

## RATING REPORT

### Alfalah Asset Management Limited (AAML)

**REPORT DATE:**

January 02, 2025

**RATING ANALYSTS:**

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#### RATING DETAILS

Rating Category	Latest Rating	Previous Rating
MQ Rating	AM1	AM1
Rating Date	January 02, 2025	December 29, 2023
Outlook/Rating Watch	Stable	Stable
Rating Action	Reaffirmed	Initial

#### COMPANY INFORMATION

<b>Incorporated in 2004</b>	<b>External auditors:</b> A.F. Ferguson & Co. Chartered Accountants
<b>Unlisted Public Company</b>	<b>Chairman of the Board:</b> Mr. Atif Aslam Bajwa
<b>Key Shareholders (with stake 5% or more):</b>	<b>Chief Executive Officer:</b> Mr. Khaldoon Bin Latif
MAB Investment Inc. ~ 59.78%	
Bank Alfalah Limited ~ 40.22%	

#### APPLICABLE METHODOLOGY(IES)

VIS Entity Rating Criteria: Asset Management Companies

<https://docs.vis.com.pk/Methodologies%202024/AMC-Methodology-201906.pdf>

#### APPLICABLE RATING SCALE(S)

VIS Issue/Issuer Rating Scale

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

## Alfalab Asset Management Limited

## OVERVIEW OF THE AMC

## RATING RATIONALE

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

**Profile of Chairman**

*Mr. Atif Bajwa brings over 41 years of international experience in executive leadership roles across banking, board memberships, and public interest positions. He began his professional career with Citibank in 1982 and has since held several senior roles in prominent local and multinational banks. These include serving as President/CEO of Bank Alfalab, MCB Bank, and Soneri Bank; Regional Head for Citigroup in Central and Eastern Europe; Head of Consumer Banking for ABN AMRO in the Asia Pacific region; and Country Manager for ABN AMRO Pakistan.*

**Profile of CEO**

*Mr. Latif has over 19 years of experience in capital markets, both locally and internationally, with leadership roles at Faysal Asset Management,*

Alfalab Asset Management Limited ('AAML' or 'the AMC') has achieved substantial growth in Assets Under Management (AUMs), outpacing the overall industry during the review period. This growth has been supported by initiatives targeting increase in both conventional and Islamic AUMs. While the AMC has maintained its position in the industry, some fluctuations in Islamic AUMs have slightly impacted its share in the Shariah-compliant segment. AAML anticipates continued growth through strategic initiatives aimed at expanding its market presence.

AAML operates within a strong corporate governance framework, with an experienced and diverse Board supported by several board-level committees. The AMC's investment approach is anchored in strong governance and rigorous risk management. The Investment Committee (IC), comprising senior management members, oversees the development and implementation of portfolio strategies. This involves analyzing macroeconomic trends, such as inflation and interest rates, to facilitate informed decision-making. For equity funds, the team conducts sectoral reviews to optimize allocations and manage risk. The IC meets regularly to evaluate portfolio performance, assess risks, and align decisions with the Board's investment policy. Advanced performance metrics are used to enhance portfolio stability and ensure alignment with strategic objectives.

Fixed income funds dominate AAML's portfolio, driven by a favorable high-interest rate environment, while equity funds make up a smaller portion. Additionally, a significant portion of the AUMs is concentrated in a few top funds, highlighting an area for potential improvement in diversification. Performance of AAML's funds has declined over the review period, with fewer funds achieving top-tier rankings compared to previous years. Returns from the equity, money market, and income funds have lagged behind peers. Improving fund performance, particularly in these categories, remains important for AAML to maintain its competitive position in the industry.

AAML has made strides in strengthening its retail presence. The AMC has experienced growth in its client base and has leveraged its relationship with its distributor, Bank Alfalab Limited, to promote mutual fund offerings. AAML's strong market position, disciplined investment practices, and improving financial metrics underscore its credit strength. However, addressing challenges related to fund performance, retail participation, and client concentration will be key to sustaining its competitive edge and long-term growth.

**Company Profile**

Alfalab Asset Management Limited ('AAML' or 'the AMC'), headquartered in Karachi, is jointly owned by MAB Investments Inc. and Bank Alfalab Limited (BAFL). MAB Investments operates under the patronage of H.H. Sheikh Nahayan bin Mubarak Al Nahayan, a distinguished member of Abu Dhabi's ruling family, as well as the chairman and a

*BMA Asset Management, JS Investments, and KASB Funds. He has served as Vice Chairman of the Mutual Funds Association of Pakistan for FY2021-22 and is a non-executive director at II Bank LLC in Bahrain. His expertise spans the buy and sell sides of Pakistan's capital markets, with prior roles at AKD Securities and PICIC AMC. A LUMS alumnus, he has completed various capital market courses and a Director Certification Program.*

shareholder of BAFL. BAFL, a leading commercial bank in Pakistan with 'AAA' credit rating, has a network of over 900 branches across more than 200 cities and an international presence in Afghanistan, Bangladesh, Bahrain, and the UAE.

**Market Position**

By Jun'24, AAML's AUMs grew by 82.8%, reaching PKR 186.5 bn (Jun'23: PKR 102.0 bn), outpacing the industry's growth of 65.8%. Consequently, the AMC's market share increased to 6.9% (Jun'23: 6.3%). AAML's AUMs increased further by 18.0% from Jul'24 to Sep'24, reaching PKR 220.1 bn, with the market share rising to 7.2% by end-Sep'24. AAML maintained its rank as the 7th largest AMC in the industry.

