



RATING ACTION

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PACRA ASSIGNS ENTITY RATINGS TO JS INVESTMENTS LIMITED

The Pakistan Credit Rating Agency (PACRA) has downgraded the long-term and the short-term entity ratings of JS Investments Limited to 'A+' (Single A plus) and 'A1' (A one), respectively [Previous Rating: Long-term: AA-, Short-Term: A1+]. These ratings denote low expectation of credit risk emanating from a strong capacity for timely payment of financial commitments.

The ratings reflect pressure on the company's financial profile, primarily owing to the substantial revaluation deficit on the company's investment portfolio. This has adversely impacted the company's risk absorption capacity and increased leveraging to a high level. The management is contemplating various options to enhance the equity base. Meanwhile, the sharp decline in AUM has suppressed management fee revenue, a trend visible across the entire asset management industry in the recent period. Nevertheless, the sound financial profile of the JS Group remains a source of comfort.

About the company: Incorporated in 1995, JSIL is the leading private sector asset management company in Pakistan. It is a subsidiary of Jahangir Siddiqui and Company Limited (JSCL) - 52% shareholding at end-Dec08. Starting as a traditional securities firm, JSCL now functions as a holding company for JS Group, mainly for its interest within the financial sector – asset management, financial advisory services, stock brokerage and banking. The Group also has investments in major industries namely textiles, fertilizer, technology & media, commercial real estate, energy & natural resources and aviation. JSIL went public on April 24, 2007 with some members of the JS family divesting a portion of their holding through an offer for sale.

JSIL is managing fourteen funds – eleven open-end and three closed-end funds. It also has a pension saving scheme and an Islamic pension saving scheme. The assets under management (AUM) were over PKR21bln as of end-May09.

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