

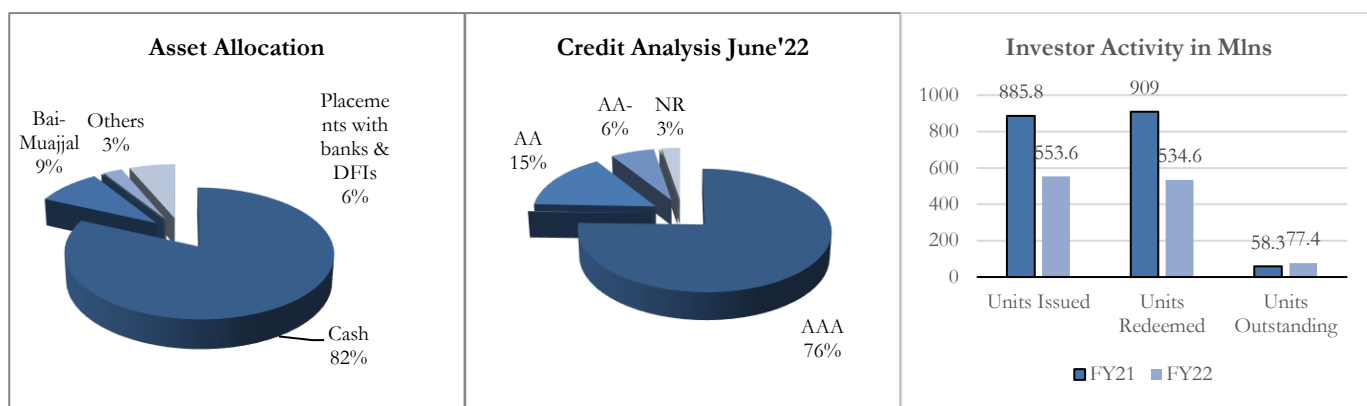
Date: December 29, 2022

Analysts: Asfia Aziz
Sundus Qureshi

Investment Objective

To provide high liquidity and competitive returns while seeking maximum possible preservation of capital by investing in low risk and liquid Shariah compliant instruments.

Al Ameen Islamic Cash Fund		
Rating Category	Latest	Previous
Fund Stability Rating	AA+(f)	AA+(f)
	Dec 29, 2022	Jan 13, 2022
AMC	UBL Fund Managers Ltd	
External Auditors – Fund	A.F. Ferguson & Company	
Trustee	Central Depository Company Ltd.	
Front-end Load	Nil	
Back-end Load	Nil	
Management Fee	Upto 5% of the Gross Earnings subject to a min. fee of 0.02% 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 (AAICF) is an Islamic money market fund launched in 2012 to undertake exposure in short 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.

Fund size increased to Rs. 7.8b at end-Jun'22 from Rs. 5.8b at end of FY21 with further escalation reported at end-Oct'22 to Rs. 11.2b.

Offering document (extract)

Description	Minimum rating	Min- Max Limits
Deposits in Licensed Islamic Banks, Cash Equivalent securities	AA	10%-100%
Certificate of Musharaka (CoM), Certificate of Deposit (CoD), Certificate of Islamic investment (COII) with banks and DFIs	AA	0%-70%
Islamic Money Market instrument, placement or security's including but not limited to Certificate of Deposit (CoD), Certificate of Musharaka (CoM), Certificate of Islamic investment (COII) etc. with NBFCs and Modarabas	AAA	0%-70%
Secured, unsecured, listed, unlisted and privately placed Shariah compliant money market securities issued by Government, public sector and private sector entities	AA	0%-70%
Any other Shariah complaint investment which may be authorized by the Fund's Shariah Advisors and the Commission.	AA	0%-50%
Commercial Papers/ Short-Term Sukuks	AA	0%-20%

Asset Allocation:

Table 2: Asset Class Distribution:

Asset Allocation	Average June'21	Average June'22	June'22
Cash	76%	75%	82%
Bai-Muajjal	10%	3%	9%
Commercial Paper	0%	1%	0%
Placements with Banks	13%	19%	6%
Others	1%	2%	3%
Total	100%	100%	100%

During FY22, Funds' asset allocation remained in line with limits stipulated in investment policy guidelines. Assets primarily remained deployed in cash although assets were also allocated towards Bai Muajjal and other bank placements. On average, 75% of assets were held in cash deposits during FY22.

