



Rating Action

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PACRA MAINTAINS ‘AAA(F)’ STABILITY RATING OF PAKISTAN CASH MANAGEMENT FUND

The Pakistan Credit Rating Agency (PACRA) has maintained the stability rating ‘AAA(f)’ (**Triple A – fund rating**) of Pakistan Cash Management Fund (PCF), an open-end money market fund. The fund’s rating denotes an exceptionally strong capacity to maintain relative stability in returns and negligible exposure to risks.

The objective of the fund is to deliver regular income, capital preservation and high liquidity primarily from short duration government securities investments. Fund’s robust credit quality and a strong liquidity profile emanates essentially from maintaining minimum exposure of 90% in Market Treasury Bills and short maturing reverse repo transactions with government paper as underlying security. The fund carries exceptionally low exposure to interest rate risk and provides high liquidity to unit holders by maintaining the overall maturity of the portfolio below 90 days (42 days at May10). PCF keeps remaining balance as bank deposits with minimum AA rated commercial banks for liquidity management purpose. The fund’s net assets have grown gradually to PKR 2.6bln as at end May-10, and its unit holding pattern is adequately diversified.

About the Management Company: Arif Habib Investments Limited (AHI) is the management company for PCF and is rated “AM2” with a positive outlook by PACRA. Arif Habib Securities – the holding company for Arif Habib Group - holds majority stake (60%) in AHI. The group is engaged in financial advisory, brokerage, cement and fertilizer industries.

AHI is one of the leading players in the asset management industry of Pakistan with assets under management of above PKR 17.0bln as at end May10. The company currently has eight open-end and three closed-end funds under management and also offers two pension schemes. Mr. Nasim Beg, FCA, the founding Chief Executive, has more than 35 years diversified experience. He has been instrumental in development of mutual fund industry in Pakistan. The fund manager of PCF, Mr. Nadeem Ali Khan, has diverse experience of evaluating, structuring and executing of fixed income products.

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