

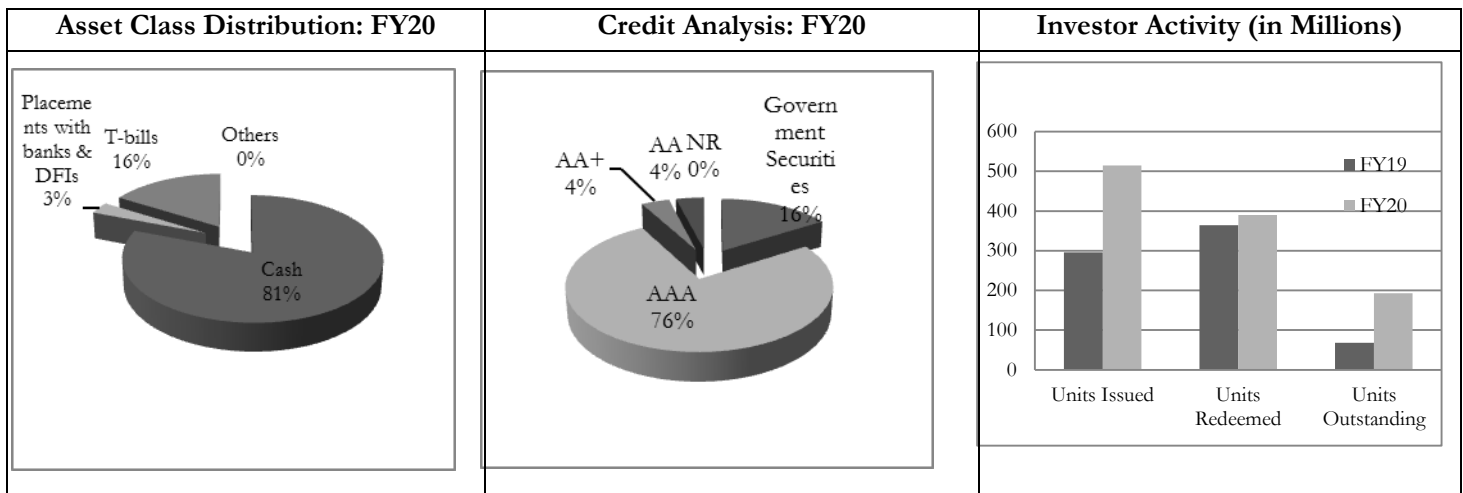
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Investment Objective

To invest in a diversified portfolio of low risk assets. The fund seeks to provide attractive daily returns while maintaining comparatively high liquidity.

UBL Liquidity Plus Fund		
Rating Category	Latest	Previous
Fund Stability Rating	AA+(f)	AA(f)
	Jan 1, 2021	Dec 31, 2019
Asset Management Company	UBL Fund Managers Limited	
External Auditor - Fund	Deloitte Yousuf Adil & Company	
Fund Manager	Mr. Sheeraz Ali	
Trustee	Central Depository Company	
Front-end Load	Nil	
Back-end Load	Nil	
Management Fee	Upto 5% of gross earnings (with min. fee of 0.15% p.a.)	
Benchmark	70% average of 3M PKRV rates + 30% 3M average deposit rate of 3 AA rated scheduled Banks as selected by MUFAP	



Launched in June 2009, UBL Liquidity Plus Fund (ULPF) aims to provide competitive returns to its unit-holders in shorter duration instruments while maintaining low risk and high liquidity.

The Offering Document (OD) of the fund restricts exposure in AA or above rated instruments. However, there is no minimum exposure limit of net assets for AAA rated issue/ issuer.

During FY20, fund size depicted significant increase as assets under management closed at 19.4b at end-June'20 (FY19: 6.8b)

Table 1: Offering Document (extract)

Asset Class	Limits	Min. Rating
Cash & Cash Equivalents	20-100%	AA
Deposits with commercial and scheduled banks	0-100%	AA
Lending (LOP etc.) to Banks /DFIs	0-50%	AA
TDR with commercial & schedule bank	0-80%	AA
Deposit (current/saving/PLS/terms)	0-25%	AA
Certificates of Deposit (COD), Certificates of Investment (COI)	0-25%	AAA
Reverse repo against GoP or other allowable securities	0-70%	GoP/AA
Foreign Investments	0%-30%	AA
Securities Issued by Federal Government	0-100%	GoP
Commercial Papers	0-30%	AA
COIs with DFIs	0%-70%	AA
Any other investments	0%-70%	AA

Asset Allocation:

Table 2: Asset Class Composition

Asset Class Distribution	FY19	FY20	FY20 Average
T-Bills	0%	16%	39%
PIB	0%	0%	0%
Placements with Banks and DFIs	12%	3%	11%
Cash & Others Inc. Rec.	88%	80%	47%

The fund’s IPS restricts minimum 20% allocation in cash and cash equivalents, despite a few instances the fund majorly complied with the stipulated requirements of the offering document for the assigned ratings. On a monthly average analysis, the fund’s asset allocation plan remained primarily concentrated in its cash balances and T-bills at 47% and 39% respectively.

Credit Quality:

Table 3: Credit Quality

	Minumum	Maximum	Average
Government Securities	0%	86%	41%
AAA	0%	85%	33%
AA+	0%	78%	18%
AA	0%	17%	7%
NR	0%	7%	1%

The investment policy statement (IPS) of the fund maintains a conservative profile where the fund is required to take exposure in minimum AA rated issue/issuer. 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) and modified duration of the fund remained at less than 90 days. Maximum WAM of 87 days was reported during at end-Apr’20 therefore complying with the IPS guidelines.

Fund Performance:

The fund’s benchmark is a blended composition of 70 % average 3M PKRV rates and 30% 3M average deposit rate of three 3 AA rated scheduled banks as selected by MUFAP. At end-June’20 the fund posted an annualized return of 12.63% (FY19: 8.66%) surpassing its benchmark of 11.65%. Relative to its peers, the fund ranked 10th out of a total of 21 funds in the category at end-June’20.

Rating History

Rating Date	Medium to Long Term	Outlook	Short Term	Rating Action
<u>RATING TYPE: Fund Stability</u>				
1-Jan-21	AA+(f)			Upgrade
31-Dec-19	AA(f)			Reaffirmed
31-Dec-18	AA(f)			Reaffirmed
29-Dec-17	AA(f)			Reaffirmed
29-Dec-16	AA(f)			Reaffirmed
06-Jan-16	AA(f)			Reaffirmed
04-Aug-14	AA(f)			Downgrade
13-May-13	AA+(f)			Reaffirmed
29-Mar-12	AA+(f)			Harmonized
08-Dec-10	AA+(f)			Reaffirmed

FINANCIAL SUMMARY		<i>(amounts in PKR millions)</i>	
<u>BALANCE SHEET</u>		FY19	FY20
Paid Up Capital		NA	NA
Total Equity		NA	NA
<u>INCOME STATEMENT</u>			
Total income		1,099	1,273
Profit Before Tax		955	1,148
Profit After Tax		955	1,148
<u>RATIO ANALYSIS</u>			
Net Cash Generated from Operating Activities		337	(1,340)
Current Ratio (x)		NA	NA
Gearing (x)		NA	NA