

MAGNUS INVESTMENTS LIMITED

Analyst:

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RATING DETAILS

RATINGS CATEGORY	Latest Rating	Previous Rating
		Medium to Long-term
ENTITY	AM1 (IA)	AM1 (IA)
RATING OUTLOOK/ WATCH	Stable	Stable
RATING ACTION	Reaffirmed	Upgrade
RATING DATE	June 01, 2026	June 24, 2025

Shareholding (5% or More)

Mr. Nadeem Jedly – 48.129%
Riyaz Ali Towfiq Chinoy – 9.000%
Umair Aslam – 8.190%
Hardi Wijaya – 6.940%
Winato Kartono – 6.940%
Amani Sue – 5.844%
Yousuf Jamil – 5.460%
National Management Foundation – 5.000%

Other Information

Incorporated in 2007
Unquoted Public Limited Company (Unlisted)
Chairman: Mr. Nadeem Jedly
Chief Executive: Mr. Umair Aslam
External Auditor: EY Ford Rhodes Chartered Accountants

Applicable Rating Methodology

VIS Entity Rating Criteria Methodology – Investment Advisor
<https://docs.vis.com.pk/Methodologies-2025/MQ-IA-ESG-Jan-2025.pdf>

Rating Scale

<https://docs.vis.com.pk/docs/VISRatingScales.pdf>

Rating Rationale

The assigned rating to Magnus Investments Limited ('MIL' or the 'Company') reflects its established position in the investment advisory space, supported by a diversified client base and a growing asset under management profile. The rating also incorporates a sound governance framework, characterized by clearer separation between ownership and management, and supported by an experienced board and senior management team. MIL's investment process remains well-structured, underpinned by dedicated research and portfolio management functions, contributing to consistent performance across mandates. While assets remain largely concentrated in retirement funds, gradual client diversification has helped mitigate concentration risk. Financial performance is supported by stable recurring income streams from different business segments. The Company maintains a strong capitalization profile, with a clean balance sheet and no reliance on external borrowings, providing capital space for future growth. Internal controls and risk management frameworks are sound, with ongoing enhancements in technology and data security. The rating remains sensitive to sustained performance, client retention, and further diversification of revenue streams.

Company Profile

Magnus Investments Limited ('MIL' or the 'Company') is an unquoted public company incorporated in Pakistan in 2007. The Company specializes in providing independent investment advisory services to institutions and high-net-worth individuals through a conflict free business model, with a primary focus on retirement funds, along with corporate funds and long-term investments. MIL also distributes mutual funds and has distribution arrangements with the leading Asset Management Companies in Pakistan. The Company's wholly-owned subsidiary, Arkad Consultants Private Limited, deals in the distribution of financial products, including insurance.

Management and Governance

CHAIRMAN & CEO PROFILE

Mr. Nadeem Jeddy is the Chairman of MIL. He holds a Master's degree in Business Administration and has over three decades of experience in Financial Services Industry. Moreover, he obtained CFA Charter in 2001 and CIM Charter in 2011. He is also a Certified Director from PICG.

Mr. Umair Aslam serves as the CEO of MIL. He is a double gold medalist in the BBA (2010) and MBA (2011) programs from IoBM. He joined Magnus as a Management Trainee and worked across multiple functions with the long-term objective of eventually leading the firm's operations. He is an Investment Executive with over a decade of experience in managing institutional retirement funds, corporate portfolios, and ultra-high-net-worth individual accounts. He has a proven track record in portfolio management, securities analysis and business development. He is also a Certified Director from PICG.

BOARD & SENIOR MANAGEMENT

Name	Director
Mr. Nadeem Jeddy	Chairman – Executive Director
Mr. Rehan Riaz	Non-Executive Director
Mr. Riyaz Ali Towfiq Chinoy	
Mr. Najeeb Afsar	Independent Director
Ms. Fareeha Saifi	
Mr. Umair Aslam	Chief Executive Officer

The Board comprises six directors, including the CEO, with a balanced composition of two Non-Executive Directors, two Independent Directors (including a female), and two Executive Directors, reflecting strong independence and diversity. There was no change in the Board of Directors except for Dr. Mohammad Nishat, who was replaced by Mr. Nadeem Jeddy, the majority shareholder as Chairman and Mr. Umair Aslam replacing Mr. Nadeem Jeddy as CEO, thus the governance is strengthened through a clearer separation between ownership and executive management.

The Board operates through two committees: the Audit Committee (AC), and Sexual Harassment Committee (SHC); AC and SHC is chaired by Independent Directors, ensuring sound governance and oversight.

Changes were observed in the Senior Management during the period under review. Mr. Ali Hussain succeeded Mr. Akif Hasan and was promoted to the CFO position, while Yousuf Jamil was appointed as the Chief Investment Officer. No other changes were reported in Board or Senior Management during the period under review. As part of its succession planning, MIL focuses on retaining key talent, granting equity stakes to select departmental heads, and investing in entry level hiring with structured in-house training to ensure leadership continuity.

Internal Controls

MIL has significantly strengthened its internal control framework through major enhancements in data security, cybersecurity, and operational continuity. Key initiatives include the implementation of a cloud-based data storage system using Microsoft OneDrive, the deployment of a Fortinet firewall to enhance cybersecurity protection, and the development of a new Database Management System (DMS) by Jaffer Business Systems aimed at improving operational efficiency and streamlining business processes. The Company has stringent monitoring guidelines in place, including password protected resources for the Private Client Group (PCG) and a strict policy requiring prior written consent for employee trading activities. This ensures the security of client data and mitigates risks to business operations. The Company has also maintained a thorough Business Continuity & Disaster Recovery (BCDR) plan, including an alternative office setup and cloud-based data backup.

