



Rating Action

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PACRA MAINTAINS ASSET MANAGER RATING OF ARIF HABIB INVESTMENT MANAGEMENT LIMITED

The asset manager rating of Arif Habib Investment Management Limited (AHIML) has been maintained at 'AM2' (AM Two), though the positive outlook assigned earlier has been withdrawn. AHIML's strengths as a leading player in the asset management industry includes its structured investment process, experienced management, diverse product base and sound technology platform. The assets under management of the company have registered substantial decline on account of redemption pressure on income funds and downturn in the stock market. To offset the impact of notable decline in management fee, the management has taken cost reduction measures, including downsizing of the sales force. Although experiencing pressure on its market share, AHIML has managed well the liquidity risk of its funds in the current scenario.

The rating depends on AHIML's ability to sustain its market standing in the current challenging environment. Maintaining the quality of support system and process, amidst cost cutting initiatives, and strengthening of risk management and control systems would remain critical for the rating. The management's efforts at realigning the marketing strategy for future asset accumulation in the current challenging environment has gained additional importance. Meanwhile, any deterioration in the profile of the sponsoring group may have implications on the rating.

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