

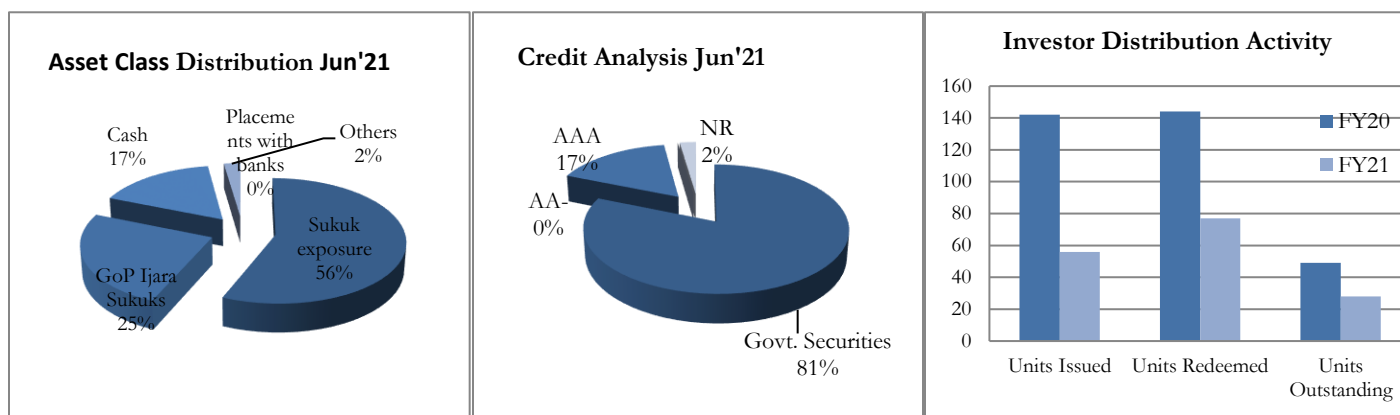
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Analysts: Sara Ahmed  
Nisha Ahuja

### Investment Objective

AISF is an open-end Shariah Compliant Income Fund which aims to generate a competitive return with minimum risk, by investing primarily in Shariah Compliant Government Securities.

Al Ameen Islamic Sovereign Fund		
Rating Category	Latest	Previous
Fund Stability Rating	AA(f)	AA(f)
	Jan 13, 22	Jan 6, 21
AMC	UBL Fund Managers Limited	
External Auditors – Fund	A.F. Ferguson & Company	
Trustee	Central Depository Company Ltd.	
Front-end Load	1%	
Back-end Load	Nil	
Management Fee	1% per annum	
Benchmark	Average of 6M PKRV rates	



Al-Ameen Islamic Sovereign Fund (AISF) is an Islamic open ended fund launched in 2010 to provide competitive returns with low risk through Shariah compliant avenues. As per the Offering Document (OD), the fund has to maintain investments in minimum 'AA' rated exposures.

During FY21, fund size (excluding Funds of Fund) remained fairly stable only increasing slightly to Rs.2.63b at end Jun'21 from Rs. 2.3b at end Jun'20. Including FoF, total size of the fund was recorded at Rs. 2.7b.

Description	Exposure Limit	Min Rating
Shariah Compliant Government Securities	70-100%	N/A
Cash in Bank Accounts (excluding TDR) with Islamic Banks or Islamic windows of Conventional Banks plus Cash & Near Cash instruments which include short term shariah compliant Government securities having maturity not exceeding 90 days.	10%-30%	AA-
Cash in Bank Accounts (excluding TDR) with Islamic Banks or Islamic windows of Conventional Banks plus Cash & Near Cash instruments which include short term shariah compliant Government securities having maturity not exceeding 90 days. (Provided that, in case, shariah compliant government securities are not available, the remaining net assets of the Fund, after reducing cash and near cash	0-30%	AA-
Any other Shariah compliant non-traded security with maturity exceeding 6 months, including but not limited to (i) deposits in Islamic Banks and Islamic banking windows of conventional Banks; (ii) Placement of funds under, Musharaka, Mudarabah, Murabaha, Ijarah and Istisna'a arrangements with banks and DFIs	0%-15%	AA-

## Asset Allocation:

Table 2: Asset Class Distribution:

Asset Allocation	Avg'20	Avg'21	Jun' 21
<b>Sukuk</b>	6%	49%	56%
<b>GoP Ijarah Sukuk</b>	1%	13%	25%
<b>Placements with Banks</b>	0.0%	2%	0.0%
<b>Cash</b>	91%	34%	17%
<b>Other</b>	2.0%	2%	2%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

During FY21, the fund's asset allocation was in compliance with the standards specified in the OD. With an increase in Shariah compliant Government securities, the fund shifted its investment largely from cash holdings into the recent GoP energy Sukuk and also increased exposure in GoP Ijarah Sukuk. Accordingly, deployment in cash holdings declined.

