit Holders is recognized in the period in which these are approved.

4.9 Issuance and redemption of units

Units issued are allocated at the offer price, prevalent on the day on which the applications for purchase of units are received, however, units are issued on the receipt of cash / realisation of cheques. The offer price represents the net asset value per unit as at the close of the business day plus the allowable front-end sales load and provision of any duties and charges, if applicable. The sales load is payable to the Management Company.

Units redeemed are recorded at the redemption price, applicable to units for which the Fund receives redemption applications during the business hours of that day. The redemption price represents the net asset value per unit as at the close of the business day less any back-end load and an amount that the management company may consider to be an appropriate provision of duties and charges. Redemption of units is recorded on acceptance of application for redemption.

4.10 Element of income / (loss) included in prices of units issued less those in units redeemed

Element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Element of income is a transaction of capital nature and the receipt and payment of element of income shall be taken to unit holders' fund.

4.11 Net asset value per unit

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

4.12 Revenue recognition

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

4.13 Expenses

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

		(Un-audited) December 31, 2019 (Rupees in '000)	
5.	BANK BALANCES	Note	
In local currency:			
-	Profit and loss sharing accounts	5.1	<u>313,904</u>

5.1 Mark-up rates on these Mark-up and loss sharing accounts range between 11.75% to 14.40% per annum. This includes an amount held by a related party (United Bank Limited) amounting to Rs. 1.807 m on which return is earned at 11.75% per annum.

6. INVESTMENTS - NET

Government securities designated at fair value through profit or loss

Name of security	Note	As at July 1, 2019	Purchased during the period	Sold / Matured during the period	As at December 31, 2019	Total carrying value / market value as at December 31, 2019
Market Treasury Bills - 3 months	6.1	-	15,800	15,800	-	-

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

7. PAYABLE TO UBL FUND MANAGERS LIMITED - MANAGEMENT COMPANY

This represents the sales load payable to the management company.

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 is 0.065% of net assets.

9. PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

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

10. ACCRUED EXPENSES AND OTHER LIABILITIES

		(Un-audited) December 31, 2019 (Rupees in '000)	
	Note		
Provision for Sindh Workers' Welfare Fund	10.1		235
Withholding tax payable			81
Brokerage expense payable			24
Listing fee payable			8
			<u>348</u>

10.1 Provision for Sindh Workers' Welfare Fund (SWWF)

This represents provision for Sindh Workers' Welfare Fund (SWWF) as at December 31, 2019. 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. 0.0763.

11. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2019.

12. NUMBER OF UNITS IN ISSUE

Total units in issue at the beginning of the period
Units issued during the period
Units redeemed during the period
Total units in issue at the end of the period

(Un-audited) December 31, 2019 (Number of Units)
-
5,684,242
(2,604,825)
<u>3,079,417</u>

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, 2020 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) 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.

15. TOTAL EXPENSE RATIO

As per Directive 23 of 2016 dated July 20, 2016 issued by SECP, the Total Expense Ratio of the Fund is 0.30% as on December 31, 2019 and this includes 0.023% representing government levy, worker's welfare fund and SECP fee.

16. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

- 16.1** There are no financial assets and financial liabilities as at December 31, 2019 which are carried at fair value.
- 16.2** The Fund has not disclosed the fair values for other financial assets and financial liabilities, as their estimated fair value is considered not significantly different from the carrying value as the items are short term in nature.
- 17. TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS / RELATED PARTIES**
- 17.1** Connected persons / related parties comprise of United Bank Limited (Holding Company of the Management Company), UBL Fund Managers Limited (Management Company), Al-Ameen Islamic Financial Services (Private) Limited (Subsidiary of the Management Company), entities under common management or directorships, the Central Depository Company of Pakistan Limited (Trustee) and the Directors and Officers of the Management Company.
- 17.2** Transactions with the connected persons are carried out in the normal course of business, at agreed / contracted rates.
- 17.3** Remuneration of the Management Company is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.
- 17.4** Remuneration of the Trustee is determined in accordance with the provisions of the Trust Deed.
- 17.5** Details of transactions with related parties / connected persons during the period and balances held with them at the period from September 23, 2019 to December 31, 2019 are as follows:

