

# Press Release

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## VIS Upgrades Management Quality Rating of Faysal Asset Management Limited

Karachi, August 10, 2021: VIS Credit Rating Company Ltd. has upgraded the Management Quality Rating (MQR) of Faysal Asset Management Limited (FAML) to 'AM2'+ (AM-Two Plus). The rating signifies asset manager exhibiting very good management characteristics. Outlook on the assigned rating has been revised from 'Positive' to 'Stable'. The previous rating action was announced on December 31, 2020.

The rating upgrade reflects improvement in market share, growing proportion of retail investments in relation to total AUMs, growth in advisory portfolio and capitalization and marketing support from parent - Faysal Bank Limited. However, concentration of AUMs in top 10 investors depicts room for improvement. AUMs (adjusted for Fund of Funds Schemes) of the company grew significantly from Rs. 8.4b at end-June 2019 to Rs. 57.8b (June'20: Rs. 30b) at end-May'21. As a result, market share increased to 5.7% (FY20: 3.9%, FY19: 1.6%) at end-May'21. Growth in AUMs was significantly contributed by money market and income schemes including new funds launched under the same. Ratings also take into account acquisition of three new business licenses on the Pension Fund Management, Private Fund Management and REIT Management front.

The management is focusing on enhancing customer services, improving its digital platform for better retail penetration and creating synergies with the parent bank. Timely materialization of these initiatives is important from a ratings perspective. The fund mix has lately tilted towards money market category, in line with industry peers. In line with strategy, share of Islamic AUMs has increased to 61% as at May'21. The overall fund performance depicted significant improvement on a timeline basis in comparison to peers. The Company achieved operating profitability during 2020 owing to growth in asset base yielding higher revenue along with higher investment income. Equity base of the company also witnessed an increase at in 2020 led by issuance of right shares. The rating will remain contingent upon maintenance of profitability, sustained growth in AUMs, improved concentration in funds and funds' performance in top quartiles.

For further information on this rating announcement, please contact the undersigned (Ext: 201) or Ms. Asfia Aziz at 021-35311861-70 or fax to 021-35311873 or [info@vis.com.pk](mailto:info@vis.com.pk).

Javed Callea  
Advisor

Applicable Rating Criteria: Asset Management Companies (June 2019)  
<http://vis.com.pk/kc-meth.aspx>

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