



The Pakistan Credit Rating Agency Limited

Rating Report

Lucky Investments Limited

Report Contents

1. Rating Analysis
2. Rating Scale
3. Regulatory and Supplementary Disclosure

Rating History

Dissemination Date	Long Term Rating	Short Term Rating	Outlook	Action	Rating Watch
11-Aug-2025	AM2+	-	Stable	Upgrade	-
25-Apr-2025	AM2	-	Positive	Initial	-

Rating Rationale and Key Rating Drivers

Lucky Investments Limited (“Lucky Investments”, or “the AMC”) is the latest venture of Lucky Group which is one of the largest business groups in Pakistan, with prominent presence in the cement, textile, automobile, chemicals, healthcare and power generation sectors. Operating as a full-fledged Islamic asset management company, Lucky Investments is fast becoming a premier choice for Shariah-Compliant investments, aiming for sustainable growth with integrity and innovation.

Lucky Investments Limited exhibited strong AUM growth, reaching PKR 68bln since the launch of its inaugural fund in Apr'25. The AMC captured a 2% share of the overall AMC market and a more prominent 4% share within the Islamic asset management segment. Its flagship offering, the Lucky Islamic Money Market Fund, accounts for approximately 85% of total AUMs of AMC and has been instrumental in attracting a significant number of investor accounts, followed by the Lucky Islamic Stock Fund. The fund slate in terms of basic offering is complete now. The AMC has acquired the VPS license and is expected to launch its VPS in first quarter of FY26. The AMC's client base currently comprises 86% institutional and 14% retail investors. The management aims to enhance retail participation going forward, aligning with its long-term growth strategy. The top ten investor concentration would also dilute. Currently, the AMC is engaged with IT Minds, which is fulfilling the fundamental needs and the investor base. To deepen market penetration and build a strong customer base, the AMC is actively developing innovative digital solutions to enhance client access and engagement. At the end of 3QFY25, profit after tax of AMC stood at PKR 20mln, primarily due to distribution fee income, which is a unique initiative taken by the management. The equity of the AMC stood at PKR 508mln at the end of 3QFY25, including a capital injection of PKR 250mln by the sponsors at the time of acquisition.

The sponsors have instituted a sound governance framework, where their own presence on the Board and Committees lends much needed and desired confidence in the AMC. The AMC is benefiting from their relationships across the corporate and financial spectrum of the economy. The rating also gets support from the experienced management team. They are well entrenched in the market and known for their previous track record of success. The focus of the management is to lay a strong foundation, which will play fundamental role in future performance of the entity. Many of the actions that the management has taken reflect their aptitude towards professionalism, higher industry standards and innovation. This is unlocking sustained growth for the AMC.

The AMC had a Positive Outlook on the rating. The rating upgrade is underpinned by several key factors, including fast pace growth, enrichment of the product slate, improving diversity in the investor base, progress on the digital front, sustained fund performance, strategic branch expansion, and strengthening profitability.

Disclosure

Name of Rated Entity	Lucky Investments Limited
Type of Relationship	Solicited
Purpose of the Rating	Asset Manager Rating
Applicable Criteria	Methodology Rating Modifiers(Apr-25),Assessment Framework Asset Manager Rating(Jul-25)
Related Research	Sector Study Asset Management Companies (AMCs)(Mar-25)
Rating Analysts	Noor Fatima noor.fatima@pacra.com +92-42-35869504



The Pakistan Credit Rating Agency Limited

Asset Management Companies (AMCs)

Profile

Structure Lucky Investments Limited (or the “AMC”) is a public unlisted Non-Banking Finance Company (NBFC) licensed by the SECP, authorized to provide both asset management and investment advisory services. Additionally, the Pension Fund Manager license is currently in its approval stage. Positioned as an emerging player in Pakistan’s Shariah-compliant asset management landscape, the AMC is steadily expanding its footprint in the industry.

Background Lucky Group acquired erstwhile Interloop Asset Management Limited back in Dec 2024 and renamed it as Lucky Investments Limited. This acquisition reflects the Group’s strategic entry into the Islamic Capital Markets, aligning with the growing demand for Shariah-Compliant investment solutions.

