

**Date**  
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**Applicable Criteria**

- Asset Manager Rating Methodology (Jun 16)  
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**Related Research**

- Sector Study | Asset Management (Apr 17)  
[\[View\]](#)

**PACRA Upgrades Asset Manager Rating of Lakson Investments Limited**

Rating Type	Asset Manager	
	Current (15-May-2017)	Previous (08-Jun-2016)
<b>Action</b>	Upgrade	Harmonize
<b>AM Rating</b>	AM2+	AM2
<b>Outlook</b>	Stable	Stable
<b>Rating Watch</b>	-	-

The rating reflects LI strong governance practices, robust risk management framework, and systematic and elaborate decision making process. The rating incorporates the company’s well thought out strategy of catering to the sophisticated needs of institutional and high net worth investors. This should enable it to capture volumes and offer unique products in an otherwise crowded asset management industry. It is approaching its target market through three streams a) Mutual Funds, b) Separately Managed Accounts (SMA), c) Private Equity and Venture Capital Fund opportunities the management has concerted efforts towards effectively utilizing group's franchise value coupled with sound operating platform and strengthened investor services. Conversion of the International Fund to the Islamic Asset Allocation Fund has helped the company to accumulate growth in open-end Funds. The company has engaged a London based Risk Management Consultancy to enhance its risk management process. Lakson has a strong research function which provides extensive analysis to support the fund management team in an effort to generate consistent fund performance. The company experienced lower growth in the conventional area of retail mutual fund as the company's main focus was on the development of the segregated mandate from institutional investors. Due to the institutional product development the company has a substantial number of dedicated institutional investors including group/family clients.

The rating depends on the company’s ability to implement its strategy of building volumes (institutional & high net worth individuals) while staying on the sidelines, of mass retail segment. Strong and stable performance in SMAs and Mutual funds remain imperative. Identifying and acquiring right assets in the private equity space, since this being relatively new to Pakistan, would be challenging and remains to be seen.

**About the Entity**

Incorporated in January 2009, Lakson Investments (LI) is the investment management company of the Lakson Group, wholly owned through Siza Services (Private) Limited. Lakson Group has interests in multiple sectors including agribusiness, consumer nondurables, fast food, information technology, insurance, media, paper & packaging, surgical instruments, and travel. The company is currently managing six openend funds covering Equity, Money Market, Income and Asset Allocation categories with assets under management over PKR 15bln at endMar17. The company is currently managing 44 SMA mandates amounting to ~ PKR 14bln.

The eightmember BoD comprises four independent directors and four executives of group companies. The Chairman of Lakson Group, Mr. Iqbal Ali Lakhani, is the Chairman of LI's board. The CEO, Mr. Babar Ali Lakhani, has vast investment management experience in local and foreign markets. Mr. Kashif Mustafa (COO), reports directly to the CEO, is supported by thirteen departments comprising Admin, Business Development, Compliance, Finance, HR, Investments, Investor Relations, IT, Marketing, Operations, Research, Risk, and Transfer Agency.

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