



Rating Action

Lahore:(29-January-2010)

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PACRA ASSIGNS “AA” CAPITAL PROTECTION RATING TO JS PRINCIPAL SECURE FUND-I

The Pakistan Credit Rating Agency (PACRA) has assigned a capital protection rating of ‘AA(cp)’ [**Double A (capital protection)**] to the JS Principal Secure Fund-I (JSPSF-I), 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 69.09% of the total initial fund size in form of a Term Deposit with Bank Alfalah Limited, for a period of three years from the date of placement. The bank is rated “AA” 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 is contingent upon the credit risk of Bank Alfalah with which these funds are placed. The total fund size stands at PKR2.6bln (end-Dec09).

About the Bank: Bank Alfalah Limited, with a network of 282 (Conventional: 234; Islamic 48) branches and listed on all the bourses of the country, enjoys a leading position with around 6.4% industry assets share as at end-Mar09. 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 (58%) 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: 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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