

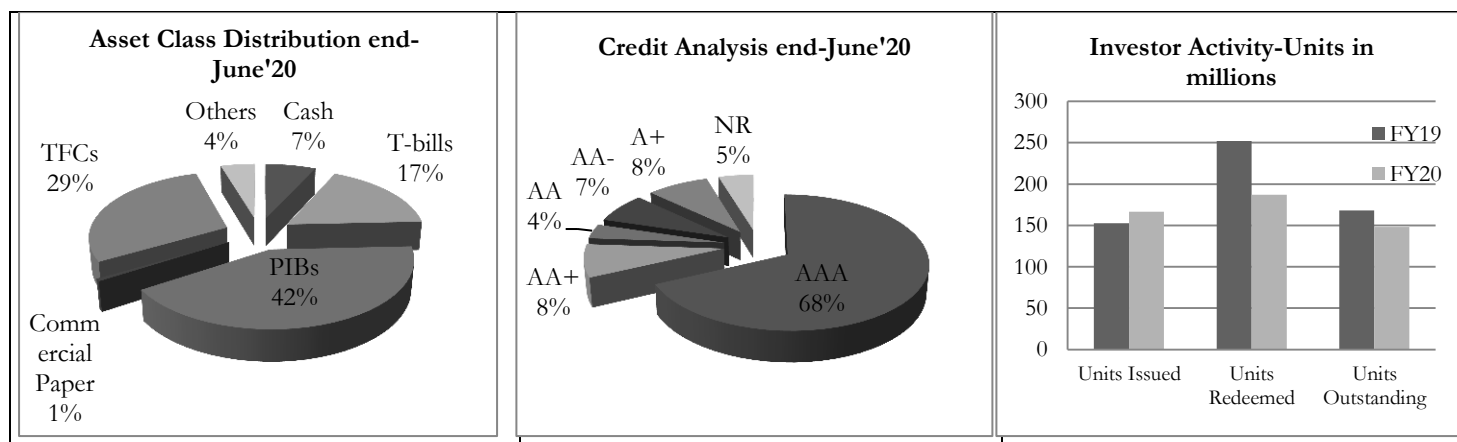
31 December 2020

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Investment Objective

To earn a superior risk adjusted rate of return by investing in a blend of short, medium and long term instruments, both within and outside Pakistan.

ABL Income Fund		
Rating Category	Latest	Previous
Fund Stability Rating	A+(f) <i>Dec 31, '20</i>	A(f) <i>Jan 20, 20</i>
Management Company	ABL Asset Management Company Limited	
Chief Executive	Mr. Alee Khalid Ghaznavi	
Fund Manager	Mr. Fahad Aziz	
Trustee	Central Depository Company of Pakistan Limited	
Front-end Load	1.5% p.a.	
Back-end Load	Nil	
Management Fee	1.5% pa	
Benchmark	6 Month KIBOR	



Launched in September 2008, ABL Income Fund (ABL-IF) is an open ended fund, managed by ABL Asset Management. The fund's objective is to provide its investors with competitive risk adjusted rate of returns by investing in a blend of short, medium, and long-term fixed income and debt instruments, both within and outside Pakistan.

Maximum and minimum limits have been stated in the Investment Policy Statement (IPS). In order to restrict the fund's exposure in various investments and credit quality, quarter of the fund's asset must be allocated in cash and cash equivalents, other investment avenues comprise of government securities, TFCs and Commercial Paper.

At end-June'20 net assets of the fund declined to Rs. 1.5b (FY19: Rs. 1.7b).

