

UBL Income Opportunity Fund (UIOF)

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

Fund Overview

Launch Date	March 29, 2013	UBL Income Opportunity Fund (the Fund) is an open-end, income fund constituted under a Trust Deed entered into on January 01, 2013, between UBL Fund Managers Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee and launched on March 29, 2013.
Fund Type	Open End	
Category	Income	
Risk Profile	Medium	
Auditor	BDO Ebrahim & Co.	
Trustee	Central Depository Company of Pakistan Limited	
Front-end Load	Upto 1.5%	
Back-end Load	Nil	
Benchmark	75% six (6) months KIBOR + 25% six (6) months average of highest savings	
MQR Rating	AM1 (VIS)	
Mgt. Fee	Up to 2.5% of daily net assets not to exceed max. TER regulatory limit	

Offering Document (Extract)

Description	Minimum rating	Min- Max Limits
Government Securities	N/A	0%-100%
Debt Securities including TFCs, Sukuks & Commercial Paper	AA & Above	0%-75%
Debt Securities including TFCs, Sukuks & Commercial Paper	A-to AA-	0%-10%
Term Deposit Receipts less than 6 months	Investment Grade & Above	0%-75%
Term Deposit Receipts above 6 months	Investment Grade & Above	0%-15%
MTS & Spread Transaction	N/A	0%-40%
Cash and Near Cash instruments which include cash in bank account (excluding TDRs), Treasury Bills & GoP Ijara Sukuk not exceeding 90 days maturity	Investment Grade & Above	25%-100%
Non-Traded Securities including Reverse Repo, Bank Deposits, Money Market Placements, Certificate of Investment (COI), Certificate of Musharaka (COM), Certificate of Deposit (COD) less than 6 months	Investment Grade & Above	0%-75%
Non-Traded Securities including Reverse Repo, Bank Deposits, Money Market Placements, Certificate of Investment (COI), Certificate of Musharaka (COM), Certificate of Deposit (COD) above 6 months	Investment Grade & Above	0%-15%
Any other securities or Instruments that may be permitted or approved under SECP Rules & Regulations or any other directive from time to time.	Investment Grade & Above	0%-30%

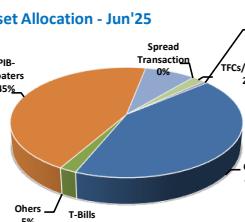
Investment Objective

The investment objective of the Fund is to provide a competitive rate of return to its investors by investing in quality TFCs / Sukuks, Government Securities, Bank Deposits, and short and long term debt instruments.

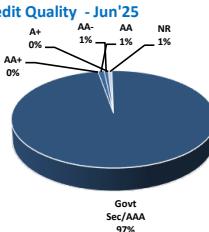
Net Assets

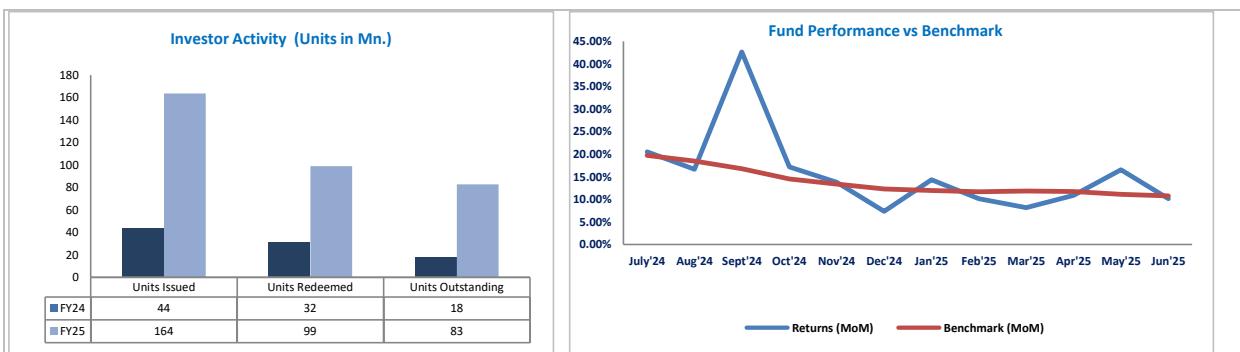
	Jun'23	Jun'24	Jun'25
Net Assets (In PKR ¹ Millions)	668	1,997	9,169