	Management Company	Associated Companies and others*	Trustee	Funds under Common Management	Other Connected persons / related parties**
<u>Transactions during the period</u>					
----- Period from September 23, 2019 to December 31, 2019 -----					
----- (Units 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	-	-	-	-
----- As at December 31, 2019 -----					
----- (Units in '000) -----					
<u>Balances held</u>					
Units held	1,029	-	-	-	1,660
----- (Rupees in '000) -----					
Value of units held	106,456	-	-	-	171,605
Bank balances	-	1,807	-	-	-
Deposits	-	-	-	-	-
Remuneration (inclusive of SST)	-	-	21	-	-
Payable to management company	603	-	-	-	-
Other payable	-	-	-	-	-
Mark-up receivable	-	192	-	-	-

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

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

18. GENERAL

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

18.2 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.

19. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on February 25, 2020 by the Board of Directors of the Management Company.

For UBL Fund Managers Limited
(Management Company)

SD

Chief Executive Officer

SD

Chief Financial Officer

SD

Director

UAAF

UBL Asset Allocation Fund

INVESTMENT OBJECTIVE

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

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 Limited Sindh Bank Limited Telenor Microfinance Bank Limited Zarai Taraqati Bank Limited United 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 Shakra-e-Faisal
Karachi - 74400. Pakistan.
Tel: (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
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Email: info@cdcpak.com



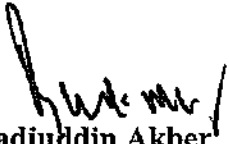
TRUSTEE REPORT TO THE UNIT HOLDERS

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, 2019 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, 2020

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 2019**, 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 notes to the accounts for the six month period then ended (here-in-after referred to as "interim financial statements"). Management Company is responsible for the preparation and presentation of this interim financial statements in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial statements based on our review. The figures of the unconsolidated condensed interim profit and loss account and unconsolidated condensed interim statement of comprehensive income for the quarters ended 31 December 2019 and 31 December 2018 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 2019.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Statements 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 standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the audit resulting in this independent auditor's report is Shaikh Ahmed Salman.



Chartered Accountants

Date: 26 February 2020

Karachi

UBL ASSET ALLOCATION FUND
CONDENSED INTERIM STATEMENT OF ASSETS & LIABILITIES
AS AT DECEMBER 31, 2019

		(Un-audited) December 31, 2019	(Audited) June 30, 2019
	Note	----- (Rupees in '000) -----	
ASSETS			
Bank balances	4	230,724	416,702
Investments	5	942,206	941,434
Dividend and mark-up receivable		18,310	21,534
Advance tax	6	1,162	1,119
Deposits, prepayments and other receivables		10,518	10,559
Receivable against sale of investments		-	7,105
TOTAL ASSETS		1,202,920	1,398,453
LIABILITIES			
Payable to UBL Fund Managers Limited - Management Company	7	3,795	3,064
Payable to Central Depository Company of Pakistan - Trustee		208	225
Annual fee payable to the Securities and Exchange			
Commission of Pakistan (SECP)	8	125	1,841
Accrued expenses and other payables	9	21,811	18,809
Payable against purchase of investments		2,055	698
TOTAL LIABILITIES		27,994	24,637
NET ASSETS		1,174,926	1,373,816
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		1,174,926	1,373,816
CONTINGENCIES AND COMMITMENTS	10		
		----- (Number) -----	
NUMBER OF UNITS IN ISSUE		7,909,480	10,389,075
		----- (Rupees) -----	
NET ASSETS VALUE PER UNIT		148.5466	132.2366

The annexed notes 1 to 17 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, 2019

