

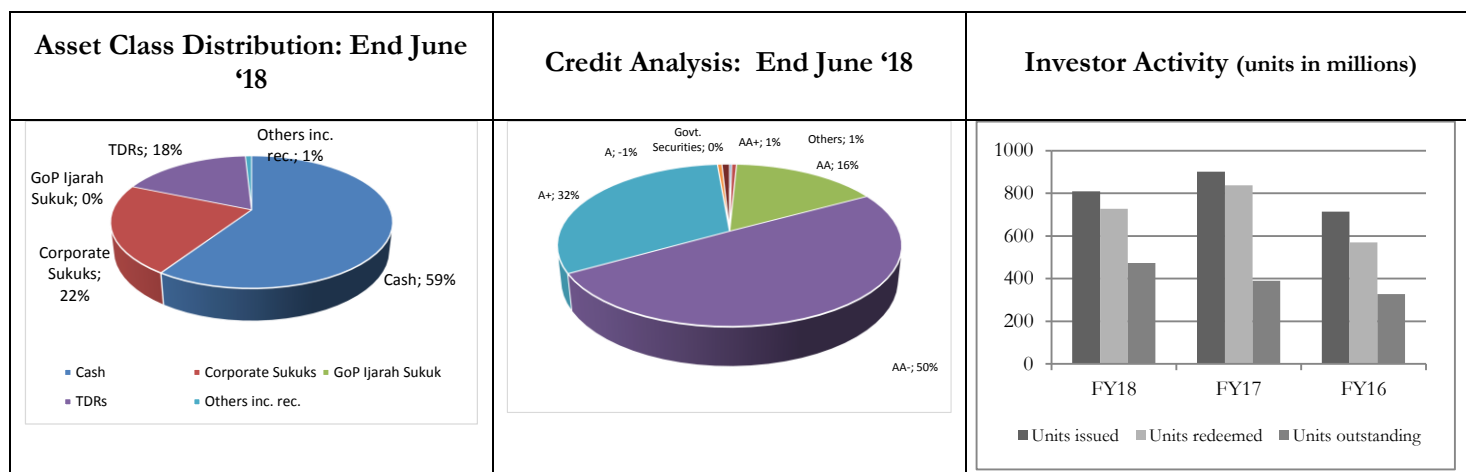
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**Investment Objective**

To provide investors with an opportunity to earn higher income over the medium to long term by investing in a diversified portfolio comprising Shari’ah compliant money market and debt instruments.

ABL Islamic Income Fund		
Rating Category	Latest	Previous
Fund Stability Rating	A(f) Jan 16, '19	A(f) Jan 16, '18
Management Company	ABL Asset Management Company Limited	
Chief Executive	Mr. Alee Khalid Ghaznavi	
Fund Manager	Mr. Abdul Rehman Tahir	
Trustee	Central Depository Company of Pakistan Limited	
Front-end Load	1.5%	
Management Fee	1% p.a.	
Benchmark	Average 6 month deposit rate of 3 A Rated Islamic banks	



ABL Islamic Income Fund (ABL-IIF) was launched in 2010 as a Shari’ah compliant investment vehicle.

Within the Shari’ah category, the fund’s exposure limits and minimum rating criteria of the investment avenues were already specified in order to minimize credit risk. Placements in banks, DFIs and other institutions (TDRs) were split into two categories, minimum rating ‘A’ with a maturity of less than 6 months and minimum rating ‘A’ with a maturity exceeding 6 months.

There was significant activity in issuance of units during FY18 as investors’ showcased preference to ABL IIF.

Net assets of the fund exhibited an increase amounting to Rs. 5.01b (FY17: Rs. 3.9b) at end-FY18.

On average basis, approximately 66.72% of net assets were held as cash & bank balances during FY18. The fund placed 19.57% of net assets on average in corporate Sukuk. Maximum investment in Listed Sukuk reached 22.80% at end-May’18.

**Table 1: Asset allocation summary**

	Avg FY18	End June'18	End June'17	Limit
Cash & bank balances	66.72%	59.32%	60.5%	0-50% (A), 0-75% (A+ & above) TL 25%-100%*
Corporate Sukuk	19.57%	22.02%	21.0%	0-50% (A+), 0-15% (A-) TL 50%
GoP Ijarah Sukuk	4.22%		6.8%	0 -75%
Term Deposits	11.41%	17.82%	9.1%	0 -75% (A – Mat. <6 months), 0 -15% (A – Mat.

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Technical Partner – IIRA, Bahrain | JV Partner – CRISL, Bangladesh

				>6 months)
Others assets	1.85%	0.85%	2.5%	-

\* Based on monthly average calculated on a daily basis

**Table 2: Credit Quality Summary FY18**

	Average	Maximum	Minimum
AAA	0.07%	0.23%	0.03%
AA+	6.28%	14.01%	0.35%
AA	12.59%	19.24%	0%
AA-	30.10%	53.25%	13.21%
A+	26.11%	35.73%	8.65%
A	29.22%	55.31%	0%
Government Securities	7.60%	7.83%	0%

Weighted average time to Maturity (WAM) of the fund amounted to 514 days (FY17: 453 days) at end-FY18. Increase in the WAM to a maximum 613 days was observed at end-Aug'17. Duration was reported at 18.21 days (FY17: 8 days) at end-FY18 and remained within benchmark.

**Table 3: Market risk summary FY18**

	Average	Maximum	Minimum
WAM	514	613	436
Duration	25	34	14

Performance of the fund is benchmarked against average 6-month deposit rate of three A rated Islamic banks. In line with the historical trend, the fund continued to surpass the benchmark by posting annualized return of 4.37% as compared to benchmark return of 2.46%. ABL-IIF ranked 10 out of 18 (FY17: 6 out of 18) amongst peers for FY18.

**Table 4: Performance summary**

Performance	FY18	FY17
Total Return	4.37%	5.7%
Benchmark Return	2.46%	3.1%

Total number of investors partially increased to 1,351 (FY17: 1,041) at end-FY18 with retail representing 16% (FY17: 28%) of net assets. The remaining portion of 39% (FY17: 35%) is held by unrelated corporates<sup>[JCR-VIS]</sup>

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### Rating History

Rating Type	Rating Date	Medium to Long Term	Outlook	Rating Action
Fund Stability	01/16/2019	A(f)		Reaffirmed
Fund Stability	01/16/2018	A(f)		Reaffirmed
Fund Stability	12/30/2016	A(f)		Reaffirmed
Fund Stability	12/31/2015	A(f)		Reaffirmed
Fund Stability	10/16/2014	A(f)		Downgrade
Fund Stability	1/17/2013	A+(f)		Reaffirmed
Fund Stability	1/10/2012	A+(f)		Reaffirmed
Fund Stability	10/27/2011		Rating Watch - Developing	Rating Watch-Developing