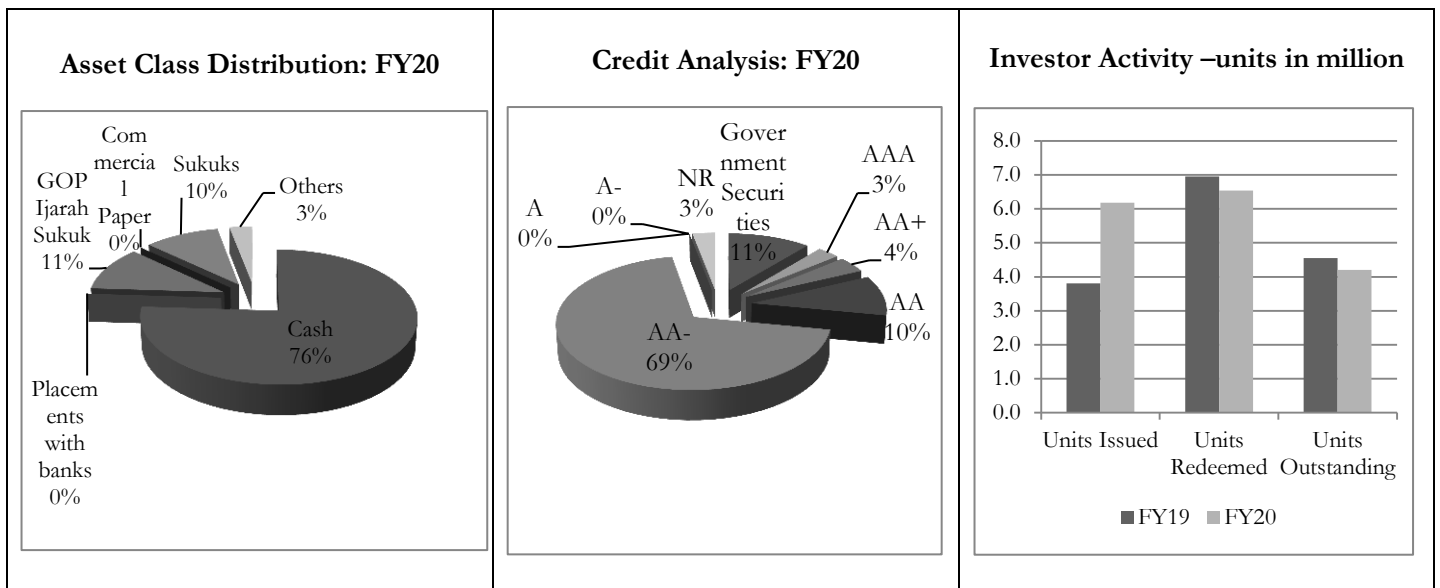


Date: Oct 16, 2020

Analyst:	Arsal Ayub, CFA Batoool Zaidi
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Investment Objective
To invest in medium to long-term Shariah Compliant income instruments as well as shorter tenor money market instruments with the aim of generating superior, long-term, risk adjusted returns while aiming to preserve capital over the long-term.

Al-Ameen Islamic Aggressive Income Fund		
Rating Category	Latest	Previous
Fund Stability Rating	A(f)	BBB+(f)
	Oct 16, '20	Dec 31, '19
Management Company	UBL Fund Managers Ltd	
Fund Manager	Syed Sheeraz Ali	
External Auditors - Fund	KPMG Taseer Hadi & Co.	
Trustee	Central Depository Company Ltd.	
Front-end Load	1% (Income & Growth Units)	
Back-end Load	None	
Management Fee	1.5% p.a.	
Benchmark	Weighted average of 12-month deposit rates of three different Islamic Banks	



Investment Committee (IC) comprises Chief Executive Officer, Chief Investment Officer, Fixed Income

Launched in October 2007, Al-Ameen Islamic Aggressive Income Fund is an open-end Shariah Compliant aggressive income fund with an objective to provide its investors with long-term risk adjusted returns through investments in medium to long-term Shariah Compliant income instruments and short-term money market securities in Pakistan. Overseas investments are supervised under the Sharia Advisory Committee.

