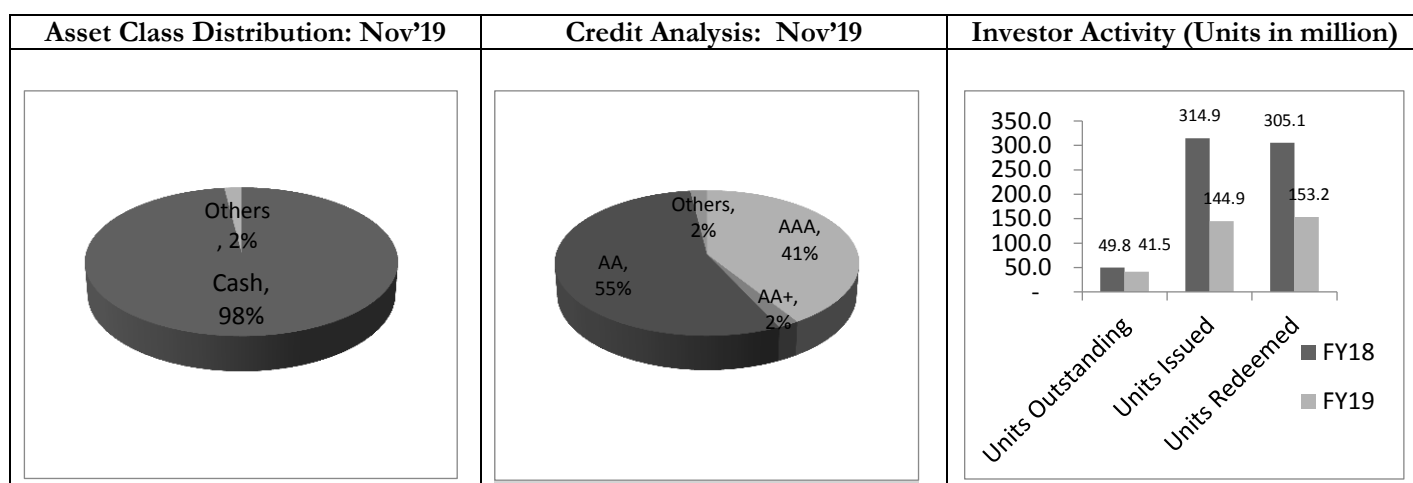


Date: January 02, 2020

Analyst:	Madeeh Ahmed Talha Iqbal
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, '19</i>	AA(f) <i>Dec 31, '18</i>
Management Company	UBL Fund Managers Ltd	
Fund Manager	Mr. Syed Sheeraz Ali	
External Auditors - Fund	A.F. Ferguson & Company	
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).

Fund size declined to Rs. 4.2b (FY18: Rs. 5.2b) by end-FY19. However, by end-November 2019 net assets depicted a healthy growth to Rs. 5.2b.

The fund 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.

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

During FY19, a major proportion of funds were allocated in cash and bank. In compliance with the IPS, exposure of credit risk remains low.

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

	End-FY18	Average FY18
Placements with banks	10.0%	11.8%
Cash	88.0%	98.1%
Others	2.0%	1.1%

The fund's Weighted Average Maturity (WAM) is capped at 90 days while single asset maturity may be as high 6 months. The maximum WAM was reported at 6 days at end-June 2019 during FY19. Exposure to market risk is considered low as over the months AICF's month end has remained under 90 days.

The fund is benchmarked against 3-month average deposit rates of three AA rated Islamic banks or Islamic windows of conventional banks as selected by MUFAP. During the outgoing year, the fund outperformed the benchmark by a significant margin.

Rating Date	Medium to Long Term	Outlook	Short Term	Rating Action
<u>RATING TYPE: Fund Stability</u>				
31-Dec-19	AA(f)			Reaffirmed
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

FINANCIAL SUMMARY		<i>(amounts in PKR millions)</i>	
<u>BALANCE SHEET</u>		FY18	FY19
Paid Up Capital		NA	NA
Total Equity		NA	NA
<u>INCOME STATEMENT</u>			
Total income		291	362
Profit Before Tax		323	245
Profit After Tax		323	245
<u>RATIO ANALYSIS</u>			
Net Cash Generated from Operating Activities		424	(116)
Current Ratio (x)		NA	NA
Gearing (x)		NA	NA