



Rating Action

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PACRA Maintains Stability Rating to PIML Islamic Income Fund

The Pakistan Credit Rating Agency (PACRA) has maintained the stability rating at 'A'(f) (Single A; fund rating) of PIML Islamic Income Fund, an open-end income fund. The fund's rating denotes a strong capacity to manage relative stability in returns and low exposure to risks.

The investment objective of the fund is to generate competitive returns by investing in short, medium and long-term Shariah Compliant Fixed Income Instruments.

The rating reflects the fund's credit risk profile emanating from its majority of portfolio allocation towards 'A' rated banks. The fund continued to remain invested predominantly in banks over the last couple of quarters. This limits impact of any interest rate movement on fund's respected NAV at end-Sept16. The unit holding pattern of the fund represents high redemption risk. The top 10 investors concentration was at 96% at end Sept16.

Going forward, PIML Islamic Income Fund is intended to gradually build exposure in shariah compliant government/ debt securities and instruments having strong credit quality. Material changes in the fund's asset allocation strategy, which could negatively impact the fund's credit quality and exposure to interest rate risk, remain critical for the rating.

About the Management Company:

Established in 2011, Primus Investment Management Limited (PIML) is a wholly owned subsidiary of Pak Brunei Investment Company Limited (Pak Brunei) rated 'AA+' by PACRA. PIML is a Non-Banking Finance Company, licensed by the Securities and Exchange Commission of Pakistan to manage open and closed end funds. PIML is currently managing seven open end schemes with assets under management of PKR 8.8bln at end-Sept16.

The CEO, Mr. Ahmed Ateeq, has been associated with the asset management industry for more than a decade. The Fund Manager - Khawar Salman - has a cumulative working experience of more than 16 years.

Applicable Criteria and Related Research

- Mutual Funds | Oct-16
- Fund Stability Rating Methodology

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