



The Pakistan Credit Rating Agency Limited

Rating Report

Pak Qatar Asset Management Company Limited

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Rating History

Dissemination Date	Long Term Rating	Short Term Rating	Outlook	Action	Rating Watch
10-Oct-2025	AM2	-	Positive	Maintain	-
11-Oct-2024	AM2	-	Stable	Maintain	-
11-Oct-2023	AM2	-	Stable	Initial	-

Rating Rationale and Key Rating Drivers

Pak Qatar Asset Management Company Limited ("PQAMC" or the "AMC") is part of the Pak Qatar Group, the pioneer and largest Takaful Group. While the sponsor's expertise continues to provide strategic backing, PQAMC has established its standing through a well-diversified Shariah-compliant structure and a comprehensive product offering. PQAMC operates under a distinct model relative to industry peers by utilizing Pak-Qatar Family Takaful Limited (PQFTL) as an extension of its sales and distribution channel. The AMC manages its portfolio through two streams: (i) PQFTL's policyholders' funds, which represent the predominant share, and (ii) investors' funds opened directly on the AMC's platform. In terms of Voluntary Pension Schemes (VPS), PQAMC exclusively manages PQFTL's VPS fund. The AMC has developed its own mobile application, "Pak-Qatar AMC," the digital access is also available through the application of Pak Qatar Family Takaful Limited i.e. "PQFS", PQFTL's widely used mobile application. The application also offers Pak Qatar group products, which is an additional strength to cater broad clientele. The assigned rating also reflects the AMC's strengthening market position, underpinned by expanding retail outreach and consistent outperformance across key fund categories. At the end of Jun'25, the assets under management rose significantly by ~2.2x to PKR ~63.7bln (Jun'24: PKR 29.4bln), while the Separately Managed Account (SMA) portfolio amounted to ~PKR 59bln (Jun'24: ~PKR 25bln). Consequently, the market share increased to ~1.7% (Jun'24: 1%). The PQAMCL holds ~2% market share in the Islamic AUMs industry as of Jun'25, reflecting its evolving position among peers. The AMC is managing four open-ended funds as part of its adequate fund mix. The Pak Qatar Asset Allocation Fund holds the largest share with a weightage of ~57% in the AMC's investment offerings, while the Pak Qatar Islamic Income Fund holds ~22% as of Jun'25. The fund performance of PQAMC has largely remained above respective benchmarks, with notable outperformance in income, money market, and asset allocation categories, underscoring the AMC's strength in Shariah-compliant fund management. In addition to its existing offerings, the AMC is expanding into the pension fund management space by providing investment advisory services to PQFTL. This initiative is expected to strengthen PQAMC's portfolio mix and revenue base, while reinforcing its role within the group's broader pension strategy. As of Jun'25, the Pension Fund Management industry stands at ~PKR 105.6bln in AUMs, with growth driven by government-backed Voluntary Pension Schemes reforms. Punjab and KP are transitioning to contribution-based schemes, creating new opportunities for private fund managers. Alongside these developments, the AMC continues to enhance retail penetration through PQFTL's nationwide branch network of over 100 outlets, complemented by ongoing investments in digital platforms to improve accessibility and customer service. On the financial side, the PQAMC experienced positive growth during FY25; the AMC's topline stood at PKR 313mln (FY24: PKR 163mln). Moreover, the net profit during FY25 increased to PKR 134mln (FY24: PKR 80mln), while the AMC's equity stood at PKR 591mln (FY24: ~PKR 457mln), comfortably exceeding the regulatory requirement.

The rating is dependent upon the AMC's ability to sustain its market share and uphold strong investment processes. A sustained upward trend in fund performance, along with a consistent increase in market share, will continue to have visible affirmation in the rating.

Disclosure

Name of Rated Entity	Pak Qatar Asset Management Company 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	Madiha Sohail madiha.sohail@pacra.com +92-42-35869504

Asset Management Companies (AMCs)

Profile

Structure Pak Qatar Asset Management Company Limited ("PQAMC" or the "AMC") was incorporated in Sep'2021 as a public unlisted company.

Background Pak Qatar Asset Management Company Limited is part of the Pak-Qatar Group. It is licensed by the SECP to operate as both an Asset Management Company and Investment Advisor. The AMC is dedicated to offering Shariah-compliant investment solutions, with all its products certified by qualified Shariah scholars.

Market Share The market share of the AMC stood at ~1.7% at the end of Jun'25 (Jun'24: 1.1%).

Diversification Of Fund Mix The AMC offers an adequate fund mix comprising four open-ended funds. Except for the Pak Qatar Islamic Stock Fund, the remaining three Pak Qatar Islamic Cash Fund, Pak Qatar Islamic Income Fund, and Pak Qatar Islamic Asset Allocation Fund have been launched under plan structures to cater to distinct segments of clientele.

