

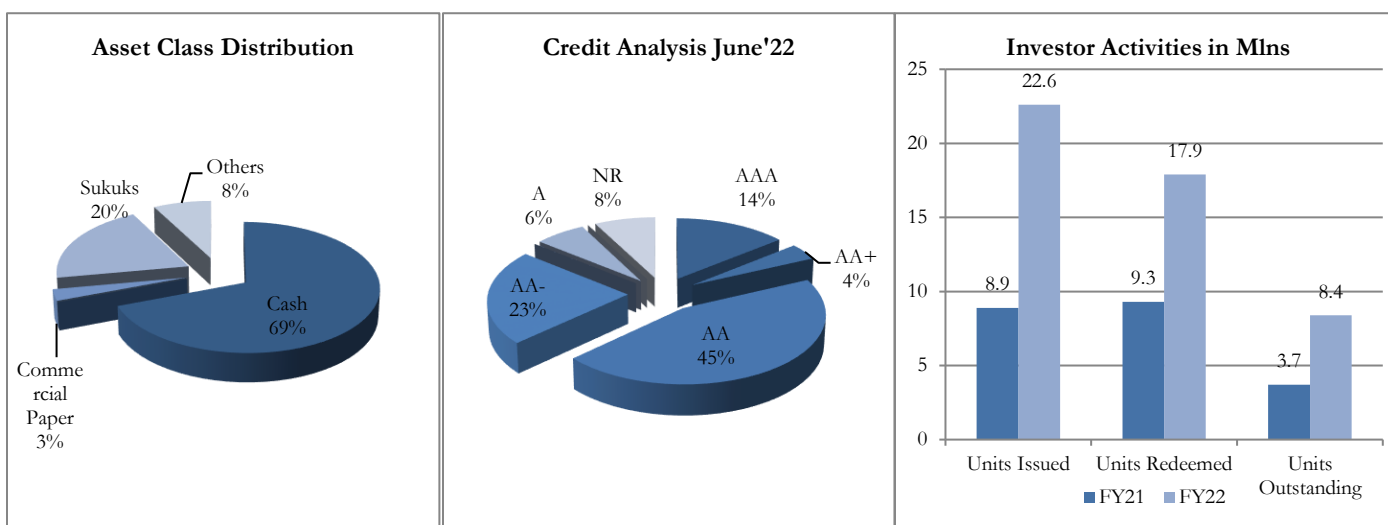
Date: December 29, 2022

Analysts: Asfia Aziz
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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	A+(f)	A+(f)
	Dec 29, 2022	Jan 13, 2022
AMC	UBL Fund Managers Ltd	
External Auditors – Fund	A.F. Ferguson & Co.	
Trustee	Central Depository Company Ltd.	
Front-end Load	Upto 1% (Income & Growth Units)	
Back-end Load	Nil	
Management Fee	0.25%-1.5% per annum	
Benchmark	Weighted average of 12- month deposit rates of three different Islamic Banks	



Launched in October 2007, Al-Ameen Islamic Aggressive Income Fund (AAIAIF) is an open-end Shariah Complaint aggressive income fund with an objective to provide its investors with long-term risk adjusted returns through investments in medium to long-term Shariah Compliant income instruments and short-term money market securities in Pakistan. Overseas investments are supervised under the Sharia Advisory Committee.

The fund's internal operational Investment policy In order to cater to its mandate, the fund's Investment Policy Statement (IPS) restricts exposure in A for different asset classes.

The fund remains a small sized fund with net assets recorded at Rs. 848m at end-June'22 (June'21: Rs. 375m). The fund size increased to Rs. 965m at end- Oct'22.

Offering document (extract)

Description	Minimum rating	Min- Max Limits
Shariah compliant income/securities including Sukuks and commercial paper issued by federal government, local governments and or public sector entities and/or financial institutions	NA	0%-90%
Bank deposits in licensed Islamic banks ad licensed windows of conventional bank, COI (certificated of investments), Certificate of Deposits (COD), Placement of funds under Mudarabah, Murabaha Musharikhah arrangements and other Shariah compliant structured &/or related tenor based investments with financial institutions	NA	0%-90%
Cash/Near cash instruments including current accounts in Islamic banks and licensed Islamic Banking windows of Conventional Banks and Shariah Complaint profit bearing accounts/Shariah Complaint Treasury securities with maturity of up to 99 days	NA	10%*-100%
Shariah Compliant Spread transactions	NA	0%-90%
Shariah compliant investments in overseas markets (including Shariah compliant closed end and open end mutual fund schemes)	NA	0%-30%(subject to cap of \$15m)
Any other Shariah Complaint Securities that may be allowed by the Commission from time to time and is as per guidelines of the Fund's Shariah Advisor and under such parameters as mentioned in the Risk Management policies of the Management Company.	0%	0%-90%

Asset Allocation:

Table 2: Asset Class Distribution:

Asset Allocation	Average June'21	Average June'22	June'22
Cash	71%	73%	69%
Placements with Banks	0%	1%	0%
GoP Ijarah Sukuk	11%	0%	0%
Commercial Paper	0%	8%	3%
Sukuks	15%	13%	20%
Others	3%	5%	8%

During FY22, the fund's asset allocation was in compliance with the requirements specified in the Offering Document (OD). The fund's major holding at end June'22 was engrossed in cash at 69%. On average in FY22, asset allocation in cash dominated at 73% followed by Sukuk investment at 13%.

