



**Rating Action**

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**PACRA MAINTAINS ASSET MANAGER RATING OF NATIONAL INVESTMENT TRUST LIMITED**

The Pakistan Credit Rating Agency (PACRA) has maintained the asset manager rating of National Investment Trust Limited (NITL) at “AM2-”. The rating denotes the company’s very strong capacity to manage the risks inherent in asset management and the asset manager meets very high investment management industry standards and benchmarks.

The rating reflects the company’s strong franchise, sound control systems, and adequate infrastructure including its extensive outreach. Although the management’s focus on preparing the entity for privatization has, to some extent, constrained the pursuit of initiatives adopted by the industry in recent years for improving service standards and quality of other support systems and processes, the entity has demonstrated a strong capacity to effectively manage its funds. This was attributable to adoption of investment strategies best suited to the Funds’ specific nature, supported by adequate investment management resources.

**About the company:** NITL, an unquoted public limited company, was established in the public sector in 1962. The principal activity of the company is to manage National Investment (Unit) Trust. The Government of Pakistan controls NITL by virtue of its power to appoint the Managing Director, and, at the same time, it owns majority shareholding in the company, directly and indirectly through government controlled entities. In line with the Cabinet Committee on Privatization approval, the process for privatization of the management rights of the Fund is currently in process. The Fund has been split into two parts since April 01, 2007 i.e. LOC holders’ Fund (Fund-1) and Non-LOC holders’ Fund (Fund-2). The former represents those institutional holders (National Bank of Pakistan Limited, Bank of Punjab, Faysal Bank Limited and Bank of Khyber) whose redemption rights are protected in the form of Letter of Comfort issued by GoP, while the later represents other investors. The net assets under the two separately managed funds at end-Mar08 were PKR 47.7bln (Fund-1) and PKR 57.3bln (Fund-2).

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