

RATING REPORT

Alfalah Asset Management Limited (AAML)

REPORT DATE:

December 29, 2023

RATING ANALYSTS:

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RATING DETAILS

Rating Category	Initial Rating
MQ Rating	AM1
Rating Date	December 29, 2023
Rating Outlook	Stable
Rating Action	Initial

COMPANY INFORMATION

Incorporated in October 2004	External auditors: AF Ferguson & Co.
Unlisted Public Company	Chairman of the Board: Mr. Atif Aslam Bajwa
Key Shareholders (with stake 5% or more):	Chief Executive Officer: Mr. Khaldoon bin Latif
MAB Investment Inc. ~ 59.78%	
Bank Alfalah Limited ~ 40.22%	

APPLICABLE METHODOLOGY(IES)

VIS Entity Rating Criteria: Asset Management Companies (June 2019)

<https://docs.vis.com.pk/docs/AMC-Methodology-201906.pdf>

APPLICABLE RATING SCALE(S)

VIS Issue/Issuer Rating Scale

<https://docs.vis.com.pk/docs/VISRatingScales.pdf>

Alfaluh Asset Management Limited

OVERVIEW OF
THE AMC

Alfaluh Asset Management Limited (AAML), was incorporated on October 18, 2004 as an unlisted public limited company and is licensed by the Securities and Exchange Commission of Pakistan to manage open-ended mutual funds and offer investment advisory services.

Profile of Chairman

Mr. Atif Bajwa has an extensive international career spanning more than 40 years of executive leadership roles in banking, and of multiple boards and public interest positions.

Having started his professional journey with Citibank in 1982, and has since held numerous senior positions in large local and multinational banks, including President/ CEO of Bank Alfalah, President/ CEO of MCB Bank and Soneri Bank, Regional Head for Citigroup for Central and Eastern Europe, Head of Consumer Banking for ABN AMRO's Asia Pacific region, and Country Manager for ABN AMRO Pakistan.

Profile of CEO

Mr. Latif boasts over 18 years of experience in capital markets, both domestically and internationally. Before joining Alfalah Asset Management Limited, he served as CEO of Faysal Asset Management Limited, overseeing significant growth and industry transformation.

RATING RATIONALE

Headquartered in Karachi, Alfalah Asset Management Limited ('AAML' or 'the AMC') is backed by MAB Investments Inc., an investment company under the patronage of H.H. Sheikh Nahayan bin Mubarak Al Nahayan, a distinguished member of the Abu Dhabi Ruling Family, and Bank Alfalah Limited, one of Pakistan's premier commercial banks with 'AA+' long term rating and an extensive network of over 900 branches across more than 200 cities in the country, and international presence in Afghanistan, Bangladesh, Bahrain and the UAE.

Key Rating Drivers

Rating incorporates strong growth in Asset Under Management (AUM) and a continuous uptrend in market share

Table 1: Market Share

AUM's in Billions	Jun'22	June'23	Sept'23
AAML AMC	60.8	102.2	124.1
Industry	1,252.5	1,607.6	1,844.4
Market Share	4.9%	6.4%	6.7%

- During FY20 till FY22, AAML witnessed a consistent attrition in its market share for two years, declining from 5.9% in June'20 to 4.9% in June'22.
- However, the AMC's AAML's AUMs has increased by 2x over the 15-month period of June'22 till Sept'23 mainly spurred by growth in Islamic AUMs of 244.8%, outpacing the industry's AUMs growth rate of 47.3% while constantly increasing its market share during the period.
- This turnaround can be primarily attributed to a shift in management philosophy characterized by a cost insensitive approach.
- The management has targeted to reach Rs. 225b by end-CY24, while taking the market share 8.7% as the fourth largest AMC in the industry.
- 57.0% of the overall investment in FY23 originates from the AMC branches and head office of the AMC, with 30.5% coming from bank channel, and 12.5% sourced from third party.

