

UBL Liquidity Plus Fund (ULPF)

Managed By: UBL Fund Manager Limited

Fund Stability Rating

Latest Rating

**AA+(f)
9-Jan-25**

What is Fund Stability Rating

Fund Stability Rating (FSR) is a measure used to assess the stability and risk associated with a mutual fund or investment portfolio. The stability rating combines a comprehensive quantitative evaluation of the fund's portfolio with a qualitative assessment of fund management. This rating offers investors an impartial gauge of the primary areas of risk that income funds may face, including credit risk, liquidity risk, and interest rate risk.

Fund Information

Launch Date	June 21, 2009
Fund Type	Open End
Category	Money Market
Risk Profile	Low
Auditor	Yousuf Adil Chartered Accountants
Trustee	Central Depository Company of Pakistan Limited
Front-end Load	Nil
Back-end Load	Nil
Benchmark	70% Average of 3M PKRV rates + 30% 3M average deposit rate of three 3 AA rated scheduled Banks as selected by MUFAP
MQR Rating	AM1 (VIS)
Mgt. Fee	Upto 2% of daily net assets not to exceed max. TER regulatory limit

Fund Overview

UBL Liquidity Plus Fund (the Fund) is an open-ended, money market fund constituted under a Trust Deed entered into on June 21, 2009, between UBL Fund Managers Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee.

Investment Objective

The investment objective of the Fund is to provide its unit-holders competitive returns from a portfolio of low risk, short duration assets while maintaining high liquidity.

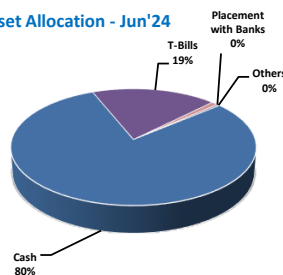
Offering Document (Extract)

Description	Minimum rating	Min- Max Limits
Cash in bank accounts (excluding TDRs) and readily convertible T-Bills	GoP/AA or above	20%-100%
Government Securities (PIB, T-Bills, Ijara Sukuk etc.)	GoP	0%-100%
Deposits in Current, Savings and PLS accounts in commercial or Schedule banks	AA	0%-100%
Term Deposits (TDRs) and Clean Placements with commercial banks	AA	0%-80%
Deposits (Current/ Saving / PLS accounts, Term deposits), Certificate of Deposits (CODs), Certificate of Investments (COIs), Certificate of Musharika with Financial Institutions	AA	0%-25%
Certificate of Deposits (CODs), Certificate of Investments (COIs), Certificate of Musharika with NBFCs and Modarabas	AAA	0%-25%
Placements and Certificate of Investment (COI) with DFIs	AA	0%-70%
Reverse Repo against Government Securities or such other allowable securities, in accordance with the regulations	GoP/AA or above	0%-70%
Foreign Investments (in authorized money market instruments and other money market funds) subject to prior approval of SECP	AA (rated by reputed International Rating Agency)	0%-Up to 30% subject to a cap of \$15,000,000 or such limit or cap imposed by SECP or SBP
Any Other investment as authorized by the commission from time to time	AA	0%-70%
Short Term Sukuk and/or Commercial Papers of Corporate Entities	AA	0%-20%

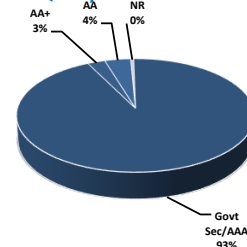
Net Assets

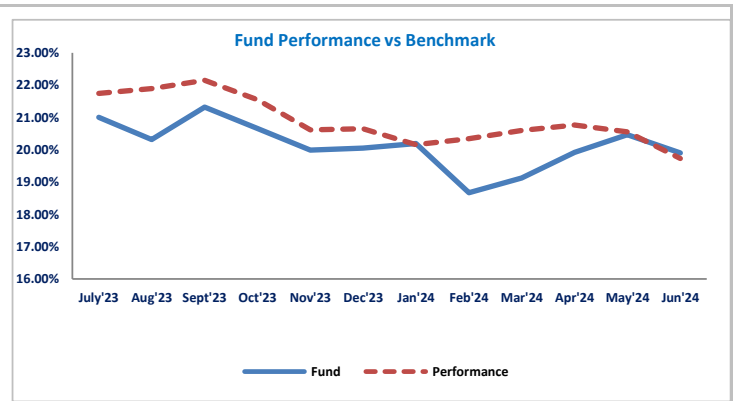
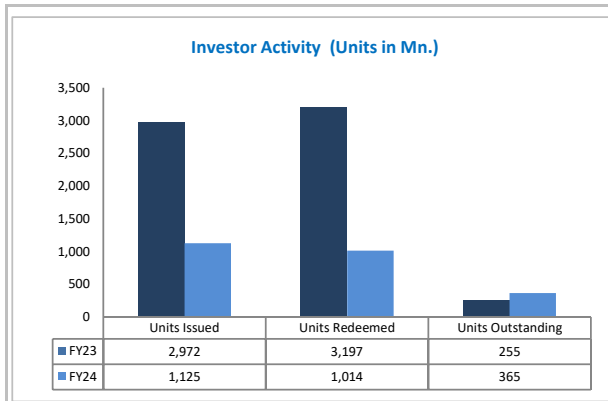
	Jun'22	Jun'23	Jun'24
Net Assets (In PKR' Millions)	48,583	25,846	37,065