Market Share At the end of FY25, the AMC’s overall market share stood at 2%, while its share in the Islamic asset management segment was notably higher at 4% at the end of FY25.

Diversification Of Fund Mix The AMC manages a diversified suite of four open-end funds across major asset classes, catering to a wide investor base. These include Lucky Islamic Money Market Fund, Lucky Islamic Income Fund, Lucky Islamic Stock Fund, and Lucky Islamic Fixed Term Fund.

Investor Concentration As of FY25, the top 10 investor concentration account for 71% of the total AUMs of Lucky Investments Limited.

Ownership

Ownership Structure The major shareholder of the AMC is YB Pakistan which holds 70% of the stake while the remaining 30% shares are owned by the Mr. Muhammad Shoaib.

Business Acumen Lucky Group is one of Pakistan’s largest business conglomerates, with a strong presence in cement, textile, automobile, chemicals, healthcare, and power generation, reflecting the sponsors’ exceptional business acumen and strategic execution. Mr. Mohammad Shoaib has over 35 years of experience in capital markets and was the Founding CEO of Al Meezan Investment Management Limited.

Financial Strength The sponsors of the AMC hold the muscles to extend financial support to the AMC. In case further support is needed, there is a high propensity to provide the same.

Governance

Board Structure The AMC’s Board consists of seven members, including the Chairperson and CEO. The Board comprises of four non-executives, two independent directors and one executive director.

Members’ Profile The Chairperson, Mr. Muhammad Ali Tabba joined Yunus Brothers Group (YBG) in 1991. Additionally, he chairs YB Holding Group, Lucky Motors Corporation, and serves as Vice Chairperson of Lucky Core Industries Limited, enhancing Company success with strategic acumen. The BOD members have extensive experience of various business and financial sectors of the economy.

Board Effectiveness To ensure its effectiveness, the Board has formulated the audit, HR and compensation committee and risk and compliance committees. The governance framework provides comfort to the investors of the AMC.

Transparency The AMC’s auditor is Yousuf Adil & Co., the internal audit function is outsourced to BDO Ebrahim & Co., and the Funds’ auditor is A.F. Ferguson & Co., rated ‘A’ by SBP with a satisfactory QCR from ICAP.

Management

Organizational Structure The organizational structure is well-aligned with the AMC’s operational framework, comprising six core departments, each with clearly defined roles and responsibilities.

Management Team The senior management team of the AMC comprises qualified and experienced professionals. Mr. Mohammad Shoaib, CEO and Co- Founder of Lucky Investments Limited, has 35 years of experience in capital markets and was the Founder CEO of Al Meezan Investment Management Limited. Mr. Nabeel Malik, CISO, brings over 20 years of expertise in financial markets, specializing in strategic planning, leadership, and corporate governance.

Technology Infrastructure The AMC has outsourced back-office functions to IT Minds Limited and plans to launch digital platforms—including a mobile app, web portal, WhatsApp services, and AI-powered tools—for seamless onboarding, instant KYC, and paperless investing.

Control Environment The AMC ensures strong regulatory compliance through regular Shariah audits, transparent reporting, and strict AML/KYC controls, overseen by Mr. Muhammad Aafaq, Head of Compliance and Risk, who brings experience from multiple AMCs including Faysal, Al Meezan etc.

Investment Risk Management

Credit Risk The AMC is actively preparing risk-adjusted investment strategies to optimize returns and set up independent risk committees to oversee fund performance.

Liquidity Profile The AMC maintains a liquidity buffer through investments in Islamic Money Market instruments. Furthermore, it seeks to build a diversified investor base to mitigate concentration risk arising from potential redemptions.

Market Risk The AMC diversified its portfolio across Sukuk, Islamic equities, and fixed-income funds, while maintaining liquidity to manage market shocks. It also launched low-risk Islamic fixed-income options and plan to implement stress-testing models to address potential economic challenges.

Portfolio Management

IC Composition The investment committee (IC) comprises the CEO, Chief Investment and Strategy Officer, Head of Research, Head of Fixed Income, Head of Equities and Head of Compliance/Risk.