Table 2: Segmentation of AUMs

	AUMs in Billions			Proportion		
	Jun-22	June'23	Sept'23	Jun-22	June'23	Sept'23
Income and Money Market Fund	56.0	98.2	120.4	92.1%	96.2%	96.8%
Equity Fund	3.4	3.0	3.1	5.6%	2.9%	2.5%
Others	1.4	0.8	0.8	2.3%	0.8%	0.7%

- The overall composition of AAML's AUMs has shifted, with a greater emphasis on fixed income funds due to high interest rates prevailing in the market.
- In 2023, the AMC launched Alfalah Financial Sector Income Fund, Alfalah Financial Value Fund, Alfalah Islamic Money Market Fund, and Alfalah Islamic Sovereign Plan-1 while launching the following plans:
 - Alfaluh Stable Return Fund Plan 6
 - Alfaluh Stable Return Fund Plan 8
 - K Trade Islamic Plan -7 under Alfalah GHP Islamic Prosperity Planning Fund 2

His career also includes leadership roles at BMA Asset Management Company Limited, JS Investments Limited, and KASB Funds Limited. Mr. Latif has been a member of the Mutual Fund Association, Vice Chairman from FY2021-22, and is a non-executive director at II Bank LLC in Bahrain. He brings extensive experience on both the buy and sell sides of Pakistan's domestic capital markets, including roles at AKD Securities Ltd and PICIC AMC. Mr. Latif is a LUMS Alumni and has completed various capital market courses and a Director certification program.

- Moving forward, the AMC has outlined a strategy to introduce three new funds namely Alfalah Government Securities Fund, Alfalah Strategic Allocation Fund, and Alfalah Islamic Aggressive Income Fund. Furthermore, the AMC also plans to launch an Environmental, Social, and Governance (ESG) fund, a Real Estate Investment Trust (REIT), and four private equity (PE) funds. However, the regulatory approval for these fund launches is currently pending with the Securities and Exchange Commission of Pakistan (SECP).
- Separately Managed Account (SMA) clients stood at 12 as of Sept'23 while portfolio size has increased to Rs. 8.9b (June'23: Rs. 8.1b; June'22: Rs. 7.9b) since end-June'22 following a significant decline in the same primarily attributable to the redemption of a single corporate client.

Table 3: No. of investors and AUMs via digital platform

	Jun-22	Jun-23
No. of Investors (Digital)	7	2,871
AUM (Rs. in millions)	4.0	125.0

- AAML saw a substantial expansion in both the investor base and the AUM over the one-year period, depicting strong penetration into the retail segment.

Rating takes into account shift towards retail segment, improved concentration and growth in investor base

- The AMC's AUM concentration in its top 3 funds is substantial, standing at 78.0% as of Sept'23 (June'23: 74.8%; Jun'22: 76.7%).
- The retail proportion of the AUMs in relation to total AUMs has increased over the timeline to 45.8% as of Sept'23 (June'23: 39.8%; June'22: 34.7%)
- Owing to the trending up of retail segment AUMs, top 10 investors concentration has improved during the review period and stood at 23.7% as of Sept'23 (June'23: 27.5%; June'22: 30.8%)
- The client base of the AMC has increased by 25.8% during the 15-month period of June'22 till Sept'23, reaching 23K as of Sept'23 (June'23: 22K; June'22: 18K). Almost 48.0% of these clients encompass active clients.

Rating accounts for strong fund performance with majority of AUMs placed in first two quartiles

- AAML has exhibited strong fund performance with AUMs falling in the first and second quartile consistently over 80% over the timeline. The management is keen on maintaining 75% of the AUMs in the first quartile going forward.
- In terms of the number of funds, 14 out of 26 funds are placed in the first quartile, 2 funds are in quartile 2, 3 funds are in quartile 3 and none of the funds are positioned in the 4th quartile as of June'23.
- The largest funds of the AMC are placed in the first quartile relative to peers with Alfalah GHP Money Market Fund ranked 5th out of 24 funds, Alfalah Islamic Rozana Amdani Fund ranked 3rd out of 17 and Alfalah Islamic GHP Income Multiplier Fund placed 2nd position out of 6 funds as of Sept'23.

Table 4: Quartile wise breakup of AUMs (Ex. Fund of funds)

Rs. In Million	Jun-22	June-23	Sept-23
Total AUMs in Q1	14.2	82.8	26.4
Total funds in Q1	23.7%	84.6%	21.4%
Total AUMs in Q2	33.8	3.6	88.7
Total funds in Q2	56.1%	3.7%	71.8%
Total AUMs in Q3	10.3	2.4	2.6

Total funds in Q3	17.1%	2.6%	2.1%
Total AUMs in Q4	1.8	-	0.6
Total funds in Q4	2.9%	-	0.5%

Assigned rating is supported by growth in revenue base, improved bottom-line and a low financial risk profile

