



**Rating Action**

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**PACRA MAINTAINS STABILITY RATING OF NAFA SAVINGS PLUS FUND**

The Pakistan Credit Rating Agency (PACRA) has maintained the stability rating at ‘AA-(f)’ (**Double A Minus - Fund Rating**) of NAFA Savings Plus Fund (NSPF), an open-end income fund. The fund’s rating denotes a very strong capacity to manage relative stability in returns and very low exposure to risks.

The fund aims to minimize risk, maintain a high degree of liquidity and provide unit holders a reasonable return from a portfolio primarily constituting of short-term banks deposits (rated ‘A’ and above,) and money market instruments (rated ‘AA-’ and above,). As per NSPF’s investment policy, it will not invest in TFCs and/or spread transactions.

The rating reflects fund’s ability to maintain a very good credit quality, sound liquidity profile and very low exposure against interest rate risk. The fund’s very low risk emanates from its investment policy of maintaining a sizeable proportion of term deposits with banks rated ‘AA-’ and above, while only taking a limited exposure against banks having credit rating of ‘A’ and ‘A+’. Striving to maintain weighted average time to maturity of net assets below 90 days, no assets in fund’s investment portfolio will have maturity of more than six months. Meanwhile, the fund has invested a small portion in T-Bills(18%). The fund, at all times, would keep at least 25% of net asset in cash and/or near cash instruments.

**About the Management Company:** NBP Fullerton Asset Management Limited [Formerly; National Fullerton Asset Management Limited] (NAFA) is the management company for the NSPF and has been rated ‘AM2-’ by PACRA. NAFA is a subsidiary of Pakistan’s largest Bank, National Bank of Pakistan. The other major shareholder is Alexandra Fund Management Pte Limited (a member of Fullerton Fund Management Group, a wholly owned subsidiary of Tamasek Holdings, Singapore). NAFA is currently managing ten mutual funds with aggregate AUM of around PKR 15.65bln as at end-Nov10.

The management team of NAFA consists of qualified and experienced personnel. Dr. Amjad Waheed, CFA, the CEO of NAFA, holds a Doctorate in Business Administration with majors in Finance/Investments, besides having extensive experience in the asset management industry. The fund manager of NSPF, Mr. Ahmad Nouman, CFA, joined NAFA in Aug08 in the Fixed Income division. Meanwhile, the quality of risk management systems and control environment of the management company are sound.

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.