

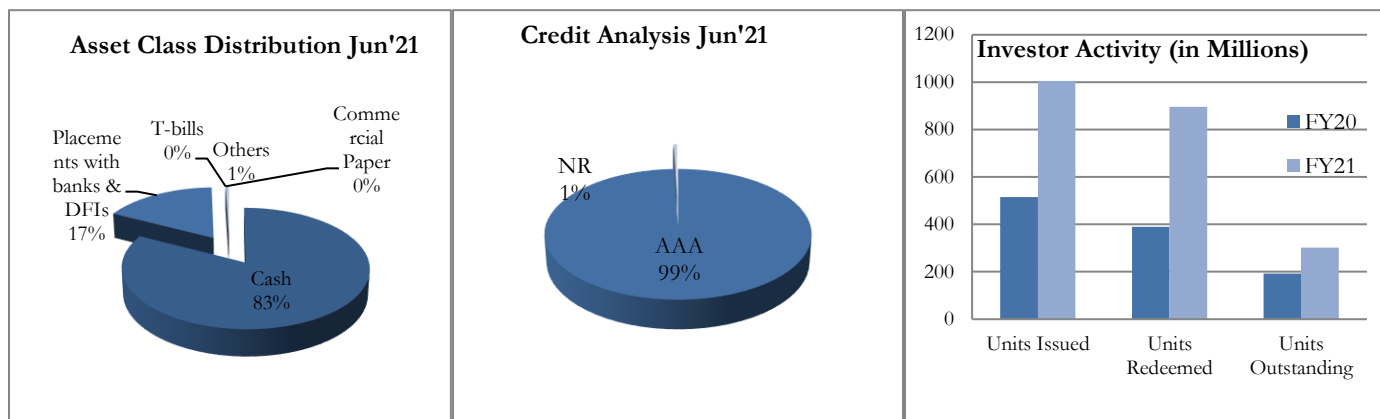
Date: January 13, 2022

Analysts: Nisha Ahuja
Sara Ahmed

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 13, '22	Jan 06, '21
AMC	UBL Fund Managers Limited	
External Auditors – Fund	Yousuf Adil, Chartered Accountants	
Trustee	Central Depository Company	
Front-end Load	Nil	
Back-end Load	Nil	
Management Fee	Upto 5% of gross earnings (with min. fee of 0.02% p.a.)	
Benchmark	70% Average of 3M PKRV rates + 30% 3M average deposit rate of 3 AA rated 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 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.

During FY21, the fund recorded sizeable growth with assets increasing to PKR 30.5b at June '21 end from Rs. 19b at Jun '20 end.

Offering document (extract)

Description	Minimum rating	Min- Max Limits
Cash in bank accounts (excluding TDRs) and readily convertible T-Bills	GOP/AA and above	20%-100%
Government Securities (PIB, T Bills, Ijara Sukuk etc)	GOP	0%-100%
Deposits in Current, Savings and PLS accounts in commercial banks	AA	0%-100%
Term Deposits and Clean Placements with commercial banks	AA	0%-80%
Deposits(Current/Saving/PLS, term deposits), Certificate of Deposits (COD), Certificate of Investments (COIs), Certificate of Musharaka with Microfinance Banks	AAA	0%-25%
Certificate of Deposits (CODs), Certificate of Investments (COIs), Certificate of Musharaka with NBFs and Modarabas	AA	0%-25%
Placements and Certificate of Investment (COI) with DFIs	AA	0%-70%
Reverse repo against Government Securities or such allowable securities, in accordance with regulation	GOP/AA and above	0%-70%
Foreign investments (in authorized money market instruments and other money market funds) subject to prior approval of SECP	AA	Up to 30%(subject to cap of \$15,000,000)
Any other Investment as authorized by the commission from time to time	AA	0%-70%

Asset Allocation:

Table 2: Asset Class Distribution:

Asset Allocation	Average June'20	Average June'21	June'21
Cash	42.08%	33.15%	82.50%
Placement with banks & DFIs	11.08%	10.71%	16.90%
T Bills	42.75%	53.46%	0%
Others	2.08%	2.68%	0.5%
Total	100%	100%	100%

During FY21, the fund's asset allocation remained in compliance with Offering Document. Major holding at end June'21 was engrossed in cash at 82.5%. During FY21, T-bills consistently received the highest allocation of the fund's resources, averaging at 53.46% month-on-month basis (FY20: 39.0%).