		Half year ended	Quarter ended	Quarter ended	
		December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
Note		----- (Rupees in '000) -----			
INCOME					
Financial income on:					
- Bank balances		28,685	36,310	11,024	12,490
- Term deposit receipts		732	49	-	49
- Government securities		12,677	14,605	9,379	13,939
- Term finance certificates		9,860	7,699	5,006	4,096
Dividend income		17,501	32,531	10,474	19,061
Net capital gain / (loss) on sale of investments		10,856	(4,504)	13,110	(1,912)
Net unrealised gain / (loss) on revaluation of investments classified as 'at fair value through profit or loss'		78,502	(89,528)	118,440	(124,157)
Other income		185	33	183	33
Total income / (loss)		158,998	(2,805)	167,616	(76,401)
EXPENSES					
Remuneration of the Management Company		6,318	10,986	3,085	5,350
Sales tax on Management fee		821	1,428	401	695
Allocation of expenses relating to the Fund		632	1,099	309	535
Selling and marketing expenses		3,022	4,394	1,729	2,140
Remuneration of the Trustee		1,284	1,811	634	889
Annual fee to Securities and Exchange Commission of Pakistan		125	1,044	61	509
Auditors' remuneration		430	383	263	216
Legal and professional charges		81	101	40	50
Brokerage and settlement expenses		938	1,374	572	696
Amortisation of preliminary expenses and floatation costs		-	27	-	-
Listing fee expense		14	14	7	7
Bank charges and other expenses		35	51	12	22
Total expenses		13,700	22,712	7,113	11,109
Provision for Sindh Workers' Welfare Fund (SWWF)	9.1	(2,851)	-	(2,851)	-
Net income / (loss) for the period before taxation		142,447	(25,517)	157,652	(87,510)
Taxation	11	-	-	-	-
Net income / (loss) for the period after taxation		142,447	(25,517)	157,652	(87,510)
<i>Allocation of net income for the period:</i>					
Income already paid on units redeemed		(18,370)	-	(18,370)	-
		124,077	(25,517)	139,282	(87,510)
<i>Accounting income available for distribution:</i>					
- Relating to capital gains		74,138	-	116,330	-
- Excluding capital gains		49,939	-	22,952	-
		124,077	-	139,282	-

Earnings per unit

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The annexed notes 1 to 17 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, 2019

	Half year ended		Quarter ended	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
	----- (Rupees in '000) -----			
Net income / (loss) for the period after taxation	142,447	(25,517)	157,652	(87,510)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income / (loss) for the period	<u>142,447</u>	<u>(25,517)</u>	<u>157,652</u>	<u>(87,510)</u>

The annexed notes 1 to 17 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, 2019

	Half year ended	
	December 31, 2019	December 31, 2018
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income / (loss) for the period before taxation	142,447	(25,517)
Adjustments for:		
Financial income	(51,954)	(58,663)
Net capital (gain) / loss on sale of investments	(10,856)	4,504
Dividend income	(17,501)	(32,531)
Net unrealised (gain) / loss on revaluation of investments classified as 'at fair value through profit or loss'	(78,502)	89,528
Provision for Sindh Workers' Welfare Fund (SWWF)	2,851	-
Amortisation of preliminary expenses and floatation costs	-	27
	(155,962)	2,865
Net cash flows used in operations before working capital changes	(13,515)	(22,652)
Working capital changes		
(Increase) / Decrease in assets		
Investments	(61,414)	(71,795)
Advance tax	(43)	(2)
Deposits, prepayments and other receivables	41	53,405
Receivable against sale of investments	7,105	-
Preliminary expenses and floating costs	-	27
Receivable against settlement of spread transactions	-	26,705
	(54,311)	8,340
Increase / (decrease) in liabilities		
Payable to UBL Fund Managers Limited - Management Company	731	(975)
Payable to Central Depository Company of Pakistan - Trustee	(17)	(9)
Payable to Securities and Exchange Commission of Pakistan	(1,716)	(1,152)
Payable against purchase of equity securities	1,357	10,790
Accrued expenses and other payables	151	(550)
	506	8,104
Dividend and markup received	72,679	87,269
Net cash flows generated from operating activities	5,359	81,061
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of units	81,437	80,656
Payments on redemption of units	(422,774)	(415,825)
Net cash used in financing activities	(341,337)	(335,169)
Cash and cash equivalents at beginning of the period	566,702	1,146,417
Cash and cash equivalents at end of the period	230,724	892,309

The annexed notes 1 to 17 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, 2019

