



Rating Action

Lahore : 06-Apr-2016

Analyst

Usama Liaquat
(+92-42-35869504)
usama.liaquat@pacra.com
www.pacra.com

Applicable Criteria and Related Research

- Mutual Funds | Performance Ranking - Viewpoint | Aug-15
- Mutual Funds | Fixed Income Category - Viewpoint | Nov-15
- Capital Protection Rating Methodology

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.

PACRA Assigns Capital Protection Rating to JS Capital Protected Fund V

The Pakistan Credit Rating Agency (PACRA) has assigned the capital protection rating of 'CP2+' (CP Two plus) to JS Capital Protected Fund V (JSCPFV), an open-end capital protected fund. The fund's rating denotes very strong certainty of capital protection.

The objective of JS Capital Protected Fund V (JSCPFV) is to provide 100% capital protection upon maturity through the fund's investment structure. The fund has the potential to beat the term deposit returns through potential exposure in the capital markets with an aggressive asset allocation strategy. The life of the fund is 24 months and 6 weeks.

The rating reflects static capital protection model employed by the fund for capital preservation. The fund's mandate is to place more than 80% of the total initial fund size in form of a Term Deposit with Bank Alfalah Limited, for entire life of the fund. The bank has a long-term rating of "AA" by PACRA with a 'positive outlook'. In addition the fund intends to maintain a separate deposit with Bank Alfalah Limited in respect of amount corresponding to approximately 2% of the total initial fund raised for expenses cover in case equity investment portion is completely wiped out. The profit rates are fixed for the tenure of the placement, thus eliminating interest rate risk as well as reinvestment risk. Upon maturity of the placement, 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. Remaining portion of the fund would be invested in the domestic capital markets through an aggressive asset allocation strategy.

Going forward, continued compliance with the relevant guidelines is important.

About the Management Company:

Incorporated in 1995, JS Investments Limited (JSIL) is a subsidiary of JS Bank Limited (JSBL) - 52% shareholding. With a branch network of 277 and an asset base of PKR 218bln (at end-Dec 15), JSBL is rated 'A+' by PACRA. Currently, JSIL is managing nine open-end funds (at end-Feb16) and two pension schemes with cumulative assets under management of PKR 8.63bln (at end-Feb16) JSIL also manages SMA portfolio of PKR 441.62mln at end-Feb 2016.

Dr. Ali Akhtar Ali, the Chief Executive Officer, carries extensive experience of the mutual fund industry. Mr. Arsalan Asif Soomro, the Fund Manager, possess over 08 years experience in equity portfolio management and is currently serving as Head of Equity at JSIL. He is a qualified CFA and FRM.

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 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.