Asset Allocation - Jun'24



Credit Quality - Jun'24





Credit Quality (FY'24)	Average	Maximum	Minimum	Avg. Asset Allocation (% wise)	FY'23 Avg.	FY'24 Avg.
Govt Sec/AAA	83.84%	96.86%	48.16%	Cash	14.52%	20.02%
AA+	9.42%	26.59%	0.00%	Commercial Papers	0.82%	0.00%
AA	1.19%	4.66%	0.00%	Placement with DFIs	2.74%	5.92%
AA-	0.00%	0.00%	0.00%	T-Bills	60.85%	54.39%
A+	0.00%	0.00%	0.00%	PIB-Floater	13.10%	12.40%
A	0.00%	0.00%	0.00%	Reverse Repo	2.25%	0.00%
A-	0.00%	0.00%	0.00%	GoP Ijarah Sukuk	0.00%	0.47%
BBB+	0.00%	0.00%	0.00%	TFCs/Sukuks	0.00%	1.05%
BBB	0.00%	0.00%	0.00%	Placement with Banks	1.59%	0.97%
BBB-	0.00%	0.00%	0.00%	Others	4.13%	5.56%
NR	5.55%	25.25%	0.47%			
Total	100.00%	0.00%	0.00%			

*Non-rated includes receivables/accruals from securities having a credit rating of not less than AA

Portfolio Maturity (FY'24)	Average	Maximum	Minimum	Benchmark	Fund Performance	FY'23	FY'24
WAM in year(s)	0.13	0.19	0.03	0.25	Total Return	17.37%	22.11%
Duration (In Days)	47	68	12	90	Benchmark Return	17.01%	20.90%
					Peer Average	17.41%	22.28%
					Peer Ranking	15/24	21/27

Fund Stability Analysis

The UBL Liquidity Plus Fund has been assigned a fund stability rating of AA+(f). This rating indicates a high degree of stability in the net asset value of the fund, with modest risk that may vary slightly due to changing economic conditions.

Asset Allocation:

The Fund's Assets Under Management (AUM) increased to Rs.37.1b as of Jun'24 (Jun'23: Rs.25.8b). Throughout FY24, the Fund's asset allocation remained consistent with the guidelines set out in the offering document. The investments were primarily allocated to T-Bills (~54%), cash (~20%), PIB-Floaters (~12%), and placements with DFIs (~5%).

Credit Quality:

The credit quality of the portfolio remained compliant with the parameters defined in the offering document, with investments held in assets rated AA and above. During FY24, investments were largely vested in Govt Sec/AAA rated, accounting an average of ~83% of the Fund's portfolio, while remaining were in AA+ and AA rated instruments/institutions. The 'Not Rated' exposures represents receivables on sale of securities or accrued profit. Cash is maintained in institutions rated not less than AA.

Market and Liquidity Risk:

During FY24, the Fund's weighted average time to maturity (WAM) remained below the maximum limit of 90 days, as stipulated in the offering document, with an average WAM of 47 days.

The liquidity profile of the Fund is considered sound, supported by investments primarily in government securities and cash. The Fund's portfolio was dominated by corporate clients, representing ~73% of the investments as of Jun'24, while the remaining portion was held by retail investors and associates. Client concentration risk is assessed as moderate, with the top ten investors accounting for ~56% of the Fund's size.

Fund Performance:

During FY24, fund performance lagged behind benchmark returns for a larger part of the year. With an annual return of 22.11%, the fund underperformed the peer average and stood in the third quartile.

Financial Snapshot

	FY23	FY24
BALANCE SHEET		
Paid Up Capital	N/A	N/A
Total Equity	N/A	N/A
INCOME STATEMENT	FY23	FY24
Total Income	5,372.0	6,554.6
Profit Before Tax	5,026.3	6,096.1
Profit After Tax	5,026.3	6,096.1
RATIO ANALYSIS	FY23	FY24
Current Ratio (x)	N/A	N/A
Gearing (x)	N/A	N/A
FFO	N/A	N/A

Regulatory Disclosures			
Name of Rated Fund	UBL Liquidity Plus Fund	Sector	Mutual Funds
Type of Relationship	Solicited	Purpose of Rating	Fund Stability Rating (FSR)
Rating History			
Rating Type	Rating Date	Medium to Long Term	Rating Action
Fund Stability	9-Jan-25	AA+(f)	Reaffirmed
Fund Stability	29-Dec-23	AA+(f)	Reaffirmed
Fund Stability	29-Dec-22	AA+(f)	Reaffirmed
Fund Stability	13-Jan-22	AA+(f)	Reaffirmed
Fund Stability	6-Jan-21	AA+(f)	Upgrade
Fund Stability	31-Dec-19	AA(f)	Reaffirmed
Statement by the Rating Team	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.		
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Rating Scale	https://docs.vis.com.pk/docs/VISRatingScales.pdf		

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