	Half year ended						
	December 31, 2019			December 31, 2018			
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Unrealised appreciation on investments classified as 'available for sale' - net	Total
	(Rupees in '000)						
Net assets at beginning of the period	971,499	402,317	1,373,816	1,826,467	431,019	(8,237)	2,249,249
Reclassification under IFRS 9	-	-	-	-	(8,237)	8,237	-
Amount received on issuance of 593,034 units (2018: 596,276 units)							
Capital value	78,421	-	78,421	80,246	-	-	80,246
Element of income during the period:							
- Relating to net income for the period after taxation	3,016	-	3,016	410	-	-	410
	81,437	-	81,437	80,656	-	-	80,656
Amount paid on redemption of 3,072,629 units (2018: 3,102,998 units)							
Capital value	(406,314)	-	(406,314)	(417,599)	-	-	(417,599)
Element of income during the period:							
- Relating to income earned	1,910	(18,370)	(16,460)	1,774	-	-	1,774
	(404,404)	(18,370)	(422,774)	(415,825)	-	-	(415,825)
Net income / (loss) for the period after tax	-	142,447	142,447	-	(25,517)	-	(25,517)
Distribution during the period	-	-	-	-	-	-	-
Net income / (loss) for the period less distribution	-	142,447	142,447	-	(25,517)	-	(25,517)
Net assets at end of the period	648,532	526,394	1,174,926	1,491,298	397,265	-	1,888,563
Undistributed income brought forward:							
- Realised	-	530,799	530,799	-	446,226	-	446,226
- Unrealised	-	(128,482)	(128,482)	-	(15,207)	-	(15,207)
- Reclassification under IFRS 9	-	-	-	-	(8,237)	-	(8,237)
	-	402,317	402,317	-	422,782	-	422,782
Accounting income available for distribution:							
- Relating to capital gains	-	74,138	74,138	-	-	-	-
- Excluding capital gains	-	49,939	49,939	-	-	-	-
	-	124,077	124,077	-	-	-	-
Net loss for the period after taxation	-	-	-	-	(25,517)	-	(25,517)
Distribution during the period	-	-	-	-	-	-	-
Undistributed income carried forward	-	526,394	526,394	-	397,265	-	397,265
Undistributed income carried forward							
- Realised	-	447,892	447,892	-	486,793	-	486,793
- Unrealised	-	78,502	78,502	-	(89,528)	-	(89,528)
	-	526,394	526,394	-	397,265	-	397,265
	- (Rupees) -						- (Rupees) -
Net assets value per unit at beginning of the period	132.2366			134.5792			
Net assets value per unit at end of the period	148.5466			132.9368			

The annexed notes 1 to 17 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, 2019

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.

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, 2019.

2.1.3 These interim financial statements are un-audited but subject to limited scope review by the auditors. Figures for the quarters ended December 31, 2019 and December 31 2018 as reported in these interim financial statements have not been subject to limited scope review by the external auditors.

2.1.4 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, 2019, 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, 2018.

2.1.5 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, 2019.

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, 2019.

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)

IFRS 11 Joint Arrangements: Previously held interests in a joint operation

IFRS 16 Leases

IAS 12 Income Taxes: Income tax consequences of payments on financial instruments classified as equity (Amendments)

IAS 19 Plan Amendment, Curtailment or Settlement (Amendments)

IAS 23 Borrowing Costs: Borrowing costs eligible for capitalisation

IAS 28 Long-term Interests in Associates and Joint Ventures (Amendments)

IFRIC Interpretation 23 Uncertainty over Income Tax Treatments

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, 2019.

		(Un-audited) December 31, 2019	(Audited) June 30, 2019
	Note	----- (Rupees in '000) -----	
4. BANK BALANCES			
Saving accounts	4.1	<u>230,724</u>	<u>416,702</u>

4.1 These carry mark-up at the rates ranging from 11% to 13.85% (June 30, 2019: 4.25% to 13.15%) per annum and include a balance of Rs.6.497 (June 30, 2019: Rs.3.739) million held with United Bank Limited (a related party).

5. INVESTMENTS

At Fair Value Through Profit or Loss

- Government securities - Market treasury bills	5.1	196,415	-
- Government securities - Pakistan Investment Bonds	5.2	148,029	99,760
- Debt securities - Term Finance Certificates / Sukuks	5.3	129,641	148,917
- Quoted equity securities	5.4	468,121	542,757
		<u>942,206</u>	<u>791,434</u>