**Table 1: Market Share**

AUMs (in PKR Bn)	Jun'23	Jun'24	Sep'24
<b>AAML AMC</b>	102.0	186.5	220.1
<b>Industry</b>	1,621.0	2,687.7	3,036.0
<b>Market Share</b>	<b>6.3%</b>	<b>6.9%</b>	<b>7.2%</b>
<b>Market Share (Shariah Compliant)</b>	<b>6.1%</b>	<b>8.0%</b>	<b>7.3%</b>

The increase in AAML's AUMs was also reflected in growth in Islamic AUMs, which rose by PKR 58.7 bn to PKR 104.4 bn, while Conventional AUMs increased by PKR 25.8 bn to PKR 82.1 bn over the 12-month period from Jul'23 to Jun'24. As a result, the proportion of Shariah-compliant AUMs grew to 56.0% (FY23: 44.8%), while the share of Conventional AUMs decreased to 44.0% (FY23: 55.2%) in FY24.

By end-Jun'24, AAML's market share in the Shariah-compliant asset management category improved to 8.0% (Jun'23: 6.1%), reflecting an increase due to the AMC's Shariah AUM growth of over 100%, which exceeded the industry's Islamic AUM growth of 75.2%. However, AAML's market share in the Shariah-compliant segment declined to 7.3% as of Sep'24, primarily driven by a PKR 3.0 bn reduction in Islamic AUMs, which stood at PKR 101.5 bn.

By end-Dec'24, AAML's AUMs are projected to reach PKR 320.0 bn, with a composition of approximately 55.0% conventional AUMs and 45.0% Shariah-compliant AUMs.

**Investment Process**

AAML's Investment Committee (IC) comprises ten key members, including the Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Compliance Officer (CCO), Chief Risk Officer (CRO), and Head of Research, each holding voting rights.

AAML's investment process is designed to ensure comprehensive oversight, effective risk management, and alignment with strategic objectives. The process involves an in-depth review of the macroeconomic environment, analyzing factors such as inflation forecasts, interest rate trends, and market conditions. Insights from this analysis shape the portfolio

strategy and guide the evaluation of market and sectoral risks. For equity funds, a sector-by-sector review is conducted to guide fund allocations, ensuring an optimal balance between risk and return. The IC convenes monthly to review net asset value (NAV) trends, portfolio performance, and fund managers' recommendations. Additionally, it evaluates inputs from the risk management team and assesses transactions with potential portfolio implications.

Portfolio monitoring is governed by predefined regulatory limits, ensuring exposures are effectively managed to optimize the risk-return profile. Performance metrics such as the Sharpe ratio, tracking error, and Value at Risk (VaR) are regularly employed to assess portfolio performance. NAV volatility is closely tracked, with significant deviations analyzed in light of soft limits to maintain portfolio stability. Performance attribution analysis is conducted to evaluate the contribution of individual investments to overall returns. The Risk Management Department proposes tolerance limits, which are reviewed by the IC and approved by the Board. The department reports to the Board's Risk Management Committee (RMC), ensuring adherence to governance frameworks and risk policies.

### **Portfolio**

Income funds dominate the AMC's portfolio. In FY24, share of fixed-income funds (Income + Money Market) increased to 90.4% of total AUMs (FY23: 89.1%), underpinned by the elevated interest rate environment, which made fixed-income instruments more attractive to investors seeking stable returns. In contrast, the proportion of equity funds edged down to 2.7% (FY23: 2.9%). By Sep'24, fixed-income funds represented 90.8% of total AUMs, while AAML's equity funds proportion stood at 2.9%.

Within the fixed income category, the proportion of income funds increased to 26.7% (Jun'24: 15.2%; Jun'23: 10.9%), while the share of money market funds declined to 64.1% (Jun'24: 75.1%; Jun'23: 78.2%) by end-Sep'24. This shift highlights a growing preference among investors for income funds, driven by their ability to secure higher yields from longer-duration securities. In contrast, money market funds, which focus on short-term instruments, adjust more quickly to lower yields, reducing their relative appeal.

**Table 2: Segmentation of AUMs**

Fund Type	AUMs (in PKR Bn)			Proportion		
	Jun'23	Jun'24	Sep'24	Jun'23	Jun'24	Sep'24
<b>Equity</b>	3.0	5.1	6.4	<b>2.9%</b>	<b>2.7%</b>	<b>2.9%</b>
<b>Income</b>	11.1	28.4	58.7	<b>10.9%</b>	<b>15.2%</b>	<b>26.7%</b>
<b>Money Market</b>	79.8	140.1	141.1	<b>78.2%</b>	<b>75.1%</b>	<b>64.1%</b>
<b>Others</b>	8.1	12.8	13.9	<b>7.9%</b>	<b>6.9%</b>	<b>6.3%</b>

In FY24, the AMC introduced 14 new funds, including 8 conventional funds and 6 Shariah-compliant funds. Among the new conventional funds, Alfalah Financial Sector Income Fund recorded the highest AUMs, reaching PKR 3.7 bn by end-Jun'24. Similarly, within the Islamic category, Alfalah Islamic Sovereign Plan II reported the highest AUMs amongst the new funds, amounting to PKR 5.5 bn.

