

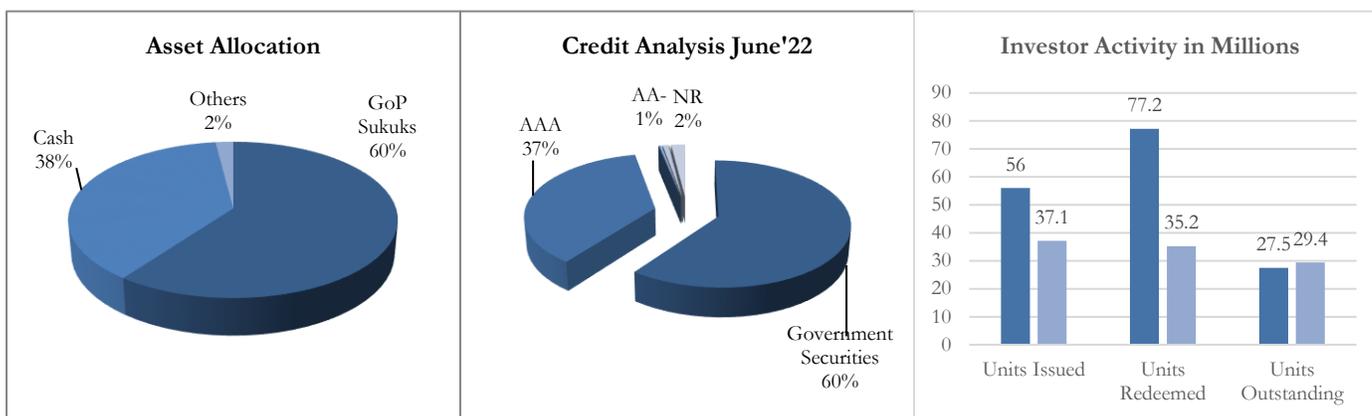
Date: December 29, 2022

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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)
	Dec 29, 2022	Jan 12, 22
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 PKISRV 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 FY22, fund size (excluding Funds of Fund) increased to Rs. 2.94b at end-Jun'22 from Rs. 2.79b at end-Jun'21. However with redemptions in the first quarter being higher than investments, the fund size (excluding FoF) was recorded lower at Rs. 2.25b at end-Oct'22.

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. (Provided that, in case, shariah compliant government securities are not available, the remaining net assets of the Fund may be deposited in Islamic banks or Islamic window of conventional banks, after reducing cash and near cash limit upto 30%.	10%-30%	AA-
Any other Shariah compliant non-traded security with maturity of up to 6 months, including but not limited to: (i) deposits in licensed Islamic Banks and licensed Islamic banking windows of conventional Banks; (ii) Placement of funds under, Musharaka, Modaraba, Murabaha, Ijarah and Istisna arrangements with banks and DFIs..	0-30%	AA-
Any other Shariah compliant non-traded security with maturity exceeding 6 months, including but not limited to: (i) deposits in licensed Islamic Banks and licensed Islamic banking windows of conventional Banks; (ii) Placement of funds under, Musharaka, Modaraba, Murabaha, Ijarah and Istisna arrangements with banks and DFIs.	0%-15%	AA-

Asset Allocation:

Table 2: Asset Class Distribution:

Asset Allocation	Avg'21	Avg'22	Jun' 22
GoP Sukuk	61.8%	76.1%	60%
Placements with Banks	2.2%	0.6%	0.0%
Cash	33.7%	21.0%	37.8%
Other	2.4%	2.5%	1.98%
Total	100%	100%	100%

During FY22, the fund's asset allocation was majorly in compliance with the standards specified in the OD with higher proportion of 84% (FY21: 62%) of the net assets invested in GoP Ijarah Sukuk and GoP energy Sukuk. Accordingly, deployment in cash holdings declined to an average of 21% (FY21: 34%). According to the OD, a minimum of 70% of the fund's exposure should lie within Islamic Government securities on a quarterly average basis. The fund remained compliant with said requirement throughout the period.

Credit Quality:

Table 3: Credit Quality

Credit Quality	Average	Maximum	Minimum
AAA	85%	97%	77%
AA+	1%	4%	0%
AA	2%	11%	0%
AA-	9%	20%	1%
Not Rated	3%	4%	2%

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 complied with the requirements of the Offering Document. During the year, on an average, 85% of the fund's investment portfolio was held with 'AAA' rated Sukuk issues and the remaining in 'AA-' with a fractional investment in 'AA+', 'AA' & unrated instruments. As per assigned ratings criteria, exposure in AA- rated instruments is capped at 25% of the net assets which was complied by during FY22.