Effectiveness The IC comprises of qualified and experienced professionals to review the investment strategy of each fund and its performance to incorporate impact of market circumstances on funds’ performance.

Investment Research And Analysis M. Saad Ali, Head of Research, has over 13 years of work experience in the capital market of Pakistan. A team of 3–4 research analysts will be engaged, with a primary focus on the energy, cement, pharmaceutical, and automobile sectors initially. Research activities are carried out using Excel-based tools and analytical models.

Customer Relationship

Investor Services The AMC focuses on quality service through active investor engagement and IT integration. Going forward, its mobile app and WhatsApp chatbot will offer NAV updates, account access, e-transactions, and real-time support, along with automated reports and alert.

Investor Reporting The AMC provides monthly unit holder statements outlining investment value and asset allocation, and also publish FMRs and annual reports on its website, offering detailed insights into portfolio performance, strategy, risk-adjusted returns, and market conditions.

Distribution And Sales Network The AMC has adopted a distribution model, acting as an advisor, enabling investors to invest in mutual funds of other AMCs. It has signed distribution agreements with multiple prominent AMCs and also plans to partner with leading banks with strong wealth management teams and no affiliated AMCs. The management is focused on expanding its digital and geographic presence, with plans to extend operations to Lahore and Islamabad by FY26.

Performance

Asset Under Management The AMC’s AUMs has been increased significantly and stood at PKR 68bln at end of FY25, whereas at the end of July’25, it stood at PKR 81.45bln as per management representation. The flagship fund of the AMC is Lucky Islamic Money Market Fund, with a weightage of 85% in total AUMs of the AMC. However, the fund significantly attracted a high number of accounts. The AMC aims to achieve significant market penetration by Dec’25.

Asset Manager At the end of 3QFY25, the management fee of the AMC stood at PKR 0.318mln. Whereas, profit after tax of AMC stood at PKR 20mln, primarily due to distribution fee income of PKR 87mln at the end of 3QFY25. The equity of the AMC stood at PKR 508mln at the end of 3QFY25.

Fund's Performance Lucky Investments Limited											
Sr. No.	Fund Name	Category	Launch Date	Weight (%)	AUMs (PKR' mln)		Return Rolling 12 Months (Jun'25-Jun'24)			Stability Rating/Performance Ranking	
					Jun-25	Apr-25	Return	Benchmark	Fund vs. Benchmark		
Shariah Compliant Funds											
1	Lucky Islamic Money Markey Fund	Shariah Compliant Money Market	09-Apr-25	85%	57,965	55,556	-	-	-	AA+	
2	Lucky Islamic Income Fund	Shariah Compliant Income	25-Apr-25	2%	1,186	1,001	-	-	-	AA	
3	Lucky Islamic Stock Fund	Shariah Compliant Equity	25-Apr-25	2%	1,663	1,088	-	-	-	-	
4	Lucky Islamic Fixed Term Fund - Plan I	Shariah Compliant Fixed Rate/Return	12-Jun-25	10%	7,050	-	-	-	-	-	
Grand Total				100%	67,864	57,645					

Asset Manager Rating

An independent opinion on an Asset Manager's expertise, quality of financial services, and potential vulnerability to investment management and operational challenges

Scale	Definition
AM1	Very high quality. Asset manager meets or exceeds the overall investment management industry best practices and highest benchmarks.
AM2++ AM2+ AM2	High quality. Asset manager meets the overall investment management industry standards and benchmarks with noted strengths in several of the rating factors.
AM3++ AM3+ AM3	Good quality. Asset manager meets investment management industry standards and benchmarks.
AM4++ AM4+ AM4	Adequate quality. Asset manager demonstrates an adequate organization that meets key investment management industry standards and benchmarks.
AM5	Weak. Asset manager does not meet minimum investment management industry standards and benchmarks.

