

Al-Ameen Islamic Aggressive Income Fund (AAIAIF)

Managed By: UBL Fund Managers Limited

Fund Stability Rating

Latest Rating

A+(f)

9-Jan-25

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

Launch Date	October 20, 2007
Fund Type	Open End
Category	Shariah Compliant Aggressive Fixed Income
Risk Profile	Medium risk of principal erosion
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 Managers 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.

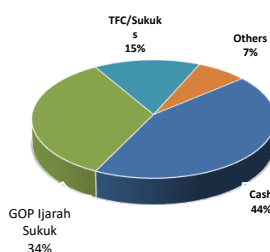
Offering Document (Extract)

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 sector entities 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%

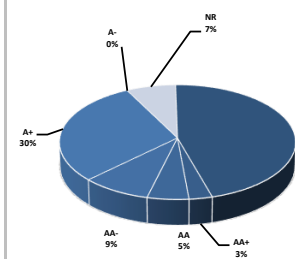
Net Assets

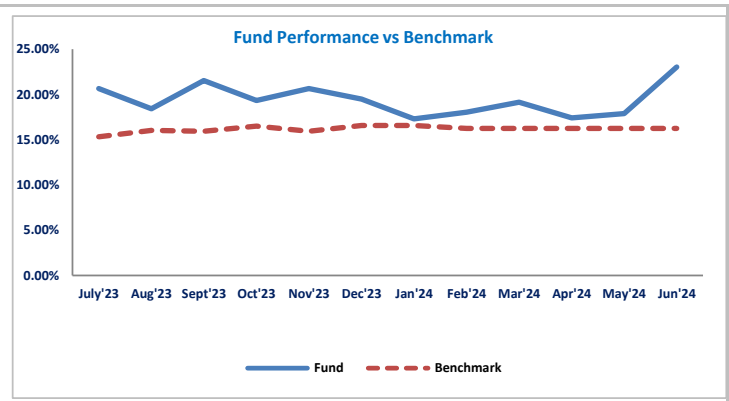
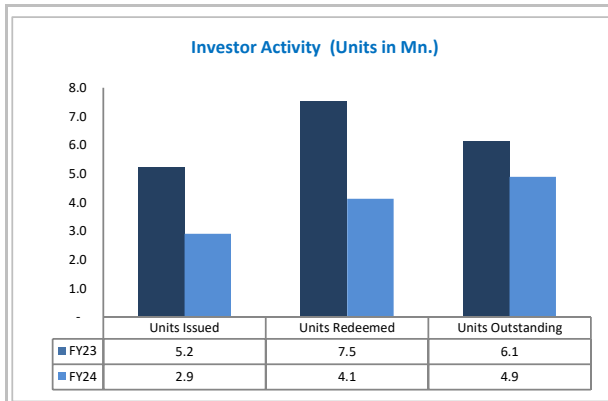
	Jun'22	Jun'23	Jun'24
Net Assets (In PKR' Millions)	848	618	494

Asset Allocation - Jun'24



Credit Quality - Jun'24





Credit Quality (FY'24)	Average	Maximum	Minimum	Avg. Asset Allocation (% wise)	FY'23 Avg.	FY'24 Avg.
Govt Sec/ AAA	33.54%	45.85%	1.54%	Cash	82.39%	40.86%
AA+	2.26%	3.59%	1.76%	Placements with banks	0.00%	0.00%
AA	14.91%	20.75%	5.32%	GOP Ijarah Sukuk	0.00%	26.81%
AA-	14.23%	42.92%	7.87%	Commercial Paper	0.00%	0.00%
A+	15.79%	30.47%	0.01%	TFC/Sukuks	11.16%	24.32%
A	9.06%	37.59%	0.00%	Others	6.45%	8.01%
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	10.23%	34.00%	6.04%			
Total	100.00%					

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

Portfolio Maturity (FY'24)	Average	Maximum	Minimum	Benchmark	Fund Performance	FY'23	FY'24
WAM in year(s)	1.23	1.51	1.07	5.00	Total Return	17.98%	21.23%
Duration (In Days)	42.58	83.95	18.25	1825.00	Benchmark Return	10.43%	16.17%
					Peer Average	-	20.55%
					Peer Ranking	-	1 out of 2

Fund Stability Analysis

The Al-Ameen Islamic Aggressive Income Fund has been assigned a rating of A+(f). This rating indicates a moderate degree of stability in the Net Asset Value (NAV) of the fund. Risk factors may vary with possible changes in the economy.

Asset Allocation:

During FY24, the Fund’s Assets Under Management (AUM) decreased to Rs. 494m as at Jun’24 (Jun’23: Rs. 618m). Throughout this period, the Fund’s asset allocation strategy adhered to the mandate outlined in the offering document. The allocation shifted towards GoP Ijarah Sukuks and TFC/Sukuks, accounting for ~27% and ~24% of the Fund’s average investments respectively (FY23: 0% and ~11%). At the same time, the proportion of cash declined to ~41% of the portfolio (FY23: ~80%).

Credit Quality:

The Fund's offering document does not define a minimum rating threshold for its investments. During FY24, the Fund's investments were primarily concentrated in Govt Sec/AAA-rated assets, accounting for approximately 33% of the portfolio, followed by A+ (~16%), AA- (~14%), AA (~15%), A (~9%) and AA+ (~2%) rated assets. Additionally, cash deposits were placed in AA- and above rated banks, while "Not Rated" exposures accounted for receivables against sale of securities or profit accrued against investments. The Fund's credit quality aligns with the VIS benchmark for the assigned rating.

Liquidity and Market Risk:

During FY24, the weighted average maturity (WAM) of the Fund was recorded at 449 days on average, well below the defined threshold of 1,825 days, as stipulated in the offering document.

The Fund's liquidity profile weakened during FY24, with liquid assets comprising approximately 76% of the total portfolio, down from ~89% in FY23. Retail investors dominated the Fund’s investor base, accounting for ~79% of the AUM as of June 2024, while corporate investors held the remaining share. Client concentration risk remains manageable, with the top ten investors contributing ~45% of the total investments.

Fund Performance:

During FY24, the Fund’s returns outperformed its benchmark both on an annualized and a monthly basis.

Financial Snapshot

	FY23	FY24
BALANCE SHEET		
Paid Up Capital	N/A	N/A
Total Equity	N/A	N/A
INCOME STATEMENT		
Total Income	154.9	108.7
Profit Before Tax	143.7	100.2
Profit After Tax	143.7	100.2
RATIO ANALYSIS		
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	9-Jan-25	A+(f)	Reaffirmation
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		

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