

Our Methodology

SIMAH Rating Agency (TASSNIEF), will display the highest level of transparency in communicating its ratings to the marketplace, so that investors can be provided with the details of TASSNIEF's ratings approach, opinions and analyses.

TASSNIEF's Fund Stability Rating (FSR) is an opinion pertaining to the consistency of returns for mutual funds. It is worth noting that FSR is conducted for funds which have only fixed income instruments as the underlying investment avenue. According to the Investment Funds Regulations issued by Capital Market Authority (CMA), the money market funds and Income/debt instrument funds qualify for FSR.

Moreover, TASSNIEF's rating methodology is built on a simplified sequential approach, in which it leads to the long-term Counterparty Rating of a mutual fund.

TASSNIEF's long-term rating go hand in hand with an outlook, in which the direction can be positive, negative or stable. In addition, TASSNIEF allows itself to place any rating on watch based on a specific event.

Rating Process

Once TASSNIEF is appointed as the rating agency and the contract is signed, the client shall submit all required information and documents.

Afterwards, TASSNIEF's analytical team will start its analysis and presents the outcome to its rating Committee for deliberation. Therefore, there is no person solely responsible for a rating; instead our rating exercise is rather a collective work of TASSNIEF's experienced team, which is validated in the Saudi context.

TASSNIEF will also provide the client with the opportunity to appeal on the assigned rating for a second review, depending on the circumstances.

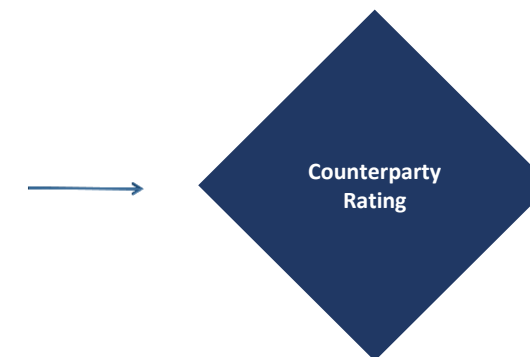
Subject to the final approval of the client, the Fund Stability Rating will be distributed at the discretion of the client.



Fund Stability Rating Framework

Standalone Rating Factors

Credit Risk Factors	40%
Market Risk Factors	30%
Liquidity Risk Factors	20%
Operational Risk Factors	10%



Fund Stability Rating Scale	Definitions
AAA(f)	Risk factors are minimal. Fund exhibits highest consistency of returns.
AA+(f) AA(f) AA-(f)	Risk factors are low. Fund exhibits very high consistency of returns
A+(f) A(f) A-(f)	Risk factors are moderate. Fund exhibits reasonable consistency of returns.
BBB+(f) BBB(f) BBB-(f)	Risk factors as moderately high. Fund exhibits adequate consistency of returns.
BB+(f) BB(f) BB-(f)	Risk factors as very high. Fund exhibits low consistency of returns..
B+(f) B(f) B-(f)	Risk factors as the highest. Lowest consistency in fund returns

Key Definitions

Fund Stability Rating is an opinion pertaining to the consistency of the returns of the mutual funds.

Modifiers are « + » and « - » signs that adds more granularity in the ordinal credit classification.

Suffix (f) is used with the Fund stability rating scale in order to differentiate between an entity rating scale and fund stability rating scale.