

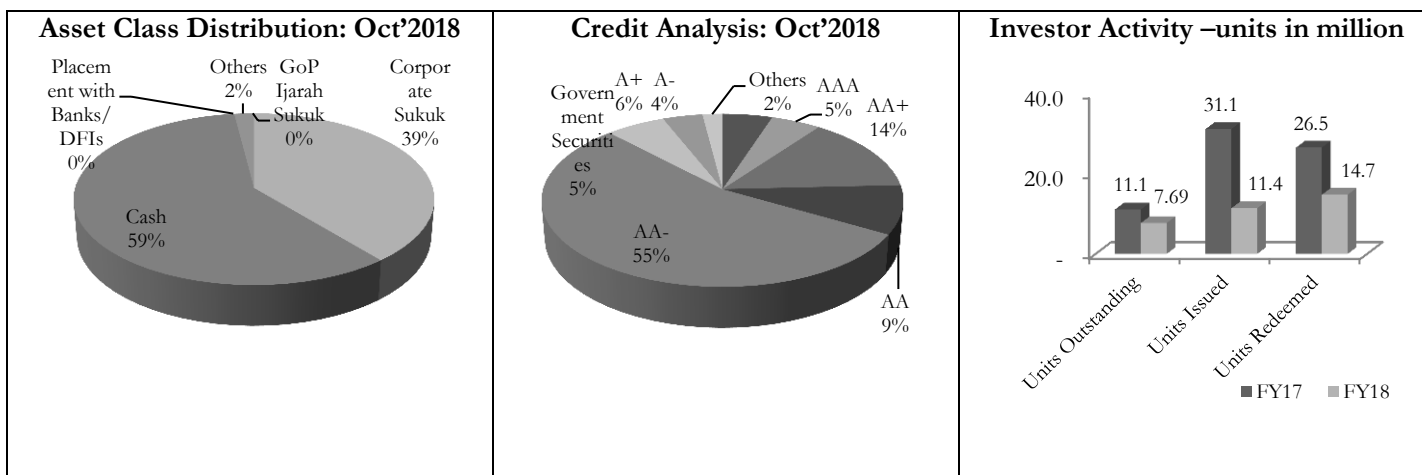
Date: January 21, 2019

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Investment Objective

To invest in medium to long-term Shariah Compliant income instruments as well as shorter tenor money market instruments with the aim of generating superior, long-term, risk adjusted returns while aiming to preserve capital over the long-term.

Al-Ameen Islamic Aggressive Income Fund		
Rating Category	Latest	Previous
Fund Stability Rating	BBB+(f) Dec 31, '18	BBB+(f) Dec 29, '17
Management Company	UBL Fund Managers Ltd	
Fund Manager	Mr. Usama Bin Razi	
External Auditors - Fund	KPMG Taseer Hadi & Co.	
Trustee	Central Depository Company Ltd.	
Front-end Load	1% (Income & Growth Units)	
Back-end Load	None	
Management Fee	1.5% p.a.	
Benchmark	Weighted average of 12-month deposit rates of three different Islamic Banks	



Al-Ameen Islamic Aggressive Income Fund (AIAIF) was launched in October 2007 by the name of United Islamic Income Fund. Subsequently, it was renamed to Al Ameen Islamic Income Fund. The fund is categorized as an open-end aggressive Islamic Income fund. As per its mandate, the fund invests primarily in Shariah compliant debt instruments in Pakistan and abroad under supervision of the Shariah Advisory Committee which currently comprises two well reputed scholars, Mufti Hassaan Kaleem and Mufti Najeeb Khan.

The assets under management of the fund nosedived to Rs. 796m (FY17: Rs. 1.1b) at end-FY18. At end-October 2018 fund size further decreased and stood at Rs. 543m.

As per Offering Document (OD), the fund is required to maintain minimum 10% of the net assets in cash and short term GoP securities with a maturity of less

than 90 days (calculated on the basis of average of each month). There were no maximum limits established this year vis-à-vis FY17.

Table 1: Exposure Limits (as per OD)

	Minimum Limit
Cash & Cash Equivalents	10% (calculated on the basis of average of each month)
Shariah Compliant Income/ securities including GoP Ijarah or Commercial Sukuk etc.	0%
Shariah Compliant Bank deposits/ COIs/CODs etc.	0%
Cash/Near Cash instruments including current Accounts in Islamic banks	0%
Windows	
Shariah compliant Spread Transactions	0%
Overseas Investment (subject to a cap of \$15m)	0%
Others	0%

Actual asset allocation of the fund remained in line with limits. Over FY18, the proportion of cash has increased. At end-FY18, the fund reduced exposure in

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Corporate Sukuk to 30% (FY17: 34%) of total assets. Major Sukuk holdings comprised K-Electric Sukuk, Engro Fertilizer and WAPDA, accounting for 13.9%, 6.3% and 5.4% of total assets, respectively.

Table 2: Actual Asset Allocation (Total Assets)

	End-June 2018	Average FY18
GoP Ijarah Sukuk	0%	8.8%
Corporate Sukuk	30%	31.1%
Cash	58%	49.7%
Placement with Banks/DFIs	0%	20.5%
Others	12%	1.8%

The fund has shown improvement in terms of credit risk management. Below 'A' exposures accounted for 6% of total assets during the ongoing year vis-à-vis 19% in FY17. With no minimum criteria for specific credit instruments, the fund is in compliance with the investment guidelines.

The investment guidelines have placed a cap of 5 years on the weighted average maturity for the fund excluding GoP issued instruments. During the ongoing year WAM of the fund improved to 0.61 years standing within the specified limit. The average duration has been 0.24 years.

AIAIF's performance is benchmarked against weighted average of 12 month deposit rates of 3 Islamic banks. During FY18, the fund underperformed relative to the benchmark by posting a return of 3.49% (FY17: 4.81%) vis-à-vis benchmark return of 5.26% (FY17: 5.30%).

Top-20 investor' concentration accumulated to 42% (FY17: 49%) at end-June 2018. Ability of the fund to meet redemptions in a timely manner is adequate given the unit holder concentration and asset mix of the fund JCR-VIS

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Rating Date	Medium to Long Term	Outlook	Short Term	Rating Action
<u>RATING TYPE: Fund Stability</u>				
31-Dec-18	BBB+(f)			Reaffirmed
29-Dec-17	BBB+(f)			Reaffirmed
30-Dec-16	BBB+(f)			Reaffirmed
06-Jan-16	BBB+(f)			Reaffirmed
12-Aug-14	BBB+(f)			Upgrade
25-Apr-13	BBB(f)			Upgrade
10-Apr -12	BB+(f)			Downgrade
08-Dec-10	BBB-(f)			Initial