

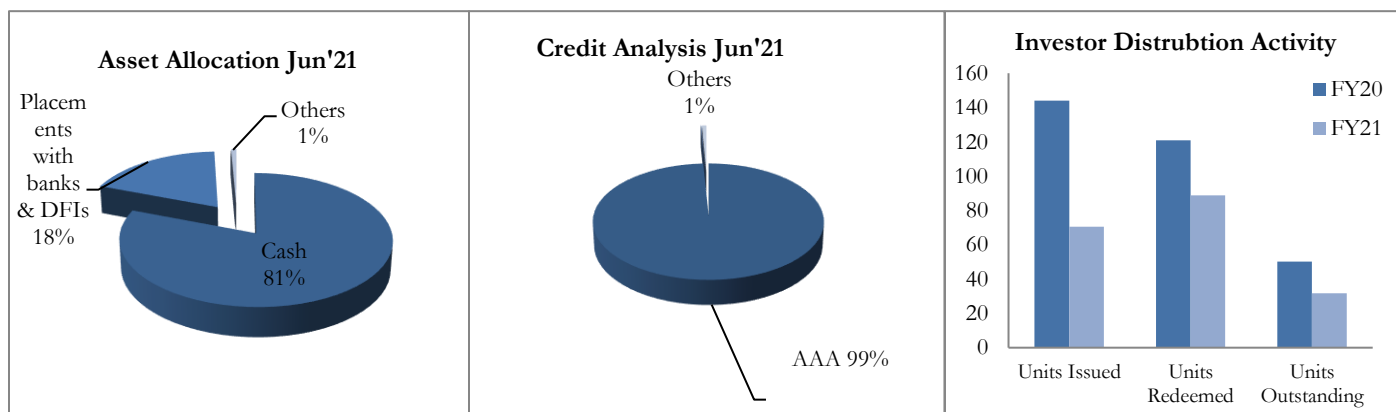
Date: January 13, 2022

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### Investment Objective

To provide competitive returns within a low risk portfolio to provide a regular stream of income and easy liquidity to its investors by investing a major size of the portfolio in short term government securities.

UBL Money Market Fund		
Rating Category	Latest	Previous
Fund Stability Rating	AA+(f)	AA+(f)
	Jan 13, 2022	Jan 06, '21
AMC	UBL Fund Managers Limited	
External Auditors – Fund	A.F. Ferguson Chartered Accountants	
Trustee	Central Depository Company Ltd.	
Front-end Load	Upto 1%	
Back-end Load	Nil	
Management Fee	5% of gross earnings (with min. fee of 0.15% p.a.)	
Benchmark	70% three months PKRV rates + 30% 3 months average deposit rate of 3 AA rated scheduled banks as selected by MUFAP	



UBL Money Market Fund (UMMF) is an open ended money market fund managed by UBL Funds Managers Limited. The funds objective is to provide a regular stream of income and easy liquidity to its investors through deploying assets in short-term money market instruments and government securities.

Investment Committee (IC) comprises key personnel from top management along with representatives from investment and risk management department

During FY21, fund size decreased to PKR 3b at end Jun'21 from end June'20 PKR 5b on account of higher redemptions during the year relative to last year.

### 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)	GOP	0%-100%
Deposits in Current, Savings and PLS accounts in scheduled banks	AA	0%-100%
Term Deposits (TDRs) and Clean Placements with commercial banks	AA	0%-70%
Deposits (Current/Saving/PLS Accounts, term deposits), Certificate of Deposits (CODs), Certificate of Investments (COIs), Certificate of Musharaka with Microfinance Banks	AA	0%-20%
Certificate of Deposits (CODs), Certificate of Investments (COIs), Certificate of Musharaka with NBFCs and Modarabas	AAA	0%-20%
Placement and Certificate of Investment (COI) with DFIs	AA	0%-70%
Reverse repo against Government Securities or such other allowable securities, in accordance with regulations	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	Upto 30% subject to a cap of \$15,000,000
Commercial Papers	AA	0%-20%
Any other investment as authorized by the commission from time to time	AA	0%-30%

## Asset Allocation:

Table 2: Asset Class Distribution:

Asset Allocation	Average June20	Average June'21	June'21
Cash	48.00%	34.81%	80.80%
Placement with banks	10.00%	6.32%	18.5%
T-bills	40.00%	56.50%	0%
Others	2.00%	2.40%	0.7%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

During FY21, the fund's asset allocation was in compliance with the standards specified in the offering document. The fund's major holding in FY21 remained vested in T-Bills and Cash, although at year end all investments were held in liquid cash or in bank placements.