Investor Concentration As of end Dec'24, the average top ten investors' concentration stood at ~96% while related party holdings were ~83% of the total AUMs of the AMC. A key element that mitigates concentration and related party exposure is the underlying maturity profile of the constituting participants, which granulates overall risk.

Ownership

Ownership Structure The major shareholder of PQAMC is the holding company PQIL, which holds 66% of the stake, and the remaining shareholders include FWU AG (20%) and PQFTL (5%). Mr. Zahid Hussain and Mr. M. Kamran Saleem hold 2% and 7% respectively.

Business Acumen The sponsors of PQAMC are celebrated businessmen with many profitable ventures in their portfolio, whose success is a testimony to the excellent business acumen of the sponsors and their ability to form and execute business strategies.

Financial Strength The sponsors of PQAMC possess strong financial capacity and demonstrated commitment to support the AMC in times of distress, as reflected in their ownership.

Governance

Board Structure The AMC's Board currently consists of five members, including four non-executive directors and one independent director.

Members' Profile The Board members have strong educational backgrounds and carry extensive diversified experience. Mr. Gul is one of the key sponsors and the founding director of Pak-Qatar Group. Mr. M. Kamran Saleem has been associated with the Group since its formation in 2006 and has been instrumental in shaping the Group. Mr. M. Owais Ansari serves as Deputy Chairman of FWU AG, Mr. Syed Asad serves as Board Member of K-Electric Limited, and Mrs. Sameera Said serves as Director of PQFTL & PQGTL.

Board Effectiveness To ensure its effectiveness, the board has formulated the Audit, HR, and remuneration committees and the Risk Management committees.

Transparency The external auditors of the AMC are Yousaf Adil & Co, have a satisfactory QCR rating from the ICAP. The auditors are classified in the 'A' category of the State Bank of Pakistan panel of Auditors.

Management

Organizational Structure The organizational structure aligns with the operational needs of the PQAMC. The AMC operates through twelve main departments, which fall under the purview of the CEO.

Management Team The AMC's management team is composed of qualified professionals with an average industry experience of ~18 years, bringing diverse expertise across key financial functions. The CEO, Mr. M. Farhan Shaukat, is a qualified FCA, PGD in Islamic Finance, and has 26 years of experience.

Technology Infrastructure The PQAMC had outsourced its back-office functions such as unit management, settlement, and fund accounting to IT Minds Limited and has an in-house system as well.

Control Environment Internal Audit plan, approved by Audit Committee, encompasses the review of the internal control system, which includes policies/procedures, physical safeguards, and monitoring of compliance function pertaining to NBFC regulations. The compliance and risk functions are segregated and are overseen by dedicated resources.

Investment Risk Management

Credit Risk Internal assessment modules are used with a combination of qualitative and quantitative analysis. Excel based credit risk scorecards are in place which provide statistical estimates for counter party credit risk. The fund managers ensure the credit portfolio of the fund exposed to credit risk is broadly diversified.

Liquidity Profile The risk management department vigilantly monitors the liquidity profile of funds under management. Sufficient liquidity is maintained by investing a significant portion of funds' assets in liquid investment avenues.

Market Risk For managing market risk, various techniques such as VaR analysis, beta analysis and stress testing are being used. The exposure limits are clearly communicated to portfolio managers along with a periodic review of the appropriateness of limit structure.

Portfolio Management

IC Composition The investment committee comprises the CEO, CIO, Fund Manager, and the Head of Research. Mr. Meraj Uddin Mazhar is the Chief Investment Officer. He has extensive experience of 14 years overall and with the PQAMCL experience of 4 years managing Equity, Fixed Income, discretionary, and non-discretionary portfolios.

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. The IC for equity and fixed income is performed independently on monthly basis.

Investment Research And Analysis The Head of Research, Mr. Farhan Javaid, ACMA, brings 16 years of professional experience. He plays a pivotal role in strengthening research capabilities and supporting informed investment decisions, with research structured across three tiers: (i) Economic, (ii) Sector, and (iii) Entity. The department applies fundamental and financial analysis, along with broker research, to identify attractive investment opportunities.

Customer Relationship

Investor Services The Investor Services Department provides investor education, personalized solutions, and client reporting. Retail customer outreach is expected to be enhanced by allowing investments in PQAMC's mutual funds through the CDC. The AMC also developed its Mobile App "Pak-Qatar AMC" to facilitate the retail customers.

Investor Reporting In addition to publishing fund manager reports monthly, the PQAMC also disseminates unit holder statements every month through email, which include net asset value and month-end closing values.