Rating Modifiers | Rating Actions

Outlook (Stable, Positive, Negative, Developing) Indicates the potential and direction of a rating over the intermediate term in response to trends in economic and/or fundamental business / financial conditions. It is not necessarily a precursor to a rating change. 'Stable' outlook means a rating is not likely to change. 'Positive' means it may be raised. 'Negative' means it may be lowered. Where the trends have conflicting elements, the outlook may be described as 'Developing'.	Rating Watch Alerts to the possibility of a rating change subsequent to, or, in anticipation of some material identifiable event with indeterminable rating implications. But it does not mean that a rating change is inevitable. A watch should be resolved within foreseeable future, but may continue if underlying circumstances are not settled. Rating watch may accompany rating outlook of the respective opinion.	Suspension It is not possible to update an opinion due to lack of requisite information. Opinion should be resumed in foreseeable future. However, if this does not happen within six (6) months, the rating should be considered withdrawn.	Withdrawn A rating is withdrawn on a) termination of rating mandate, b) the debt instrument is redeemed, c) the rating remains suspended for six months, d) the entity/issuer defaults., or/and e) PACRA finds it impractical to surveil the opinion due to lack of requisite information.	Harmonization A change in rating due to revision in applicable methodology or underlying scale.
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Surveillance. Surveillance on a publicly disseminated rating opinion is carried out on an ongoing basis till it is formally suspended or withdrawn. A comprehensive surveillance of rating opinion is carried out at least once every six months. However, a rating opinion may be reviewed in the intervening period if it is necessitated by any material happening. Rating actions may include "maintain", "upgrade", or "downgrade".

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(1) Rating is just an opinion about the creditworthiness of the entity and does not constitute recommendation to buy, hold or sell any security of the entity rated or to buy, hold or sell the security rated, as the case may be | Chapter III; 14-3-(x)

2) Conflict of Interest

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- ii. PACRA, the analysts involved in the rating process and members of its rating committee, and their family members, do not have any conflict of interest relating to the rating done by them | Chapter III; 12-2-(e) & (k)
- iii. The analyst is not a substantial shareholder of the customer being rated by PACRA [Annexure F; d-(ii)] Explanation: for the purpose of above clause, the term “family members” shall include only those family members who are dependent on the analyst and members of the rating committee

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- (7) PACRA uses due care in preparation of this Rating Report. Our information has been obtained from sources we consider to be reliable but its accuracy or completeness is not guaranteed. PACRA does not, in every instance, independently verifies or validates information received in the rating process or in preparing this Rating Report | Clause 11-(A)(p).
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- (9) PACRA ensures before commencement of the rating process that an analyst or employee has not had a recent employment or other significant business or personal relationship with the rated entity that may cause or may be perceived as causing a conflict of interest; | Chapter III; 11-A-(r)
- (10) PACRA maintains principal of integrity in seeking rating business | Chapter III; 11-A-(u)
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- (13) PACRA does not provide consultancy/advisory services or other services to any of its customers or to any of its customers’ associated companies and associated undertakings that is being rated or has been rated by it during the preceding three years unless it has adequate mechanism in place ensuring that provision of such services does not lead to a conflict of interest situation with its rating activities; | Chapter III; 12-2-(d)
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- (15) PACRA ensures that the rating assigned to an entity or instrument is not be affected by the existence of a business relationship between PACRA and the entity or any other party, or the non-existence of such a relationship | Chapter III; 12-2-(i)
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- (19) PACRA reviews all the outstanding ratings periodically, on annual basis; Provided that public dissemination of annual review and, in an instance of change in rating will be made; | Chapter III | 17-(b)
- (20) PACRA initiates immediate review of the outstanding rating upon becoming aware of any information that may reasonably be expected to result in downgrading of the rating; | Chapter III | 17-(c)
- (21) PACRA engages with the issuer and the debt securities trustee, to remain updated on all information pertaining to the rating of the entity/instrument; | Chapter III | 17-(d)

Probability of Default

(22) PACRA’s Rating Scale reflects the expectation of credit risk. The highest rating has the lowest relative likelihood of default (i.e., probability). PACRA’s transition studies capture the historical performance behavior of a specific rating notch. Transition behavior of the assigned rating can be obtained from PACRA’s Transition Study available at our website. (www.pacra.com). However, actual transition of rating may not follow the pattern observed in the past; | Chapter III | 14-3(f)(vii)

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