

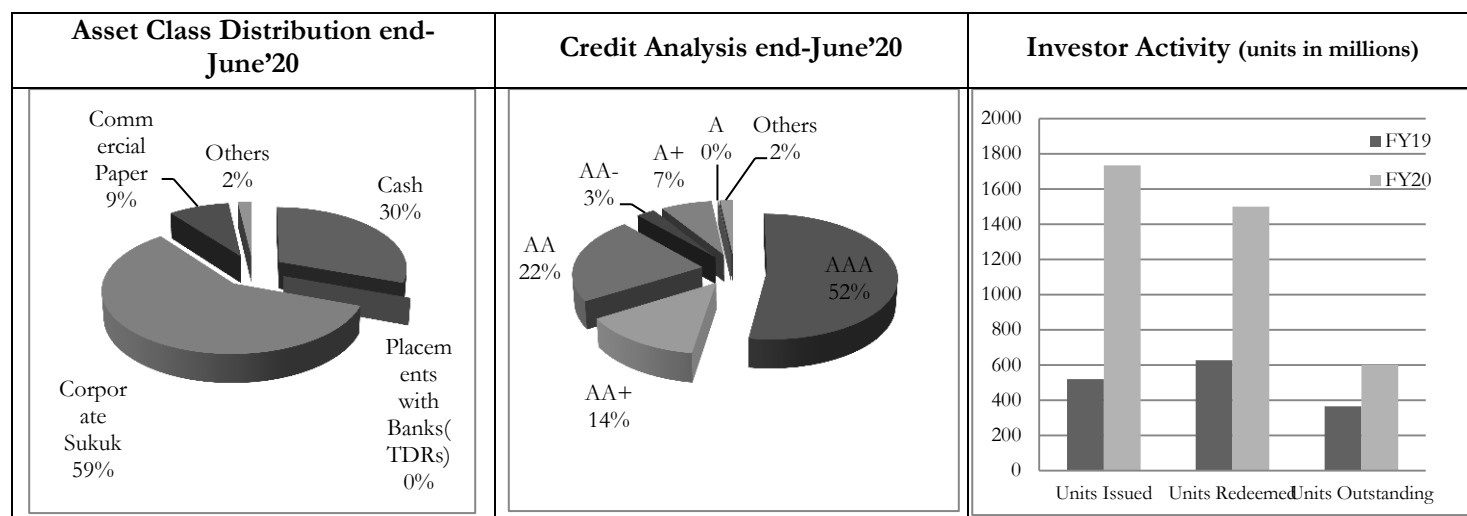
31 December, 2020

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Investment Objective

To provide investors with an opportunity to earn higher income over the medium to long term by investing in a diversified portfolio comprising Shari’ah compliant money market and debt instruments.

ABL Islamic Income Fund		
Rating Category	Latest	Previous
Fund Stability Rating	A+(f) Dec 31 '20	A(f) Jan 20, '20
Management Company	ABL Asset Management Company Limited	
Chief Executive	Mr. Alee Khalid Ghaznavi	
Fund Manager	Mr. Abdul Rehman Tahir, CFA	
Trustee	Central Depository Company of Pakistan Limited	
Front-end Load	1%	
Management Fee	2% gross subject to minimum 0.25% up to 0.75% of NA p.a	
Benchmark	Average deposit rate of 3 A Rated Islamic banks	



ABL Islamic Income Fund (ABL-IIF) was launched in 2010 as an open-end Shariah compliant investment scheme. The fund aims to provide its investors with an opportunity to earn higher income through investments in a diversified pool of debt consisting of Shariah compliant instruments.

In order to minimize credit risk and preserve a stable asset mix, exposure limits and minimum rating criteria of the investment avenues have been specified in the Investment Policy Statement (IPS)

At end-June'20, net assets of the fund witnessed a significant increase closing at Rs. 6.1b (FY19: Rs. 3.7b).

