



**Rating Action**

Lahore:(30-June-2010)

**Analyst**

Ahmad Raza Tahir  
(+92-42-586 9504)  
ahmad@pacra.com  
www.pacra.com

**PACRA ASSIGNS “AA”CAPITAL PROTECTION RATING TO ALFALAH GHP PRINCIPAL PROTECTED FUND**

The Pakistan Credit Rating Agency (PACRA) has assigned a capital protection rating of ‘AA(cp)’ [**Double A (capital protection)**] to the Alfalah GHP Principal Protected Fund (AGPPF), an open-end capital protected fund. The fund’s rating denotes very strong certainty of capital protection.

The rating reflects the fund’s mandate to place 77% of the total initial fund size in form of a Term Deposit with Bank Alfalah Limited, for a period of two and a half years from the date of placement. The bank has a long-term rating of “AA” by PACRA. The profit rate is fixed for the tenure of the placement, thus eliminating interest rate risk as well as reinvestment risk. Upon maturity of the scheme, these funds are expected to grow, at the stipulated interest rates, to at least 100% of the total initial fund size, net of all expenses and taxes. However, the certainty of this capital protection is contingent upon the credit risk of Bank Alfalah with which these funds are placed. Moreover, owing to losses incurred on non-capital protected portfolio, the cumulative returns of the fund have remained subdued. The total fund size stands at PKR1.03bln (end-May10).

**About the Bank:** Bank Alfalah Limited, with a network of 321 branches (Conventional: 261; Islamic: 60) and listed on all the bourses of the country, enjoys a leading position with around 6% industry assets share at end-Mar10. Abu Dhabi Group (ADG), comprising some of the prominent members of UAE’s ruling family, leading businessmen of UAE and their associates, owns the majority shareholding in the bank. The bank currently has long-term and short-term entity ratings of “AA” (Double A) and “A1+” (A One Plus), respectively, from PACRA.

**About the Management Company:** Commencing operations in Mar 2005, Alfalah GHP Investment Management (AGIM) is a part of Abu Dhabi Group. The major shareholders of AGIM include Bank Alfalah Limited, GHP Arbitrium Holdings Switzerland and MAB Investments Inc. (a holding company of Dhabi Group, UAE). AGIM is rated ‘AM3’ by PACRA and is currently managing seven open-end funds with total AUM of PKR 4.2bln at end May10. The company currently manages two open-end capital protected funds with aggregate AUM of around PKR1.8bln as at end-May10.

**Disclaimer**

This press release is being transmitted for the sole purpose of dissemination through print/electronic media. The press release may be used in full or in part without changing the meaning or context thereof with due credit to PACRA.

The primary function of PACRA is to evaluate the capacity and willingness of an entity to honor its obligations. Our ratings reflect an independent, professional and impartial assessment of the risks associated with a particular instrument or an entity.

PACRA’s comprehensive offerings include instrument and entity credit ratings, insurer financial strength ratings, fund ratings, asset manager ratings and real estate gradings.

PACRA’s opinion is not a recommendation to purchase, sell or hold a security, in as much as it does not comment on the security’s market price or suitability for a particular investor.