

Al Ameen Islamic Cash Fund (AAICF)
Managed By: UBL Funds Managers Limited
Fund Stability Rating
Latest Rating
AA+(f)
29-Dec-23
What is Fund Stability Rating

Fund Stability Rating (FSR) is a measure used to assess the stability and risk associated with a mutual fund or investment portfolio. The stability rating combines a comprehensive quantitative evaluation of the fund's portfolio with a qualitative assessment of fund management. This rating offers investors an impartial gauge of the primary areas of risk that income funds may face, including credit risk, liquidity risk, and interest rate risk.

Fund Information

Auditor	A. F. Ferguson & Co., Chartered Accountants
Trustee	Central Depository Company of Pakistan Limited
Front-end Load	Nil
Back-end Load	Nil
Benchmark	3M Average deposit rates of 3 AA rated
MQR Rating	AM1 (VIS)
Mgt. Fee	Up to 2% of daily net assets not to exceed max. TER regulatory limit.

Fund Overview

Al-Ameen Islamic Cash Fund (the Fund) is an open-ended money market fund constituted under a Trust Deed entered into on September 29, 2012, between Faysal Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee.

Investment Objective

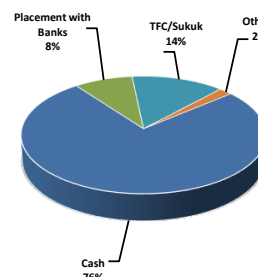
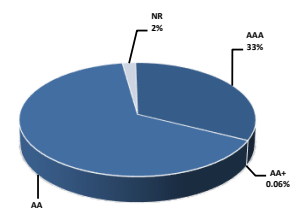
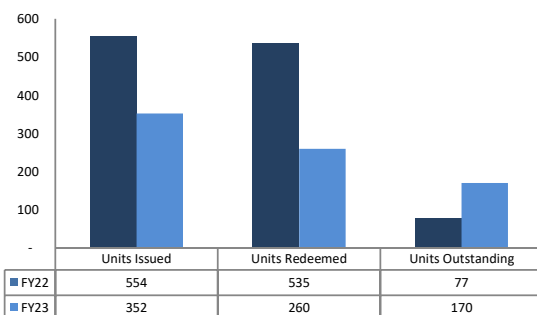
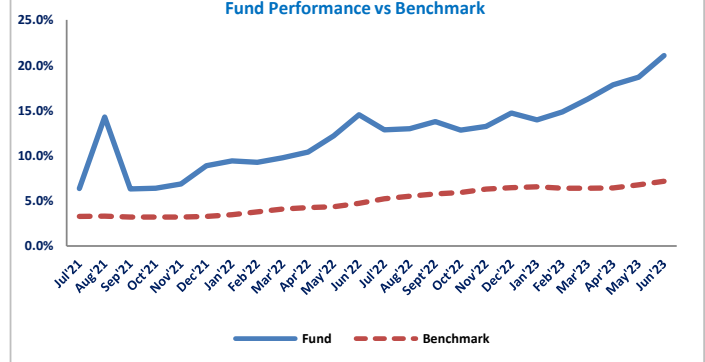
The objective of the scheme is to provide high liquidity and competitive returns while seeking maximum possible preservation of capital by investing in low risk and liquid Shariah Compliant instruments.

Offering Document (Extract)

Description	Minimum rating	Min- Max Limits
Deposits in Licensed Islamic Banks/Islamic banking windows of Commercial Banks, Cash Equivalent securities	AA	0% - 100%
Certificates of Musharaka (CoM), Certificates of Deposit (CoD), Certificate of Islamic Investments (COII) with banks and DFIs.	AA	0% - 70%
Islamic money market instrument, placement or securities 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 Federal Government, Provincial Government, Local Government, Government Agencies, Autonomous Bodies, public sector entities and private sector entities	AA	0% - 70%
Any other Shariah compliant investment which may be authorized by the Fund's Shariah Advisors and the Commission	AA	0% - 50%
Commercial Papers/Short Term Sukuk	AA	0% - 20%

Net Assets

	Jun'21	Jun'22	Jun'23
Net Assets (In PKR' Millions)	5,870	7,807	17,194

Asset Allocation - Jun'23

Credit Quality - Jun'23

Investor Activity (Units in Mn.)