Credit Quality:

Table 3: Credit Quality

Credit Quality	Average	Maximum	Minimum
AAA	26%	66%	4%
AA+	8%	10%	3%
AA	11%	45%	1%
AA-	26%	56%	0%
A	25%	41%	7%
NR	5%	8%	3%

While the Investment Policy Document remains open to any minimum rating requirement for asset allocation, as per internal investment policy approved by the Board, fund's maximum exposure in 'A' rated instruments is limited at 15% while duration of the fund is to be maintained below 1.25 years. The fund's credit quality remained in line with the operational strategy outlined by the management barring five months in FY22 where exposure in A rated placements were reported higher than 25%, non-complying VIS rating criteria. Nevertheless, on average, exposures below 'A+' remained in line with benchmarks for assigned rating, although maximum exposure in 'A' rated instruments reached 41% at end-Nov'21. Maintaining asset allocation in line with the benchmarks for assigned rating will remain important.

Market Risk:

Weighted Average Maturity (WAM) of the fund has been capped at 1,825 days (5 years) excluding debt instruments issued by GoP. Average WAM and duration were recorded at 219 and 27 days, respectively in FY22. Duration threshold is capped at 1.25 years. Maximum duration during FY22 was recorded at 48 days in Nov'21 while at June end '22, it stood at 18 days complying with the IPS and VIS criteria.

Liquidity Profile:

Funds liquidity remained sound with more than 80% of the net assets parked in liquid investments-cash. Retail composition remained high at 76% (Dec'21: 82%) and top 10 investor concentration is considered moderate at 27% (Dec'21: 37%) at end of June'22.

Fund Performance:

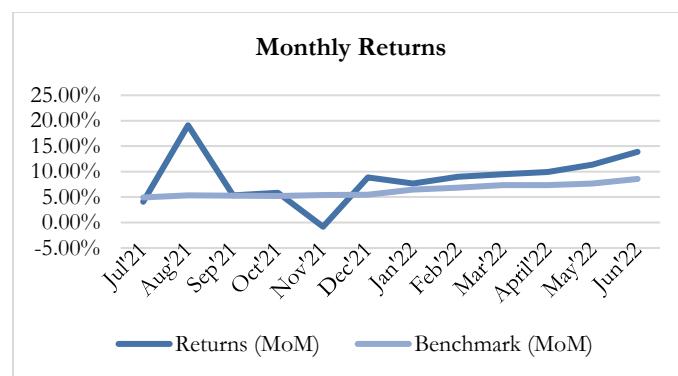


Table 5: Fund Performance:

Performance	FY21	FY22
Total Return	4.78%	8.55%
Benchmark Return	4.91%	6.32%

Fund performance is benchmarked against weighted average of 12-month deposit rates of 3 Islamic banks. During FY22, the fund generated a return of 8.55%, over performing its benchmark return of 6.32%.

BALANCE SHEET	FY21	FY22
Paid Up Capital	N/A	N/A
Total Equity	N/A	N/A
INCOME STATEMENT		
Total Income	31	71
Profit Before Tax	20	65
Profit After Tax	20	65
RATIO ANALYSIS		
Current Ratio (x)	N/A	N/A
Gearing (x)	N/A	N/A

VIS Credit Rating Company Limited

RATING SCALE & DEFINITIONS: **FUND STABILITY RATING SCALE**

AAA(f)

Highest degree of stability in NAV. Risk is negligible with very low sensitivity to changing economic conditions

AA+(f), AA(f), AA-(f)

High degree of stability in NAV. Risk is modest but may vary slightly from time to time because of changing economics conditions

A+(f), A(f), A-(f)

Moderate degree of stability in NAV. Risk factors may vary with possible changes in the economy

BBB+(f), BBB(f), BBB-(f)

Adequate degree of stability in NAV. Risk factors are considered variable if changes occur in the economy

BB+(f), BB(f), BB-(f)

Low degree of stability in NAV. Risk factors are sensitive to changes in the economy

B(f)

Very low degree of stability in NAV. Risk factors are capable of fluctuating widely if changes occur in the economy

The FSR scale of AAA to B is appended by the letter (f) to denote fund ratings and to differentiate it from the nomenclature used for issue and issuer ratings.

FSRs may be placed under 'Rating-Watch' if VIS views that the status of the assigned rating is uncertain and there are conditions present that necessitate re-evaluation of the assigned rating. VIS also designates direction, Positive, Negative or Developing, to ratings placed under 'Rating-Watch'. This shows VIS's opinion regarding the likely direction of a rating. Developments in factors other than those that necessitated the 'Rating-Watch' may result in a rating change, while the rating continues to be placed under 'Rating-Watch'.

REGULATORY DISCLOSURES

Appendix

Name of Rated Fund	Al-Ameen Islamic Aggressive Income Fund		
Sector	Mutual Funds		
Type of Relationship	Solicited		
Purpose of Rating	Fund Stability Rating (FSR)		
Rating History	Rating Date	Medium to Long Term	Rating Action
	29-Dec-22	A+(f)	Reaffirmed
	13-Jan-22	A+(f)	Reaffirmed
	06-Jan-21	A+(f)	Upgrade
	16-Oct-20	A(f)	Upgrade
	31-Dec-19	BBB+(f)	Reaffirmed
	31-Dec-18	BBB+(f)	Reaffirmed
	29-Dec-17	BBB+(f)	Reaffirmed
	30-Dec-16	BBB+(f)	Reaffirmed
	6-Jan-16	BBB+(f)	Reaffirmed
	12-Aug-14	BBB+(f)	Upgrade
	25-Apr-13	BBB(f)	Upgrade
	10-Apr-12	BB+(f)	Downgrade
8-Dec-10	BBB-(f)	Initial	
Instrument Structure	N/A		
Statement by the Rating Team	VIS, the analysts involved in the rating process and members of its rating committee do not have any conflict of interest relating to the credit rating(s) mentioned herein. This rating is an opinion on credit quality only and is not a recommendation to buy or sell any securities.		
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