

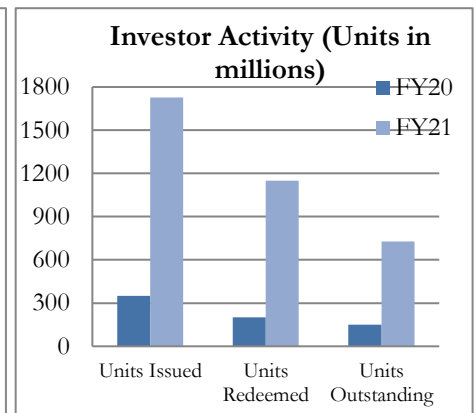
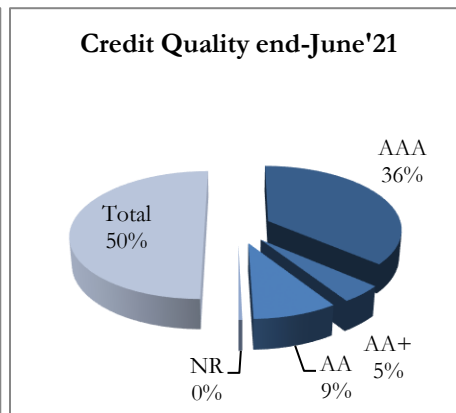
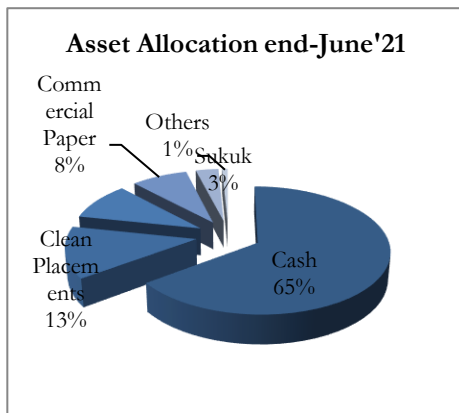
Date: January 18, 2022

Analysts: Syed Fahim Haider Shah

Investment Objective

To provide investors, with competitive returns by investing in low risk and highly liquid Shariah compliant money market instruments.

ABL Islamic Cash Fund		
Rating Category	Latest	Previous
Fund Stability Rating	AA+ (f)	AA (f)
	Jan 18, '22	Dec 31, '20
AMC	ABL Asset Management Company Limited (ABL AMC)	
External Auditors – Fund	A.F. Ferguson - Chartered Accountants	
Trustee	Central Depository Company of Pakistan Limited	
Front-end Load	Up to 1%	
Back-end Load	Nil	
Management Fee	2.0% of gross earnings subject to a minimum fee of 0.25% and a maximum fee of 0.75% of average daily net asset	
Benchmark	Avg Deposit Rate of 3 AA rated Islamic banks or Islamic windows of Conventional Banks	



Offering document (extract)

Description	Minimum rating	Min- Max Limits
Shariah Compliant Govt. Securities	N/A	0%-90%
Cash in Bank Accounts	AA and above for Shariah Compliant Bank Deposits	0%-100%
Shariah Compliant money market instruments, TDRs, CP, COII, COM	AA	0%-75%
Letter of Placement (LoP), Certificate of Deposits/Investments (COD/I) and Certificate of Musharika (COM) with any NBFC and Modaraba	AA	0%-90%
Any investment, which is an Authorized Investment under the fund's advisor or by the Commission.	AA	0%-90%

ABL Islamic Cash Fund (ABL-ICF) is an open-ended shariah compliant money market fund launched in Feb'2020, provide investors with competitive returns by investing in low risk and highly liquid Shariah compliant money market instruments.

Fund size increased significantly with net assets amounting to Rs. 7.5b (FY20: Rs. 1.5b) by end-FY21, representing an increase of 394% during the year.

