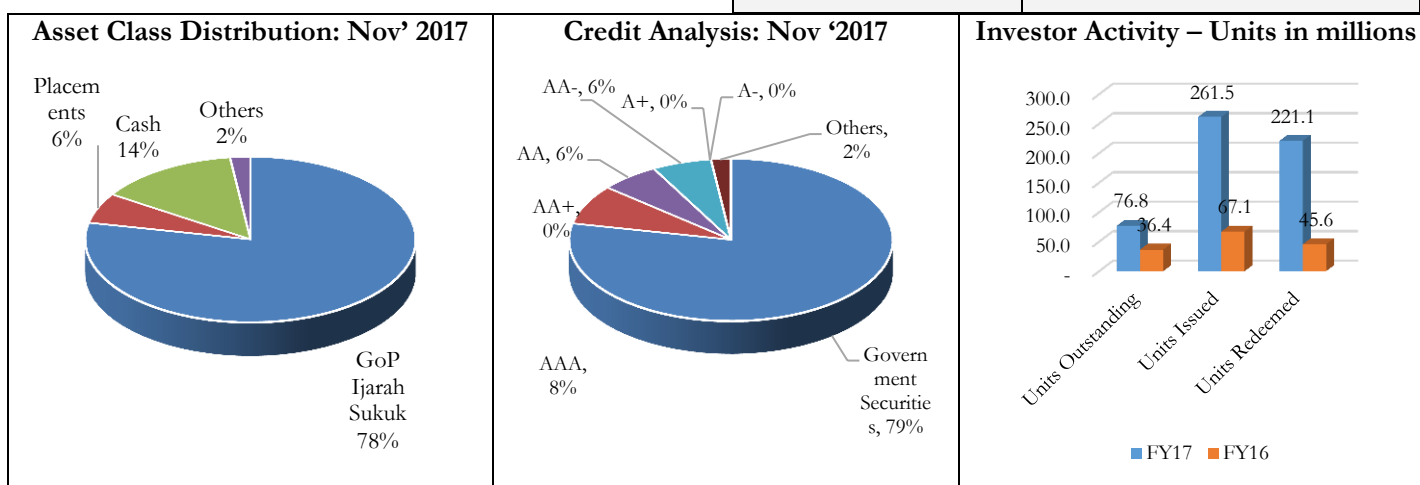


Date: January 8, 2018

Analysts: Talha Iqbal  
 Mohammad Ibad Desmukh

Al-Ameen Islamic Sovereign Fund		
Rating Category	Latest	Previous
Fund Stability Rating	AA-(f) Dec 29, '17	AA-(f) Dec 30, '16
Asset Management Company	UBL Fund Managers Limited	
External Auditors - Fund	KPMG Taseer Hadi& Co.	
Fund Manager	Mr. Shabbir Sardar Zaidi, CFA	
Trustee	Central Depository Company Ltd.	
Front-end Load	1%	
Back-end Load	Nil	
Management Fee	1% per annum	
Benchmark	Average of 6M PKISRV rates	



Al-Ameen Islamic Sovereign Fund (AISF) was launched in November'2010 by the name of UBL Islamic Sovereign Fund. It was later renamed in line with rebranding of all Shariah compliant funds, being managed by UBL Fund Managers Limited (UBL FM).

Over FY17, size of the remained largely stagnant; however, a significant jump was noted at end of June 2017 with AUMs increasing to Rs. 7.7b from Rs. 3.3b at end of previous month. The fund size stood at Rs. 3.2b at end-November'2017.

As per the offering document, AISF has to maintain a minimum of 70% exposure in Shariah compliant government securities. Similarly, the portfolio must also maintain minimum exposure of 10% in cash in bank accounts (excluding TDR) calculated on the basis of average for each calendar month. Remaining exposure can be taken in deposits in licensed Islamic Banks and Islamic

windows of conventional banks, placements of funds under, Musharaka, Modaraba, Murabaha, Ijarah and Istisna arrangements with banks and DFIs. In line with its mandate to minimize risk, all the counterparties are subject to a minimum rating of 'AA-'.

Actual asset allocation of the fund was largely in line with the stipulated limits established in the IPS. Credit risk emanating from the portfolio is considered manageable; given that majority of the assets are deployed in sovereign instruments and highly rated avenues.

Table 1: Actual Asset Allocation

	End-June 2017	Average FY17
GoP Ijarah Sukuk	27.8%	68.0%
Placements with Banks	-	12.8%
Cash	71.6%	17.8%
Others	0.6%	1.3%

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Weighted Average Maturity (WAM) of the fund is capped at 4 years, with the exception of government securities. Maximum WAM of 2.1 years was reported at end-August'2016. Barring June'2017, duration of the fund has exceeded JCR-VIS's internal criteria for the assigned rating on a consistent basis during FY17.

Performance of the fund is benchmarked against average of 6M PKISRV rates. The fund outperformed its benchmark during FY17. However, in July 2017, the fund posted a negative return.

Investor concentration in the fund has decreased with top 10 investors representing 15% (FY16: 29%) of the outstanding units at end-FY17. Given the liquidity profile of assets, ability to meet redemptions is considered sound JCR-VIS

Rating Date	Medium to Long Term	Outlook	Short Term	Rating Action
<b><u>RATING TYPE: Fund Stability</u></b>				
29-Dec-17	AA- (f)			Reaffirmed
30-Dec-16	AA- (f)			Reaffirmed
06-Jan-16	AA- (f)			Reaffirmed
12-Aug-14	AA- (f)			Reaffirmed
16-Apr-13	AA- (f)			Reaffirmed
29-Mar-12	AA- (f)			Harmonized
20-May-11	AA- (f)			Initial