

PAK QATAR ASSET MANAGEMENT COMPANY LIMITED

Analyst:

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RATING DETAILS

RATINGS CATEGORY	Initial Rating
MQR RATING	AM2+
RATING OUTLOOK/ WATCH	Stable
RATING ACTION	Initial
RATING DATE	January 01, 2026

Shareholding (5% or More)**Other Information**

Pak-Qatar Investment (Pvt.) Ltd – 76.0%	Incorporated in 2021
Muhammad Kamran Saleem – 10.0%	Public Limited Company (unlisted)
Pak-Qatar Family Takaful Ltd – 7.0%	Chairman: Mr. Said Gul
Zahid Hussain Awan – 5.0%	Chief Executive: Mr. Farhan Shaukat
	External Auditors: Yousaf Adil, Chartered Accountants

Applicable Rating Methodology

VIS Entity Rating Criteria: Asset Management Companies

<https://docs.vis.com.pk/Methodologies%202024/AMC-Methodology-201906.pdf>

Rating Scale

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

Rating Rationale

Assigned rating reflects PQAMC's strong sponsorship of Pak-Qatar Group, sound governance framework, and a strengthening operating and financial profile. Sponsor support provides strategic direction, brand strength, and distribution synergies, particularly through group takaful channels. A well-structured Board, active committees, and an experienced management team supports effective oversight and execution. The AMC's exclusive focus on Shariah-compliant products, supported by sound Shariah governance framework, enhances franchise strength and market positioning. Financial risk remains low, reflected in improving profitability, a debt-free balance sheet, and comfortable liquidity. Fund performance relative to peers remains fairly strong. However, the Company's scale remains modest, which is partly offset by its positioning in the growing Islamic asset management segment, supported by a diversified retail unit holder base and expanding digital and direct distribution network.

Company Profile

Pak Qatar Asset Management Company Limited ('PQAMC' or the 'AMC') was incorporated in September 2021 as a public unlisted company and is a part of Pak-Qatar Group (the Group), which comprises of Pak-Qatar Family Takaful Limited (PQFTL), Pak-Qatar General Takaful Limited (PQGTL), Pak-Qatar Investment Limited (PQIL) and Sharq Trading & Merchandising Limited. The Group has been operating in Pakistan since 2007 and has a rich and diverse experience of around two decades in providing protection and investment solutions through Takaful offerings.

The Company is licensed by the Securities and Exchange Commission of Pakistan (SECP) to function as both an Asset Management Company and an Investment Advisor. PQAMC is exclusively focused on providing Shariah-compliant investment solutions. The Company benefits from the sponsor's longstanding experience in the Islamic financial services sector, PQAMC has established its own presence through a diversified Shariah-compliant product suite and a growing asset base. The AMC follows a differentiated business model within the asset management industry by leveraging PQFTL as a key sales and distribution channel, providing access to a broad and stable investor base. The AMC acts as advisor to Pak Qatar Family Takaful Limited under an advisory arrangement, while also offering investors mutual funds to be subscribed directly through the AMC's own investment platform.

Governance and Management

The Company is majority-owned by Pak-Qatar Investment (Private) Limited, which holds 76% of the share capital. This dominant shareholding provides strong sponsor support, governance oversight, and financial backing. An additional 7% stake is held by Pak-Qatar Family Limited, further strengthening group alignment and reinforcing operational synergies between the asset management and takaful businesses. The remaining 17% shareholding is held by senior individuals, including Mr. Muhammad Kamran Saleem (10%), Mr. Zahid Hussain Awan (5%), Mr. Farhan Shaukat (1%), and Mr. Meraj Uddin Mazhar (1%). This individual ownership promotes management continuity and alignment of interests.