Credit Quality:

Table 3: Credit Quality

Credit Quality	Average	Maximum	Minimum
AAA	89.35%	98.95%	0%
AA+	7.28%	24.00%	0%
AA	1.69%	4.00%	0%

In order to cater to its mandate, the fund is required to invest in instruments that have a minimum credit quality rating of 'AA' or higher. The fund majorly complied with the requirements of the offering document; however, minor deviations were witnessed during the year. On average, 89.35% of the fund's investment portfolio was held with AAA rated issue/issuer and the remaining in AA+ with a fractional investment in unrated instruments.

Market Risk:

Weighted average maturity (WAM) is capped at 90 days, while maturity of a single asset is capped at 180 days, as per the fund's Investment Policy. During FY21, Weighted Average Maturity of the fund was recorded at 35 days, which is in line with the policy and the benchmark for assigned ratings.

Liquidity Profile:

AUM profile of the fund comprises of 19% holdings by retail investors at end-FY21. Investor concentration remains at higher level with top 10 investors accounting for 56% of total fund. Given the fund's liquid asset allocation plan, ability to meet redemptions is considered adequate.

Fund Performance:

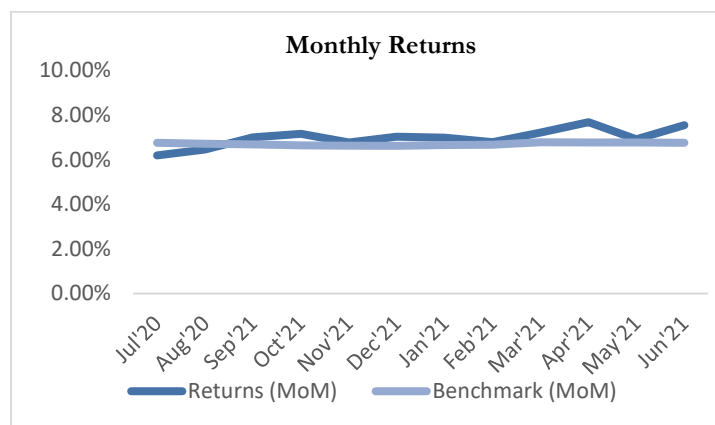


Table 5: Fund Performance:

Performance	FY20	FY21
Total Return	12.62%	6.97%
Benchmark Return	11.65%	6.71%
Peer Ranking	10/21	06/22
Peer Average	12.60%	6.71%

Benchmark of the fund is determined by a mix of (70%) of three months PKRV rates and (30%) of three months average deposit rate of three AA rated scheduled banks. The fund has outperformed its benchmark return in FY21. ULPF generated an annualized return of 6.97% for FY21, above its benchmark rate and peer average. The fund's ranking also improved in FY21.

Rating History

Rating Type	Rating Date	Medium to	Rating Action
Fund Stability	13-Jan-22	AA+(f)	Reaffirmed
Fund Stability	06-Jan-21	AA+(f)	Upgrade
Fund Stability	31-Dec-19	AA(f)	Reaffirmed
Fund Stability	31-Dec-18	AA(f)	Reaffirmed
Fund Stability	29-Dec-17	AA(f)	Reaffirmed
Fund Stability	29-Dec-16	AA(f)	Reaffirmed
Fund Stability	6-Jan-16	AA(f)	Reaffirmed
Fund Stability	4-Aug-14	AA(f)	Downgrade
Fund Stability	13-May-13	AA+(f)	Reaffirmed
Fund Stability	29-Mar-12	AA+(f)	Harmonized
Fund Stability	8-Dec-10	AA+(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		1,273	1,515
Profit Before Tax		1,148	1,393
Profit After Tax		1,148	1,393
<u>RATIO ANALYSIS</u>			
Current Ratio (x)		N/A	N/A
Gearing (x)		N/A	N/A