### Fund & Retail Concentration

Similar to industry trends, AAML's AUMs remain concentrated in a few funds:

Top-5 funds:

- As of Jun'23, the AMC's top-5 funds – Alfalah GHP Money Market Fund (AGMMF), Alfalah Islamic Rozana Amdani Fund (AIRAF), Alfalah Islamic Money Market Fund (AIMMF), Alfalah GHP Income Money Multiplier Fund (AGIMMF), and Alfalah GHP Cash Fund (AGCF) – accounted for 85.3% of its total AUMS.
- By end-Jun'24, AGIMMF was replaced by Alfalah Islamic Sovereign Fund (Alfalah Islamic Sovereign Plan II) (AISF-II) in top-5 funds, and their overall concentration reduced to 77.8%.
- Moreover, as of Sep'24, AGCF was replaced by Alfalah GHP Sovereign Fund (AGSF) in top-5 funds, and their overall concentration further declined to 72.9%.

AAML's retail penetration has shown slight improvement, rising to 42.5% as of Sep'24 (Jun'24: 42.4%; Jun'23: 40.3%).

- Retail strategy: Post management change in early CY23, AAML launched a retail strategy in the second half to expand its customer base and strengthen outreach. The retail team grew from 35 to 100 employees, enhancing market presence and customer engagement, successfully attracting a broader segment of individual investors and increasing retail participation.
- Moderate retail participation in Top-5 funds: The retail segment's participation in the top five funds was less prominent compared to competitors, indicating an opportunity for AMIML to improve its appeal and retention within the retail investor segment.
- Client Base Growth: The client base of AAML expanded by 49.3% over the 15-month period from Jun'23 to Sep'24, reaching 33K clients by Sep'24 (Jun'24: 32K; Jun'23: 22K). Of these, approximately 61.0% are active clients. This growth was driven by the AMC's major distributor, BAFL, leveraging its branch network, digital platforms, and customer outreach initiatives to promote the AAML's mutual fund offerings. This resulted in a significant increase in assets under management (AUMs), secured via BAFL, growing from approximately PKR 25 bn to PKR 110 bn.
- Client concentration: Client concentration decreased as of Jun'24, with the top 10 investors accounting for 26.0% (Jun'23: 27.6%) of the total AUMs. However, this concentration increased to 29.9% by Sep'24.

AAML's presence in Separately Managed Accounts (SMAs) has remained limited, with the number of clients standing at 8 (Jun'24: 11; Jun'23: 10) as of Sep'24 while the AUMs in this segment have decreased to PKR 4.4 bn by end-Sep'24 (Jun'24: PKR 5.1 bn; Jun'23: PKR 8.1 bn).

The AMC operates a network of seven branch outlets, with three located in regional hubs—Karachi, Lahore, and Islamabad—and four investment centers in Islamabad, Peshawar, Multan, and Faisalabad. Following an upgrade to the AMC's core IT system, AAML integrated its digital apps with the new system, enabling digital onboarding of customers starting in the second half of 2023. The digital app was relaunched, and new digital and online portals were introduced, along with the launch of RAAST, Pakistan's first instant payment system, facilitating end-to-end digital payments among individuals, businesses, and government entities. Going forward, the AMC plans to place greater emphasis on digital onboarding and transactions, aiming to transition its retail base from physical to digital platforms.

### **Fund Performance**

Over the 15-month period from Jun'23 to Sep'24, the AMC's overall fund performance has weakened. The proportion of AUMs ranked in the first two quartiles dropped to 40.7% in 1QFY25 (FY24: 54.3%; FY23: 84.7%). Conversely, the share of AUMs in the fourth quartile increased to 9.5% in 1QFY25 (FY24: 3.8%; FY23: 2.6%).

As of Sep'24, the AMC's largest fund, AGMMF, was placed in the third quartile, ranking 21<sup>st</sup> among 28 funds in its category. By comparison, the second-largest fund, AIMMF, was placed in the first quartile, securing 7<sup>th</sup> place out of 25 funds in its category. The third-largest fund, AIRAF, placed in the fourth quartile, standing 24<sup>th</sup> out of 25 funds in its category. Meanwhile, AGSF ranked in the second quartile, achieving 5<sup>th</sup> place among 11 funds in its category.

**Table 3: Quartile wise breakup of AUMs (Ex. Fund of funds)**

PKR In Million	Jun'23	Jun'24	Sep'24
<b>Total AUMs in Q1</b>	51,738	69,111	64,746
<b>Total no. funds in Q1</b>	12	6	6
<b>Total AUMs in Q2</b>	34,727	32,264	24,871
<b>Total no. funds in Q2</b>	5	6	5
<b>Total AUMs in Q3</b>	311	53,033	68,862
<b>Total no. funds in Q3</b>	3	4	5
<b>Total AUMs in Q4</b>	2,646	7,113	21,014
<b>Total no. funds in Q4</b>	1	4	6

The total number of funds managed by AAML in 1QFY25 stood at 46 (FY24: 41; FY23: 34). Of these, funds ranked in the first two quartiles totaled 11 (FY24: 12; FY23: 17), while the number of funds in the last quartile stood at 6 (FY24: 4; FY23: 1).

