

RATING SCALE & DEFINITIONS: RENTAL REIT FUND RATING SCALE

AAA (rr)

Highest capacity to maintain stable rental income. Risk factors impacting value of REIT assets are negligible over the foreseeable future.

AA+, AA, AA- (rr)

High capacity to maintain stable rental income. Risk factors impacting value of REIT assets are modest over the foreseeable future.

A+, A, A- (rr)

Moderate capacity to maintain stable rental income. Risk factors impacting value of REIT assets may vary with possible changes in the economy over the foreseeable future.

BBB+, BBB, BBB- (rr)

Adequate capacity to maintain stable rental income. Risk factors impacting value of REIT assets are considered variable if changes occur in the economy over the foreseeable future.

BB+, BB, BB- (rr)

Low capacity to maintain stable rental income. Risk factors impacting value of REIT assets are sensitive to changes in the economy over the foreseeable future.

B (rr)

Very low capacity to maintain stable rental income. Risk factors impacting value of REIT assets are capable of fluctuating widely if changes occur in the economy.

The REIT rating scale of 'AAA' to 'B' is appended by the letter (rr) to denote Rental REIT ratings and to differentiate it from the nomenclature used for issue and issuer ratings.

Rating Watch: VIS places entities and issues on 'Rating Watch' when it deems that there are conditions present that necessitate re-evaluation of the assigned rating(s). Refer to our 'Criteria for Rating Watch' for details. https://docs.vis.com.pk/docs/criteria_watch.pdf.

Rating Outlooks: The three outlooks 'Positive', 'Stable' and 'Negative' qualify the potential direction of the assigned rating(s). An outlook is not necessarily a precursor of a rating change. Refer to our 'Criteria for Rating Outlook' for details. https://docs.vis.com.pk/docs/criteria_outlook.pdf.

RATING SCALE & DEFINITIONS: DEVELOPMENT & HYBRID REIT FUND RATING SCALE

RFR1*

Successful implementation of REIT project is highly likely. Risk factors impacting value of REIT assets are negligible over the foreseeable future.

RFR2++, RFR2+, RFR2

Successful implementation of REIT project is very likely. Risk factors impacting value of REIT assets are modest over the foreseeable future.

RFR3++, RFR3+, RFR3

Successful implementation of REIT project is likely. Risk factors impacting value of REIT assets may vary with possible changes in the economy over the foreseeable future.

RFR4++, RFR4+, RFR4

Material risk to successful implementation of REIT project. Risk factors impacting value of REIT assets are sensitive to changes in the economy over the foreseeable future.

RFR5++, RFR5+, RFR5

Highest risk to successful implementation of REIT project. Risk factors impacting value of REIT assets are capable of fluctuating widely if changes occur in the economy.

***RFR-REIT Fund Rating**

The REIT rating scale of 'RFR1' to 'RFR5' is appended by the letter (dr) to denote Developmental Rental REIT ratings and (hr) to denote Hybrid REIT rating.

Rating Watch: VIS places entities and issues on 'Rating Watch' when it deems that there are conditions present that necessitate re-evaluation of the assigned rating(s). Refer to our 'Criteria for Rating Watch' for details. https://docs.vis.com.pk/docs/criteria_watch.pdf.

Rating Outlooks: The three outlooks 'Positive', 'Stable' and 'Negative' qualify the potential direction of the assigned rating(s). An outlook is not necessarily a precursor of a rating change. Refer to our 'Criteria for Rating Outlook' for details. https://docs.vis.com.pk/docs/criteria_outlook.pdf.
