



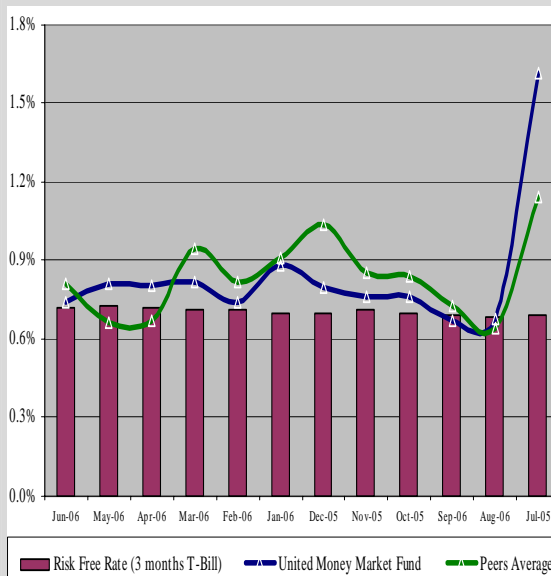
UNITED MONEY MARKET FUND (UMF)

MUTUAL FUND RATING (APRIL 2007)

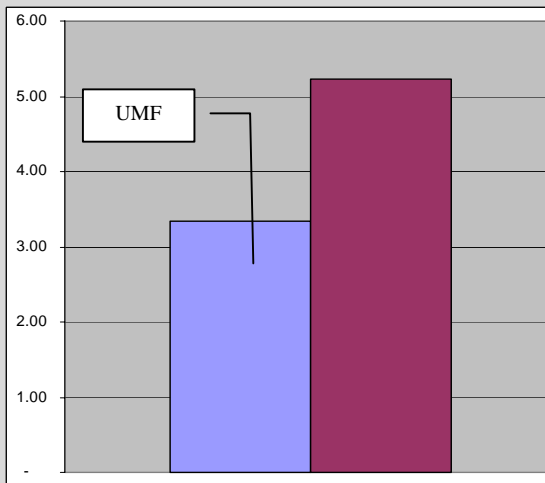


FUND:	United Money-Market Fund
FUND CATEGORY:	Money Market Fund
LAUNCH DATE:	November 2002
ASSET MANAGER:	UBL Fund Managers Limited

ABSOLUTE RETURN – MONTHLY:



SHARPE RATIO VS PEERS (FY-06):



RATING

UMF has been assigned a 4-Star rating, which reflects good performance in the category of money market funds. The rating is a composite measure of three factors namely a) returns, b) risk associated with the returns measured by Sharpe Ratio, and c) credit quality of the assets. For computing return and risk, the performance of the fund during 12 monthly periods ended on June 30, 2006 has been considered and the credit quality has been evaluated based on the asset composition on that date.

The rating of a fund is comparable only to ratings of other funds in the same category. A money market fund means a fund that invests in money market and other short-term interest-based instruments/securities and weighted average maturity of its assets is less than 90 days at all times.

PROFILE

UMF, an open-end fund, was established in May 2002 under a trust deed executed between UBL Fund Managers Limited (UFL) as management company and Central Depository Company of Pakistan Limited (CDC) as trustee. The Fund was opened to public subscription in November 2002.

ASSET MANAGER

UBL Funds, established in 2001, is a wholly owned subsidiary of United Bank Limited (UBL). UBL is the third largest bank of Pakistan with total assets of PKR 435bln at end Dec-06. In addition to its extensive geographical outreach in Pakistan, UBL has representation in 10 countries. Since its privatization in 2002, it is majority owned by a consortium of Bestway group and Abu Dhabi group.

The BoD of UBL Funds, including the Chief Executive Officer, comprises eight members. The CEO, Mr. Mir Muhammad Ali, is an MBA and MSc in Finance with an extensive experience of above 15 years in investment banking and fund management. The Chief Investment Officer (CIO), an MBA, has more than 13 years experience of Pakistan's capital markets and asset management business.

Currently, the company is managing four funds with assets under management aggregating to over PKR 10bln as at end Feb-07. UBL Funds, in addition to UMF, is managing income, equity and Islamic funds namely United Growth and Income Fund, United Stock Advantage Fund and recently launched United Composite Islamic Fund.