Relative to its peers, AAML's equity funds have shown marginal performance, ranking 11<sup>th</sup> out of 17 based on a weighted average one-year return of 15.6%. Similarly, the performance of money market and income funds has been subdued. Money market funds ranked 11<sup>th</sup> out of 18, achieving a weighted average one-year return of 3.7%, while income funds ranked 13<sup>th</sup> out of 18 with a weighted average one-year return of 1.7%.

Going forward, improving funds' earning performance, with a focus on enhancing equity fund returns and strengthening earnings in money market and income fund categories, will be important for supporting AAML's overall performance and competitive position.

### **Governance**

AAML's corporate governance framework is supported by a Board comprising eight members, including two independent directors and one female director, ensuring requisite representation. The AMC has a qualified and dedicated senior management team, with significant industry experience and expertise. The governance structure is further strengthened by four board-level committees, each mandated to ensure effective oversight and provide support to the Board in strategic decision-making in key areas of the AMC's operations:

- Audit Committee
- HR and Compensation Committee
- Risk Management Committee
- Board Investment Committee each responsible for overseeing specific aspects of the Company's operations.

In terms of digital and IT infrastructure, AAML employs DirectFN, a Saudi-based enterprise resource planning (ERP) system, to support its operations. The AMC has implemented a real-time cloud-based data backup system with High Availability mechanisms to ensure data protection and business continuity. Information security is managed by a dedicated Information Officer responsible for overseeing IT security, and AAML is in the process of pursuing ISO 27000 certification to provide credence to its information security framework. Additionally, the internal audit function is outsourced to KPMG Taseer Hadi & Co. Chartered Accountants, which conduct periodic audits of investment portfolios and fund management processes to ensure accuracy and compliance.

### **Profitability**

The profitability of the AMC is supported by significant revenue growth and a conservative financial risk profile. Total revenue increased to PKR 702.0 mn in CY23 (CY22: PKR 345.6 mn), primarily due to a rise in management fees by PKR 339.2 mn to PKR 663.3 mn. This growth was largely contributed by three funds—Alfalah GHP Money Market Fund, Alfalah Islamic Money Market Fund, and Alfalah Islamic Rozana Amdani Fund—which collectively represent a substantial portion of the AMC's AUMs. The efficiency ratio improved slightly, standing at 71.5% in CY23 (CY22: 71.9%), reflecting a positive balance between recurring income and expenses. Revenue growth resulted in an 88.2% increase in Profit After Tax (PAT), which reached PKR 325.7 mn in CY23 (CY22: PKR 173.1 mn). A similar trend was seen in 9MCY24, with revenue rising to PKR 708.3 mn (9MCY23: PKR 529.2 mn) and a further improvement in the efficiency ratio to 70.3% (9MCY23: 71.5%). The AMC has maintained a conservative financial risk profile, with a low gearing ratio of 0.09x as of Sep'24 (Dec'23: 0.06x; Dec'22: 0.04x).

Going forward, the AMC projects its bottom line to reach PKR 600 mn, driven by growth in total income from the anticipated increase in AUMs and improved expense control, contributing to an improvement in AAML's financial standing.



**Alfalah Asset Management Limited**
**Appendix I**

<b>FUNDS PERFORMANCE SUMMARY</b>			
<b><u>Alfalah GHP Cash Fund</u></b>	<b>June'23</b>	<b>June'24</b>	<b>Sept'24</b>
Fund Size (in Rs. millions)	3,260	5,844	5,208
Return (%)	17.56%	22.11%	19.91%
Benchmark (%)	17.07%	20.90%	18.38%
Retail Proportion (%)	76.30%	69.93%	70.14%
Ranking Against Peers	9 out of 24	21 out of 27	20 out of 28
<b><u>Alfalah GHP Money Market Fund</u></b>	<b>June'23</b>	<b>June'24</b>	<b>Sept'24</b>
Fund Size (in Rs. millions)	37,827	49,823	61,537
Return (%)	17.70%	22.18%	19.74%
Benchmark (%)	17.05%	20.90%	18.38%
Retail Proportion (%)	52.80%	55.14%	49.01%
Ranking Against Peers	5 out of 24	16 out of 27	21 out of 28
<b><u>Alfalah GHP Sovereign Fund</u></b>	<b>June'23</b>	<b>June'24</b>	<b>Sept'24</b>
Fund Size (in Rs. millions)	391	3,755	14,181
Return (%)	16.07%	23.05%	27.62%
Benchmark (%)	18.20%	21.68%	18.14%
Retail Proportion (%)	81.10%	41.81%	45.31%
Ranking Against Peers	3 out of 9	2 out of 11	5 out of 11
<b><u>Alfalah GHP Income Fund</u></b>	<b>June'23</b>	<b>June'24</b>	<b>Sept'24</b>
Fund Size (in Rs. millions)	390	4,868	3,808
Return (%)	17.13%	23.73%	21.32%
Benchmark (%)	18.33%	21.89%	18.46%
Retail Proportion (%)	58.30%	20.79%	13.12%
Ranking Against Peers	11 out of 24	3 out of 26	6 out of 29
<b><u>Alfalah GHP Income Multiplier Fund</u></b>	<b>June'23</b>	<b>June'24</b>	<b>Sept'24</b>
Fund Size (in Rs. millions)	7,487	1,319	1,390
Return (%)	19.41%	23.60%	20.78%
Benchmark (%)	18.61%	21.69%	17.92%
Retail Proportion (%)	9.10%	62.35%	61.07%
Ranking Against Peers	2 out of 6	3 out of 6	3 out of 6
<b><u>Alfalah Government Securities Fund</u></b>	<b>June'23</b>	<b>June'24</b>	<b>Sept'24*</b>
Fund Size (in Rs. millions)	NA	NA	5,171
Return (%)	NA	NA	32.92%
Benchmark (%)	NA	NA	16.62%
Retail Proportion (%)	NA	NA	0.00%
<b><u>Alfalah Financial Sector Income Fund - Plan 1</u></b>	<b>June'23</b>	<b>June'24*</b>	<b>Sept'24</b>
Fund Size (in Rs. millions)	NA	3,663	3,079
Return (%)	NA	23.16%	17.90%
Benchmark (%)	NA	21.78%	18.34%