Net assets of the fund declined to 419mn (FY19 456mn) Highest growth in the fund’s size was reported in May’20 closing at 509mn.

Specialist, and Head of Research. All investment decisions are consensus based. In order to cater to its mandate, the fund’s IPS restricts exposure in A- for different asset classes.

Table 1: Exposure Limits (as per OD)

	Min-Max Limits	Minimum Rating
Cash & Cash Equivalents	10% (calculated on monthly avg) -100%	-
Shariah Compliant Income/ securities including GoP Ijarah or Commercial Sukuk	0%- 90%	A-

etc		
Shariah Compliant Bank deposits/ COIs/CODs etc.	0%- 90%	A-
Cash/Near Cash instruments including current Accounts in Islamic banks Windows	10% (calculated on monthly avg) -100%	A-
Shariah compliant Spread Transactions	0%- 90%	A-
Overseas Investment (subject to a cap of \$15m)	0%-90%	A-

Asset Allocation

Table 2: Actual Asset Allocation (Total Assets)

Asset Class Distribution	Jun'19	Jun'20	Average
GoP Ijarah Sukuk	0%	11%	3%
Corporate Sukuk	14%	10%	11%
Cash	75.0%	76%	79%
Placement with banks	8.0%	0%	1%
Other	3.0%	3%	3%

Net assets under management comprised of major 76% cash holdings, remaining chunk of investment portfolio consisted of GoP Ijarah Sukuk and Corporate Sukuk at end-June'20. Asset allocation plan of the fund majorly complied with the Investment Policy Statement (IPS) for the assigned ratings.

Credit Quality

Table 3: Credit Analysis

	Average	Maximum	Minimum
Government Securities	28%	38%	11%
AAA	12%	30%	2%
AA+	1%	4%	0%
AA	15%	80%	5%
AA-	61%	86%	0%
A	1%	8%	0%
A-	2%	5%	0%
NR	3%	5%	2%

The fund's exposure to various sources of risks has been maintained, by policy and as also manifested in actual asset allocation. As per investment policy, the

fund restricts maximum 15% exposure in A- rated debt instruments.

Liquidity Profile:

During FY20 individual investors amounted to 1,918 (FY19: 1,901) investments by corporates have remained historically low. Top 10 investor concentration witnessed a decline during the year constituting to 24% of net AUMs (FY19: 34%)

On average the fund managed to deploy 80% of its asset in cash and placements, owing to the fund's actual asset allocation plan probability of risk is considered to be low.

Modified Duration

WAM of the fund has been capped at 5 years excluding debt instruments issued by GoP. Maximum WAM has been reported at end-Apr'20 at 2.43 year(s) while average modified duration of the fund declined to 0.05 year(s) during the period. As per IPS, duration of the fund is capped at 1.25 year(s), at end-June'20 the fund's duration was 0.06 years(s)

Fund Performance

AIAIF's performance is benchmarked against weighted average of 12-month deposit rates of 3 Islamic banks. During FY20, the fund posted a return of 8.45% against its benchmark of 9.32%

Rating Date	Medium to Long Term	Outlook	Short Term	Rating Action
RATING TYPE: Fund Stability				
16-Oct-20	A(f)			Upgrade
31-Dec-19	BBB+(f)			Reaffirmed
31-Dec-18	BBB+(f)			Reaffirmed
29-Dec-17	BBB+(f)			Reaffirmed
30-Dec-16	BBB+(f)			Reaffirmed
06-Jan-16	BBB+(f)			Reaffirmed
12-Aug-14	BBB+(f)			Upgrade
25-Apr-13	BBB(f)			Upgrade
10-Apr -12	BB+(f)			Downgrade
08-Dec-10	BBB-(f)			Initial

FINANCIAL SUMMARY	<i>(amounts in PKR millions)</i>	
<u>BALANCE SHEET</u>	FY19	FY20
Paid Up Capital	NA	NA
Total Equity	NA	NA
<u>INCOME STATEMENT</u>		
Total income	46	38
Profit Before Tax	32	29
Profit After Tax	32	29
<u>RATIO ANALYSIS</u>		
Net Cash Generated from Operating Activities	208	12
Current Ratio (x)	NA	NA
Gearing (x)	NA	NA