



**Rating Action**

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**PACRA ASSIGNS ENTITY RATINGS TO ARIF HABIB INVESTMENTS LIMITED**

The Pakistan Credit Rating Agency (PACRA) has downgraded the long-term entity rating of Arif Habib Investments Limited (AHIL) to ‘A’ (Single A), [Previous rating: A+] while maintaining the short-term entity rating at ‘A1’ (A one). These ratings denote a low expectation of credit risk emanating from a strong capacity for timely payment of financial commitments.

The rating action reflects pressure on the company’s financial profile, attributable to erosion in the risk absorption capacity due to high exposure to equity markets arising from its investments through its own funds. Meanwhile, performance prospects of the company are expected to remain under pressure in near term mainly driven by decline in assets under management, a trend witnessed across the industry in recent period. Nonetheless, AHIL carry superior investment infrastructure and product base to tap growth, once the revival of mutual fund industry gets underway.

**About the company:** AHIL has an asset manager rating of “AM2”, assigned by PACRA. The rating reflects its structured investment process, experienced management team, diverse product base and sound technology platform.

Incorporated in August 2000 and listed on the Karachi Stock Exchange, AHIL is among the leading asset management companies in Pakistan. Arif Habib Securities Limited (AHS) – the holding company for Arif Habib Group – holds majority stake (60.18%) in the company. Arif Habib group is engaged in investment management, financial advisory services, brokerage, banking, cement, and fertilizer industries. The financial profile of the group has lately come under pressure, owing to group’s substantial exposure in capital markets, which have registered sharp meltdown in the recent past.

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