

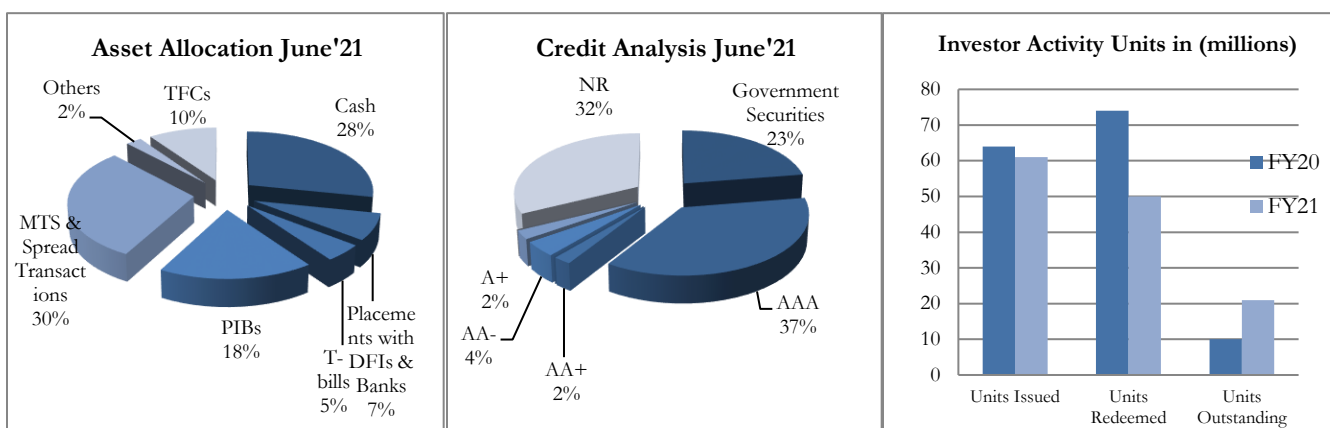
Date: January 13, 2022

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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	A+(f)	A+(f)
	Jan 13, '22	Jan 6, '21
AMC	UBL Fund Managers' Limited	
External Auditors – Fund	EY Ford Rhodes, Chartered Accountants	
Trustee	Central Depository Company	
Front-end Load	Upto 1.5%	
Back-end Load	Nil	
Management Fee	Up to 15% of gross earnings (with min 0.25%)	
Benchmark	Average of 1 year KIBOR rates	



Launched in March 2006, UBL Growth and Income Fund 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 capital over long term. While the Offering Document (OD) does not restrict investments on credit quality parameters, the investment committee internally has a minimum threshold of 'A-' rated investment avenues.

During FY21, fund size increased to PKR 1,795m at end-Jun'21 from PKR 878m at Jun'20 end.

Offering document (extract)

Description	Minimum rating	Min-Max Limits
Government Securities	N/A	0%-100%
Debt Securities including TFCs, Sukuks	N/A	0%-90%
Term Deposit Receipt	N/A	0%-90%
Commercial Paper	N/A	0%-90%
MTS	N/A	0%-40%
Spread Transaction	N/A	0%-40%
Non-traded securities including reverse repo, bank deposits, money market placements, certificate of investment (COI), certificate of Musharka (COM), certificate of Deposit (COD)	N/A	0%-90%
Any other securities or instruments that may be permitted or approved under SECP rules, regulations or any other directive from time to time	N/A	0%-30%

Asset Allocation:

Table 2: Asset Class Distribution:

Asset Allocation	Average June'20	Average June'21	June'21
TFC	17.46%	12.26%	9.80%
PIB	16.23%	23.04%	17.90%
T-bills	15.69%	16.62%	4.60%
Placements with Banks	3.38%	0.88%	7.20%
Cash	40.62%	21.71%	28.20%
Spread transaction	0.29%	11.61%	30.00%
Others	6.5%	13.89%	2.30%
Total	100%	100%	100%

During FY21, the fund largely complied with its mandate. Asset allocation in cash holdings accounted for about 21% while remaining assets were allocated in government securities namely PIBs and T-Bills. During the year, investment in Spread transactions increased, with some months recording a breach of prescribed threshold of 20% as per OD. The same has been aligned post year end.