Market Risk:

Weighted average maturity (WAM) is capped at 4 years excluding Government Securities as per the Offering Document excluding exposure in GoP securities. During FY22, average modified duration was reported at 76 days complying to the IPS and VIS criteria for the assigned 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 (66%). Proportion of Top-10 investors was reported at 39% at end-FY22.

Fund Performance:

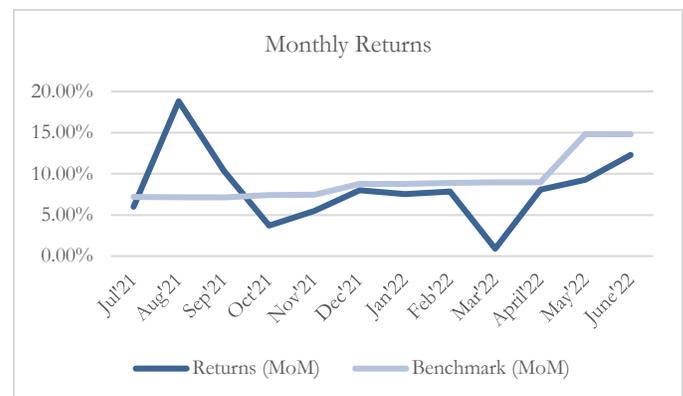


Table 5: Fund Performance:

Performance	FY21	FY22
Total Return	5.87%	8.10%
Benchmark Return	6.96%	9.19%
Peer Average	5.99%	8.91%
Peer Ranking	15/22	20/21

Benchmark of the fund is determined by 6 months PKISRV rates. In FY22, the fund underperformed its benchmark return as well as its peer average. The fund ranked 20th out of 21 funds in FY22 lying in the fourth quartile.

BALANCE SHEET	FY21	FY22
Paid Up Capital	N/A	N/A
Total Equity	N/A	N/A
<u>INCOME STATEMENT</u>		
Total Income	252	244
Profit Before Tax	194	223
Profit After Tax	194	223
<u>RATIO ANALYSIS</u>		
Current Ratio (x)	N/A	N/A
Gearing (x)	N/A	N/A

VIS Credit Rating Company Limited**RATING SCALE & DEFINITIONS: FUND STABILITY RATING SCALE****AAA(f)**

Highest degree of stability in NAV. Risk is negligible with very low sensitivity to changing economic conditions

AA+(f), AA(f), AA-(f)

High degree of stability in NAV. Risk is modest but may vary slightly from time to time because of changing economics conditions

A+(f), A(f), A-(f)

Moderate degree of stability in NAV. Risk factors may vary with possible changes in the economy

BBB+(f), BBB(f), BBB-(f)

Adequate degree of stability in NAV. Risk factors are considered variable if changes occur in the economy

BB+(f), BB(f), BB-(f)

Low degree of stability in NAV. Risk factors are sensitive to changes in the economy

B(f)

Very low degree of stability in NAV. Risk factors are capable of fluctuating widely if changes occur in the economy

The FSR scale of AAA to B is appended by the letter (f) to denote fund ratings and to differentiate it from the nomenclature used for issue and issuer ratings.

FSRs may be placed under 'Rating-Watch' if VIS views that the status of the assigned rating is uncertain and there are conditions present that necessitate re-evaluation of the assigned rating. VIS also designates direction, Positive, Negative or Developing, to ratings placed under 'Rating-Watch'. This shows VIS's opinion regarding the likely direction of a rating. Developments in factors other than those that necessitated the 'Rating-Watch' may result in a rating change, while the rating continues to be placed under 'Rating-Watch'.

REGULATORY DISCLOSURES

Appendix

Name of Rated Entity	Al Ameen Islamic Sovereign Fund		
Sector	Mutual Funds		
Type of Relationship	Solicited		
Purpose of Rating	Fund Stability Rating (FSR)		
Rating History	Rating Date	Medium to Long Term	Rating Action
	29-Dec-22	AA(f)	Reaffirmed
	13-Jan-22	AA (f)	Reaffirmed
	06-Jan-21	AA (f)	Upgrade
	31-Dec-19	AA- (f)	Reaffirmed
	31-Dec-18	AA- (f)	Reaffirmed
	29-Dec-17	AA- (f)	Reaffirmed
	30-Dec-16	AA- (f)	Reaffirmed
	6-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	
Instrument Structure	N/A		
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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