Distribution And Sales Network The PQAMC, with its dedicated sales team, also utilizes the branch network of the PQFTL, which has more than 100 branches in major cities across Pakistan. The AMC has segregated the Marketing & Distribution function into two segments, where the retail segment will be managed through the distribution channel of PQFTL, and the corporate segment will be directly looked after by the PQAMC through the corporate sales team.

Performance

Asset Under Management The AUMs of PQAMC stood at ~PKR 63.7bln as of Jun'25 (Jun'24: ~PKR 29bln), while the Separately Managed Account (SMA) portfolio amounted to ~PKR 59bln (Jun'24: ~PKR 25bln). The AMC's funds largely outperformed their respective benchmarks, particularly in income, money market, and asset allocation categories, reflecting strong Shariah-compliant fund management.

Asset Manager During FY25, the AMC earned a net profit after tax of ~PKR 134mln (FY24: ~PKR 80mln). The topline stood at ~PKR 313mln (FY24: ~PKR 163mln), while the operating profit was reported at ~PKR 191mln (FY24: ~PKR 112mln). The equity base of the AMC stood at ~PKR 591mln (FY24: ~PKR 457mln).

Fund's Performance PakQatar Asset Management 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	Mar-25	Dec-24	Sep-24	Jun-24	Return	Benchmark	Fund vs. Benchmark	
Shariah Complaint Funds													
1	Pak Qatar Income Plan	Shariah Compliant Income	03 October, 2022	19.6%	12,479	12,006	12,588	10,043	8,709	16.4%	10.3%	6.1%	AA-
2	Pak Qatar Cash Plan	Shariah Compliant Money Market	03 October, 2022	15.9%	10,141	5,684	4,522	3,963	4,198	14.4%	9.0%	5.4%	AA
3	Pak Qatar Daily Dividend Plan	Shariah Compliant Money Market	03 October, 2022	2.5%	1,567	1,740	1,988	1,054	3,120	13.5%	9.0%	4.5%	AA
4	Pak Qatar Islamic Stock Fund	Shariah Compliant Equity	22 September, 2022	1.6%	998	1,018	1,015	818	787	26.2%	46.2%	-20.0%	-
5	Pak Qatar Khalis Bachat Plan	Shariah Compliant Income	03 October, 2022	0.6%	360	353	350	438	442	13.7%	10.3%	3.4%	A
6	Pak Qatar Monthly Income Plan	Shariah Compliant Income	03 October, 2022	1.5%	948	1,020	1,110	1,102	1,190	15.4%	10.3%	5.1%	A+
7	Pak Qatar Asan Munafa Plan	Shariah Compliant Money Market	03 October, 2022	1.7%	1,076	227	221	378	303	12.9%	9.0%	3.9%	AA
8	Pak Qatar Asset Allocation Plan I	Shariah Compliant Asset Allocation	18 August, 2023	16.0%	10,202	10,625	11,884	6,737	4,045	18.5%	10.6%	7.9%	-
9	Pak Qatar Asset Allocation Plan II	Shariah Compliant Asset Allocation	18 August, 2023	27.9%	17,790	18,006	15,057	10,402	6,240	16.3%	10.8%	5.6%	-
10	Pak Qatar Asset Allocation Plan III (Launch Date: Sep'23)	Shariah Compliant Asset Allocation	24 September, 2024	12.9%	8,200	9,683	9,805	1,479				0.0%	-
Grand Total				100%	63,759	60,361	58,540	36,414	29,034	-	-	-	-

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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2) Conflict of Interest

- i. The Rating Team or any of their family members have no interest in this rating | Chapter III; 12-2-(j)
- 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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- (5) PACRA does not make proposals or recommendations regarding the activities of rated entities that could impact a credit rating of entity subject to rating | Chapter III; 10-7-(k)

Conduct of Business

- (6) PACRA fulfills its obligations in a fair, efficient, transparent and ethical manner and renders high standards of services in performing its functions and obligations; | Chapter III; 11-A-(a)
- (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)
- (14) PACRA discloses that no shareholder directly or indirectly holding 10% or more of the share capital of PACRA also holds directly or indirectly 10% or more of the share capital of the entity which is subject to rating or the entity which issued the instrument subject to rating by PACRA; | Reference Chapter III; 12-2-(f)
- (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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- (17) PACRA has established policies and procedure governing investments and trading in securities by its employees and for monitoring the same to prevent insider trading, market manipulation or any other market abuse | Chapter III; 11-B-(g)

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- (18) PACRA monitors all the outstanding ratings continuously and any potential change therein due to any event associated with the issuer, the security arrangement, the industry etc., is disseminated to the market, immediately and in effective manner, after appropriate consultation with the entity/issuer; | Chapter III | 17-(a)
- (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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