



**Rating Action**

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**Analysts**

Mohammad Asadullah  
Saleem

(+92-42-586 9504)

saleem.asadullah@pacra.com

**PACRA MAINTAINS ASSET MANAGER RATING OF HABIB ASSET MANAGEMENT LIMITED**

The Pakistan Credit Rating Agency Limited (PACRA) has maintained the asset manager rating of Habib Asset Management Limited (HAML) at ‘AM3-’ (**AM Three Minus**). The rating reflects the company’s reasonably strong capacity to manage the risks inherent in asset management and the asset manager meets high investment management industry standards and benchmarks.

The rating reflects HAML’s lean 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. The company is taking various steps to improve effectiveness of key support functions including research and risk management through deploying requisite resources and streamlining investment policies. Although fund slate has been improved through launch of a new fund, HAML still lacks diversity in funds compared to more established peers.

The rating is dependent upon company’s ability to further strengthen requisite human resource, while continuously improving systems and processes. Meanwhile, developing an effective marketing strategy and capitalizing on group synergies for growth in asset under management 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 two funds under management – First Habib Income Fund and First Habib Stock Fund – launched in June 2007 and October 2009, having net assets of around PKR 2.3bln at end Nov ‘09. 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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