



Rating Action

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Analyst

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

PACRA ASSIGNS “AAA”CAPITAL PROTECTION RATING TO JS CAPITAL PROTECTED FUND-IV

The Pakistan Credit Rating Agency (PACRA) has assigned a capital protection rating of ‘AAA(cp)’ [**Triple A (capital protection)**] to the JS Capital Protected Fund-IV (JSCPF-IV), an open-end capital protected fund. The fund’s rating denotes exceptionally strong certainty of capital protection.

The rating reflects the fund’s mandate to place 74.22% of the total initial fund size in form of a Term Deposit with Standard Chartered Bank Pakistan, for a period of three years from the date of placement. The bank is rated “AAA” by PACRA. The profit rates are fixed for the tenure of the placement, thus eliminating interest rate risk as well as reinvestment risk. Upon maturity of the placement, 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 scheme is contingent upon the credit risk of the bank with which these funds are placed. The total fund size stands at PKR659mln (end-Dec09).

About the Bank: Standard Chartered Bank Pakistan, a subsidiary (99% owned) of Standard Chartered Bank, UK, was incorporated in Pakistan in Jul06. Standard Chartered has a history of over 150 years (in subcontinent since 1858) in banking and operates in world’s emerging markets with an extensive global network of over 1,600 branches. The bank has expanded its outreach to 162 branches spread over 41 cities in Pakistan. The bank currently has long-term and short-term entity ratings of “AAA” (Triple A) and “A1+” (A One Plus), respectively, from PACRA.

About the Management Company: Incorporated in 1995, JS Investments Limited (JSIL) is the leading private sector asset management company in Pakistan. It is a subsidiary of Jahangir Siddiqui and Company Limited (JSCL) - 52% shareholding at end-Jun09. JSIL is managing sixteen funds with aggregate AUM of PKR21.3bln as at end-Dec09. JSIL was the pioneer in introducing capital protected funds in Pakistan. The company currently manages four open-end capital protected funds with aggregate AUM of around PKR 4.5bln as at end-Dec09.

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