



**FUND STABILITY RATING
RATING SCALE & DEFINITIONS**

Stability rating measures the stability of a fund in terms of its NAV. Meanwhile, sensitivity to economic and fundamental factors is incorporated in the rating.

SCALE	DEFINITION
AAA(f)	Very high stability An exceptionally strong capacity to maintain relative stability in returns and possesses negligible exposure to risks.
AA(f)+ AA(f) AA(f)-	High stability A strong capacity to maintain relative stability in returns and possesses low exposure to risks. This capacity may, nevertheless, be more vulnerable to changes in circumstances or in economic conditions.
A(f)+ A(f) A(f)-	Good stability A fund with stable performance generally in line with its peers with adequate capacity to respond to future opportunities or stress situations.
BBB(f)+ BBB(f) BBB(f)-	Adequate stability An adequate capacity to maintain relative stability in returns and possesses high exposure to risks. This capacity may be impacted adversely by changes in circumstances or in economic conditions.
BB(f)+ BB(f) BB(f)-	Weak stability A low capacity to maintain stability in returns and possesses very high exposure to risks.
B(f)	Poor stability A very low capacity to maintain stability in returns and possesses very high exposure to risks.

<p>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.</p>	<p>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’.</p>	<p>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 However, if this does not happen within six (6) months, a suspended rating should be considered withdrawn.</p>	<p>Withdrawn Rating is withdrawn on a) termination of rating mandate, b) cessation of the fund, or c) rating remains suspended for six months.</p>
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Disclaimer: Stability rating is based on stability of a fund’s returns in terms of its NAV. 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.