Fund Performance vs Benchmark


Credit Quality (FY'23)	Average	Maximum	Minimum	Avg. Asset Allocation (% wise)	FY'22 Avg.	FY'23 Avg.
Government Securities	0.00%	0.00%	0.00%	Cash	75.34%	74.40%
AAA	43.18%	70.30%	19.81%	Placement with DFIs	3.41%	4.64%
AA+	6.10%	16.35%	0.06%	Placement with Banks	15.77%	10.06%
AA	48.14%	68.14%	15.23%	TFC/Sukuk	2.95%	8.49%
AA-	0.00%	0.00%	0.00%	Others	1.52%	2.42%
A+	0.00%	0.00%	0.00%			
A	0.00%	0.00%	0.00%			
A-	0.00%	0.00%	0.00%			
BBB+	0.00%	0.00%	0.00%			
BBB	0.00%	0.00%	0.00%			
BBB-	0.00%	0.00%	0.00%			
NR*	2.58%	3.78%	1.45%			
*Non-rated includes receivables/accruals from securities having a credit rating of not less than AA						
Portfolio Maturity (FY'23)	Average	Maximum	Minimum	Fund Performance	FY'22	FY'23
WAM in year(s)	0.04	0.12	0.02	Total Return	9.52%	16.34%
Duration (In Days)	10	26	4	Benchmark Return	3.67%	6.23%
				Peer Average	9.68%	16.78%
				Peer Ranking	10/14	14/17

Fund Stability Analysis

The Al Ameen Islamic Cash Fund has been assigned a fund stability rating of AA+(f). This rating indicates a high degree of stability in the Net Asset Value (NAV) of the fund. The risk associated with the fund is modest, but it may vary slightly due to changing economic conditions.

Asset Allocation: The fund's Asset Under Management (AUMs) has augmented to Rs. 17.2b as of June'23 (June'22: Rs. 7.8b). The fund has remained within the asset allocation parameters as identified in the offering document. The fund's asset allocation for FY23 is as follows: Cash (74.4%), placement with DFIs (4.6%), Placement with banks (10.1%), TFC/Sukuk (8.5%) and others (2.4%).

Credit Quality:

The fund has maintained its minimum investment in AA rated instruments as per the Offering Document. The fund maintains a high proportion of assets with credit ratings of AA (48.14%) and above (AAA: 43.18%), ensuring a strong credit quality profile.

Market Risk and Liquidity Risk:

Weighted Average Maturity (WAM) is capped at 90 days as per the Offering Document. During FY23, maximum modified duration of the fund stood at 26 days, respectively being well under the specified limit for the assigned ratings.

Given sizeable asset allocation in cash, liquidity profile remains sound. The fund had a retail concentration has decreased though it remains high at 60% as of June'23 (June'22: 71%) while top ten investor concentration increased from 33% to 41% at end-FY23 compared to SPLY.

Fund Performance:

The fund has outperformed its benchmark return while falling behind its peer average. The fund is placed in the fourth quartile relative to peers.

Financial Snapshot			
BALANCE SHEET		FY22	FY23
Paid Up Capital		N/A	N/A
Total Equity		N/A	N/A
INCOME STATEMENT		FY22	FY23
Total Income		639.4	1,934.3
Profit Before Tax		618.4	1,819.9
Profit After Tax		618.4	1,819.9
RATIO ANALYSIS		FY22	FY23
Current Ratio (x)		N/A	N/A
Gearing (x)		N/A	N/A
FFO		N/A	N/A
Regulatory Disclosures			
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 Type	Rating Date	Medium to Long Term	Rating Action
Fund Stability	29-Dec-23	AA+(f)	Reaffirmed
Fund Stability	29-Dec-22	AA+(f)	Reaffirmed
Fund Stability	13-Jan-22	AA+(f)	Reaffirmed
Fund Stability	6-Jan-21	AA+(f)	Upgrade
Fund Stability	31-Dec-19	AA(f)	Reaffirmed
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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Rating Scale	https://docs.vis.com.pk/docs/VISRatingScales.pdf		

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