Asset Allocation:

Table 2: Asset Class Distribution:

Asset Allocation	Average June20	Average June'21	June'21
Cash	89%	77%	65%
Commercial Papers	7%	4%	8%
Corporate Sukuk	2%	3%	3%
Clean Placements	0%	3%	13%
Bank Deposits	0%	8%	10%
Others including receivables	1%	4%	1%
Total	100%	100%	100%

In order to cater to its mandate, the fund maintains low exposure to risk. Consequently, pre-defined limits have been stated in order to limit deployment in different asset classes. During FY21, the fund’s asset allocation was in compliance with the standards specified in the offering document. The fund’s average cash exposure was recorded at 77% (FY20: 89%) during FY21, with investments bank deposits representing 8% (FY20: 0%) of total assets, followed by 4% (FY20: 7%) in commercial papers. Remaining cash was parked in short-term corporate sukuk, clean placements, and others.

Credit Quality:

Table 3: Credit quality summary FY21

Credit Quality	Average	Maximum	Minimum
AAA	61%	90%	0%
AA+	9%	25%	0%
AA	26%	93%	2%
Others	4%	12%	1%

The fund’s Investment Policy Statement (IPS) restricts exposure in below ‘AA’ rated instruments. During FY21, average allocation in AAA rated instruments was recorded at 61% of the AUMs, followed by 9% in AA+ and 26% in AA rated instruments. There have been no breaches; the fund complied with VIS’s criteria and the specified limits stated in the IPS. The fund parked 73% of its resources in AAQ rated avenues and 18% in AA rated avenues at end-June’21.

Market Risk:

The Weighted Average Maturity (WAM) of the fund is capped at 90 days for the purpose of countering any adverse movement in the benchmark rate. Moreover, the fund is prohibited from investing in any asset possessing maturity of higher than 6 months. During the year maximum and minimum WAM was reported at 25 days and 2 days, respectively. There was no breach in the WAM of the fund.

Liquidity Profile:

The total number of investors increased to 369 (FY20: 40) by end-FY21. Proportion of retail investors improved to 12% (FY20: 1%) while majority of the investment amounting to 85% was contributed by unrelated corporates. Owing to fund’s liquid asset allocation plan, ability to meet redemption is considered sound.

Fund Performance:

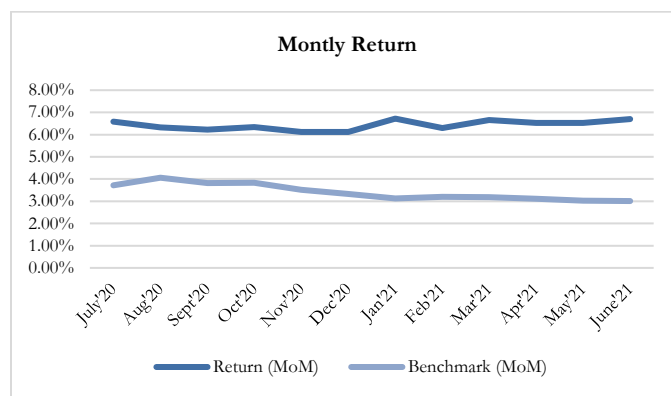


Table 5: Fund Performance:

Performance	FY20	FY21
Total Return	10.03%	6.62%
Peer Ranking	6/9	1/9
Benchmark Return	4.45%	3.42%
Peer Average	11.42%	5.74%

Performance of the fund is benchmarked against an equally weighted average deposit rate of AA rated Islamic banks of Islamic windows of conventional banks. Peer rankings of the fund stood at 1 out of a total of 9 funds for FY21 (FY20: 6 out of 9).

Rating History

Rating Type	Rating Date	Medium to Long Term	Rating Action
Fund Stability	18-Jan-22	AA+ (f)	Upgraded
Fund Stability	31-Dec-20	AA (f)	Reaffirmed
Fund Stability	17-Sept-20	AA (f)	Initial

BALANCE SHEET	FY20	FY21
Paid Up Capital	N/A	N/A
Total Equity	N/A	N/A
<u>INCOME STATEMENT</u>		
Total Income	54	303
Profit Before Tax	50	285
Profit After Tax	50	285
<u>RATIO ANALYSIS</u>		
Current Ratio (x)	N/A	N/A
Gearing (x)	N/A	N/A