- The Company's revenue base has grown by 19% Y/Y in CY22, underpinned by increased management fees, gain from sales of Investments and dividend income.
- Although a sizeable increase of 68% in AUMs of the AMC has been noted, the management fees have registered a growth of 4% Y/Y primarily attributed to the shift towards the money market and income fund category which encompasses lower management fees.
- The bottom line of the AMC has increased by 16% in CY22.
- Management has overachieved the target of Management fee for CY23 during the 9M'CY23 wherein the AMC earned a fee of Rs. 412.3m in 9M'CY23 compared to a full year target of Rs. 364m. Overall recurring income (including other income and share profit from associate) clocked in at Rs. 614m during 9M'CY23 compared to a full year income of Rs. 482m in CY22.
- Given the lower quantum of debt recorded, the gearing ratio remains minimal at 0.04x as of Sept'23 (June'23: 0.04x; June'22: 0.03x).

Table 5: Financial Snapshot

(Pkr Mn.)	2021	2022	9M'CY23
Profit & Loss			
Total Income*	409	482	614
Profit Before Tax	195	228	269
Profit After Tax	149	173	201
Efficiency (%)	55.0%	54.7%	55.3%
Balance Sheet			
	Jun'22	Jun'23	Sept'23
Fixed Assets	58	125	177
Long-term investment	209	1,247	1,172
Short-term investment	900	-	-
Total Assets	1,554	1,764	2,094
Current Liabilities	228	238	357
Paid Up Capital	324	324	324
Accumulated Profit	982	1,156	1,357
Total Equity	1,307	1,480	1,681

*Excluding Unrealized Gain/(Loss) on Revaluation on Investment

Strong corporate governance framework, coupled with a well-established IT infrastructure, are in place while emphasizing on stringent data security measures.

- Overall corporate governance framework is supported by adequate board composition and oversight with a board comprising of seven members with two independent directors as well as a female director in place. At present, there is a vacancy for one position following the departure of a nominee director.
- AAML maintains a qualified and stable senior management team, characterized by their extensive experience and specialized expertise.
- At the board level, there are four committees in place: (i) Audit Committee, (ii) HR and Compensation Committee, (iii) Risk Management Committee, and (iv) Board Investment Committee, all designed to facilitate effective oversight and support.
- The Investment Committee (IC) comprises the CEO, CIO, CFO, CCO, Head of Equities, Head of Fixed Income, Head of Research, Head of Risk, Fund Manager Fixed Income Funds, and Jr. Fund Manager Equity Funds.

- The AMC has integrated DirectFN, a Saudi-based enterprise resource planning (ERP) system into its operational infrastructure.
- AAML has established a robust real-time cloud-based data backup solution, complemented by High Availability mechanisms serving as a secondary data backup source.
- The AMC places a strong emphasis on information security through the appointment of a dedicated Information Officer responsible for IT security monitoring. Furthermore, the AMC also has plans to attain the ISO 27000 certification, underscoring its commitment to stringent information security standards and practices.
- Internal audit is sourced externally to KPMG Taseer Hadi & Co. Chartered Accountants, conducting regular and comprehensive internal audits of investment portfolios and fund management practices.

Environment, Social and Governance (ESG):

- The AMC intends to launch the Alfalah ESG Fund, which falls under the category of an asset allocation fund. The primary goal of this fund is to facilitate sustainable and responsible long-term capital appreciation for its investors by strictly adhering to Environmental, Social, and Governance (ESG) principles.
- AAML is also actively pursuing plans to introduce an electric scooter as part of its ESG initiative.

