

UBL Government Securities Fund (UGSF)**Managed By: UBL Fund Manager Limited****Fund Stability Rating****Latest Rating****AA(f)****31-Dec-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	July 27, 2011
Fund Type	Open End
Category	Income
Risk Profile	Medium
Auditor	Yousuf Adil, Chartered Accountants
Trustee	Central Depository Company Pakistan Limited
Front-end Load	Upto 1%
Back-end Load	Nil
Benchmark	90% six (6) months PKRV rates + 10% six (6) months
MQR Rating	AM1 (VIS)
Mgt. Fee	Up to 2.5% of daily net assets not to exceed max. TER regulatory limit

Fund Overview

UBL Government Securities Fund (the Fund) is an open-end, income fund constituted under a Trust Deed entered into on May 19, 2011, between UBL Fund Managers Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee.

Investment Objective

To generate a competitive return with minimum risk, by investing primarily in Government Securities.

Offering Document (Extract)

Description	Minimum rating	Min- Max Limits
Government Securities	N/A	70% - 100%
Cash at Bank (excluding TDR) and other near cash instruments like T-Bills/GoP Ijara with maturity not exceeding 90 days	AA- or Above	10% - 30%
Deposits with Scheduled Banks and Reverse Repo against Government Securities, with maturity of up to 6 months	AA- or Above	0% - 30%
Deposits with Scheduled Banks and Reverse Repo against Government Securities, exceeding maturity of 6 months	AA- or Above	0% - 15%

Net Assets

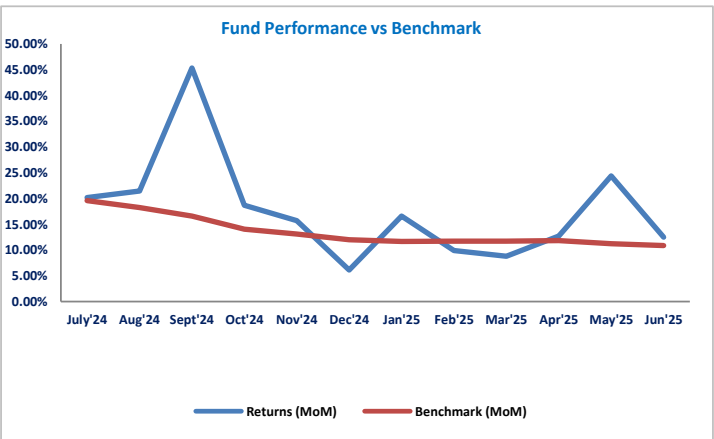
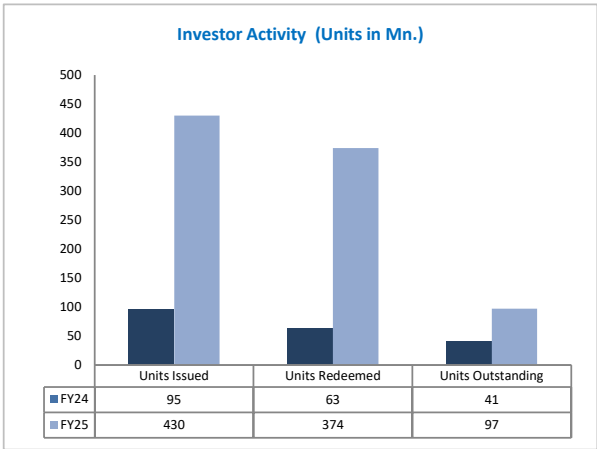
	Jun'22	Jun'23	Jun'24
Net Assets (In PKR' Millions)	1,115	914	4,387

