



**Rating Action**

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**PACRA ASSIGNS ASSET MANAGER RATING TO JS INVESTMENTS LIMITED**

The Pakistan Credit Rating Agency (PACRA) has adjusted the asset manager rating of JS Investments Limited (JSIL) to **'AM2' (AM Two)**. [Previous rating: **'AM2+' (AM Two Plus)**]. The rating denotes the company's very strong capacity to manage the risks inherent in asset management and meets very high investment management industry standards and benchmarks.

The rating reflects the strong franchise value of JSIL, relatively superior systems and processes, and an experienced management team. The association with a sound business group – Jahangir Siddiqui is also a key factor. The company has in place robust business and marketing strategy to overcome challenging operating environment currently facing it. However, the recent crises in the capital markets and subdued socio-economic environment, while eroding the company's equity due to loss on investments, has depressed its earning potential due to decline in assets under management, whereby the company has also lost its leading system share. Moreover, turnover was seen in key departments including risk management and research functions.

The ratings are dependent on JSIL's ability to streamline its investment management process and ensuring stability in its senior management. Meanwhile, executing its business strategy to reduce the pressure on revenue and assets under management, while upholding the performance of its funds, would be critical.

**About the Management Company:** Incorporated in 1995, JS Investments Limited (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-Nov09. JSCL functions as a holding company for JS Group, mainly for its interest within the financial sector. JSIL is managing sixteen funds with aggregate AUM of PKR 21.3bln as at end-Dec09.

The management team, though witnessing turnover, comprises professionals who have diverse experience in the mutual fund industry.

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