Retail Proportion (%)	NA	64.00%	61.40%
Ranking Against Peers	NA	NA	29 out of 29
<b><u>Alfalah Financial Sector Income Fund - Plan 2</u></b>			
	<b>June'23</b>	<b>June'24</b>	<b>Sept'24*</b>
Fund Size (in Rs. millions)	NA	NA	8,065
Return (%)	NA	NA	15.34%
Benchmark (%)	NA	NA	15.34%
Retail Proportion (%)	NA	NA	0.00%
<b><u>Alfalah GHP Alpha Fund</u></b>			
	<b>June'23</b>	<b>June'24</b>	<b>Sept'24</b>
Fund Size (in Rs. millions)	521	987	987
Return (%)	-0.31%	90.33%	7.47%
Benchmark (%)	-0.21%	89.24%	3.40%
Retail Proportion (%)	3.20%	6.48%	4.29%
Ranking Against Peers	4 out of 26	9 out of 25	6 out of 25
<b><u>Alfalah GHP Stock Fund</u></b>			
	<b>June'23</b>	<b>June'24</b>	<b>Sept'24</b>
Fund Size (in Rs. millions)	1,122	1,810	3,114
Return (%)	-0.85%	95.65%	6.25%
Benchmark (%)	-0.21%	89.24%	3.40%
Retail Proportion (%)	9.80%	23.12%	19.36%
Ranking Against Peers	7 out of 26	4 out of 25	4 out of 25
<b><u>Alfalah GHP Dedicated Equity Fund</u></b>			
	<b>June'23</b>	<b>June'24</b>	<b>Sept'24</b>
Fund Size (in Rs. millions)	0	0	0
Return (%)	-0.97%	90.85%	7.75%
Benchmark (%)	-3.46%	89.24%	3.40%
Retail Proportion (%)	0.00%	0.00%	0.00%
<b><u>Alfalah GHP Value Fund</u></b>			
	<b>June'23</b>	<b>June'24</b>	<b>Sept'24</b>
Fund Size (in Rs. millions)	265	201	222
Return (%)	4.27%	58.42%	9.78%
Benchmark (%)	7.08%	54.43%	4.41%
Retail Proportion (%)	52.80%	74.22%	74.34%
Ranking Against Peers	9 out of 13	7 out of 12	7 out of 12
<b><u>Alfalah Stable Return Fund - Plan 2</u></b>			
	<b>June'23</b>	<b>June'24</b>	<b>Sept'24</b>
Fund Size (in Rs. millions)	849	NA	NA
Return (%)	12.08%	NA	NA
Benchmark (%)	18.69%	NA	NA
Retail Proportion (%)	3.30%	NA	NA
<b><u>Alfalah Stable Return Fund - Plan 4</u></b>			
	<b>June'23</b>	<b>June'24*</b>	<b>Sept'24*</b>
Fund Size (in Rs. millions)	NA	3,122	3,289
Return (%)	NA	20.97%	21.25%
Benchmark (%)	NA	20.40%	16.41%
Retail Proportion (%)	NA	0.00%	0.00%

