



Rating Action

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PACRA UPGRADES ASSET MANAGER RATING OF ASKARI INVESTMENT MANAGEMENT LIMITED

The Pakistan Credit Rating Agency (PACRA) has upgraded the asset manager rating of Askari Investment Management Limited (AIM) to "AM3+" (AM Three Plus) [previously: AM3 with Positive Outlook]. The rating denotes high investment management industry standards and benchmarks.

The rating reflects the company's experienced and qualified management team, a structured investment process, and refreshed attention from the parent bank - Askari Bank Limited. The rating incorporates the management's efforts towards establishing sound systems and processes and strengthening of the overall investment management function. Lately, AIM has achieved substantial growth in assets under management, as against some of the more established players in the industry. Moreover, most of the company's funds have shown good performance in comparison to most peers.

The rating is dependent on the management's initiatives to diversify its product slate through launch of new funds. Moreover, establishing an independent and effective risk management function alongwith stable and strong funds' performance would be important.

About the company

AIM, a wholly owned subsidiary of Askari Bank Limited, commenced its business in May05 and is currently managing assets above PKR 8.5bln (end May-11). The seven-member BoD of AIM includes three independent directors. All directors are professionals, mainly from the financial sector. Askari Bank, with a network of 235 branches, had assets of 308bln and a deposit base of PKR 249bln at end-Mar 11. The bank has a very strong financial position, evidenced by a long-term entity rating of "AA" by PACRA.

The CEO, Mr. Adnan Siddiqui, has more than 15 years of experience in capital markets with an established performance track record. He has played an active role in the development of asset management industry, and is spearheading AIM's drive to establish as a leading AMC. He is supported by a young, but adequately qualified, team.

The management has made efforts for creating retail friendly Mutual Fund and Investment Product awareness marketing material aimed at promoting the AMC industry. AIM is promoting the concept of "Objective Based Investing" which is fast gaining the market acceptance and is reflected in its substantial growth in assets under management.

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