

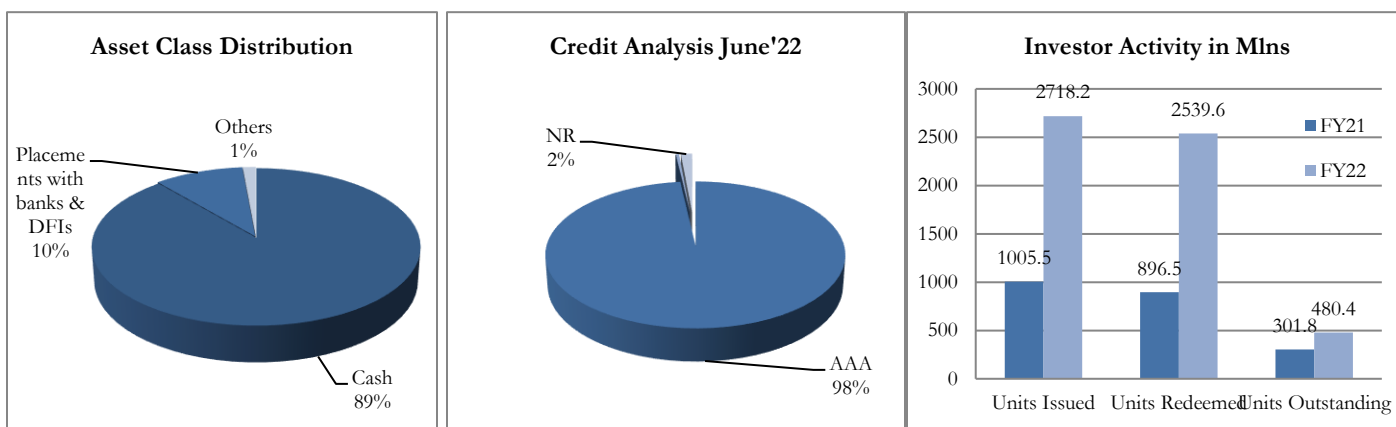
Date: December 29, 2022

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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)
	Dec 29, '22	Jan 13, '22
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 FY22, the fund recorded sizeable growth with assets increasing to Rs. 48.6b at end-June'22 from Rs. 30.5b at end-Jun'21 end. With some net redemptions, fund size of Rs. 43.6b was reported at end-Oct'22.

### 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 and scheduled 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 NBFCs 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 by a reputed international rating agency	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'21	Average June'22	June'22
Cash	33.15%	46.60%	88.75%
Placement with banks & DFIs	10.71%	14.21%	9.83%
T Bills	53.46%	37.68%	0.00%
Others	2.68%	1.52%	1.42%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

During FY22, the fund's asset allocation remained in compliance with Offering Document. At end-June'22, 88.75% of the net assets was engrossed in cash. Major holdings during FY22 comprised cash balances averaging at 46.6% (FY21: 33.15%) followed by highly liquid T-Bills averaging 38% (FY21: 53%) of the asset base. Allocation in placements with banks & DFIs jumped to 14.21% of the asset base in FY22.

## Credit Quality:

Table 3: Credit Quality FY22

Credit Quality	Average	Maximum	Minimum
AAA	90 %	99%	78%
AA+	4%	13%	0%
AA	4%	16%	0%
NR	2%	9%	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 complied with the requirements of the offering document. During FY22, on average, 90% of the fund's investment portfolio was held with AAA rated issue/issuer and the remaining in AA+ and AA rated exposures, with a fractional investment in unrated instruments. Credit portfolio also complies with the benchmarks of the assigned ratings with a maximum exposure of 16% in 'AA' category instruments against allowed exposure of 25%.

## 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 FY22, Weighted Average Maturity of the fund and average duration was recorded at 27 days and 21 days, respectively, which was in line with the policy and the benchmark for assigned ratings.

## Liquidity Profile:

AUM profile of the fund comprises 19% holdings by retail investors at end-FY22 with 74% contributed by unrelated corporates. Although the fund has less sticky retail investors, comfort for meeting redemptions is drawn from sizeable liquid assets in the fund base. Investor concentration remains at higher level with top 10 investors accounting for 56% of total fund size at end-June'22.