At Amortised Cost

- Term Deposit Receipt		-	150,000
		<u>942,206</u>	<u>941,434</u>

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

Particulars	Purchase yield	As at July 01, 2019	Purchased during the period	Sold during the period	As at December 31, 2019	Balance as at December 31, 2019			Market value as a percentage of net assets	Market value as a percentage of total investments
						Carrying value	Market value	Unrealized loss		
----- Face value -----						----- (Rupees in '000) -----			----- % -----	
Market treasury bills - 3 months	13.25%	-	5,000	(5,000)	-	-	-	-	-	-
Market treasury bills - 6 months	12.81%	-	2,250	(1,650)	600	59,683	59,672	(11)	5.08	6.33
Market treasury bills - 1 year	13.04%	-	1,500	-	1,500	137,379	136,743	(636)	11.64	14.51
Total as at December 31, 2019 (Un-audited)						197,062	196,415	(647)	16.72	20.84
Total as at June 30, 2019 (Audited)						-	-	-		

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

Particulars	Note	As at July 01, 2019	Purchased during the period	Sold during the period	As at December 31, 2019	Balance as at December 31, 2019			Market value as a percentage of net assets	Market value as a percentage of total investments
						Carrying value	Market value	Unrealized gain / (loss)		
----- Face value -----						----- (Rupees in '000) -----			----- % -----	
Pakistan Investment Bonds - 10 years	5.2.1	1,000	-	-	1,000	99,760	101,640	1,880	8.65	10.79
Pakistan Investment Bonds - 3 years	5.2.2	-	500	-	500	46,457	46,389	(68)	3.95	4.92
Total as at December 31, 2019 (Un-audited)						146,217	148,029	1,812	12.60	15.71
Total as at June 30, 2019 (Audited)						99,522	99,760	238		

5.2.1 This Pakistan Investment Bonds carries interest at the rate ranging from 11.0499% to 14.6389% (June 30, 2019: 8.5526% to 11.0499%) per annum and will mature latest by August 09, 2028.

5.2.2 This Pakistan Investment Bonds carries interest at the rate of 7.25% per annum and will mature latest by July 12, 2021.

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, 2019	Purchased during the period	Sold / matured during the period	As at December 31, 2019	Carrying value as at December 31, 2019	Market value as at December 31, 2019	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.80,000 each)	5.3.1 & 5.3.2	40	-	-	40	3,190	3,192	2	0.34	0.27
Cement										
Javedan Corporation Limited - Sukuk (Face value at Rs.100,000 each)	5.3.1 & 5.3.2	150	-	-	150	14,473	14,286	(187)	2.00	1.22
Quoted										
Investment banks / investment companies / securities companies										
Jahangir Siddiqui and Company Limited - Term Finance Certificate (Face value at Rs.3,750 each)	5.3.1 & 5.3.2	30,000	-	-	30,000	112,163	112,163	-	12.00	9.55
Total as at December 31, 2019 (Un-audited)		30,190	-	-	30,190	129,826	129,641	(185)		
Total as at June 30, 2019 (Audited)						151,422	148,917	(2,505)		

5.3.1 These carry mark-up at the rate ranging from 14.50 % to 15.65% (June 30, 2019: from 7.42% to 12.99%).

5.3.2 Significant terms and conditions of Term Finance Certificate / Sukuks outstanding as at December 31, 2019 are as follows:

