

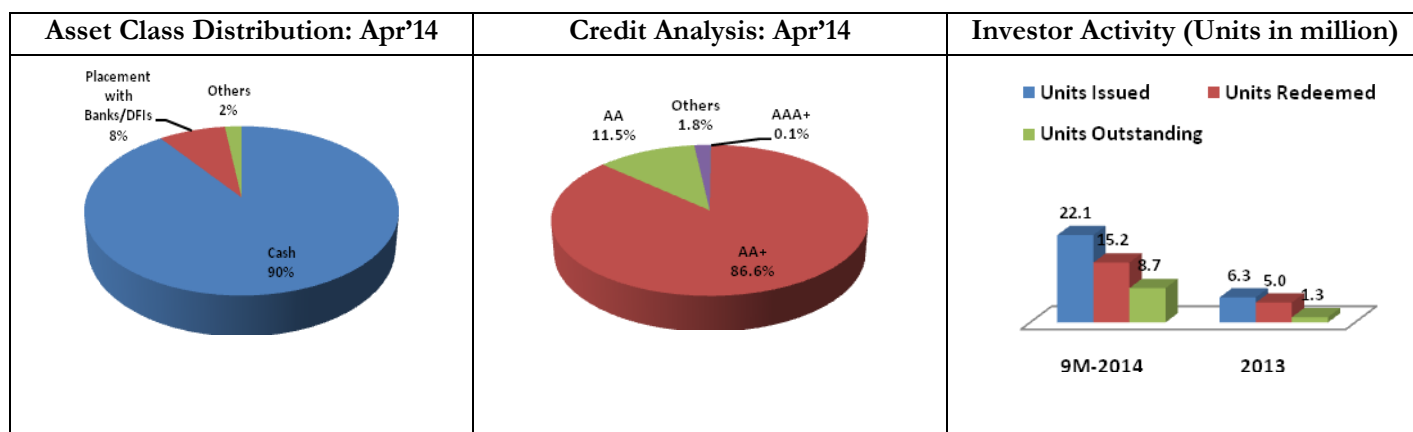
June 2, 2014

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Investment Objective

To provide a competitive rate of return while seeking maximum possible preservation of capital by investing in low risk and liquid Shariah Compliant instruments.

Al-Ameen Islamic Cash Fund (Formerly UBL Islamic Cash Fund)	
Rating Category	Initial
	AA(f)
Fund Stability Rating	June 2, 2014
Management Company	UBL Fund Managers Limited
External Auditor - Fund	A.F. Ferguson & Co.
Chief Executive Officer	Mir Muhammad Ali - CFA
Fund Manager	Mr. Wahaj Aslam
Trustee	Central Depository Company (CDC)
Shariah Advisor	Mr. Hassaan Kaleem & Mr. Najeeb Khan
Front-end Load	Nil
Back-end Load	Nil
Management Fee	10% of the Gross Earnings subject to a min. fee of 0.5% of net assets and a max. fee of 1% of net assets.
Benchmark	Average of 3 Months Placement Rate of 3 Islamic Banks (with AA or better banks)



Al-Ameen Islamic Cash Fund (AICF) was launched in September 2012 by the name of UBL Islamic Cash Fund; later the fund name was changed in line with re-branding of all Islamic funds under the umbrella of UBL Fund Managers Limited (UBL FM). Investment decisions at UBL FM are made under a committee structure, which comprises relevant personnel from the investment management department, in addition to finance and risk heads.

Net assets of AICF stood at Rs. 597m as at end-April 2014. Until November 2013, the fund size had remained under Rs. 200m; at end-November 2013, it stood considerably higher at Rs. 1,187m. Subsequently, a gradual decline has been noted. Variation in fund size is mostly attributable to investment/redemption activity by the Islamic principal preservation funds managed by the AMC, which are invested into this fund.

The fund's assets may be deployed in money market instruments and Sukuk, with all issues/issuers subject to

minimum rating criteria of 'AA' (Double A). As per the internal Investment Policy Statement (IPS), the fund is required to allocate a minimum of 25% of net assets to cash or cash equivalents.

Table 1: Asset Allocation of AICF (% of Total Assets)

	Minimum Asset Rating	Limit (As per Offering Document)	Limit (As per IPS)
GoP Ijarah Sukuk	AA	0-70%	0-70%
Commercial Paper	AA	0-70%	0-50%
Placements	AA	0-50%	0-50%
Cash	AA	0-100%	25-100%
Others	AA	0-50%	-

While initially the fund had deployed assets in Sukuk, of late no exposure has been witnessed in this avenue as per month-end exposures; funds have instead been placed in bank deposits. This is on account of better

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returns in case of bank deposits. Counterparties are highly rated banks; in line with the investment criteria, exposure to credit risk remains low. Maximum exposure with any single bank represented about 23% of the fund's assets at end-December 2013. If eligible commercial paper becomes available in the market, the fund may also consider deployment in this avenue over time while exposure in Ijarah Sukuk is not being considered currently. Average asset allocation for FY13-14 and current asset allocation is presented in the table below.

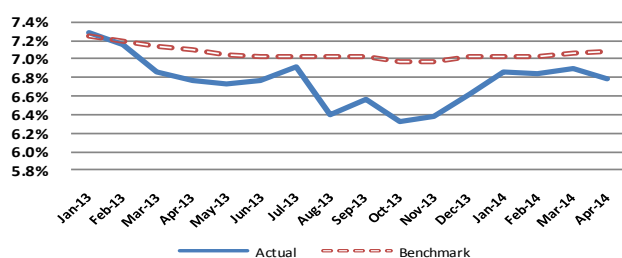
Table 2: Asset Allocation of AICF (% of Total Assets)

	End: Apr'14	Average: July'13-April'14
Sukuk	-	17%
Commercial Paper	-	-
Placements	8%	16%
Cash	90%	67%
Others	2%	2%

The fund's Weighted Average Maturity (WAM) is capped at 90 days while single asset maturity may be as high 6 months. As at end-April 2014, AICF's WAM was 43 days. A review of WAM over the months shows that AICF's month-end WAM has remained substantially below the ceiling of 90 days.

Benchmark of the fund is set as 3-month average placement rates of AA-rated Islamic Banks. In line with decline in discount rate, both benchmark and actual returns have trended downwards. On a relative basis, the fund has under-performed the benchmark with a return of 6.78% since inception until end-April'14 vis-à-vis the benchmark return of 7.05%. The fund was also under-performing its peers earlier, though in recent months, returns of all Islamic money market funds are at par with each other.

Figure 1: Monthly Returns of AICF



Unit-holder concentration remains high, with investors primarily being other funds managed by UBL FM and

associated companies. Almost 93% of outstanding units were held by related parties at end-March'14 ^[JCR-VIS]

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Rating Date	Medium to Long Term	Outlook	Short Term	Rating Action
02-Jun-14	AA(f)	RATING TYPE: Fund Stability		Initial