<b><u>Alfalah Stable Return Fund - Plan 6</u></b>	<b>June'23</b>	<b>June'24*</b>	<b>Sept'24</b>
Fund Size (in Rs. millions)	NA	1,366	NA
Return (%)	NA	20.27%	NA
Benchmark (%)	NA	20.56%	NA
Retail Proportion (%)	NA	95.05%	NA
<b><u>Alfalah Stable Return Fund - Plan 8</u></b>	<b>June'23</b>	<b>June'24*</b>	<b>Sept'24*</b>
Fund Size (in Rs. millions)	NA	858	906
Return (%)	NA	19.50%	22.17%
Benchmark (%)	NA	20.43%	18.38%
Retail Proportion (%)	NA	26.05%	26.05%
<b><u>Alfalah Stable Return Fund - Plan 9</u></b>	<b>June'23</b>	<b>June'24*</b>	<b>Sept'24*</b>
Fund Size (in Rs. millions)	NA	1,394	1,473
Return (%)	NA	20.84%	21.74%
Benchmark (%)	NA	20.35%	18.81%
Retail Proportion (%)	NA	20.53%	20.53%
<b><u>Alfalah Stable Return Fund - Plan 10</u></b>	<b>June'23</b>	<b>June'24*</b>	<b>Sept'24*</b>
Fund Size (in Rs. millions)	NA	552	601
Return (%)	NA	21.26%	19.66%
Benchmark (%)	NA	20.35%	18.15%
Retail Proportion (%)	NA	100.00%	100.00%
<b><u>Alfalah Stable Return Fund - Plan 11</u></b>	<b>June'23</b>	<b>June'24*</b>	<b>Sept'24*</b>
Fund Size (in Rs. millions)	NA	1,300	1,383
Return (%)	NA	18.32%	25.28%
Benchmark (%)	NA	20.41%	18.15%
Retail Proportion (%)	NA	69.66%	69.66%
<b><u>Alfalah Financial Value Fund - Plan 1</u></b>	<b>June'23</b>	<b>June'24*</b>	<b>Sept'24*</b>
Fund Size (in Rs. millions)	NA	2,789	2,909
Return (%)	NA	16.17%	3.60%
Benchmark (%)	NA	15.68%	4.76%
Retail Proportion (%)	NA	100.00%	100.00%
<b><u>Alfalah GHP Consumer Index Exchange Traded Fund</u></b>	<b>June'23</b>	<b>June'24</b>	<b>Sept'24</b>
Fund Size (in Rs. millions)	9	10	11
Return (%)	-15.08%	63.60%	-4.02%
Benchmark (%)	-0.1436	74.81%	-2.86%
<b><u>Alfalah GHP Prosperity Planning Fund - Active Allocation Plan</u></b>	<b>June'23</b>	<b>June'24</b>	<b>Sept'24</b>
Fund Size (in Rs. millions)	45	73	78
Return (%)	10.20%	57.42%	7.40%
Benchmark (%)	12.09%	61.39%	3.33%
Retail Proportion (%)	10.30%	10.55%	10.57%
Ranking Against Peers	7 out of 9	3 out of 7	2 out of 7

<b><u>Alfalah GHP Prosperity Planning Fund - Moderate Allocation Plan</u></b>	<b>June'23</b>	<b>June'24</b>	<b>Sept'24</b>
Fund Size (in Rs. millions)	35	35	38
Return (%)	11.92%	40.59%	7.17%
Benchmark (%)	15.15%	41.00%	4.23%
Retail Proportion (%)	46.20%	25.36%	25.36%
Ranking Against Peers	3 out of 9	5 out of 7	5 out of 7
<b><u>Alfalah GHP Prosperity Planning Fund - Conservative Allocation Plan</u></b>	<b>June'23</b>	<b>June'24</b>	<b>Sept'24</b>
Fund Size (in Rs. millions)	222	268	284
Return (%)	15.25%	34.12%	5.82%
Benchmark (%)	17.75%	31.92%	4.22%
Retail Proportion (%)	0.70%	1.19%	1.14%
Ranking Against Peers	NA	6 out of 7	6 out of 7
<b><u>Alfalah GHP Prosperity Planning Fund - Capital Preservation Plan - 4</u></b>	<b>June'23</b>	<b>June'24*</b>	<b>Sept'24*</b>
Fund Size (in Rs. millions)	NA	421	448
Return (%)	NA	2.76%	6.67%
Benchmark (%)	NA	2.76%	4.53%
Retail Proportion (%)	NA	87.81%	87.80%
<b><u>Alfalah GHP Pension Fund - Equity Sub Fund</u></b>	<b>June'23</b>	<b>June'24</b>	<b>Sept'24</b>
Fund Size (in Rs. millions)	35	85	100
Return (%)	3.37%	96.89%	5.91%
<b><u>Alfalah GHP Pension Fund - Debt Sub Fund</u></b>	<b>June'23</b>	<b>June'24</b>	<b>Sept'24</b>
Fund Size (in Rs. millions)	57	82	93
Return (%)	12.49%	19.43%	24.79%
<b><u>Alfalah GHP Pension Fund - Money Market Sub Fund</u></b>	<b>June'23</b>	<b>June'24</b>	<b>Sept'24</b>
Fund Size (in Rs. millions)	117	219	223
Return (%)	17.08%	22.48%	19.35%
<b><u>Alfalah KPK Employee Pension Fund - Money Market Sub Fund</u></b>	<b>June'23</b>	<b>June'24*</b>	<b>Sept'24*</b>
Fund Size (in Rs. millions)		34	36
Return (%)		20.49%	17.51%
<b><u>Alfalah Islamic Rozana Amdani Fund</u></b>	<b>June'23</b>	<b>June'24</b>	<b>Sept'24</b>
Fund Size (in Rs. millions)	30,977	56,537	17,291
Return (%)	17.07%	22.08%	18.45%
Benchmark (%)	6.20%	10.28%	10.65%
Retail Proportion (%)	24.70%	19.58%	27.73%
Ranking Against Peers	3 out of 17	3 out of 24	24 out of 25