Name of securities	Remaining principal (Rupees in '000)	Mark-up rate (per annum)	Issue date	Maturity date
Dawood Hercules Corporation Limited (November 17, 2017) - Sukuk	3,200	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	112,500	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, 2019	Purchased during the period	Bonus / Right issue during the period	Sold during the period	As at December 31, 2019	Carrying value as at December 31, 2019	Market value as at December 31, 2019	Unrealized gain / (loss)	Percentage of total investments	Percentage of net assets	Paid-up capital of investee company (with face value of investment)
----- (Number of shares) ----- (Rupees in '000) ----- (%) -----												
Unless stated otherwise, the holdings are in ordinary shares of Rs.10 each.												
Oil and gas exploration companies												
Mari Petroleum Company Limited		7,538	27,000	3,453	(6,500)	31,491	26,490	41,256	14,766	4.38	3.51	0.03
Oil and Gas Development Company Limited		231,700	98,000	-	(90,500)	239,200	30,044	34,043	3,999	3.61	2.90	0.01
Pakistan Petroleum Limited		138,125	18,400	28,825	(69,800)	115,550	13,753	15,847	2,094	1.68	1.35	0.01
Pakistan Oilfields Limited		54,660	1,000	-	(36,500)	19,160	7,761	8,559	798	0.91	0.73	0.01
							78,048	99,705	21,657	10.58	8.49	0.06
Oil and gas marketing companies												
Pakistan State Oil Company Limited	5.4.2	65,784	16,500	11,776	(47,100)	46,960	6,540	8,999	2,459	0.96	0.77	0.01
Power generation and distribution												
The Hub Power Company Limited		699,662	-	-	(408,500)	291,162	22,929	27,180	4,251	2.88	2.31	0.02
Pakgen Power Limited		446,000	-	-	-	446,000	6,324	8,171	1,847	0.87	0.70	0.12
Lalpir Power Limited		563,000	-	-	-	563,000	7,319	8,169	850	0.87	0.70	0.15
Saif Power Limited		2,953,500	-	-	(1,865,002)	1,088,498	20,420	22,815	2,395	2.42	1.94	0.28
							56,992	66,335	9,343	7.04	5.65	0.57
Chemicals												
Engro Polymer & Chemicals Limited		502,868	55,000	-	(327,500)	230,368	6,092	7,651	1,559	0.81	0.65	0.03
Lotte Chemical Pakistan Limited		40,000	29,000	-	(69,000)	-			-	-	-	-
							6,092	7,651	1,559	0.81	0.65	0.03
Fertilizer												
Engro Corporation Limited		113,540	-	-	(58,300)	55,240	14,672	19,072	4,400	2.02	1.62	0.01
Engro Fertilizers Limited	5.4.1	209,500	-	-	(136,500)	73,000	4,670	5,360	690	0.57	0.46	0.01
Fauji Fertilizer Bin Qasim Limited		306,000	-	-	(306,000)	-	-	-	-	-	-	-
Fauji Fertilizer Company Limited		137,000	27,000	-	(27,000)	137,000	12,066	13,901	1,835	1.48	1.18	0.01
							31,408	38,333	6,925	4.07	3.26	0.03
Cement												
Cherat Cement Company Limited		110,000	-	-	(110,000)	-	-	-	-	-	-	-
Kohat Cement Company Limited		340,770	-	-	(25,000)	315,770	16,587	24,441	7,854	2.59	2.08	0.16
Pioneer Cement Limited		104,000	-	-	(104,000)	-	-	-	-	-	-	-
Lucky Cement Limited		19,950	10,500	-	(18,200)	12,250	4,478	5,248	770	0.56	0.45	-
							21,065	29,689	8,624	3.15	2.53	0.16
Automobile parts and accessories												
Thal Limited (Par value at Rs.5)		21,250	10,000	-	-	31,250	10,036	10,570	534	1.12	0.90	0.08
Investment banks / investment companies / securities companies												
Arif Habib Limited		-	102,500	-	-	102,500	4,729	5,831	1,102	0.62	0.50	0.17
Commercial banks												
Habib Bank Limited		395,700	20,600	-	(179,200)	237,100	27,089	37,324	10,235	3.96	3.18	0.02
Bank AL Habib Limited		-	63,500	-	(1,000)	62,500	4,176	4,760	584	0.51	0.41	0.01
Allied Bank Limited		329,500	41,000	-	-	370,500	38,188	35,420	(2,768)	3.76	3.01	0.03
Bank Alfalah Limited		880,500	-	-	(292,727)	587,773	25,621	26,861	1,240	2.85	2.29	0.03
Faysal Bank Limited	5.4.2	150	-	-	-	150	3	3	-	-	-	-
United Bank Limited*	5.4.1	255,800	14,000	-	(89,000)	180,800	26,554	29,742	3,188	3.16	2.53	0.01
							121,631	134,110	12,479	14.24	11.42	0.10

