



Rating Action

Lahore : 18-Aug-2016

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PACRA ASSIGNS "POSITIVE" OUTLOOK TO ASSET MANAGER RATING OF NATIONAL INVESTMENT TRUST LIMITED

The Pakistan Credit Rating Agency (PACRA) has assigned a **"Positive"** outlook to the asset manager rating of National Investment Trust Limited (NIT) of 'AM2+' (AM Two Plus). The rating reflects the company's high investment management industry standards and benchmarks with noted strengths in several of the rating factors.

The rating reflects the company's position as the largest and the oldest player in the domestic asset management industry. NIT's long operational history, extensive outreach and sizeable penetration in the retail segment lend support to its business profile and, in turn, its rating. Moreover, NIT's exceptional financial profile provides it with the capacity to bring further sophistication in its business philosophy and operating infrastructure. Recent diversification of fund slate alongwith the management's plan to further augment it, bodes well in strengthening NITL's profile among its peers. The company's experienced management team, a well structured investment process alongwith the strengthening of the investment risk management function adds value to the overall decision making process. With significant size, the performance of NIT's leading fund has been good.

The 'Positive' outlook captured NIT's sustained focus on enhancing the relative size of non-equity funds. The rating would benefit from diversification of AUM base among various asset classes. Moreover, upholding existing organization structure along with retention of key human resource remains imperative for NIT. Meanwhile, diversity in income stream and consistency in superior fund performance remains crucial.

About the Company:

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 90bln at end-Apr16. The company operates the country's largest equity fund - NI(U)T - (fund size of PKR 65bln at end Apr-16.)

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.

Applicable Criteria and Related Research

- Asset Management Industry - Viewpoint | Mar-16
- Asset Manager Rating Methodology

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