<b><u>Alfalah Islamic Money Market Fund</u></b>	<b>June'23</b>	<b>June'24</b>	<b>Sept'24</b>
Fund Size (in Rs. millions)	7,498	27,472	56,740
Return (%)	19.88%	21.86%	18.31%
Benchmark (%)	6.77%	10.28%	10.65%
Retail Proportion (%)	68.10%	61.68%	47.18%
Ranking Against Peers	NA	8 out of 24	7 out of 25
<b><u>Alfalah GHP Islamic Income Fund</u></b>	<b>June'23</b>	<b>June'24</b>	<b>Sept'24</b>
Fund Size (in Rs. millions)	2,182	2,413	3,599
Return (%)	14.88%	21.13%	19.91%
Benchmark (%)	6.06%	10.10%	10.82%
Retail Proportion (%)	69.00%	75.66%	73.62%
Ranking Against Peers	17 out of 23	14 out of 31	17 out of 33
<b><u>Alfalah GHP Islamic Stock Fund</u></b>	<b>June'23</b>	<b>June'24</b>	<b>Sept'24</b>
Fund Size (in Rs. millions)	1,252	2,121	2,142
Return (%)	1.26%	93.40%	0.51%
Benchmark (%)	2.88%	78.70%	-1.32%
Retail Proportion (%)	6.60%	8.02%	9.81%
Ranking Against Peers	3 out of 19	2 out of 19	20 out of 20
<b><u>Alfalah GHP Islamic Dedicated Equity Fund</u></b>	<b>June'23</b>	<b>June'24</b>	<b>Sept'24</b>
Fund Size (in Rs. millions)	0	0	0
Return (%)	-0.75%	82.55%	0.72%
Benchmark (%)	2.88%	78.70%	-1.32%
Retail Proportion (%)	0.00%	0.00%	0.00%
Ranking Against Peers	NA	2 out of 4	2 out of 4
<b><u>Alfalah GHP Islamic Value Fund</u></b>	<b>June'23</b>	<b>June'24</b>	<b>Sept'24</b>
Fund Size (in Rs. millions)	2,448	2,974	1,858
Return (%)	17.47%	24.31%	5.54%
Benchmark (%)	6.23%	10.65%	2.77%
Retail Proportion (%)	0.20%	0.21%	0.65%
Ranking Against Peers	1 out of 11	8 out of 12	8 out of 12
<b><u>Alfalah Islamic Sovereign - Plan 1</u></b>	<b>June'23</b>	<b>June'24*</b>	<b>Sept'24</b>
Fund Size (in Rs. millions)	NA	4,261	5,701
Return (%)	NA	20.65%	21.19%
Benchmark (%)	NA	19.89%	18.62%
Retail Proportion (%)	NA	1.79%	1.00%
Ranking Against Peers	NA	NA	14 out of 33
<b><u>Alfalah Islamic Sovereign - Plan 2</u></b>	<b>June'23</b>	<b>June'24*</b>	<b>Sept'24*</b>
Fund Size (in Rs. millions)	NA	5,472	10,624
Return (%)	NA	18.05%	21.19%
Benchmark (%)	NA	19.63%	18.62%
Retail Proportion (%)	NA	95.97%	82.90%

<b><u>Alfalah Islamic Sovereign - Plan 3</u></b>	<b>June'23</b>	<b>June'24</b>	<b>Sept'24*</b>
Fund Size (in Rs. millions)	NA	NA	102
Return (%)	NA	NA	17.72%
Benchmark (%)	NA	NA	18.80%
Retail Proportion (%)	NA	NA	0.00%
<b><u>Alfalah Islamic Stable Return Fund - Plan I</u></b>	<b>June'23</b>	<b>June'24</b>	<b>Sept'24</b>
Fund Size (in Rs. millions)	579	NA	NA
Return (%)	20.79%	NA	NA
Benchmark (%)	7.16%	NA	NA
Retail Proportion (%)	75.00%	NA	NA
<b><u>Alfalah Islamic Stable Return Fund - Plan II</u></b>	<b>June'23</b>	<b>June'24*</b>	<b>Sept'24*</b>
Fund Size (in Rs. millions)	NA	1,417	1,458
Return (%)	NA	22.03%	11.42%
Benchmark (%)	NA	11.23%	10.65%
Retail Proportion (%)	NA	3.70%	3.70%
<b><u>Alfalah Islamic Stable Return Fund - Plan IV</u></b>	<b>June'23</b>	<b>June'24*</b>	<b>Sept'24*</b>
Fund Size (in Rs. millions)	NA	1,081	1,143
Return (%)	NA	24.59%	22.58%
Benchmark (%)	NA	11.21%	10.65%
Retail Proportion (%)	NA	3.22%	3.22%
<b><u>Alfalah GHP Islamic Prosperity Planning Fund - Islamic Balanced Allocation Plan</u></b>	<b>June'23</b>	<b>June'24</b>	<b>Sept'24</b>
Fund Size (in Rs. millions)	187	169	175
Return (%)	12.67%	28.22%	4.62%
Benchmark (%)	5.92%	19.08%	2.08%
Retail Proportion (%)	67.40%	54.14%	53.82%
Ranking Against Peers	4 out of 25	20 out of 22	23 out of 27
<b><u>Alfalah GHP Islamic Prosperity Planning Fund - Islamic Moderate Allocation Plan</u></b>	<b>June'23</b>	<b>June'24</b>	<b>Sept'24</b>
Fund Size (in Rs. millions)	72	75	78
Return (%)	12.88%	34.62%	3.23%
Benchmark (%)	6.13%	21.81%	0.97%
Retail Proportion (%)	52.80%	56.28%	56.27%
Ranking Against Peers	3 out of 25	17 out of 22	21 out of 27
<b><u>Alfalah GHP Islamic Prosperity Planning Fund - Islamic Active Allocation Plan 2</u></b>	<b>June'23</b>	<b>June'24</b>	<b>Sept'24</b>
Fund Size (in Rs. millions)	83	20	20
Return (%)	10.63%	54.70%	0.90%
Benchmark (%)	6.51%	36.42%	-2.10%
Retail Proportion (%)	100%	99.99%	99.99%
Ranking Against Peers	7 out of 25	3 out of 22	2 out of 27