Asset Allocation - Jun'25



Credit Quality - Jun'25





Credit Quality (FY'25)					Avg. Asset Allocation (% wise)		FY'24 Avg.	FY'25 Avg.
	Average	Maximum	Minimum		Cash			
Govt Sec/AAA	80.37%	97.50%	56.58%		Commercial Papers		27.72%	18.55%
AA+	0.00%	0.00%	0.00%		T-Bills		0.00%	0.00%
AA	4.05%	6.19%	1.10%		Placement with Banks		25.43%	22.83%
AA-	12.41%	35.24%	0.73%		PIB-Fixed		0.62%	0.00%
A+	0.00%	0.00%	0.00%		PIB-Floater		5.75%	19.31%
A	0.00%	0.00%	0.00%		GOP Ijarah Sukuk		14.40%	27.06%
A-	0.00%	0.00%	0.00%		Spread Transaction		8.54%	1.25%
BBB+	0.00%	0.00%	0.00%		TFCs/Sukuk		0.00%	0.00%
BBB	0.00%	0.00%	0.00%		Others		15.74%	7.92%
BBB-	0.00%	0.00%	0.00%				4.65%	3.08%
NR	3.08%	5.04%	0.67%					

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

Portfolio Maturity (FY'25)	Average	Maximum	Minimum	Benchmark	Fund Performance		FY'24	FY'25
					Total Return			
WAM in year(s)	2.20	2.69	1.53	4.00			21.84%	16.85%
Duration (In Days)	197	343	58	1460	Benchmark Return		21.76%	13.73%

Fund Performance	FY'24	FY'25
Total Return	21.84%	16.85%
Benchmark Return	21.76%	13.73%
Peer Average	21.38%	15.95%
Peer Ranking	18/26	14/42

Fund Stability Analysis

The UBL Income Opportunity Fund has been assigned a rating of AA-(f) for fund stability. This rating indicates a high degree of stability in Net Asset Value (NAV) with a modest level of risk that may vary slightly due to changing economic conditions.

Asset Allocation:

During FY25, the Fund's Assets Under Management (AUM) grew notably by approximately 359% Y/Y, reaching Rs. 9.1 billion as of June 2025, compared to Rs. 1.9 billion in June 2024. The fund complied with the asset allocation requirements as stipulated in the offering document during the period, with major concentration in PIBs (floaters & fixed) which collectively made up ~46% of the fund's assets, followed by T-bills (~23%) and Cash (~19%).

Credit Quality:

As per the offering document, the Fund permits credit exposures in investment-grade and higher avenues. During FY25, the Fund maintained major exposures in AAA rated securities accounting for ~80% of the portfolio, up from ~62% in FY24.

Market and Liquidity Risk:

In line with the offering document, the Fund is required to maintain its weighted average maturity (WAM) below 4 years; this limit was comfortably met during the period, with average WAM reported at 2.2 years. In addition, the Fund's average duration remained relatively short at 197 days, moderating sensitivity to interest rate movements and limiting market risk.

However, a material shift in the investor mix was noted. Corporate investors emerged as the dominant segment, accounting for approximately 66% of AUM, while the retail share declined to 34% from 71% as of FY24. This shift was accompanied by a marked increase in investor concentration, with the top ten clients representing around 73% of total AUM as of Jun'25 (FY24: 53%).

Fund Performance.

During FY25, the Fund yielded an annualized return of 16.85%, outperforming both its benchmark as well as peer average and consequently was positioned in the second quartile.

Financial Snapshot

	FY24	FY25
BALANCE SHEET		
Paid Up Capital	N/A	N/A
Total Equity	N/A	N/A
INCOME STATEMENT	FY24	FY25
Total Income	367.8	485.3
Profit Before Tax	336.5	443.8
Profit After Tax	336.5	443.8
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 Income Opportunity 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 Rating	31-Dec-25	AA-(f)	Reaffirmed
Fund Stability Rating	9-Jan-25	AA-(f)	Reaffirmed
Fund Stability Rating	29-Dec-23	AA-(f)	Reaffirmed
Fund Stability Rating	29-Dec-22	AA-(f)	Reaffirmed
Fund Stability Rating	13-Jan-22	AA-(f)	Reaffirmed
Fund Stability Rating	6-Jan-21	AA-(f)	Upgrade
Fund Stability Rating	16-Oct-20	A(f)	Upgrade
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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