## Fund Performance:

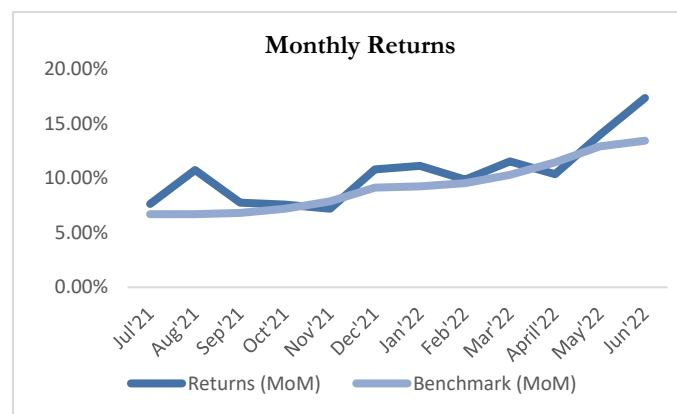


Table 5: Fund Performance:

Performance	FY21	FY22
<b>Total Return</b>	6.97%	10.48%
<b>Benchmark Return</b>	6.71%	9.28%
<b>Peer Ranking</b>	06/22	14/21
<b>Peer Average</b>	6.71%	10.61%

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 on a timeline basis. ULPF generated an annualized return of 10.48% and 15.56% for FY22 and 4MFY23 (YTD), above its benchmark rate.

<b><u>BALANCE SHEET</u></b>	<b>FY21</b>	<b>FY22</b>
<b>Paid Up Capital</b>	N/A	N/A
<b>Total Equity</b>	N/A	N/A
<b><u>INCOME STATEMENT</u></b>		
<b>Total Income</b>	1,515	2,988
<b>Profit Before Tax</b>	1,393	2,947
<b>Profit After Tax</b>	1,393	2,947
<b><u>RATIO ANALYSIS</u></b>		
<b>Current Ratio (x)</b>	N/A	N/A
<b>Gearing (x)</b>	N/A	N/A

## VIS Credit Rating Company Limited

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### RATING SCALE & DEFINITIONS: **FUND STABILITY RATING SCALE**

**AAA(f)**

Highest degree of stability in NAV. Risk is negligible with very low sensitivity to changing economic conditions

**AA+(f), AA(f), AA-(f)**

High degree of stability in NAV. Risk is modest but may vary slightly from time to time because of changing economics conditions

**A+(f), A(f), A-(f)**

Moderate degree of stability in NAV. Risk factors may vary with possible changes in the economy

**BBB+(f), BBB(f), BBB-(f)**

Adequate degree of stability in NAV. Risk factors are considered variable if changes occur in the economy

**BB+(f), BB(f), BB-(f)**

Low degree of stability in NAV. Risk factors are sensitive to changes in the economy

**B(f)**

Very low degree of stability in NAV. Risk factors are capable of fluctuating widely if changes occur in the economy

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The FSR scale of AAA to B is appended by the letter (f) to denote fund ratings and to differentiate it from the nomenclature used for issue and issuer ratings.

FSRs may be placed under 'Rating-Watch' if VIS views that the status of the assigned rating is uncertain and there are conditions present that necessitate re-evaluation of the assigned rating. VIS also designates direction, Positive, Negative or Developing, to ratings placed under 'Rating-Watch'. This shows VIS's opinion regarding the likely direction of a rating. Developments in factors other than those that necessitated the 'Rating-Watch' may result in a rating change, while the rating continues to be placed under 'Rating-Watch'.

# REGULATORY DISCLOSURES

## Appendix

<b>Name of Rated Fund</b>	UBL Liquidity Plus Fund		
<b>Sector</b>	Mutual Funds		
<b>Type of Relationship</b>	Solicited		
<b>Purpose of Rating</b>	Fund Stability Rating (FSR)		
<b>Rating History</b>	<b>Rating Date</b>	<b>Medium to</b>	<b>Rating Action</b>
	29-Dec-22	AA+(f)	Reaffirmed
	13-Jan-22	AA+(f)	Reaffirmed
	06-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
	6-Jan-16	AA(f)	Reaffirmed
	4-Aug-14	AA(f)	Downgrade
	13-May-13	AA+(f)	Reaffirmed
	29-Mar-12	AA+(f)	Harmonized
8-Dec-10	AA+(f)	Reaffirmed	
<b>Instrument Structure</b>	N/A		
<b>Statement by the Rating Team</b>	VIS, the analysts involved in the rating process and members of its rating committee do not have any conflict of interest relating to the credit rating(s) mentioned herein. This rating is an opinion on credit quality only and is not a recommendation to buy or sell any securities.		
<b>Probability of Default</b>	VIS' ratings opinions express ordinal ranking of risk, from strongest to weakest, within a universe of credit risk. Ratings are not intended as guarantees of credit quality or as exact measures of the probability that a particular issuer or particular debt issue will default.		
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