## Credit Quality:

Table 3: Credit Quality

Credit Quality	Average	Maximum	Minimum
AAA	91.13%	99.25%	0%
AA+	4.35%	14.2%	0%
AA	2.12%	9%	0%
NR	2.18%	8.5%	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 where the fund placed its deposits with banks rated below AA. During the year, on an average, 91.13% of the fund's investment portfolio was held in AAA rated issue/issuer, maintaining its credit quality.

## Market Risk:

Weighted average maturity is capped at 90 days. During FY21, WAM as at Jun 2021 stood at 4.95 days, well under the specified limit for the assigned ratings, depicting low market risk.

## Liquidity Profile:

Liquidity profile of the fund remained sound with average investments in liquid assets at 91% in FY21. The fund comprises of mainly retail investors with top 10 investor concentration at 28.7%. Given the fund's asset mix comprising of sizable liquid assets, ability to meet redemptions is considered adequate.

## Fund Performance:

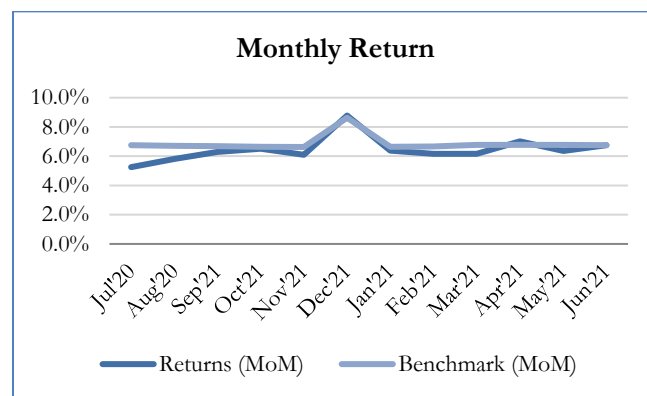


Table 5: Fund Performance:

Performance	FY20	FY21
<b>Total Return</b>	12.12%	6.32%
<b>Benchmark Return</b>	11.65%	6.71%
<b>Peer Average</b>	12.60%	6.71%
<b>Peer Ranking</b>	19/21	20/21

Benchmark of the fund is determined by a mix of (70%) three months PKRV rates and (30%) of three months average deposit rate of three 'AA' rated scheduled banks. During FY21, the fund generated a return of 6.32% (FY20 12.12%) slightly under-performing its benchmark of 6.71% as well as peer average. In addition, the fund's relative ranking vis-a-vis peers deteriorated further to 20<sup>th</sup> position out of a total of 21 funds from 19<sup>th</sup> in the last year. Improvement in performance metrics will be important for ratings, going forward.

## Rating History

Rating Type	Rating Date	Medium to Long Term	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	18-Aug-14	AA(f)	Upgrade
Fund Stability	18-Apr-13	AA- (f)	Reaffirmed
Fund Stability	29-Mar-12	AA- (f)	Harmonized
Fund Stability	20-May-11	AA- (f)	Initial

<b>BALANCE SHEET</b>	<b>FY20</b>	<b>FY21</b>
<b>Paid Up Capital</b>	N/A	N/A
<b>Total Equity</b>	N/A	N/A
<b>INCOME STATEMENT</b>		
<b>Total Income</b>	577	225
<b>Profit Before Tax</b>	510	190
<b>Profit After Tax</b>	510	190
<b>RATIO ANALYSIS</b>		
<b>Current Ratio (x)</b>	N/A	N/A
<b>Gearing (x)</b>	N/A	N/A

