

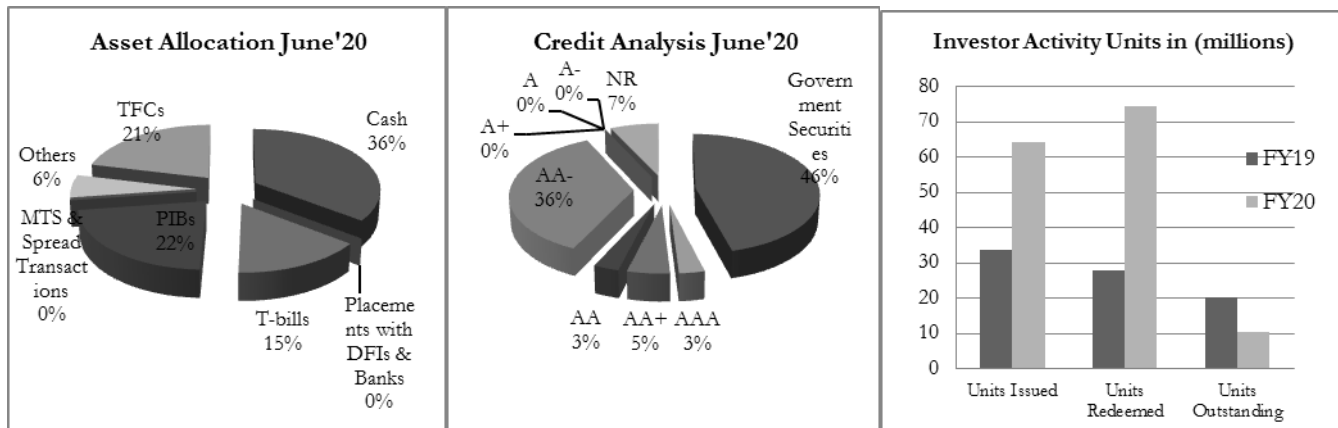
Date: January 8, 2021

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**Investment Objective**

To invest in medium to long-term fixed income instruments as well as short-tenor money market instruments and generate superior, long-term, risk-adjusted returns while preserving capital over the long-term.

UBL Growth & Income Fund		
Rating Category	Latest	Previous
Fund Stability Rating	<b>A+(f)</b> <i>Jan 1, 21</i>	<b>A(f)</b> <i>Dec 31, 19</i>
Management Company	UBL Fund Managers Limited	
External Auditors (Fund)	M/s Ernst & Young Ford Rhodes Sidat Hyder & Co.	
Fund Manager	Syed Sheeraz Ali	
Trustee	Central Depository Company Ltd.	
Front-end Load	1.5% (Income Units)	
Back-end Load	Nil	
Management Fee	8% of Gross Earnings (With Min 0.25% & Max 1.5%)	
Benchmark	Average of 1-year KIBOR rates	



Launched in 2006 United Growth & Income Fund (UGIF) is a fixed income fund with an aggressive asset allocation mandate. The fund offers investment opportunities in medium to long term fixed income instruments with risk adjusted returns while preserving the capital over the long-term.

The Offering Document (OD) of the fund restricts exposure in A- rated or above securities and Government securities.

**Table 1: Investment Policy (extracts)**

Asset Class	Limits	Min. Rating
Non traded securities	0-90%	A-
Government Securities	0%-100%	
Debt Securities (TFCs, Sukuks)	0%-90%	A-
Term Deposit Receipts	0%-90%	A-
Corporate Bonds	0-50%	A-
Commercial Papers	0-90%	A-
MTS & Spread Transactions	0-40%	
Any other securities or Instruments	0%-30%	A-

During FY20, fund size witnessed a substantial decline closing at Rs. 878mn (FY19 1.7b) on account of higher number of redemptions made during the year.

**Asset Allocation:**

At end-FY20, the fund's asset allocation plan remained primarily concentrated in its cash balances accounting for 47% of the total assets under management, remaining chunk of investments have been invested in T-bills and PPIBs at 23% and 6% TFCs. The fund majorly complied with stipulated requisites of the offering document for the assigned ratings.

**Table 2: Actual Asset Allocation**

Asset Class Distribution	Jun'19	Jun'20	FY20 Average
TFC	17%	21%	16%
PIB	7%	22%	16%
T-bills	0%	15%	16%
Placements with Banks & DFI's	11%	0%	3%
Cash & Others Inc. Rec.	62%	41%	48%

**Credit Quality:**
**Table 3: Credit analysis**

	Average	Max	Min
Government Securities	33%	70%	0%
AAA	3%	20%	0%
AA+	12%	24%	1%
AA	4%	10%	1%
AA-	39%	88%	0%
A+	2%	8%	0%
A	1%	8%	0%
A-	0%	1%	0%
NR	6%	20%	0%

The investment policy statement (IPS) of UGIF restricts the fund to limit exposure primarily in sovereign instruments and A- rated or above. The fund has complied with its IPS and hence no breach was witnessed during FY20.

**Market Risk**

In line with investment mandate, weighted average maturity (WAM) of the fund remained at less than five years. Maximum WAM of 3.78 years were reported at end-Apr'20. Hence the fund complied with IPS. Modified duration of the fund is capped at 1 year, the fund witnessed a breach in the modified duration at

end-Apr'20. Modified duration of the fund is capped at 1 year as per rating benchmark.

**Fund Performance:**

Fund's performance is benchmarked against average of one-year KIBOR. During FY20, the fund outperformed its benchmark of 12.01% by posting an annualized return of 13.59%, relative to its peers, the fund ranked 4<sup>th</sup> out of a total of 7 funds in the category at end-June'20.

**Rating History**

Rating Date	Medium to Long Term	Outlook	Short Term	Rating Action
<b><u>RATING TYPE: Fund Stability</u></b>				
1-Jan-21	A+(f)			Upgrade
31-Dec-19	A(f)			Reaffirmed
31-Dec-18	A(f)			Reaffirmed
29-Dec-17	A(f)			Reaffirmed
10-Mar-17	A(f)			Upgrade
30-Dec -17	BBB+(f)			Reaffirmed
06-Jan-16	BBB+(f)			Reaffirmed
04-Aug-14	BBB+(f)			Reaffirmed
25-Apr-13	BBB+(f)			Upgrade
10-Apr-12	BBB-(f)			Reaffirmed
20-May-11	BBB-(f)			Downgrade
22-Oct-10	BBB+(f)			Downgrade
04-Nov-09	A(f)			Reaffirmed

<b>FINANCIAL SUMMARY</b>		<i>(amounts in PKR millions)</i>	
<b><u>BALANCE SHEET</u></b>		<b>FY19</b>	<b>FY20</b>
<b>Paid Up Capital</b>		NA	NA
<b>Total Equity</b>		NA	NA
<b><u>INCOME STATEMENT</u></b>			
<b>Total income</b>		121	239
<b>Profit Before Tax</b>		105	209
<b>Profit After Tax</b>		105	209
<b><u>RATIO ANALYSIS</u></b>			
<b>Net Cash Generated from Operating Activities</b>		110	146
<b>Current Ratio (x)</b>		NA	NA
<b>Gearing (x)</b>		NA	NA