Credit Quality:

Table 3: Credit Quality

Credit Quality	Average	Maximum	Minimum
AAA	64%	91%	37%
AA+	6%	13%	0%
AA	27%	52%	7%
AA-	1%	6%	0%
Non Rated	2%	3%	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 complied with the requirements of the Offering Document. During the year, on an average, 64% (FY21: 83%) of the fund's investment portfolio was held with 'AAA' rated issue/issuer. In six months during FY22, the fund parked more than 25% of its assets in AA rated exposure non-complying the requisites stated in VIS fund rating methodology. The same was brought to the fund manager's notice; complying to the methodology going forward will be important to sustain the ratings.

Market Risk:

Weighted Average Maturity (WAM) is capped at 90 days as per the Offering Document. During FY22, average WAM

and average modified duration of the fund stood at 11 and 5 days, respectively being well under the specified limit for the assigned ratings.

Liquidity Profile:

Given sizeable asset allocation in cash, liquidity profile remains sound. The fund had a retail concentration of 71% while top ten investor concentration remained relatively reasonable at 33% at end-FY22.

Fund Performance:

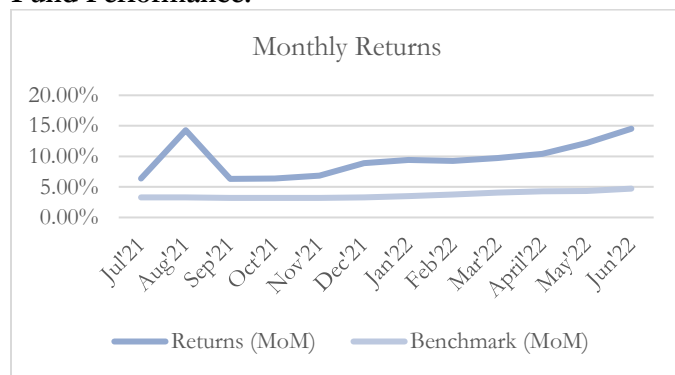


Table 5: Fund Performance:

Performance	FY21	FY22
Total Return	6.40%	9.52%
Benchmark Return	3.41%	3.67%
Peer Average	6.02%	9.68%
Peer Ranking	9/14	10/14

Benchmark of the fund is determined by 3-month average deposit rates of 3 'AA' rated Islamic banks. Over the past two years, the fund has consistently outperformed its benchmark return. Relative ranking of the fund however remained in the third quartile consecutively over the last two years. Moreover, as of Oct2022, fund performance fell in fourth quartile, ranking 19th out of 21 funds. Nevertheless, the fund over performed the benchmark with a return of 13.90% in 4MFY23 (YTD).

BALANCE SHEET	FY21	FY22
Paid Up Capital	N/A	N/A
Total Equity	N/A	N/A
<u>INCOME STATEMENT</u>		
Total Income	513	639
Profit Before Tax	479	618
Profit After Tax	479	618
<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 Fund	Al Ameen Islamic Cash 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-2022	AA+(f)	Reaffirmed
	13-Jan-2022	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
	29-Dec-16	AA(f)	Reaffirmed
	6-Jan-16	AA(f)	Reaffirmed
	2-Jun-14	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.		
Probability of Default	VIS' ratings opinions express ordinal ranking of risk, from strongest to weakest, within a universe of credit risk. Ratings are not intended as guarantees of credit quality or as exact measures of the probability that a particular issuer or particular debt issue will default.		
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