



Rating Action

Lahore (10-Jan-11)

Analyst

Mohammad Asadullah Saleem
(+92-42-586 9504)
saleem.asadullah@pacra.com
www.pacra.com

PACRA UPGRADES STABILITY RATING OF ALFALAH GHP CASH FUND

The Pakistan Credit Rating Agency (PACRA) has upgraded the stability rating to ‘AA+(f)’ (**Double A Plus – fund rating**) [Previous rating: “AA(f)” (Double A – Fund Rating)] of Alfalah GHP Cash Fund (AGCF), an open-end money market fund. The fund’s rating denotes a very strong capacity to manage relative stability in returns and very low exposure to risks.

Launched in Mar10, the fund’s objective is to provide regular income at a competitive rate of return. The rating reflects very strong credit quality of the fund’s assets and a strong liquidity profile. In addition, the rating incorporates fund’s very low exposure to interest rate volatility. The fund’s very low credit risk and strong liquidity profile largely emanates from portfolio mix investing majorly (~80%) in short term government securities. The remaining funds are invested in a combination of money market instruments and deposits with scheduled banks rated ‘AA’ and above.

Going forward, the fund will remain invested 75% in T-Bills with weighted average maturity of less than 60days. The main factor affecting the rating of fund could be significant change in asset mix in favor of non-government securities, increasing the credit and liquidity risks.

About the Management Company: Commencing operations in March 2005, Alfalah GHP Investment Management (AGIM) is a part of Abu Dhabi Group. The major shareholders of AGIM include Bank Alfalah Limited, GHP Arbitrium Holdings Switzerland and MAB Investments Inc. (a holding company of Dhabi Group, UAE). AGIM is rated ‘AM3’ with a Positive Outlook by PACRA and is currently managing seven open-end funds with total AUM of PKR 4.1bln at end-Nov10.

The CEO, Mr. Abdul Aziz Anis, CFA, has considerable experience in Pakistan’s capital markets and has been associated with AGIM since inception. Mr. Ather H. Medina, with a diverse experience in investment management, has recently joined AGIM as Chief Investment Officer. The fund manager of AGCF, Mr. Zeeshan Khalil, has adequate experience in managing fixed income portfolios.

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.