Table 1: Offering Document: (extract)

Asset Class	Entity Rating	Instrument Rating	Exposure Limit (% of NAV)
Shariah Compliant Government Securities;	N/A	N/A	0%-75%
Cash and Bank Balances	A	N/A	25%-100%
Sukuks issued by Government and corporate Entities	A+	A+	0%-75%
Term Deposit Receipts	A	A	0 -75% (A – Mat. <6 months), 0 - 15% (A – Mat. >6 months)

Asset Allocation:
Table 2: Asset allocation summary

	FY19	FY20	Average FY20
Cash & bank balances	69%	31%	54%
Corporate Sukuk	29%	59%	34%
Commercial Paper	0%	9%	6%
Term Deposits	0%	0%	0%
Others assets	2%	2%	6%

* Based on monthly average calculated on a daily basis

At end-June'20, the fund's major asset allocation plan remained concentrated in its cash balances and corporate Sukuk holdings at 31% and 59% respectively, remaining investment portfolio consisted of commercial paper and others. Month-on-month average analysis depict that 54% of the funds were placed in cash balances and 34% was invested in Sukuks.

Asset Allocation of the fund complied with the specified requisites of the (IPS) and VIS's criteria barring one instance where the fund took excess exposure in Corporate Sukuks at end-May'20.

Credit Quality:
Table 3: Credit Quality Summary FY19

	Average	Maximum	Minimum
AAA	19%	60%	0%
AA+	7%	18%	0%
AA	21%	25%	13%
AA-	14%	47%	1%
A+	30%	56%	5%
A	3%	31%	0%
Others	6%	17%	2%

During FY20, on an average basis the fund's exposure in AA- rated issue/issuer increased to 14% (FY19: 7%) whereas exposure in AA and A+ rated issue/issuer was reported to be 21% and 30%, respectively. The fund majorly complied with the IPS and VIS credit quality requisites for the assigned ratings.

Market Risk:

Weighted average time to Maturity (WAM) of the fund shall be no longer than 4 years whereas the modified duration of the fund shall be 180 days. Maximum and minimum durations in the WAM were reported at 788 and 22 days at end-Oct'19 and end-Jun'20 respectively. Average modified duration of the fund was reported at 22 days during FY20 therefore complying with the IPS.

Liquidity Profile:

Total number of investors in the fund increased to 2,473 (FY19: 1,537) at end-FY20. Retail portion has been witnessing an increase on historical basis; proportion held by retail investors increased to 49% (FY19: 26%) while unrelated corporates held 44% (FY19: 31%) of the fund's total asset base.

Fund's Performance:
Table 4: Performance summary

Performance	FY19	FY20
Total Return	8.47%	11.28%
Benchmark Return	3.69%	6.35%
Relative Ranking	5 out of 20	9 out of 21

Performance of the fund is benchmarked against average 6-month deposit rate of three A rated Islamic banks. During FY20 the fund posted an annualized return of 11.28% (FY19: 8.47%) surpassing its benchmark of 6.35%. Relative to its peers, the ranking of the fund deterred ranking 9th out of a total of 21 funds in the category. (FY19: 5/20)

Rating History

Rating Type	Rating Date	Medium to Long Term	Outlook	Rating Action
Fund Stability	12/31/2020	A+(f)		Upgraded
Fund Stability	1/20/2020	A(f)		Reaffirmed
Fund Stability	01/16/2019	A(f)		Reaffirmed
Fund Stability	01/16/2018	A(f)		Reaffirmed
Fund Stability	12/30/2016	A(f)		Reaffirmed
Fund Stability	12/31/2015	A(f)		Reaffirmed
Fund Stability	10/16/2014	A(f)		Downgrade
Fund Stability	1/17/2013	A+(f)		Reaffirmed
Fund Stability	1/10/2012	A+(f)		Reaffirmed
Fund Stability	10/27/2011		Rating Watch - Developing	Rating Watch-Developing

<u>BALANCE SHEET</u>	FY19	FY20
Paid Up Capital	N/A	N/A
Total Equity	N/A	N/A
<u>INCOME STATEMENT</u>		
Total Income	376	683
Profit Before Tax	316	596
Profit After Tax	316	596
<u>RATIO ANALYSIS</u>		
Current Ratio (x)	N/A	N/A
Gearing (x)	N/A	N/A