External Auditors, EY Ford Rhodes Chartered Accountants, categorized as 'Category A' on the SBP's Panel of Auditors with satisfactory QCR rating from ICAP, has provided an unqualified and unmodified opinion, affirming that the Company's financial statements comply with accounting standards and accurately portray the Company's financial position as of FY25. The Company's internal procedures, including 16 Standard Operating Procedures (SOPs) covering key areas such as compliance, portfolio management, and risk, are reviewed and updated annually. Input from the internal auditor PwC (A. F. Ferguson & Co.) is incorporated into these revisions to ensure alignment with regulatory standards and operational efficiency.

The last full scope inspection of the Company by the Securities and Exchange Commission of Pakistan (SECP) was conducted in 2023 and since then, no instances of on-site regulatory review have been reported by the management. Additionally, quarterly off-site reviews are also conducted with no instances of non-compliances reported as per management.

Investment Process

There have been no material changes to the investment process during the period under review. The IC continues to approve asset allocation policies, investment analysis, and ongoing portfolio management decisions. The Company maintains a structured investment setup, with two broad divisions: Investments and Non-Investments. The Investments team is composed of Portfolio Analysis (PA), Securities Analysis (SA), Portfolio Management (PM), and Private Client Group (PCG). The PM and PCG departments report to the Chief Executive Officer (CEO), while PA and SA report directly to the CIO and are actively involved in investment decisions. SA is responsible for buy-side research and equity screening, whereas PA focuses on fixed income instruments and client-specific asset allocation. The PM department oversees client relationship management, including reporting, cash flow monitoring, rebalancing, and performance tracking. For performance analysis, customized presentations are created, incorporating global market research. Additionally, the Company employs an independent economist to publish reports for clients, offering insights. The Company has also restructured its buy-side equity research, refining its overall research process to enhance decision-making.

Financial Analysis

ASSET UNDER MANAGEMENT

MIL delivered a strong performance in CY25, exceeding the return expectations set out in the IPS. Given the long-term nature of most mandates, particularly retirement-focused portfolios, performance is evaluated over extended horizons where MIL has historically delivered strong results.

MIL's AUM base continues to be predominantly comprised of retirement funds. AUMs have grown over the last two years, supported by the onboarding of new clients. This expansion has also contributed to a reduction in client concentration as reflected in the declining share of top clients. Further diversification is anticipated, with additional mandates expected to materialize by CY26.

OPERATIONAL STRENGTH & PROFITABILITY

During FY25, MIL's management fee income rose owing to the onboarding of new clients & increase in NAV, with discretionary mandates continuing to dominate. Dividend income and income on savings account continued to support the topline. With the launch of mutual fund distribution in FY24, MIL has diversified its income base, and is expected to become a meaningful contributor going forward.

Recurring income including management fee, markup income, dividend income and distribution income rose while the recurring expenses also rose during FY25. Consequently, the efficiency ratio improved and profit for the year remained constant during FY25.

CAPITALIZATION

MIL maintains a strong capital position. The growth was primarily driven by strong performance and sizeable other comprehensive income, stemming from unrealized gains on equity investments. With a strong equity base and a clean capital structure as MIL remains unleveraged, reporting no borrowings as of both Jun'24 and Jun'25. This positions the Company to absorb business volatility, support future growth, and maintain financial sustainability without relying on external funding. Maintaining of performance benchmarks achieved with sound financial metrics would remain important going forward.

REGULATORY DISCLOSURES		Appendix I		
Name of Rated Entity	Magnus Investments Limited			
Sector	Non-Banking Finance Company			
Type of Relationship	Solicited			
Purpose of Rating	Entity Ratings			
Rating History		Medium to Long Term	Rating Outlook	Rating Action
	RATING TYPE: ENTITY			
	01-Jun-2026	AM1 (IA)	Stable	Reaffirmed
	24-Jun-2025	AM1 (IA)	Stable	Upgrade
	14-Jun-2024	AM2++ (IA)	Stable	Reaffirmed
	19-Apr-2023	AM2++ (IA)	Stable	Upgrade
	13-Apr-2022	AM2+ (IA)	Stable	Reaffirmed
	01-Apr-2021	AM2+ (IA)	Stable	Reaffirmed
	11-Feb-2020	AM2+ (IA)	Stable	Reaffirmed
	14-Feb-2019	AM2+ (IA)	Stable	Upgrade
	24-Oct-2017	AM2 (IA)	Positive	Maintained
	24-May-2016	AM2 (IA)	Stable	Harmonized
	02-Mar-2016	AM2- (IA)	Stable	Reaffirmed
	26-Feb-2015	AM2- (IA)	Stable	Upgrade
	16-Jul-2013	AM3+	Stable	Reaffirmed
	11-May-2012	AM3+	Stable	Reaffirmed
	17-Feb-2011	AM3+	Stable	Upgrade
04-Feb-2010	AM3	Stable	Reaffirmed	
14-Jan-2009	AM3		Initial	
Instrument Structure	N/A			
Statement by the Rating Team	VIS, the analysts involved in the rating process and members of its rating committee do not have any conflict of interest relating to the credit rating(s) mentioned herein. This rating is an opinion on credit quality only and is not a recommendation to buy or sell any securities.			
Probability of Default	VIS' ratings opinions express ordinal ranking of risk, from strongest to weakest, within a universe of credit risk. Ratings are not intended as guarantees of credit quality or as exact measures of the probability that a particular issuer or particular debt issue will default.			
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Due Diligence Meeting Conducted	Name	Designation	Date	
	Mr. Umair Aslam	Chief Executive Officer	2 nd April, 2026	
	Mr. Hamza Imtiaz	Manager - Compliance		