## Credit Quality:

Table 3: Credit Quality

Credit Quality	Average	Maximum	Minimum
<b>AAA</b>	81%	82%	40%
<b>AA+</b>	1%	2%	0%
<b>AA</b>	9%	29%	0%
<b>AA-</b>	7%	12%	0%
<b>A</b>	0%	0%	0%
<b>Not Rated</b>	2%	4%	1%

In order to cater to its mandate, the fund is required to invest in instruments that have a minimum credit quality rating of 'AA-' or higher. The fund majorly complied with the requirements of the Offering Document. Asset quality of the fund depicts improvement with larger exposures in 'AAA' rated Government securities. During the year, on an average, 81% of the fund's investment portfolio was held with 'AAA' rated Sukuk issues and the remaining in AA with a fractional investment in unrated instruments.

## Market Risk:

Weighted average maturity (WAM) is capped at 4 years excluding Government Securities as per the Offering Document. Since largely investments were deployed in Government Securities, WAM of the fund at 5 years remained compliant with the constituent documents. Average Modified duration was recorded at 61 days which is within the acceptable thresholds for the assigned level of ratings.

## Liquidity:

Liquidity profile remains comfortable with a large proportion assets allocated in cash or government securities against which liquidity can be generated with ease. AISF's retail proportion remains high.

## Fund Performance:

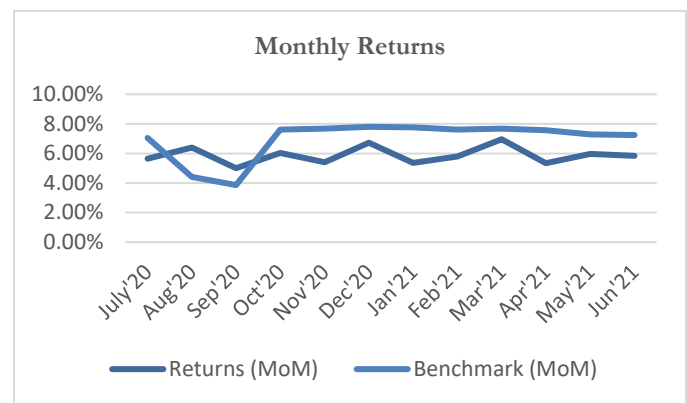


Table 5: Fund Performance:

Performance	FY20	FY21
<b>Total Return</b>	9.90%	5.87%
<b>Benchmark Return</b>	7.88%	6.96%
<b>Peer Average</b>	10.75%	5.99%
<b>Peer Ranking</b>	19/21	15/22

Benchmark of the fund is determined by 6 months PKISRV rates. In FY21, the fund underperformed its benchmark return as well as its peer average. However, compared to last year, the fund ranking improved vis-à-vis peers. The fund ranked 15<sup>th</sup> out of 22 funds. The fund depicts further improved performance as of YTD Oct 2021.

### Rating History

Rating Type	Rating Date	Medium to Long Term	Rating Action
Fund Stability	13-Jan-22	AA (f)	Reaffirmed
Fund Stability	06-Jan-21	AA (f)	Upgrade
Fund Stability	31-Dec-19	AA- (f)	Reaffirmed
Fund Stability	31-Dec-18	AA- (f)	Reaffirmed
Fund Stability	29-Dec-17	AA- (f)	Reaffirmed
Fund Stability	30-Dec-16	AA- (f)	Reaffirmed
Fund Stability	6-Jan-16	AA- (f)	Reaffirmed
Fund Stability	12-Aug-14	AA- (f)	Reaffirmed
Fund Stability	16-Apr-13	AA- (f)	Reaffirmed
Fund Stability	29-Mar-12	AA- (f)	Harmonized
Fund Stability	20-May-11	AA- (f)	Initial

<u>BALANCE SHEET</u>	FY20	FY21
Paid Up Capital	N/A	N/A
Total Equity	N/A	N/A
<u>INCOME STATEMENT</u>		
Total Income	564	252
Profit Before Tax	476	194
Profit After Tax	476	194
<u>RATIO ANALYSIS</u>		
Current Ratio (x)	N/A	N/A
Gearing (x)	N/A	N/A