



Rating Action

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PACRA MAINTAINS CAPITAL PROTECTION RATING OF JS PRINCIPAL SECURE FUND-I

The Pakistan Credit Rating Agency (PACRA) has maintained the capital protection rating of JS Principal Secure Fund-I (JSPSF-I) at '**AA(cp)**' [**Double A (capital protection)**]. It is an open-end capital protected fund launched in April 2009 with stipulated life of three years. The fund's rating denotes very strong certainty of capital protection.

The rating reflects the fund's mandate to place 69.09% of the total initial fund size in the form of a term deposit with Bank Alfalah Limited, for a period of three years from the date of placement. The bank has a long-term rating of "AA" by PACRA. The profit rates are fixed for the tenure of the placement, thus eliminating risk of downward adjustment in interest rate as well as reinvestment risk. Upon maturity of the placement (end-Jun12), these funds are expected to grow, at the stipulated interest rates, to at least 100% of the total initial fund size, net of all expenses and taxes. The initially placed fund amount has grown up to 87.84% at end Apr11.

The current composition of the fund is dominated by term deposits with, 99.48% being placed with Bank Alfalah. The fund has outperformed its benchmark with an YTD return of 19.90% at end-May11, mainly attributed to a significant redemption at the beginning of FY11, resulting in a sizeable back-end load. The total fund size stands at PKR984.98mln at end-May11

About the Bank

Bank Alfalah Limited, with a network of 386 branches (Conventional: 306; Islamic: 80) and listed on all the bourses of the country, enjoys a leading position with around 6.8% industry assets share at end-Mar11. Abu Dhabi Group (ADG), comprising some of the prominent members of UAE's ruling family, leading businessmen of UAE and their associates, owns the majority shareholding in the bank.

About the company

Incorporated in 1995, JS Investments Limited (JSIL) is a significant player in the asset management industry in Pakistan. It is a subsidiary of Jahangir Siddiqui and Company Limited (JSCL) - 52% shareholding. JSIL is managing fourteen funds with aggregate AUM of PKR13.8bln as at end-Apr11.

Mr. Rashid Mansur, the Chief Executive, joined JSIL in April 2010. He is a qualified Associate of the Chartered Institute of Bankers London and a Fellow of the Institute of Bankers in Pakistan with over 30 years of domestic and international experience in financial services industry. Dr. Ali Akhtar is the fund manager and also looks after JS Growth Fund, JS Pension Savings Fund and JS Fund of Funds.

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