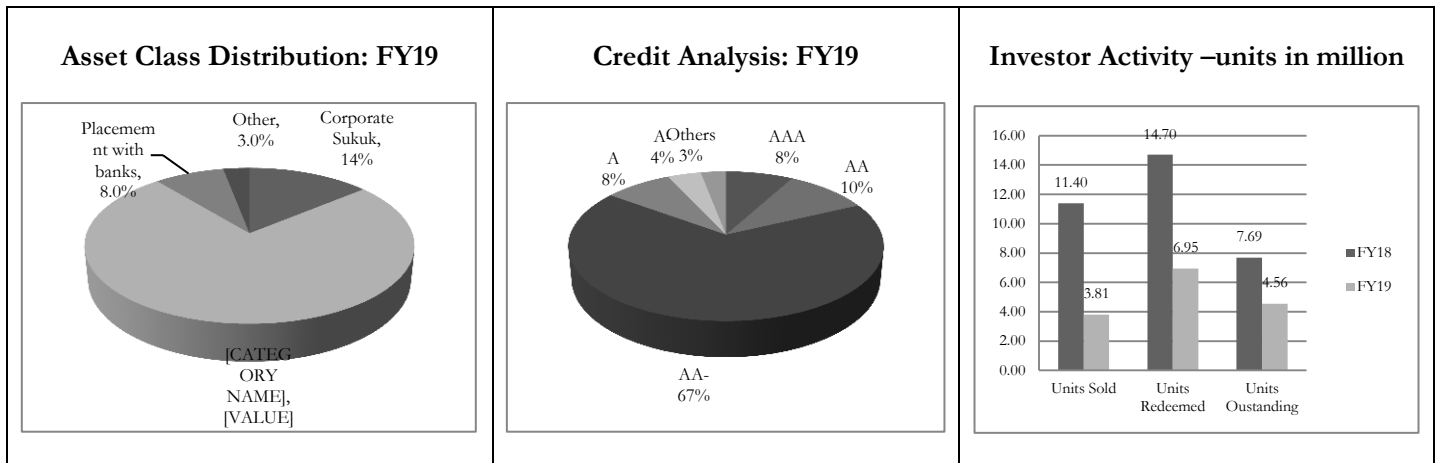


Date: January 02, 2020

Analyst:	Talha Iqbal Hikmatyar Gul
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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) <i>Dec 31, '19</i>	BBB+(f) <i>Dec 31, '18</i>
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 as an 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.

The assets under management of the fund declined to Rs. 456m (FY18: Rs. 796m) at end-FY19. At end-November 2019 fund size further decreased and stood at Rs. 301m.

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 Windows	0%
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. At end-FY19, the proportion of corporate sukuk decreased while cash has increased, which accounted for 75% of total assets.

Table 2: Actual Asset Allocation (Total Assets)

Asset Class Distribution	Jun'18	Jun'19
GoP Ijarah Sukuk	0%	0%
Corporate Sukuk	30%	14%
Cash	57%	75.0%
Placement with banks	12%	8.0%
Other	1.0%	3.0%

The fund has shown improvement in terms of credit risk management. About three fifth of the fund exposure remained above AA- and above rated instruments. Given the exposure, credit risk is considered adequate.

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 0.49 years.

AIAIF's performance is benchmarked against weighted average of 12-month deposit rates of 3 Islamic banks. During FY19, the fund posted a return of 6.52% vis-à-vis benchmark of 6.38%.

Rating Date	Medium to Long Term	Outlook	Short Term	Rating Action
<u>RATING TYPE: Fund Stability</u>				
31-Dec-19	BBB+(f)			Reaffirmed
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

FINANCIAL SUMMARY		<i>(amounts in PKR millions)</i>	
<u>BALANCE SHEET</u>		FY18	FY19
Paid Up Capital		NA	NA
Total Equity		NA	NA
<u>INCOME STATEMENT</u>			
Total income		57	46
Profit Before Tax		34	32
Profit After Tax		34	32
<u>RATIO ANALYSIS</u>			
Net Cash Generated from Operating Activities		425	208
Current Ratio (x)		NA	NA
Gearing (x)		NA	NA