Name of the investee company	Note	As at July 01, 2019	Purchased during the period	Bonus / Right issue during the period	Sold during the period	As at December 31, 2019	Carrying value as at December 31, 2019	Market value as at December 31, 2019	Unrealized gain / (loss)	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												
Gul Ahmed Textile Mills Limited		346,000	-	43,200	(200,000)	189,200	7,429	8,156	727	0.87	0.69	0.05
Kohinoor Textile Mills Limited		-	330,000	-	(109,994)	220,006	5,294	8,596	3,302	0.91	0.73	0.06
Nishat Mills Limited		108,200	24,000	-	(57,000)	75,200	6,808	7,982	1,174	0.85	0.68	0.02
							19,531	24,734	5,203	2.63	2.10	0.13
Engineering												
Amreli Steels Limited		100	-	-	(100)	-	-	-	-	-	-	-
International Industries limited		-	25,000	-	-	25,000	2,311	2,771	460	0.29	0.24	-
							2,311	2,771	460	0.29	0.24	-
Food and personal care products												
Al Shaheer Corporation Limited		98,000	80,000	-	-	178,000	2,521	2,515	(6)	0.27	0.21	-
Glass and ceramics												
Tariq Glass Industries Limited		36,300	-	-	(36,300)	-	-	-	-	-	-	-
Paper and board												
Packages Limited		5,400	-	-	(3,000)	2,400	721	957	236	0.10	0.08	-
Century Paper & Board Mills Limited		-	92,000	-	-	92,000	3,853	4,663	810	0.49	0.40	0.06
							4,574	5,620	1,046	0.59	0.48	0.06
Refinery												
National Refinery Limited		300	-	-	-	300	34	42	8	-	-	-
Insurance												
Adamjee Insurance Company Limited		632,000	-	-	(164,244)	467,756	16,395	19,688	3,293	2.09	1.68	0.13
Technology and communication												
Systems Limited		-	65,500	-	-	65,500	6,159	8,142	1,983	0.86	0.69	0.05
Pharmaceuticals												
The Searl Company Limited	5.4.2	21,240	-	-	(5,000)	16,240	2,381	3,064	683	0.33	0.26	0.01
Highnoon Laboratories Limited	5.4.2	600	-	-	-	600	152	322	170	0.03	0.03	-
							2,533	3,386	853	0.36	0.29	0.01
Total as at December 31, 2019 (Unaudited)							390,599	468,121	77,522			
Total as at June 30, 2019 (Audited)							668,972	542,757	(126,215)			

* This represents investment held in a related party.

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

	December 31, 2019		June 30, 2019	
	(Number of shares)	(Rupees in '000)	(Number of shares)	(Rupees in '000)
Engro Fertilizer limited	12,000	881	200,000	12,794
United Bank Limited	50,000	8,225	50,000	7,369
	62,000	9,106	250,000	20,163

5.4.2 There is no change is the status of matter related to bonus shares as reported in note 8.4.2 to the annual financial statements of the Fund for the year ended June 30, 2019. As at December 31, 2019, the bonus shares of the Fund withheld by certain companies at the time of declaration of bonus shares amounted to Rs.801,961 (June 30, 2019: Rs.436,153).

6. ADVANCE TAX

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

		(Un-audited) December 31, 2019	(Audited) June 30, 2019
	Note	---- (Rupees in '000) ----	
7. PAYABLE TO UBL FUND MANAGERS LIMITED - MANAGEMENT COMPANY			
Remuneration payable to the Management Company	7.1	993	1,173
Sales tax on management fee	7.2	129	153
Payable against allocated expenses	7.3	199	117
Selling and marketing expenses	7.4	1,728	1,496
Sales load and others		746	125
		<u>3,795</u>	<u>3,064</u>

7.1 The Management Company has charged remuneration at the rate of 1% (June 30, 2019: 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, 2019: 13%).

7.3 Upto June 19, 2019 in accordance with Regulation 60 of the NBFC Regulations, the Management Company was entitled to charge expenses related to registrar services, accounting, operations and valuation services, related to a Collective Investment Scheme (CIS) at the rate of up to 0.1% of the average annual net assets of the scheme or actual whichever is less. However, SECP vide SRO 639 dated June 20, 2019 removed the maximum cap of 0.1%.

Therefore, with effect from June 20, 2019, the Management Company can charge expenses related to registrar services, accounting, operations and valuation services to the CIS based on its discretion provided the Total Expense Ratio (TER) prescribed by the SECP vide SRO 639 dated June 20, 2019 is complied with.

7.4 The SECP had allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) initially for a period of three years (i.e. from January 01, 2017 till December 31, 2019). The maximum cap of selling and marketing expense was 0.4% per annum of the net assets of the Fund or actual expenses whichever is lower.

During the current period, the SECP through its circular 11 dated July 05, 2019 has 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 has been lifted and now the asset management company is 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. Furthermore, the time limit of three years has also been removed in the revised conditions.

