



Rating Action

Lahore (13-Jan-10)

Analyst

Adnan Rasool
(+92-42-586 9504)
adnan.rasool@pacra.com
www.pacra.com

PACRA MAINTAINS STABILITY RATING OF PAK OMAN ADVANTAGE FUND

The Pakistan Credit Rating Agency (PACRA) has maintained fund stability rating of Pak Oman Advantage Fund (POAF) at “**AA-(f)**” (**Double A Minus – fund Rating**), a closed-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 rating reflects the fund’s objective to invest in high quality debt instruments so as to generate superior risk-adjusted returns for its investors. Main risk factors affecting the fund’s stability emanate from fluctuation in interest rates, volatility in prices of quoted TFCs and credit risk of counterparties. The major proportion of the fund is concentrated in TFCs with longer maturities. The fund remains exposed to price risk due to volatility in the TFCs market. The majority holding of fund’s TFCs exposure belongs to high credit quality. However, any deviation from such strategy will result in change in credit quality of assets. Meanwhile, the closed-end nature of the fund ensures a relatively stable fund profile. The fund has a limited life of 8 years after which it will be wound up (in May 2015).

About the Management Company: Pak Oman Asset Management Company Limited (POAMCL) is the management company for the POAF. The main sponsors of POAMCL are Pak Oman Investment Company Limited, Oman National Investment Corporation Holding, Bank Muscat, and National Logistics Cell. The company is currently managing four mutual funds with aggregate AUM of PKR 1.54bln as at end-Nov10. The management team at POAMCL is reasonably experienced.

The CEO, Ms. Hina Ghazanfar, has been associated with POAMCL since 2007 and has worked for various domestic and foreign financial institutions previously. The fund manager, Mr. Nabeel Malik is an MBA and joined POAMCL in 2008.

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.