

Al Ameen Islamic Cash Fund (AAICF)

Managed By: **UBL Funds Managers Limited**

Fund Stability Rating

Latest Rating

AA+(f)

9-Jan-25

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

Fund Overview

Launch Date	September 17, 2012
Fund Type	Open End
Category	Shariah Compliant Money Market Fund
Risk Profile	Low risk of principal erosion
Auditor	A. F. Ferguson & Co., Chartered Accountants
Trustee	Central Depository Company of Pakistan Limited
Front-end Load	Nil
Back-end Load	Nil
Benchmark	Islamic banks/windows as selected by MUFAP.
MQR Rating	AM1 (VIS)
Mgt. Fee	Up to 2% of daily net assets not to exceed max. TER regulatory limit.

Al-Ameen Islamic Cash Fund (the Fund) is an open-ended money market fund constituted under a Trust Deed entered into on May 29, 2012, between UBL Fund Managers 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.

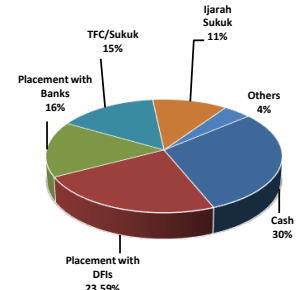
Offering Document (Extract)

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 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%

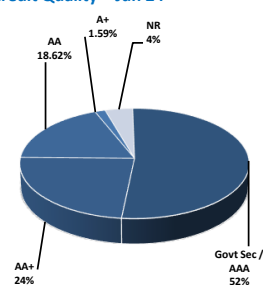
Net Assets

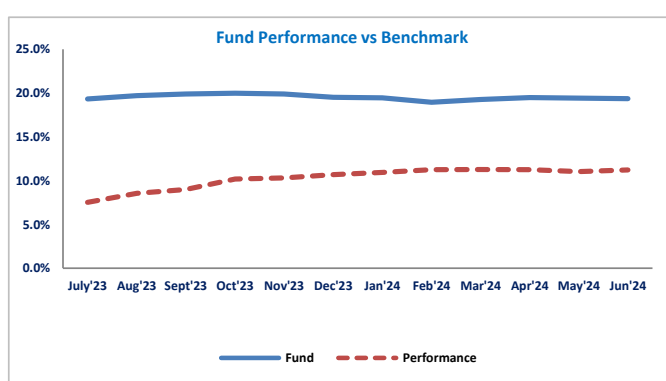
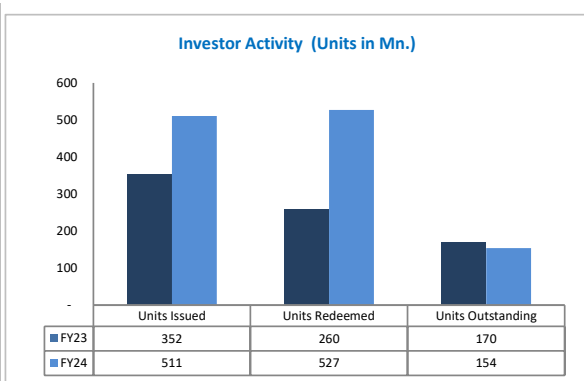
	Jun'22	Jun'23	Jun'24
Net Assets (In PKR' Millions)	7,807	17,194	15,573

Asset Allocation - Jun'24



Credit Quality - Jun'24





Credit Quality (FY'24)	Average	Maximum	Minimum	Avg. Asset Allocation (% wise)	FY'23 Avg.	FY'24 Avg.
Govt Sec / AAA	40.40%	54.06%	17.82%	Cash	74.40%	48.80%
AA+	12.46%	26.72%	0.05%	Placement with DFIs	4.64%	13.04%
AA	42.58%	62.29%	18.62%	Placement with Banks	10.06%	13.70%
AA-	0.10%	1.25%	0.00%	Commercial Papers	0.00%	0.00%
A+	0.44%	1.59%	0.00%	TFC/Sukuk	8.49%	10.78%
A	0.00%	0.00%	0.00%	GOP Ijarah Sukuk	0.00%	10.32%
A-	0.00%	0.00%	0.00%	Others	2.42%	3.37%
BBB+	0.00%	0.00%	0.00%			
BBB	0.00%	0.00%	0.00%			
BBB-	0.00%	0.00%	0.00%			
NR	4.01%	12.69%	1.97%			
Total	100.00%					

*Non-rated includes receivables/accruals from securities having a credit rating of not less than AA

Portfolio Maturity (FY'24)	Average	Maximum	Minimum	Benchmark	Fund Performance	FY'23	FY'24
WAM in year(s)	0.07	0.13	0.03	0.25	Total Return	16.34%	20.11%
Duration (In Days)	26.50	48.00	11.00	90.00	Benchmark Return	6.23%	11.16%
					Peer Average	16.78%	21.42%
					Peer Ranking	14/17	19/24

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 Assets Under Management (AUM) of the Fund decreased to Rs. 15.6b as at Jun'24 (Jun'23: Rs. 17.2b). During this period, the Fund remained in compliance with its mandate as outlined in the offering document. The proportion of cash in the investment portfolio declined, with allocations shifting towards placements with Banks and DFIs, as well as GoP Ijarah Sukuk, accounting for ~14%, ~13%, and ~10% of the investments, respectively (FY23: ~10%, ~5%, and 0%). Meanwhile, cash placements constituted ~49% of the total portfolio (FY23: ~74%).

Credit Quality:

During FY24, the Fund primarily maintained its credit exposures in investments rated AA and above. However, there were instances where placements in A+ rated avenues were observed, though the amounts involved were minimal. The Fund's credit quality remained concentrated in AA-rated and Government Securities/AAA-rated investments, which accounted for approximately 43% and 40% of the portfolio, respectively, while AA+ rated securities comprised ~12% of the investments. Cash balances were held with banks rated AA and above. Despite these measures, the Fund's overall credit quality did not fully align with the assigned rating as per VIS methodology. Going forward, maintenance of credit quality in line with VIS rating benchmarks will be important.

Market Risk and Liquidity Risk:

Despite credit quality deviation, the fund's liquidity profile supports the Fund's rating. With an average duration of 27 days and liquid assets accounting for ~89% of the total portfolio during FY24, liquidity profile remained in line with the assigned rating. Additionally, the Fund's weighted average time to maturity (WAM) has consistently remained below the defined threshold of 90 days, as outlined in the offering document.

The Fund's portfolio is dominated by retail investors, constituting ~73% of the Fund's size while corporate investors represent the remainder of the portion. Additionally, the client concentration risk is considered low, with top ten investors making up ~29% of the Fund's AUM.

Fund Performance:

During FY24, the Fund's Year-to-Date (YTD) return underperformed the peer average, placing it in the fourth quartile. However, it did meet its benchmark return thresholds.

Financial Snapshot

	FY23	FY24
BALANCE SHEET		
Paid Up Capital	N/A	N/A
Total Equity	N/A	N/A
INCOME STATEMENT		
Total Income	1,934.3	3,781.0
Profit Before Tax	1,819.9	3,578.2
Profit After Tax	1,819.9	3,578.2
RATIO ANALYSIS		
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	9-Jan-25	AA+(f)	Reaffirmed
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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