Asset Allocation - Jun'25

Category	Percentage
PIB-Fixed	16%
PIB-Floater	0%
Other	2%
Cash	12%
T-Bills	11%

Credit Quality - Jun'25

Category	Percentage
Govt Sec/AAA	98%
AA-	7%
NR	2%



Credit Quality (FY'25)				Avg. Asset Allocation (% wise)		
Average	Maximum	Minimum		FY'24 Avg.	FY'25 Avg.	
Govt Sec/AAA	92.82%	97.40%	81.61%	Cash	15.92%	9.67%
AA+	0.00%	0.00%	0.00%	Placement with banks	0.00%	0.00%
AA	0.45%	5.07%	0.00%	T-Bills	37.50%	18.35%
AA-	3.94%	15.57%	0.29%	PIB-Fixed	11.55%	51.42%
A+	0.00%	0.00%	0.00%	PIB-Floater	23.16%	17.72%
A	0.00%	0.00%	0.00%	GoP Ijara Sukuk	8.35%	0.09%
A-	0.00%	0.00%	0.00%	Other	3.53%	2.76%
BBB+	0.00%	0.00%	0.00%			
BBB	0.00%	0.00%	0.00%			
BBB-	0.00%	0.00%	0.00%			
NR	2.75%	4.51%	2.12%			
*Non-rated includes receivables/acceruals from securities having a credit rating of not less than AA-						

Portfolio Maturity (FY'25)	Average	Maximum	Minimum	Benchmark	Fund Performance	FY'24	FY'25
WAM in year(s)	2.89	3.64	1.60	4.00	Total Return	21.12%	19.18%
Duration (In Days)	385	529	245	1460	Benchmark Return	21.67%	13.59%
					Peer Average	21.76%	15.95%
					Peer Ranking	8/11	2/42

Fund Stability Analysis
<p>The UBL Government Securities Fund has been assigned a rating of AA(f) for fund stability. This rating indicates a high degree of stability in the net asset value of the fund, with a modest level of risk that may vary slightly due to changing economic conditions.</p> <p>Asset Allocation: During FY25, AUM grew notably by ~137%, reaching Rs. 10.3bn (Jun’24: Rs. 4.3bn). Throughout the year, the Fund’s investments remained aligned with the offering document. While government securities continued to dominate the portfolio, a notable shift occurred from T-bills (FY24: ~38% to FY25: ~18%) toward fixed-rate PIBs, which increased to ~51% (FY24: ~12%). The remaining allocation comprised PIB floaters (~18%), cash (~10%), and others (~3%).</p> <p>Credit Quality: During FY25, the Fund maintained its credit quality exposures within the AA- and above threshold set out in the offering document. The portfolio was largely concentrated in government securities and AAA rated instruments, collectively accounting for ~93% of total assets, while AA- rated exposures constituted around 4%.</p> <p>Market and Liquidity Risk: The Fund’s weighted average time to maturity (WAM) is capped at 4 years, as per the offering document, and remained within limits during FY25, with an average WAM of 1,054 days (approximately 2.8 years).</p> <p>The Fund’s liquidity profile remains sound, supported by a high allocation to government securities. As of Jun’25, the retail investor share declined to 37% (FY24: ~65%), while the share of unrelated corporates decreased to ~27% (FY24: ~35%). The remaining 35.8% was concentrated among three associated investors. Consequently, client concentration risk is elevated, with the top ten clients accounting for approximately 73% of the Fund’s assets.</p> <p>Fund Performance: During FY25, the Fund’s YTD return outperformed both its benchmark and the peer average, moving its ranking from the 3rd quartile last year to the 1st quartile as of FY25. Peer ranking stood at 2/42 as of FY25 (FY24: 8/11).</p>

Financial Snapshot		
BALANCE SHEET	FY24	FY25
Paid Up Capital	N/A	N/A
Total Equity	N/A	N/A
INCOME STATEMENT	FY24	FY25
Total Income	667.3	2,147.1
Profit Before Tax	607.4	1,989.2
Profit After Tax	607.4	1,989.2
RATIO ANALYSIS	FY24	FY25
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 Government Securities 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	31-Dec-25	AA(f)	Reaffirmed
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	A+(f)	Reaffirmed
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Rating Scale	https://docs.vis.com.pk/docs/VISRatingScales.pdf		

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