



CAPITAL PROTECTION RATING RATING SCALE & DEFINITIONS

Capital Protection (CP) rating is an opinion on the relative prospective certainty of capital preservation, that is, the timely repayment of the original investment as per agreed terms.

SCALE	DEFINITION
CP1	Very strong certainty of capital protection
CP2+ CP2	Strong certainty of capital protection
CP3+ CP3	Good certainty of capital protection
CP4+ CP4	Adequate certainty of capital protection
CP5	Weak capital protection

Rating Watch

Alerts to the possibility of a rating change subsequent to, or in anticipation of, a) some material identifiable event and/or b) deviation from expected trend. But it does not mean that a rating change is inevitable. Rating Watch may carry designation – Positive (rating may be raised, negative (lowered), or developing (direction is unclear). A watch should be resolved within foreseeable future, but may continue if underlying circumstances are not settled.

Outlook

Indicates the potential and direction of a rating over the intermediate term in response to trends in economic and/or fundamental business/financial conditions. It is not necessarily a precursor to a rating change. ‘Stable’ outlook means a rating is not likely to change. ‘Positive’ means it may be raised. ‘Negative’ means it may be lowered. Where the trends have conflicting elements, the outlook may be described as ‘Developing’.

Suspension

It is not possible to update an opinion due to lack of requisite information. Opinion should be resumed in foreseeable future. However, if this does not happen within six (6) months, a suspended rating should be considered withdrawn.

Withdrawn

Rating is withdrawn on a) termination of rating mandate, b) cessation of the fund, or c) rating remains suspended for six months.

Disclaimer: Capital Protection rating captures relative prospective certainty of capital preservation. PACRA's opinion is not a recommendation to purchase, sell or hold a fund and/or security, in as much as it does not comment on the security's market price / fund's NAV or suitability for a particular investor.