Alfaluh Asset Management Limited

FUNDS PERFORMANCE SUMMARY				Appendix I
<u>Alfaluh GHP Cash Fund</u>	June'22	June'23	Sept'23	
Fund Size (in Rs. millions)	11,622	3,260	4,398	
Return (%)	11.01%	17.56%	21.36%	
Benchmark (%)	9.32%	17.07%	21.94%	
Retail Proportion (% of Net assets)	9.2%	76.3%	77.2%	
Ranking Against Peers	4 out of 21	9 out of 24	11 out of 24	
<u>Alfaluh GHP Money Market Fund</u>	June'22	June'23	Sept'23	
Fund Size (in Rs. millions)	28,310	37,827	50,203	
Return (%)	10.93%	17.70%	21.19%	
Benchmark (%)	8.95%	17.05%	21.94%	
Retail Proportion (% of Net assets)	43.3%	52.8%	49.8%	
Ranking Against Peers	7 out of 21	5 out of 24	8 out of 24	
<u>Alfaluh GHP Sovereign Fund</u>	June'22	June'23	Sept'23	
Fund Size (in Rs. millions)	673	391	338	
Return (%)	8.91%	16.07%	23.38%	
Benchmark (%)	10.68%	18.20%	23.06%	
Retail Proportion (% of Net assets)	44.0%	81.1%	77.6%	
Ranking Against Peers	22 out of 31	3 out of 9	2 out of 10	
<u>Alfaluh GHP Income Fund</u>	June'22	June'23	Sept'23	
Fund Size (in Rs. millions)	1,299	390	448	
Return (%)	7.97%	17.13%	22.17%	
Benchmark (%)	10.80%	18.33%	23.24%	
Retail Proportion (% of Net assets)	71.6%	58.3%	63.5%	
Ranking Against Peers	29 out of 31	11 out of 24	12 out of 25	
<u>Alfaluh GHP Income Multiplier Fund</u>	June'22	June'23	Sept'23	
Fund Size (in Rs. millions)	53	7,487	7,071	
Return (%)	6.84%	19.41%	22.98%	
Benchmark (%)	11.23%	18.61%	23.32%	
Retail Proportion (% of Net assets)	37.0%	9.1%	23.1%	
Ranking Against Peers	6 out of 6	2 out of 6	2 out of 6	
<u>Alfaluh Financial Sector Income Fund</u>	June'22	June'23	Sept'23	

Fund Size (in Rs. millions)	-	-	2,323
Return (%)	-	-	22.53%
Benchmark (%)	-	-	23.35%
Retail Proportion (% of Net assets)	-	-	29.9%
<u>Alfaluh GHP Alpha Fund</u>	June'22	June'23	Sept'23
Fund Size (in Rs. millions)	572	521	538
Return (%)	-17.98%	-0.31%	13.08%
Benchmark (%)	-12.28%	-0.21%	11.53%
Retail Proportion (% of Net assets)	5.5%	3.2%	2.7%
Ranking Against Peers	10 out of 26	4 out of 26	8 out of 26
<u>Alfaluh GHP Stock Fund</u>	June'22	June'23	Sept'23
Fund Size (in Rs. millions)	1,291	1,122	1,078
Return (%)	-19.86%	-0.85%	12.25%
Benchmark (%)	-12.28%	-0.21%	11.53%
Retail Proportion (% of Net assets)	14.7%	9.8%	9.1%
Ranking Against Peers	16 out of 26	7 out of 26	12 out of 26
<u>Alfaluh Stable Return Fund – Plan 2</u>	June'22	June'23	Sept'23
Fund Size (in Rs. millions)	-	849	869
Return (%)	-	12.08%	21.72%
Benchmark (%)	-	18.69%	21.94%
Retail Proportion (% of Net assets)	-	3.3%	3.4%
<u>Alfaluh Stable Return Fund – Plan 7</u>	June'22	June'23	Sept'23
Fund Size (in Rs. millions)	-	-	1,266
Return (%)	-	-	23.43%
Benchmark (%)	-	-	21.82%
Retail Proportion (% of Net assets)	-	-	77.9%
<u>Alfaluh Dedicated Equity Fund</u>	June'22	June'23	Sept'23
Fund Size (in Rs. millions)	-	-	13
Return (%)	-	-	12.82%
Benchmark (%)	-	-	11.53%
Retail Proportion (% of Net assets)	-	-	0%
<u>Alfaluh GHP Value Fund</u>	June'22	June'23	Sept'23

Fund Size (in Rs. millions)	401	265	212
Return (%)	-13.89%	4.27%	9.87%
Benchmark (%)	-8.55%	7.08%	3.17%
Retail Proportion (% of Net assets)	44.7%	52.8%	70.6%
Ranking Against Peers	10 out of 12	9 out of 13	8 out of 13
<u>AGPPF – Active Allocation Plan</u>	June'22	June'23	Sept'23
Fund Size (in Rs. millions)	167	45	49
Return (%)	-6.84%	10.20%	6.61%
Benchmark (%)	-2.15%	12.09%	8.20%
Retail Proportion (% of Net assets)	2.6%	10.3%	10.4%
Ranking Against Peers	5 out of 9	7 out of 9	9 out of 9
<u>AGPPF – Moderate Allocation Plan</u>	June'22	June'23	Sept'23
Fund Size (in Rs. millions)	173	35	34
Return (%)	2.40%	11.92%	6.47%
Benchmark (%)	5.26%	15.15%	6.61%
Retail Proportion (% of Net assets)	11.4%	46.2%	41.0%
Ranking Against Peers	3 out of 9	3 out of 9	8 out of 9
<u>AGPPF – Conservative Allocation Plan</u>	June'22	June'23	Sept'23
Fund Size (in Rs. millions)	201	222	235
Return (%)	6.39%	15.25%	5.77%
Benchmark (%)	8.36%	17.75%	6.29%
Retail Proportion (% of Net assets)	1.2%	0.7%	100%
<u>Alfalalah GHP Pension Fund – Equity Sub Fund</u>	June'22	June'23	Sept'23
Fund Size (in Rs. millions)	40	35	41
Return (%)	-14.45%	3.37%	11.74%
<u>Alfalalah GHP Pension Fund – Debt Sub Fund</u>	June'22	June'23	Sept'23
Fund Size (in Rs. millions)	59	57	60
Return (%)	8.91%	12.49%	18.07%
<u>Alfalalah GHP Pension Fund – Money Market Fund Sub Fund</u>	June'22	June'23	Sept'23
Fund Size (in Rs. millions)	102	117	127
Return (%)	8.56%	17.08%	20.80%

