



Rating Action

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PACRA MAINTAINS STABILITY RATING OF ATLAS ISLAMIC INCOME FUND

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

The primary investment objective of the fund is to provide investors with high and stable rate of current income consistent with long-term preservation of capital growth by investing in a diversified portfolio of Shariah compliant investment instruments, including investments outside Pakistan. The rating reflects good credit quality of the fund’s assets and a strong liquidity profile, though having a relatively high degree of concentration. At the same time, the rating incorporates fund’s low exposure to interest rate volatility. Currently, a significant portion of fund’s assets comprises TDRs, while remaining portion is invested in daily cash balances with Islamic banks. The unit holding pattern is fairly concentrated and remains vulnerable to redemption pressure. However, comfort can be drawn from significant holding of the Atlas group and its associates.

Going forward, the fund intends to invest in corporate Sukuks as well as Government issued Ijarah Sukuks. To maintain high credit quality and strong liquidity, the fund would maintain more than 90% of its assets in the form of bank placements – deposits and TDRs predominately amongst institutions with high ratings and have the balance in Government Ijara Sukuks.

About the Management Company: Atlas Asset Management Limited (AAML), incorporated in August 2002, is majority owned (88%) by Shirazi Investments (Pvt.) Limited – the holding company of Atlas Group. Atlas Group, established in 1962, is one of the well-known business groups of the country with presence in manufacturing, financial, and trading sectors.

AAML is the management company for the AIIF and has been rated ‘AM3+’ by PACRA. AAML is currently managing eight open, close end mutual and pension funds with aggregate AUM of around PKR 5bln as at end Nov10. The management team of AAML consists of well qualified and experienced personnel. Mr. M. Habib-Ur-Rahman, FCA, the CEO of Atlas, holds a charter from ICAEW and is a Harvard Alumni with vast experience in the capital markets, besides having extensive knowledge of the asset management industry. Mr. Abdul Samad, the CIO of AAML, who is also the Fund Manager of AIIF, has extensive experience in the Asset Management industry.

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