

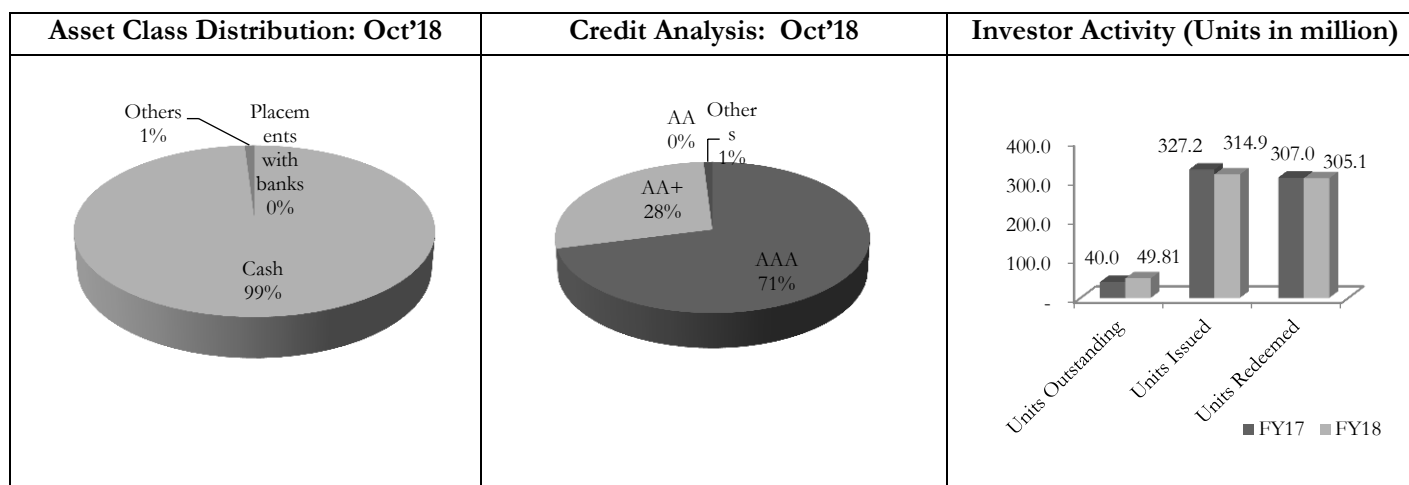
Date: January 21, 2019

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Investment Objective

To provide high liquidity and competitive returns to investors while seeking maximum possible preservation of capital through investment in low risk and Shariah Compliant instruments

Al-Ameen Islamic Cash Fund (Formerly UBL Islamic Cash Fund)		
Rating Category	Latest	Previous
Fund Stability Rating	AA(f) <i>Dec 31, 2018</i>	AA(f) <i>Dec 29, 2017</i>
Management Company	UBL Fund Managers Ltd	
Fund Manager	Mr. Syed Sheeraz Ali	
External Auditors - Fund	BDO Ebrahim and Co	
Trustee	Central Depository Company Ltd.	
Front-end Load	Nil	
Management Fee	5% of the Gross Earnings subject to a min. fee of 0.25% of net assets and a maximum fee of 1% of net assets.	
Benchmark	3-month average deposit rates of 3 AA- rated Islamic banks or Islamic windows of conventional banks as selected by MUFAP.	



Al-Ameen Islamic Cash Fund (AICF) was launched in September 2012 by the name of UBL Islamic Cash Fund; later the fund name was changed in line with re-branding of all Islamic funds under the umbrella of UBL Fund Managers Limited (UBL FM).

By end-FY18, fund size depicted moderate growth to Rs. 5.2b (FY17: Rs. 4.01b). Subsequently, net assets declined to Rs. 3.6b at end-October 2018.

The funds has been designed to undertake exposure in a blend of short and medium to medium term money market instruments in order to generate competitive returns while strictly following the Islamic Shariah in selection of investments under the supervision of Shariah Advisory Committee.

The fund’s assets may be deployed in money market instruments and Sukuk, with all issues/issuers subject to minimum rating criteria of ‘AA’ (Double A). Only exception to this rule include Islamic money market instruments related to NBFCs and Modarabas’, which are subjected to a minimum rating of AAA. As per the internal Investment Policy Statement (IPS), the fund is required to allocate a minimum of 10% of net assets to cash or cash equivalents.

During FY18, the IPS has further bifurcated the established limits in terms of shariah compliant debt and money market securities.

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Table 1: Prescribed Asset Allocation of AICF (% of Total Assets)

		Minimum Limit	Maximum Limit	Minimum Rating
Cash & equivalents		10%	100%	AA
GoP Ijarah Sukuk		0%	70%	AA
Shariah compliant debt and money market securities issued by Provincial Government, Local Government, Government Agencies, Autonomous Bodies.	Issued by GoP	0%	70%	AAA
	Issued by Islamic Banks & Islamic Windows of Conventional Banks	0%	50%	AA
	Issued by Public & Private sector entities	0%	25%	AA
Shariah compliant debt and money market securities	Issued by GoP	0%	70%	AAA
	Issue by provincial, local government and autonomous bodies	0%	25%	AA
	Issued by Public & Private sector entities	0%	50%	AA
COM/COD/COI		0%	70%	AA
Placements		0%	50%	AA
Others		0%	50%	AA

In line with the preceding trend, majority of the funds were allocated in cash and bank deposits during FY18. The exposure to credit risk remains low, and in compliance with the IPS.

Table 2: Actual Asset Allocation of AICF (% of Total Assets)

	End-FY18	Average FY18
Placements with banks	0%	13%
Cash	99%	85%
Others	1%	1.2%

The fund's Weighted Average Maturity (WAM) is capped at 90 days while single asset maturity may be as high 6 months. During FY18, maximum WAM was reported at 8 days at end-October 2017. A review of WAM over the months shows that AICF's month-end WAM has remained significantly below the ceiling of 90 days. Resultantly, exposure to market risk is low.

The fund is benchmarked against 3-month average deposit rates of 3 AA- rated Islamic banks or Islamic windows of conventional banks as selected by MUFAP. The fund outperformed the benchmark during the outgoing fiscal year. Overall return in FY18 was reported at 5.01% (FY17: 4.7%) vis-à-vis benchmark return of 2.58% (FY17: 3.12%).

Top-20 investor' concentration accumulated to 42% (FY17: 30%) at end-June 2018 ^{JCR-VIS}

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Rating Date	Medium to Long Term	Outlook	Short Term	Rating Action
<u>RATING TYPE: Fund Stability</u>				
31-Dec-18	AA(f)			Reaffirmed
29-Dec-17	AA(f)			Reaffirmed
29-Dec-16	AA(f)			Reaffirmed
06-Jan-16	AA(f)			Reaffirmed
02-Jun-14	AA(f)			Initial