Date: August 20, 2014

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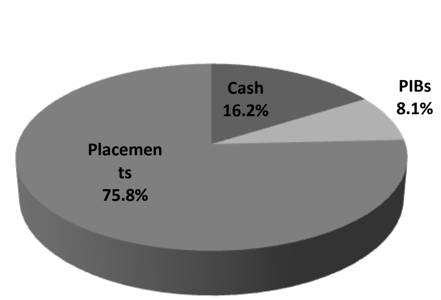
Investment Objective

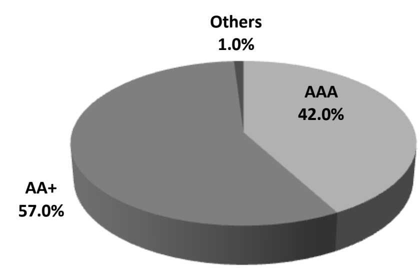
To invest in a diversified portfolio of low risk assets. The fund seeks to provide attractive daily returns while maintaining comparatively high liquidity.

UBL Liquidity Plus Fund		
Rating Category	**Latest**	**Previous**
Fund Stability Rating	**AA(f)**	**AA+(f)**
	Aug 4, 2014	*May 13, 2013*
Asset Management Company	UBL Fund Managers Limited	
External Auditor - Fund	M/s Ernst & Young Ford Rhodes Sidat Hyder & Co.	
Fund Manager	Mr. Usama Bin Razi	
Trustee	Central Depository Company	
Front-end Load	Nil	
Back-end Load	Nil	
Management Fee	10% of all gross earnings (with min. fee of 1% p.a. & max. fee of 1.25% p.a.)	
Benchmark	50% 3M PKRV + 50% 3M TDR (with AA rated banks and above	

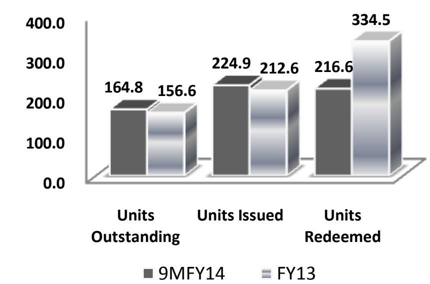
Asset Class Distribution: June 2014



Credit Analysis: June 2014



Investor Activity –units in million



UBL Liquidity Plus Fund (ULPF) was set up in June, 2009, with an objective to earn competitive returns while keeping exposures restricted to the low end of the risk spectrum. Size of the fund has varied in the past year and stood at Rs. 10.6b at end-June 2014 (Dec 2013: Rs. 14b; Dec 2012: Rs. 18b). The fund experienced sizeable redemptions in the month of June alone.

In May 2014, there have been certain amendments in the Offering Document (OD) of ULPF whereby the mandatory minimum requirement to keep 10% as deposits/placements, has been annulled, in addition to which the management company has also done away with the minimum exposure limit of 20% in government securities. Moreover, the fund is no longer allowed to invest in debt securities (including listed, privately placed or issued either by government owned/managed entities). These changes have become effective in August 2014. A comparison of the previous and revised asset class limits is presented in Table 1.

Table 1: ULPF Asset Class Composition

	New Limits	Previous Limits
Deposits with/Lending (under LoP) to Banks/DFIs	0-70%	10-70%
Lending (LOP etc.) to Banks /DFIs	0-50%	0-50%
Reverse Repo against Government Securities or others	0-70%	0-50%
Government Securities	0-100%	20-100%
CODs & COIs	0-20%	0-20%
Commercial Paper	0-10%	0-10%
All Debt securities (listed or privately placed) issued by govt owned/controlled /managed entities	-	20-100%
Foreign investments	Up to 30%, subject to cap of US$15m	Up to 30%, subject to cap of US$15m

Asset allocation of the fund at the end of June 2014 was mainly dominated by placements with banks. Over time, some degree of concentration has been observed in case of bank deposits; given the risk profile of counterparties, and the nature of exposures, the risk is considered manageable. While exposure to government paper was reduced to just 8% at end-June 2014, it comprised more than two-thirds of assets, on an average, over the course of the year. Actual asset allocation of the fund is presented in Table 2.

Table 2: Actual Asset Allocation

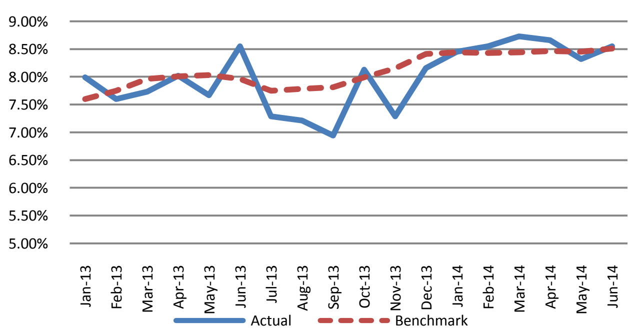
	End-June 2014	Average FY14
T-Bills	0%	65%
PIBs	8%	4%
Placements with Banks	75%	25%
Cash	16%	6%

Target asset allocation of the fund is envisaged to remain dominated by sovereign instruments, even though there is no minimum allocation requirement in place.

In line with the investment objective and horizon, weighted average maturity (WAM) of the portfolio is capped at 90 days while single asset maturity may not exceed 6 months. The previous cap of 60 days on duration has been removed. Maximum WAM was recorded at 88 days at end-April 2014; subsequently declining to 54 days at end-June 2014.

The fund's return is benchmarked against an average of 3M PKRV and 3M TDR placements with AA rated banks. Fund performance has more or less remained at par with bench mark. In FY14, the fund posted a return of 8.02% vis-à-vis benchmark return of 8.22%.

Figure 1: ULPF Historical Performance (Actual vs Benchmark)



In comparison with peers, YTD fund return was lower than the peer average. However, on gross basis, the fund has been able to generate competitive returns.

Unit holder concentration has trended downwards over time; at end-2014, top-10 investors held 49% of outstanding units.

In light of the above discussion, overall risk profile of the fund is considered conservative, with investors protected to a large extent against any sudden shocks in interest or other macroeconomic indicators JCR-VIS

Rating Date	Medium to Long Term	Outlook	Short Term	Rating Action
		RATING TYPE: Fund Stability		
04-Aug-14	AA(f)			Downgrade
13-May-13	AA+(f)			Reaffirmed
29-Mar-12	AA+(f)			Harmonised
08-Dec-10	AA+(f)			Reaffirmed