



## Rating Action

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## PACRA MAINTAINS ENTITY RATINGS OF JS INVESTMENTS LIMITED

The Pakistan Credit Rating Agency (PACRA) has maintained the long-term and the short-term entity ratings of JS Investments Limited at 'A+' (Single A Plus) and 'A1' (A one), respectively. These ratings denote low expectation of credit risk emanating from a strong capacity for timely payment of financial commitments.

The ratings reflect JSIL's sustained efforts at maintaining its competitive positioning despite continuing tough operating environment. The company's performance is under pressure on account of decline in AUM resulting in suppressed management fee revenue. However, repayment of fair portion of borrowings and recovery in the market value of investments has helped in reducing the leveraging. The company is still exposed to market risk through investments in its own funds, mainly equity funds. Nevertheless, the strong financial profile of the JS Group remains a source of comfort.

The rating is dependent upon management's ability to effectively execute its business strategy for growth in AUMs, in turn, improving the company's profitability. Moreover, JSIL's ability to augment its risk absorption capacity while managing exposure to market risk would remain critical.

### About the company

Incorporated in 1995 and listed in 2007, JS Investments Limited (JSIL) is the leading private sector asset management company in Pakistan. It is a subsidiary of Jahangir Siddiqui and Company Limited (JSCL) - 52% shareholding at end-Mar11. Starting as a traditional securities firm, JSCL is the key investment holding company for JS Group, mainly for interests within the financial sector - banking, asset management, brokerage and insurance.

JSIL is managing fourteen funds - twelve open-end and two closed-end funds. It also has a pension saving scheme and an Islamic pension saving scheme. The company had net assets of around PKR13.8bln at end-Apr11.

JSIL's seven-member board, including four independent directors, is diverse in terms of experience and background. Mr. Rashid Mansur, the Chief Executive, joined JSIL in April 2010. He is an Associate of the Chartered Institute of Bankers, London, and a Fellow of the Institute of Bankers, Pakistan, with over 30 years of domestic and international experience in financial services industry. He is assisted by a team of experienced professionals.

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