Table 1: Offering Document (extract)

Asset Class	Entity Rating	Instrument Rating	Exposure Limit (% of NAV)
T-Bills, PIBs, FIBs & Other Government Securities	N/A	N/A	0%-100%
Cash in Bank Accounts	IG	N/A	25%-100%
Placements with Banks	IG	N/A	75%-100%
Commercial Papers	IG	N/A	0%-50%
Term Finance Certificates	IG	IG	0%-75%
Margin Trading System (MTS)	N/A	N/A	0%-40%
Any investment, which is an Authorized Investment under the Trust Deed or which is authorized by the Commission	IG	IG	50% unless otherwise specified by the Commission
Reverse Repo Transactions against Government Securities	IG	N/A	0%-50%

Asset Allocation:
Table 2: Asset allocation Summary

	End FY19	End FY20	Average FY20
Cash	36%	7%	32%
T-Bills	0%	17%	16%
PIBs	20%	42%	12%
Commercial Papers	6%	1%	4%
TFCs	34%	29%	30%
Others	4%	5%	6%

The fund's asset allocation plan majorly remained concentrated in government securities and TFCs. At end-June'20 TFC placements comprised 29% of the portfolio whereby PIBs and T-bills contributed 42% and 29% respectively. Remaining chunk of investment portfolio comprised cash holdings. The fund majorly complied with the stipulated limits of the offering document barring consecutive instances from the month of Jan'20-Jun'20 where the cash allocation fell below limits.

Credit Quality:
Table3: Credit quality Summary FY19

	Average	Maximum	Minimum
AAA	46%	68%	7%
AA+	12%	20%	5%
AA	4%	5%	4%
AA-	23%	58%	7%
A+	9%	11%	8%
Others	6%	5%	3%

Market Risk:

Credit quality exposures remained in line with the requisites of VIS's criteria for the assigned ratings. The fund's credit quality exposures improved as compared to the preceding year. During FY20 the fund parked 46% of its assets in AAA rated issue/issuer and 12% in AA+ rated issue/issuer on an average basis.

As per internal policy, WAM of the fund is capped at 4 years and target duration of the fund has been capped at 1 year. At end-June'20 the fund's duration increased and was reported to be maximum at 496 days (FY19: 186 days) whereas WAM of the fund was 1,108 days at end-June'20.

Liquidity Profile:

At end June'20 total number of investors amounted to 1,268 (FY19: 1,274) whereas top-10 investors constituted to 18% of the fund's asset base. Portion held by retail investors amounted to 34% (FY19: 20%) whereas associates held 48% (FY19: 66%) of the fund's total net assets.

Fund's Performance:
Table 4: Performance Summary

Performance	FY19	FY20
Return	7.12%	14.32%
Benchmark Return	10.31%	12.23%
Relative Ranking	20/20	5/19

Benchmark return of the fund is determined from the average 6 month KIBOR. During FY20, the fund generated a return of 14.32% (FY19: 7.12%) outperforming its benchmark of 11.62%. Relative to its peers, the fund placed itself in the second quartile by ranking 5th out of a total of 19 funds in the category depicting significant improvement during FY20.

Rating History

Rating Type	Rating Date	Medium to Long Term	Rating Action
Fund Stability	12/31/2020	A+(f)	Upgraded
Fund Stability	1/20/2020	A(f)	Reaffirmed
Fund Stability	1/16/2019	A(f)	Reaffirmed
Fund Stability	1/16/2018	A(f)	Reaffirmed
Fund Stability	12/30/2016	A(f)	Reaffirmed
Fund Stability	12/31/2015	A(f)	Downgrade
Fund Stability	10/16/2014	A+(f)	Reaffirmed
Fund Stability	1/17/2013	A+(f)	Reaffirmed
Fund Stability	1/2/2012	A+(f)	Reaffirmed
Fund Stability	12/31/2010	A+(f)	Reaffirmed

BALANCE SHEET	FY19	FY20
Paid Up Capital	N/A	N/A
Total Equity	N/A	N/A
<u>INCOME STATEMENT</u>		
Total Income	184	273
Profit Before Tax	132	226
Profit After Tax	132	226
<u>RATIO ANALYSIS</u>		
Current Ratio (x)	N/A	N/A
Gearing (x)	N/A	N/A