



Rating Action

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PACRA ASSIGNS 'POSITIVE OUTLOOK' TO ASSET MANAGER RATING OF HABIB ASSET MANAGEMENT LIMITED

The Pakistan Credit Rating Agency (PACRA) has assigned a “**Positive Outlook**” to asset manager rating of ‘**AM3-**’ (**AM Three Minus**) of Habib Asset Management Limited (HAML).

The rating reflects HAML’s qualified management team, and adequately structured investment process given the size of funds and scale of operations. The rating incorporates HAML’s association with a leading commercial bank, Bank AL Habib Limited, though the benefits that may accrue in terms of expansion in size are yet to happen. The company has taken various steps to improve efficacy of business functions such as risk management and investor services platform by deploying requisite resource. However, unit holder concentration in AUM is still high.

The positive outlook reflects the management’s initiative to diversify its fund slate by launching new funds (First Habib Cash Fund, launched in Mar11 and another fund in pipeline) inline with changing dynamics of the industry. The management's ability to effectively execute its business plan, while improving its market standing, would remain critical.

The company: HAML, incorporated in September 2005, is a part of Habib group - the oldest and distinguished name in Pakistan’s banking circle, with interest in insurance, sugar, textile, auto, food and trade sectors. Habib family members and associates own around 90% of shareholding in the company. Bank AL Habib Limited (BAHL) with 30% ownership stake is the single largest shareholder.

HAML has three funds under management – First Habib Income Fund, First Habib Stock Fund and First Habib Cash Fund, launched recently to cater to the needs of short-term investors. The company had net assets of around PKR 2.1bln at end Mar11. Mr. Imran Azim has been the company’s CEO since its inception. He carries a diverse experience of corporate and financial sectors.

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