Credit Quality:

Table 3: Credit Quality

Credit Quality	Average	Maximum	Minimum
AAA	50.93%	74.6%	24.20%
AA+	4.85%	10.00%	2.10%
AA	3.87%	10.00%	0.00%
AA-	14.04%	35.10%	0.30%
A+	0.74%	3.40%	0%
NR	25.32%	49.0%	4.0%

The offering document does not specify minimum rating threshold for the invested instruments, however, the management has placed internal threshold of investing in instruments rated A- or higher. The fund complied with the internal benchmarks in terms of credit quality as well remained in line with benchmark for assigned rating.

Market Risk:

The Investment Policy Statement (IPS) states that that weighted average time to maturity of the net assets, other than federal government securities, shall not exceed 5 years.

During FY21, Weighted Average Maturity (WAM) on average was recorded at 2.3 and Modified duration of the fund stood at 59 days, well under the specified limit for the assigned ratings.

Liquidity Profile:

AUM profile of the fund comprises of 41.5% holdings by retail investors at end-FY21. Investor concentration remains at higher level with top 10 investors accounting for 54% of total fund. Given the fund's liquid asset allocation plan, ability to meet redemptions is considered adequate.

Fund Performance:

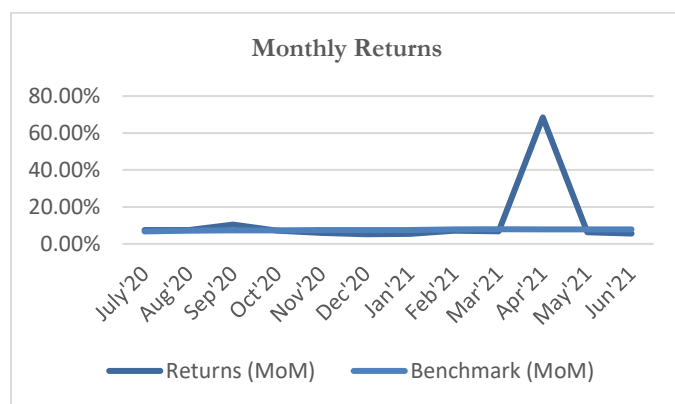


Table 5: Fund Performance:

Performance	FY20	FY21
Total Return	13.59%	10.85%
Benchmark Return	12.01%	7.52%
Peer Average	12.63%	5.39%
Peer Ranking	4/7	1/7

Over the past two years, the fund has consistently outperformed its benchmark return. The fund generated an annualized return of 10.85% for FY21, above its benchmark rate of 7.52%. Relative to peer, the fund also outperformed by a sizable margin. The fund ranked on top out of a peer group of 7.

Rating History

Rating type	Rating Date	Medium to Long Term	Rating Action
Fund Stability	13-Jan-2022	A+(f)	Reaffirmed
Fund Stability	06-Jan-21	A+(f)	Upgrade
Fund Stability	31-Dec-19	A(f)	Reaffirmed
Fund Stability	31-Dec-18	A(f)	Reaffirmed
Fund Stability	29-Dec-17	A(f)	Reaffirmed
Fund Stability	10-Mar-17	A(f)	Upgrade
Fund Stability	30-Dec-17	BBB+(f)	Reaffirmed
Fund Stability	6-Jan-16	BBB+(f)	Reaffirmed
Fund Stability	4-Aug-14	BBB+(f)	Reaffirmed
Fund Stability	25-Apr-13	BBB+(f)	Upgrade
Fund Stability	10-Apr-12	BBB-(f)	Reaffirmed
Fund Stability	20-May-11	BBB-(f)	Downgrade
Fund Stability	22-Oct-10	BBB+(f)	Downgrade
Fund Stability	4-Nov-09	A(f)	Reaffirmed

BALANCE SHEET	FY20	FY21
Paid Up Capital	N/A	N/A
Total Equity	N/A	N/A
<u>INCOME STATEMENT</u>		
Total Income	239	138
Profit Before Tax	209	140
Profit After Tax	209	140
<u>RATIO ANALYSIS</u>		
Current Ratio (x)	N/A	N/A
Gearing (x)	N/A	N/A