

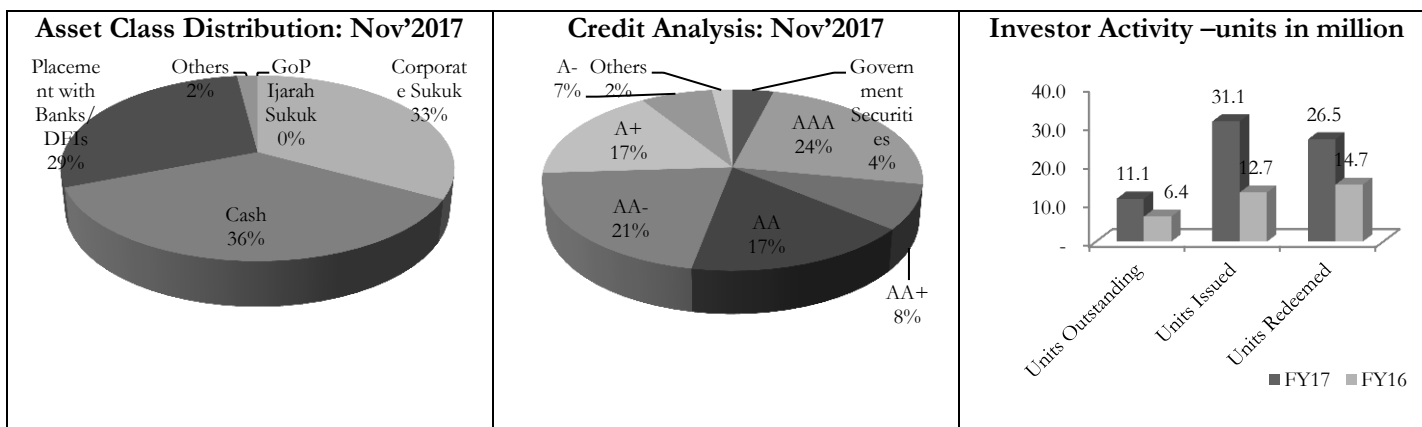
Date: January 8, 2018

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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	BBB+(f) Dec 29, '17	BBB+(f) Dec 30, '16
Management Company	UBL Fund Managers Ltd	
Fund Manager	Mr. Usama Bin Razi	
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	



In October 2007, Al-Ameen Islamic Aggressive Income Fund (AIAIF) was launched by the name of United Islamic Income Fund. Subsequently, it was renamed to Al Ameen Islamic Income Fund. The fund is categorized as an open-end aggressive Islamic Income fund. As per its mandate, the fund invests primarily in Shariah compliant debt instruments in Pakistan and abroad under supervision of the Shariah Advisory Committee which currently comprises two well reputed scholars, Mufti Hassaan Kaleem and Mufti Najeeb Khan.

Net assets of the fund increased to Rs. 1.1b (FY16: Rs. 643m) at end-FY17. At end-November 2017 fund size decreased and stood at Rs. 1.0b.

As per Offering Document (OD), the fund is required to maintain minimum 10% of the net assets in cash and short term GoP securities with a maturity of less than 90 days (calculated on the basis of average of

each month). A maximum limit of 30% is also in place in relation to the overseas investment. No change was observed in the established asset allocation limits during FY17 vis-à-vis last year.

Table 1: Exposure Limits (as per OD)

	Minimum Limit	Maximum Limit
Cash & Cash Equivalents	10% (calculated on the basis of average of each month)	100%
Shariah Compliant Income/ securities including GoP Ijarah or Commercial Sukuk etc.	0%	90%
Shariah Compliant Bank deposits/ COIs/CODs etc.	0%	90%
Cash/Near Cash instruments including current Accounts in Islamic banks Windows	0%	90%
Shariah compliant Spread Transactions	0%	90%
Overseas Investment (subject to a cap of \$15m)	0%	30%
Others	0%	90%

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Actual asset allocation of the fund remained in line with limits. Over FY17, the proportion of cash has declined. At end-FY17, the fund reduced exposure in Corporate Sukuk to 34% (FY16: 57%) of total assets. Major Sukuk holdings comprised AGP Limited, Engro Fertilizer and K-Electric Sukuk, accounting for 8.9%, 7.3% and 6.9% of total assets, respectively.

Table 2: Actual Asset Allocation (Total Assets)

	End-June 2017	Average FY17
GoP Ijarah Sukuk	22%	6%
Corporate Sukuk	34%	30%
Cash	38%	43%
Placement with Banks/DFIs	0%	20%
Others	5%	2%

Credit risk arising from the current portfolio holdings is considered manageable. Fresh exposures assumed by the fund will be tracked on an on-going basis, for impact on risk profile of the fund.

As per policy, a cap of 5 years is placed on the weighted average maturity (WAM) of the fund, which excludes GoP issued Sukuk certificates. Actual WAM of the fund has depicted variation and was reported at 1.77 years at end-June 2017.

AIAIF's performance is benchmarked against weighted average of 12 month deposit rates of 3 Islamic banks. During FY17, the fund generated return of 4.81% vis-à-vis benchmark return of 5.30%.

Top-10 investor' concentration accumulated to 35.9% (FY16: 36.7%) at end-June 2017. Ability of the fund to meet redemptions in a timely manner is adequate given the unit holder concentration and asset mix of the fund ^[JCR-VIS]

Rating Date	Medium to Long Term	Outlook	Short Term	Rating Action
<u>RATING TYPE: Fund Stability</u>				
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