

Al-Ameen Islamic Aggressive Income Fund (AAIAIF)

Managed By: UBL Fund Managers Limited

Fund Stability Rating

Latest Rating

A+(f)

29-Dec-23

What is Fund Stability Rating

Fund Stability Rating (FSR) is a measure used to assess the stability and risk associated with a mutual fund or investment portfolio. The stability rating combines a comprehensive quantitative evaluation of the fund's portfolio with a qualitative assessment of fund management. This rating offers investors an impartial gauge of the primary areas of risk that income funds may face, including credit risk, liquidity risk, and interest rate risk.

Fund Information

Auditor	A. F. Ferguson & Co., Chartered Accountants
Trustee	Central Depository Company of Pakistan Limited
Front-end Load	Upto 1% (Growth Income Units)
Back-end Load	Nil
Benchmark	Weighted average of 12 Month deposit rates of 3 Islamic Banks
MQR Rating	AM1(VIS)
Mgt. Fee	Up to 2.5% of daily net assets not to exceed max. TER regulatory limit.

Fund Overview

Al Ameen Aggressive Income Fund (the Fund) is an open-ended Shariah Compliant Aggressive Fixed Income fund constituted under a Trust Deed entered into on October 20, 2007, between UBL Fund Mngers Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee.

Investment Objective

The objective of the scheme is to invest in medium to long-term income instruments as well as short-tenor money market instruments to generate superior, long-term, risk-adjusted returns while preserving capital over the long-term.

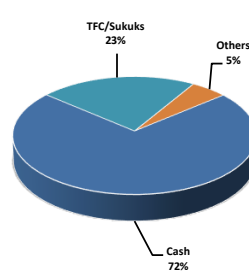
Offering Document (Extract)

Description	Minimum rating	Min- Max Limits
Shariah compliant income / securities including Sukuks and commercial paper issued by federal government, local governments, government agencies, statutory bodies, private and or public sectorentities and / or Financial Institutions	N/A	0% - 90%
Bank Deposits in Licensed Islamic Banks and licensed windows of conventional bank, , Certificate of Investments, Certificate of Deposits, Placement of funds under Mudarabah, Murabaha Musharikhah arrangements and other Shariah Compliant Structured and/or related tenor based investments with financial institutions.	N/A	0% - 90%
Cash/Near Cash instruments including Current Accounts in the basis of Islamic banks and the average licensed Islamic of each Banking Windows of calendar Conventional month) Banks and Shariah Compliant profit bearing accounts/Shariah Compliant Treasury securities with maturity of up to 90 days.	N/A	10% - 100%
Shariah Compliant Spread Transactions	N/A	0% - 90%
Shariah Compliant Investments in overseas markets (including Shariah Compliant closed-end and open-fund mutual fund schemes).	N/A	0% - 30% (Note: subject to a cap of USD 15 million)
Any other Shariah Compliant Securities that may be allowed by the Commission from time to time and is as per the guidelines of the Fund's Shariah Advisor and under such parameters as mentioned in the Risk Management Policies of the Management Company	N/A	0% - 90%

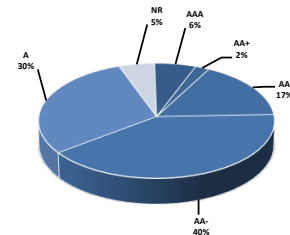
Net Assets

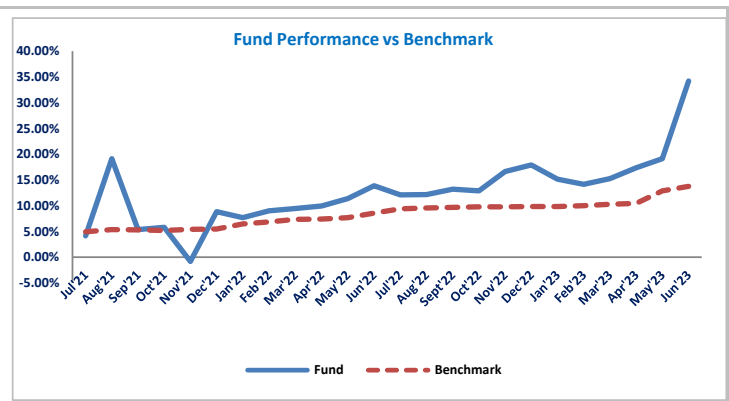
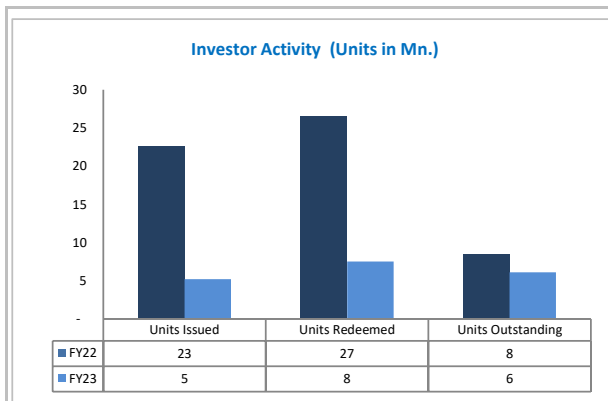
	Jun'21	Jun'22	Jun'23
Net Assets (In PKR' Millions)	375	848	618