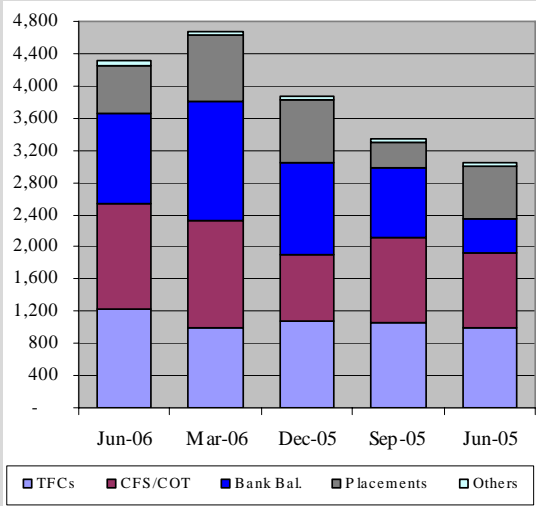
PERFORMANCE

The Fund, for the most of FY-06 derived its income mainly from capital market operations in the form of Continuous Funding System (CFS) financing. However, the fund is not permitted to invest in spread transactions involving equities. UMF attracted substantial amount of new funds during second half of FY-06, leading to significant increase in Fund's size, touching the highest mark of over PKR 7bln in May-06. Meanwhile, there is a notable change in asset mix towards the end of FY-06 in favor of deposits with financial institutions, leading to increasing contribution of this source in the total income. The income from TFCs portfolio, constituting a fair proportion of total assets, registered an increase in line with increasing interest rate as most instruments are at floating interest rate arrangements.

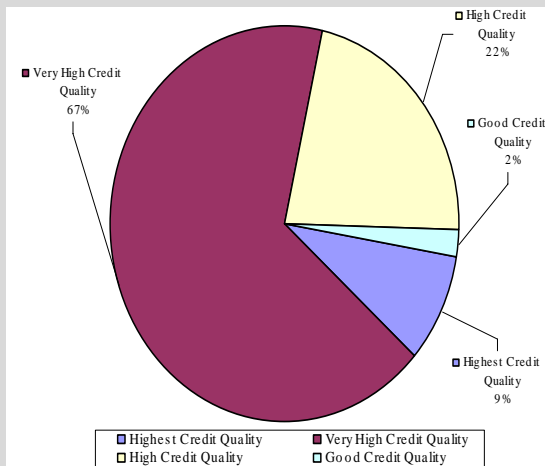
The Fund's average return is largely in line with peer. However, the volatility as measured by Sharpe Ratio is relatively high.

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ASSET ALLOCATION:



ASSET QUALITY (30-June-06):



UNIT HOLDING PATTERN (30-June-06):

Category	%
Individuals	10.6%
Corporates	32.0%
Financial Institutions	16.5%
Associates	13.5%
Others	27.4%
Total	100.0%

INVESTMENT METHODOLOGY

The primary objective of UMF is to provide attractive daily returns from a portfolio of low risk assets while maintaining comparatively high liquidity. The Fund's specific performance objective is to achieve a minimum annualized increment of 1-month KIBOR in NAV while maintaining modified duration of the Fund at less than 1 year. The Fund invests in a wide array of avenues including government securities, investment-grade corporate debt securities, COIs, placements, CFS and money market transactions. However, the Fund is restricted to invest in spread transactions in listed equities. While targeting a stable return, the core focus of the investment strategy is preservation of the principal amount.

The Investment Committee (IC) comprises the Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Chief Investment Officer and Fund Manager. The committee, in addition to reviewing and authorizing investment proposals submitted by the fund manager, is responsible for defining the investment objectives, setting the performance targets, formulating asset allocation parameters, and selection/evaluation of banks, brokers and counter parties for money market activities. Although the committee usually meets on monthly basis, it can also meet on a need basis to evaluate any proposal. However, day-to-day investments decisions are taken by fund manager with the co-ordination of CIO. It is the responsibility of a designated IC member to minute and circulate the proceedings of a meeting. The fund manager executes daily investment/divestment business in accordance with guidelines of the committee and reports the position of the Fund on a daily basis to the committee.

RESERACH

UBL Funds has established an in-house research department. The department is responsible for CFS monitoring, performance comparison with peers, analysis of investment proposals, and counter-party evaluation. It maintains database of reports from different research houses, information on different debt securities and macroeconomic indicators.

Reports or other research material provided by the research division supports the investment proposals of the fund manager.

RISK MANAGEMENT & ASSET COMPOSITION

In terms of risk management of investment in debt securities, the relevant credit rating is duly considered and as a policy the asset manager refrains from investing in TFCs carrying a long-term credit rating lower than 'A-' category. Reverse repo transactions are usually made against government securities and listed debt securities for a maximum tenor of 92 days and the total investment in this avenue is capped at 50% of net assets of the Fund. Transactions involving unsecured and call market placements are limited to 25% of net assets.

A sizeable portion of the Fund's assets are deployed in Continuous Funding system (CFS), which given the highly liquid nature of the underlying securities and imposition of the settlement risk on the clearing-house involves a minimal credit risk. Moreover, the exposure to a single security is limited to 10% of net assets.

UMF offers investors the option to redeem units on a 3-day notice. However, in case of redemption request for more than 10% of net assets, it requires 5 business days. To meet any redemption pressure, the Fund maintains adequate liquidity in the form of bank deposits and placements and repo-ability of its investment portfolio. Additionally, it has also arranged funding lines from different commercial banks. The management effectively managed the substantial redemption pressure during the last quarter of FY-06.

ANALYST

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RATING SCALE

- ★★★★★ Superior Performance
- ★★★★ Good Performance
- ★★★ Average Performance
- ★★ Weak Performance
- ★ Poor Performance