



**Rating Action**

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**PACRA MAINTAINS STABILITY RATING OF PAKISTAN INCOME FUND**

The Pakistan Credit Rating Agency (PACRA) has maintained stability rating of Pakistan Income Fund (PIF) at ‘**AA-(f)**’ (**Double A Minus – Fund Rating**), 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’s objective is to deliver income by investing primarily in debt and fixed income securities without taking excessive risk. The rating reflects a very good credit quality of fund’s assets, low incidence of interest rate volatility and diversified TFCs portfolio. The fund has a good liquidity profile with investments in a mix of TFCs, TDR, T-Bill and money market placements. The fund carries a relatively low proportion of TFC and more than half of the portfolio is invested in Government Securities. Unit holding pattern has low concentration and there has been no occurrence of non-performance in the asset profile.

The main risk factor affecting the stability of returns emanate from volatility in prices of TFCs amidst largely illiquid market for this segment; however, the fund maintains good quality TFCs, most of which are liquid. Meanwhile, any major deviations from existing investment policy and significant change in credit quality of the assets will be critical for fund’s rating.

**About the Management Company:** Arif Habib Investments Limited (AHI) is the management company for PIF and is rated “AM2” with a Positive outlook by PACRA. Arif Habib Corporation (formerly Arif Habib Securities Ltd.) – 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 14.8bln as at end Nov10. The company currently has 11 (eleven) open-end funds under management and also offers two pension schemes. Mr. Nasim Beg, FCA, the founding Chief Executive, has more than 40 years diversified experience. He has been instrumental in development of mutual fund industry in Pakistan. The fund manager of PIF, Mr. Zafar Rehman heads the fixed income division and has vast experience in managing fixed income portfolios.

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