Accordingly, the Board of Directors of Management Company have resolved that the selling and marketing expenses will be charged based on the discretion of the Management Company provided the Total Expense Ratio (TER) prescribed by the SECP vide SRO 639 dated June 20, 2019 is complied with.

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

SECP, vide SRO no. 685(I)/2019 dated June 2019, revised the rate of annual fee at 0.02% (June 30, 2019: 0.095%) of net assets on all categories of collective investment schemes which is effective from July 01, 2019.

	Note	(Un-audited) December 31, 2019 ---- (Rupees in '000) ----	(Audited) June 30, 2019
9. ACCRUED EXPENSES AND OTHER PAYABLES			
Provision for Sindh Workers' Welfare Fund	9.1	13,655	10,804
Provision for indirect duties and taxes	9.2	6,977	6,977
Brokerage payable		318	385
Auditors' remuneration payable		416	359
Other payables		445	284
		<u>21,811</u>	<u>18,809</u>

9.1 The status of Sindh Workers' Welfare Fund (SWWF) is same as disclosed in note 16.2 to the annual audited financial statements for the year ended June 30, 2019. Had the SWWF not been provided for, the net assets value per unit of the Fund would have been higher by Rs.1.73 (June 30, 2019: Rs.1.04).

9.2 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 16.1 to the annual financial statements of the Fund for the year ended June 30, 2019. 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, 2019 would have been higher by Re.0.79 (June 30, 2019: Re.0.6) per unit.

10. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2019 (June 30, 2019: Nil).

11. 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 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 1.32% as on December 31, 2019 (December 31, 2018: 1.04%) which includes 0.32% (December 31, 2018: 0.13%) 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, 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	-	-	-	-	-

(For the half year ended December 31, 2018) (Un-audited)						
Transactions during the period						
Mark-up on bank accounts	-	96	-	-	-	-
Bank charges	-	1	-	-	-	-
Dividend income	-	1,584	-	-	-	-
Units issued	-	-	-	-	500	-
Units redeemed	-	-	-	-	774	-
Purchase of securities	-	45,246	-	-	-	-
Sale of securities	-	35,880	-	-	-	-
Selling and marketing expenses	4,394	-	-	-	-	-
Remuneration *	12,414	-	1,811	-	-	-
CDC charges	-	-	49	-	-	-
Allocated expenses	1,099	-	-	-	-	-

(As at December 31, 2019) (Un-audited)						
Balances held						
Units held (Units in '000)	-	-	-	-	17	1,095
Units held (Amount in '000)	-	-	-	-	2,525	162,659
Bank balances	-	6,497	-	-	-	-
Deposits	-	-	100	-	-	-
Remuneration payable *	1,122	-	-	-	-	-
Sales load and other payable	746	-	-	-	-	-
Selling and marketing expense payable	1,728	-	-	-	-	-
Allocated expenses	199	-	-	-	-	-
Markup receivable	-	54	-	-	-	-
Remuneration payable to Trustee	-	-	208	-	-	-
Investments	-	29,742	-	-	-	-

(As at June 30, 2019) (Audited)						
Balances held						
Units held (Units in '000)	-	-	-	-	16	1,095
Units held (Amount in '000)	-	-	-	-	2,150	144,859
Bank balances	-	3,739	-	-	-	-
Remuneration payable *	1,326	-	-	-	-	-
Sales load and other payable	125	43	-	-	-	-
Selling and marketing expense payable	1,496	-	-	-	-	-
Allocated expenses	117	-	-	-	-	-
Markup receivable	-	35	-	-	-	-
Remuneration payable to Trustee	-	-	225	-	-	-
Investments	-	37,700	-	-	-	-

* 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		
	Level 1	Level 2	Level 3
	----- (Rupees) -----		
<u>December 31, 2019 (Un-audited)</u>			
Financial assets measured at fair value			
Debt securities	-	129,641	-
Government securities	-	344,444	-
Quoted equity securities	468,121	-	-
	468,121	474,085	-

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

16. GENERAL

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

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

17. DATE OF AUTHORISATION FOR ISSUE

17.1 These interim financial statements were authorized for issue by Board of Directors of the Management Company on 25 February, 2020.

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

SD
Chief Executive Officer

SD
Chief Financial Officer

SD
Director

SD



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