<u>Alfalalah GHP Consumer Index Exchange Traded Fund</u>	June'22	June'23	Sept'23
Fund Size (in Rs. millions)	10	9	8
Return (%)	-20.50%	-15.08%	11.19%
Benchmark (%)	-20.49%	-14.36%	12.41%
<u>Alfalalah Islamic Rozana Amdani Fund</u>	June'22	June'23	Sept'23
Fund Size (in Rs. millions)	6,698	30,977	32,030
Return (%)	9.70%	17.07%	20.51%
Benchmark (%)	3.58%	6.20%	8.35%
Retail Proportion (% of Net assets)	28.3%	24.7%	28.9%
Ranking Against Peers	9 out of 15	3 out of 17	8 out of 22
<u>Alfalalah Islamic Money Market Fund</u>	June'22	June'23	Sept'23
Fund Size (in Rs. millions)	-	7,498	14,679
Return (%)	-	19.88%	20.43%
Benchmark (%)	-	6.77%	8.35%
Retail Proportion (% of Net assets)	-	68.1%	82.1%
Ranking Against Peers	-	-	2 out 22
<u>Alfalalah Islamic Stable Return Plan - I</u>	June'22	June'23	Sept'23
Fund Size (in Rs. millions)	-	579	607
Return (%)	-	20.79%	20.04%
Benchmark (%)	-	7.16%	8.35%
Retail Proportion (% of Net assets)	-	75.0%	74.9%
<u>Alfalalah GHP Islamic Income Fund</u>	June'22	June'23	Sept'23
Fund Size (in Rs. millions)	4,749	2,182	2,127
Return (%)	9.09%	14.88%	20.67%
Benchmark (%)	3.34%	6.06%	7.60%
Retail Proportion (% of Net assets)	70.5%	69.0%	76.4%
Ranking Against Peers	9 out of 21	17 out of 23	19 out of 27
<u>Alfalalah GHP Islamic Stock Fund</u>	June'22	June'23	Sept'23
Fund Size (in Rs. millions)	1,415	1,252	1,306
Return (%)	-18.67%	1.26%	11.05%
Benchmark (%)	-10.25%	2.88%	9.78%
Retail Proportion (% of Net assets)	12.3%	6.6%	6.3%
Ranking Against Peers	11 out of 19	3 out of 19	4 out of 20

