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Applicable Criteria

- Asset Manager Rating Methodology (Jun 16)

Related Research

- Sector Study | Asset Management (Apr 17)

PACRA Upgrades Asset Manager Rating of National Investment Trust Limited

Rating Type	Asset Manager	
	Current (24-May-2017)	Previous (18-Aug-2016)
Action	Upgrade	Maintain
AM Rating	AM2++	AM2+
Outlook	Stable	Positive
Rating Watch	-	-

The rating reflects the company's established position as the oldest and a key player in the domestic asset management industry. The rating incorporates NITL's leading position with regards to retail penetration owing to its long operational history and sizeable outreach; in turn enhancing sustainability to its business profile. The company's exceptional financial profile enhances its positioning in the competitive landscape with regards to its capacity to bring sophistication in its business philosophy and operating infrastructure. NIT's sustained focus on enhancing the relative size of non-equity funds benefitted AMC in diversification of AUMs base among various asset classes. This diversification of fund slate, alongwith the management's plan to further augment it, bodes well in its positioning in competitive landscape. The company's experienced management team, a well-structured investment process alongwith recent improvements in investment risk management function adds value to the overall decision making process. With significant size, the performance of NIT's leading fund has been superior.

The rating is dependent on management's ability to hold its position in the increasingly challenging asset management industry. Herein, diversity to its AUM mix, upholding existing organization structure along with retention of key human resource, customer outreach through alternative channels remain imperative for NIT. Meanwhile, consistency in fund performance remains crucial.

About the Entity

NIT is the first asset management company of Pakistan, formed in 1962. The Government of Pakistan (GoP) directly and indirectly through government owned entities is major shareholder (41.65%) in the company. Other shareholders comprise prominent businessmen and commercial banks having shareholding of 8.33% each. These shareholders are represented by a board of ten directors. The company is currently the largest asset management company in Pakistan with a portfolio of seven open end funds & two pension funds. The open end funds has an AUM base of PKR 103bln at end-Feb17. The company operates the country's largest equity fund - NI(U)T - (fund size of PKR 88bln at end Feb-17.)

The Managing Director, Mr. Shahid Ghaffar, holds profound experience in the domestic mutual fund industry. He is supported by a team of qualified and experienced professionals.

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