



RATING ACTION

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PACRA ASSIGNS ASSET MANAGER RATING OF “AM3” TO LAKSON INVESTMENTS LIMITED; THE OUTLOOK IS POSITIVE

The Pakistan Credit Rating Agency (PACRA) has assigned asset manager rating of “AM3” with “Positive Outlook” to Lakson Investments Limited (LI). The rating denotes the company’s strong capacity to manage the risks inherent in asset management and the asset manager meets high investment management industry standards and benchmarks.

Lakson Investments has a strong capacity to establish a robust asset management platform that emanates from its adequately experienced management team, structured investment process and association with a sound business group – Lakson Group. The company has shown good progress towards infrastructure building while launching three open-end funds at the commencement of operations. Despite Lakson Group’s limited presence in the financial sector, LI is well placed to benefit from group synergies in terms of marketing and distribution of funds and has a comprehensive plan for growth in assets under management. However, given the short track record of the company, intense competition and subdued socio-economic environment, the plan to achieve the desired growth targets would be challenging. Meanwhile, the efficacy of LI’s systems and process needs to be fully tested.

The rating is dependant upon company’s ability to effectively execute its business strategy and strengthen its systems and processes including establishing an independent and effective risk management function. As the company is a new entrant to the industry, achieving superior fund performance would be crucial.

About the company: Incorporated in January 2009, LI is the investment management arm of Lakson Group, wholly owned through Siza Services (Private) Limited. Lakson Group has leading companies in multiple sectors including call centers, consumer non-durables, fast food, insurance, media, paper and board, printing and packaging, surgical instruments, technology textiles, and travel. The eight-member BoD comprises four independent directors and executives of group companies. The Chairman of Lakson Group, Mr. Iqbal Ali Lakhani is the Chairman of LI’s board.

The Chief Executive Officer, Mr. Babar Ali Lakhani, has investment management experience in local and foreign markets. He is assisted by a young, but competent team. The company is currently managing three open-end funds, launched in Nov09 – Equity, Money Market and Income – with total assets under management of PKR 2 bln as at end - 09 and discretionary portfolios of PKR 1.4 bln.

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