<b><u>Alfalah GHP Islamic Prosperity Planning Fund - Capital Preservation Plan 4</u></b>	<b>June'23</b>	<b>June'24</b>	<b>Sept'24</b>
Fund Size (in Rs. millions)	17	NA	NA
Return (%)	11.92%	NA	NA
Benchmark (%)	5.83%	NA	NA
Retail Proportion (%)	98.10%	NA	NA
Ranking Against Peers	9 out of 18	NA	NA
<b><u>Alfalah GHP Islamic Prosperity Planning Fund 2 - Alfalah Islamic Capital Preservation Plan 6</u></b>	<b>June'23</b>	<b>June'24</b>	<b>Sept'24</b>
Fund Size (in Rs. millions)	173	NA	NA
Return (%)	13.69%	NA	NA
Benchmark (%)	4.17%	NA	NA
Retail Proportion (%)	9.60%	NA	NA
Ranking Against Peers	4 out of 18	NA	NA
<b><u>Alfalah GHP Islamic Prosperity Planning Fund 2 - Alfalah KTrade Islamic Plan 7</u></b>	<b>June'23</b>	<b>June'24*</b>	<b>Sept'24</b>
Fund Size (in Rs. millions)	NA	6	108
Return (%)	NA	14.59%	11.29%
Benchmark (%)	NA	9.53%	10.80%
Retail Proportion (%)	NA	0.00%	0.00%
Ranking Against Peers	NA	NA	27 out of 27
<b><u>Alfalah GHP Islamic Pension Fund - Equity Sub Fund</u></b>	<b>June'23</b>	<b>June'24</b>	<b>Sept'24</b>
Fund Size (in Rs. millions)	59	84	85
Return (%)	1.53%	92.52%	1.94%
<b><u>Alfalah GHP Islamic Pension Fund - Debt Sub Fund</u></b>	<b>June'23</b>	<b>June'24</b>	<b>Sept'24</b>
Fund Size (in Rs. millions)	81	114	119
Return (%)	11.40%	15.55%	26.11%
<b><u>Alfalah GHP Islamic Pension Fund - Money Market Sub Fund</u></b>	<b>June'23</b>	<b>June'24</b>	<b>Sept'24</b>
Fund Size (in Rs. millions)	107	163	166
Return (%)	14.35%	20.35%	20.47%
<b><u>Alfalah Islamic Kpk Employee Pension Fund - Money Market Sub Fund</u></b>	<b>June'23</b>	<b>June'24*</b>	<b>Sept'24*</b>
Fund Size (in Rs. millions)	NA	34	48
Return (%)	NA	16.86%	17.68%

\* FYTD returns for funds with inception dates of less than a year

<u>Financial Summary</u>		<u>Appendix II</u>		
<b>Balance Sheet</b> (PKR Millions)		<b>Dec'22</b>	<b>Dec'23</b>	<b>Sep'24</b>
Paid Up Capital		324.46	324.46	324.46
Total Equity		1,480.00	1,805.75	2,144.06
<b>Income Statement</b> (PKR Millions)		<b>CY22</b>	<b>CY23</b>	<b>9MCY24</b>
Total Income		345.64	701.96	1,146.54
Profit Before Tax		228.01	462.91	530.73
Profit After Tax		173.10	325.74	338.31
<b>Ratio Analysis</b>		<b>CY22</b>	<b>CY23</b>	<b>9MCY24</b>
Net cash generated from operating activities		65.28	(126.23)	338.00
Current ratio (x)		1.38	1.53	1.20



REGULATORY DISCLOSURE		Appendix III		
<b>Name of Rated Entity</b>	<b>Alfalah Asset Management Limited</b>			
<b>Sector</b>	Mutual Funds			
<b>Type of Relationship</b>	Solicited			
<b>Purpose of Rating</b>	Management Quality Rating			
<b>Rating History</b>	<b>Rating Date</b>	<b>Medium to Long Term</b>	<b>Outlook</b>	<b>Rating Action</b>
	01/02/2025	AM1	Stable	Reaffirmed
	12/29/2023	AM1	Stable	Initial
<b>Instrument Structure</b>	N/A			
<b>Statement by the Rating Team</b>	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.			
<b>Probability of Default</b>	N/A			
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<b>Due Diligence Meetings Conducted</b>	<b>Name</b>	<b>Designation</b>	<b>Date</b>	
	Mr. Faisal Ali Khan	Chief Financial Officer	30 <sup>th</sup> December 2024	
	Mr. Imad Ansari	Chief Risk Officer		
	Mr. Saad H. Qureshi	Chief Strategy Officer		
	Mr. Shariq Mukhtar Hashmi	Chief Compliance Officer		
	Mr. Muhammad Ayub Khuhro	Chief Investment Officer		