Asset Allocation - Jun'23



Credit Quality - Jun'23





Credit Quality (FY'23)	Average	Maximum	Minimum	Avg. Asset Allocation (% wise)	FY'22 Avg.	FY'23 Avg.
Government Securities	0.00%	0.00%	0.00%	Cash	73.22%	82.39%
AAA	17.76%	56.03%	1.50%	Placements with banks	0.98%	0.00%
AA+	2.94%	3.60%	1.77%	GOP Ijarah Sukuk	0.00%	0.00%
AA	9.31%	18.16%	0.35%	Commercial Paper	6.58%	0.00%
AA-	24.82%	40.24%	11.16%	TFC/Sukuks	13.43%	11.16%
A+	0.01%	0.01%	0.00%	Others	4.54%	6.45%
A	38.70%	49.22%	9.58%			
A-	0.00%	0.00%	0.00%			
BBB+	0.00%	0.00%	0.00%			
BBB	0.00%	0.00%	0.00%			
BBB-	0.00%	0.00%	0.00%			
NR*	6.45%	8.71%	3.53%			

*Non-rated includes receivables/acrnals from securities having a credit rating of not less than A

Portfolio Maturity (FY'23)	Average	Maximum	Minimum	Fund Performance	FY'22	FY'23
WAM in year(s)	0.60	1.06	0.15	Total Return	8.55%	17.98%
Duration (In Days)	103	204	0	Benchmark Return	6.32%	10.43%
				Peer Average	-	-
				Peer Ranking	-	-

Fund Stability Analysis

The Al-Ameen Islamic Aggressive Income Fund has been assigned a rating of AA(f). This rating indicates a moderate degree of stability in the Net Asset Value (NAV) of the fund.

Asset Allocation:

The fund's Asset Under Management (AUMs) has dipped to Rs. 618m as of June'23 (June'22: Rs. 848m). According to the offering document, the fund has remained within the asset allocation parameters as identified. The fund follows a Shariah-compliant investment policy, with major investments engrossed in Cash (82.4%) and TFC/Sukuk (11.2%) during FY23.

Credit Quality:

The Investment Policy Document does not specify a minimum rating requirement for asset allocation. According to the asset allocation on monthly average basis, 38.7% of the assets are placed in A rated instruments in FY23 (up from 25.1% in FY22), followed by 24.82% in AA- and 17.76% in AAA rated securities. However, on a credit quality front of A+ rated fund, the fund breached the threshold of minimum 25% allocation in A rated instruments as per VIS rating methodology. Going forward, complying with the VIS rating benchmark will remain important for rating.

Liquidity and Market Risk:

The fund's rating is upheld despite the breach, owing to the improved liquidity position of the fund, with 82.3% of its investments held in cash during FY23 (FY22: 73.2%). Retail proportion has dropped yet remains high as of June'23 at 64% (June'22: 76%). Hence, top 10 investor concentration has also augmented and stands at 44% as of June'23 (June'22: 27%).

The Weighted Average Maturity (WAM) of the fund is limited to 1,825 days, excluding government securities. In FY23, the average WAM and duration were reported at 220 and 103 days, respectively, in accordance with the requirement specified in the Offering Document.

Fund Performance:

The fund's performance has consistently outperformed the benchmark return, indicating strong fund performance.

Financial Snapshot

	FY22	FY23
BALANCE SHEET		
Paid Up Capital	N/A	N/A
Total Equity	N/A	N/A
INCOME STATEMENT	FY22	FY23
Total Income	71.2	154.9
Profit Before Tax	64.9	143.7
Profit After Tax	64.9	143.7
RATIO ANALYSIS	FY22	FY23
Current Ratio (x)	N/A	N/A
Gearing (x)	N/A	N/A
FFO	N/A	N/A

Regulatory Disclosures			
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 Type	Rating Date	Medium to Long Term	Rating Action
Fund Stability	29-Dec-23	A+(f)	Reaffirmation
Fund Stability	29-Dec-22	A+(f)	Reaffirmation
Fund Stability	13-Jan-22	A+(f)	Reaffirmation
Fund Stability	7-Jan-21	A+(f)	Upgrade
Fund Stability	16-Oct-20	A(f)	Upgrade
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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Rating Scale	https://docs.vis.com.pk/docs/VISRatingScales.pdf		

Lead Analyst	Analyst
Muhammad Amin Hamdani amin.hamdani@vis.com.pk	Syed Ilyas Afridi ilyas.afridi@vis.com.pk

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