



**Rating Action**

Lahore: (14-February-2008)

**Analyst**

Usman Khizer  
(+92-42-586 9504)  
ukhizer@pacra.com  
www.pacra.com

Moin Khalid  
(+92-42-586 9504)  
moin@pacra.com  
www.pacra.com

**PACRA ASSIGNS STAR RATINGS TO FUNDS OF ARIF HABIB INVESTMENT MANAGEMENT LIMITED**

The Pakistan Credit Rating Agency Limited (PACRA) has completed its review of the performance of mutual funds, leading to assigning of star ratings to funds. The review included all funds, which were operational for the whole of the relevant period. PACRA assigns two types of star ratings, differentiated on the basis of period of review; (i) normal star ratings based on performance during the trailing 12 months, and (ii) long-term star ratings based on performance during the trailing 36 months period.

The star ratings measure the performance of the funds not only on the returns given by these funds over the period of analysis but also the risk – measured by variability in return over monthly periods. For Income or money market funds, the credit quality of the underlying assets is also considered in arriving at the overall rating. The rating of a fund is comparable only to ratings of other funds in the same category.

Accordingly, the following ratings have been assigned to eligible funds of Arif Habib Investment Management Limited based on the performance during FY07 for normal star rating and during FY05 to FY07 for long-term star rating:

FUND	CATEGORY	STAR RATING	
		NORMAL	LONG-TERM
1 Pakistan Income Fund	Income Fund	5-Star	5-star
2 Metrobank-Pakistan Sovereign Fund	Income Fund	4-star	3-star
3 Pakistan Premier Fund	Equity Fund – Closed end	4-Star	5-star
4 Pakistan Strategic Allocation Fund	Equity Fund – Closed end	4-Star	-
5 Pakistan Stock Market Fund	Equity Fund – Open end	3-Star	5-star
6 Pakistan Capital Market Fund	Asset Allocation Fund	5-star	-
7 Pakistan International Element Islamic Fund	Islamic Equity Fund	4-star	-

**RATING SCALE**

- ★★★★★ Superior Performance
- ★★★★☆ Good Performance
- ★★★☆☆ Average Performance
- ★★☆☆☆ Weak Performance
- ★☆☆☆☆ Poor Performance

**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.