<u>Alfalakh GHP Islamic Dedicated Equity Fund</u>	June'22	June'23	Sept'23
Fund Size (in Rs. millions)	0	0	53
Return (%)	-20.02%	-0.75%	9.89%
Benchmark (%)	-10.25%	2.88%	9.78%
Retail Proportion (% of Net assets)	0%	0%	0%
<u>Alfalakh GHP Islamic Value Fund</u>	June'22	June'23	Sept'23
Fund Size (in Rs. millions)	1,980	2,448	3,080
Return (%)	9.34%	17.47%	5.89%
Benchmark (%)	3.40%	6.23%	1.27%
Retail Proportion (% of Net assets)	1.2%	0.2%	0.2%
Ranking Against Peers	2 out of 21	1 out of 11	1 out of 12
<u>AGIPPF – Balanced Allocation Plan</u>	June'22	June'23	Sept'23
Fund Size (in Rs. millions)	176	187	166
Return (%)	7.97%	12.67%	5.51%
Benchmark (%)	1.86%	5.92%	2.89%
Retail Proportion (% of Net assets)	68.7%	67.4%	61.2%
Ranking Against Peers	5 out of 34	4 out of 25	23 out of 26
<u>AGIPPF – Moderate Allocation Plan</u>	June'22	June'23	Sept'23
Fund Size (in Rs. millions)	65	72	76
Return (%)	10.25%	12.88%	5.19%
Benchmark (%)	0.24%	6.13%	1.89%
Retail Proportion (% of Net assets)	53.1%	52.8%	52.8%
Ranking Against Peers	3 out of 34	3 out of 25	24 out of 26
<u>AGIPPF – Active Allocation Plan 2</u>	June'22	June'23	Sept'23
Fund Size (in Rs. millions)	341	83	80
Return (%)	-7.30%	10.63%	4.71%
Benchmark (%)	-4.07%	6.51%	2.70%
Retail Proportion (% of Net assets)	23.5%	100%	100%
Ranking Against Peers	24 out 34	7 out of 25	25 out of 26
<u>AGIPPF – Capital Preservation Plan 4</u>	June'22	June'23	Sept'23
Fund Size (in Rs. millions)	44	17	17
Return (%)	1.86%	11.92%	5.86%

Benchmark (%)	-0.16%	5.83%	2.72%
Retail Proportion (% of Net assets)	46.3%	98.1%	98.0%
Ranking Against Peers	11 out of 23	9 out of 18	7 out of 12
<u>Alfalsh GHP Islamic Pension Fund – Equity Sub Fund</u>	June'22	June'23	Sept'23
Fund Size (in Rs. millions)	62	59	61
Return (%)	-15.63%	1.53%	9.88%
<u>Alfalsh GHP Islamic Pension Fund –Debt Sub Fund</u>	June'22	June'23	Sept'23
Fund Size (in Rs. millions)	71	81	81
Return (%)	7.19%	11.40%	16.66%
<u>Alfalsh GHP Islamic Pension Fund – Money Market Sub Fund</u>	June'22	June'23	Sept'23
Fund Size (in Rs. millions)	62	107	101
Return (%)	7.17%	14.35%	19.91%
<u>AGIPPF 2 - Alfalah Islamic Capital Preservation Plan - 6</u>	June'22	June'23	Sept'23
Fund Size (in Rs. millions)	157	173	177
Return (%)	2.80%	13.69%	3.64%
Benchmark (%)	1.29%	4.17%	-0.53%
Retail Proportion (% of Net assets)	11.6%	9.6%	8.2%
Peer ranking	-	4 out of 18	14 out of 14
<u>AGIPPF 2 - Alfalah K Trade Islamic Plan 7</u>	June'22	June'23	Sept'23
Fund Size (in Rs. millions)	-	-	111
Return (%)	-	-	19.82%
Benchmark (%)	-	-	8.77%
<u>Alfalsh Islamic Sovereign plan-1</u>	June'22	June'23	Sept'23
Fund Size (in Rs. millions)	-	-	111
Return (%)	-	-	56.29%
Benchmark (%)	-	-	20.71%
Retail Proportion (% of Net assets)	-	-	0%

FINANCIAL SUMMARY <i>(amounts in PKR millions)</i>		Appendix II	
<u>BALANCE SHEET</u>	CY21	CY22	9M'CY23
Paid Up Capital	324.5	324.5	324.5
Total Equity	1,306.90	1,480.00	1,681.50
<u>INCOME STATEMENT</u>			
Net Sales	389.1	464.5	614.4
Profit Before Tax	194.7	228.0	269.4
Profit After Tax	148.9	173.1	201.5
<u>RATIO ANALYSIS</u>			
Net cash generated from Operating Activities	150.2	149	-83
Current Ratio (x)	5.42	1.38	1.58
Gearing	0.03	0.04	0.04

REGULATORY DISCLOSURE				Appendix III
Name of Rated Entity	Alfaluh Asset Management Limited			
Sector	Mutual Funds			
Type of Relationship	Solicited			
Purpose of Rating	Management Quality Rating			
Rating History	Rating Date	Medium to Long Term	Outlook	Rating Action
	12/29/2023	AM1	Stable	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 Management quality only and is not a recommendation to buy or sell any securities.			
Probability of Default	N/A			
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Due Diligence Meetings Conducted	Name	Designation	Date	
	Mr. Saad Qureshi	Chief Strategy Officer	20 th December, 2023	
	Mr. Shariq Hashmi	Chief Compliance Officer		
	Mr. Noman Soomro	Chief Operating Officer		