The Board comprises of four members, including an independent representation. The composition reflects a balanced mix of sponsor representation, independent expertise, and international exposure. Member include:

- Mr. Said Gul is a prominent Pakistani businessman based in Qatar and serves as Executive Director of Eurotec Projects Development for Oil & Gas. As a founding director and key sponsor of the Pak-Qatar Group, he has played a pivotal role in establishing and strategically transforming the Group into its current, well-diversified Islamic financial services platform.
- Mr. Muhammad Kamran Saleem: Chartered Accountant, Cost Accountant, and Advocate with over 25 years of experience, closely associated with the Pak-Qatar Group since its inception and serving on multiple corporate boards.
- Mr. Farrukh Vigaruddin Junaidy: Chartered Accountant, with over three decades of experience as advisor in various risk management, tax planning & compliance, and financial advisory services including six years as partner with KPMG.
- Mrs. Sameera Said: An experienced professional with over a decade of diversified managerial experience, currently serving on the boards of Pak-Qatar Asset Management Company and the Group's takaful entities.

The Board has instituted dedicated Audit, HR & Remuneration, and Risk Management Committees, in line with regulatory requirements.

The organizational structure aligns with the operational needs of the AMC. The management team comprises of qualified professionals, bringing expertise across asset management, takaful, investment advisory, finance, and research. Leadership is anchored by Mr. Farhan Shaukat (CEO, FCA, PGD in Islamic Finance) with 26 years of diversified experience, providing strong strategic and operational oversight. The investment function is led by Mr. Meraj Uddin Mazhar (CIO, MBA, CFA, FRM), who drives disciplined Shariah-compliant portfolio management and asset allocation strategies. Investment advisory is overseen by Mr. Muhammad Asif Anwar, a capital markets expert with 25+ years of experience, while finance and governance functions are led by Mr. Umair Karim (CFO & Company Secretary, FCCA), ensuring robust controls and regulatory compliance. The AMC's research and analytics capabilities are strengthened by Mr. Muhammad Farhan Javaid, ACMA (Head of Research), with over 12 years of experience in fund management and investment research.

PQAMC maintains a strong Shariah governance framework, guided by seasoned scholars to ensure full compliance with Islamic principles across all operations and products. Dr. Muhammad Zubair Usmani, a Ph.D. in Islamic Finance, acts as Shariah Advisor for Income and Money Market Scheme, besides his role as Shariah Advisor in PQAMC funds, he is also chair of HBL's Shariah Board and advises multiple financial institutions, providing high-level strategic guidance. Mufti Muhammad Shakir Siddiqui, with over 13 years of experience at the Pak-Qatar Group, oversees Shariah compliance, audits, and training, and also serves as Shariah Advisor to Century Insurance Company Ltd. and Pakistan Reinsurance Company Ltd., ensuring rigorous operational adherence to Shariah standards.

Financial Performance

PQAMC delivered strong financial performance in FY25, with total revenue rising to PKR 386.0 million from PKR 223.2 million in FY24, driven primarily by higher management fee income. Net profit increased 66.6% to PKR 133.5 million, supporting growth in equity to PKR 590.7 million. While the efficiency ratio slightly increased to 48.9% due to higher operating expenses, the AMC's debt-free balance sheet and conservative financial risk profile underscore its financial standing.

Compliance, Controls & Policies

The Company has implemented a suite of operational policies, regularly reviewed to ensure effectiveness and compliance with regulatory requirements and best practices. Key policies include the Risk Management Policy, Investment Policy, AML Policy, Broker Selection Criteria, Personal Trading Policy, Dealing Policy, and ESG Policy. These are integrated into daily operations, supported by clear accountability structures and system-based monitoring, enabling timely mitigation of potential breaches and conflicts of interest.

PQAMC's Personal Trading Policy is comprehensive and aligned with SECP regulations, providing clear ethical standards, disclosure obligations, and role-based restrictions to manage conflicts of interest and insider trading. It includes safeguards such as beneficial ownership disclosure, family account monitoring, blackout periods, and post-trade reporting, reflecting a strong control framework. However, the policy is relatively lenient for back-office staff, and limited pre-clearance requirements, which are considered as adequate under regulatory requirement.

Risk policy aligns with SECP regulations, NBFC rules, IFRS 9 classification, and Shariah mandates. Regulatory limits on equity exposure, credit ratings, and non-Shariah-compliant income are clearly defined, and procedures for reporting, monitoring, and review are documented. Regular performance measurement against benchmarks and adherence to legal and Shariah requirements reflects an effective compliance culture.

Dealing policy clearly defines principles for trade execution, allocation, and exposure limits, including proportional allocation across funds, volume capping, and free-float restrictions, mitigating concentration and operational risks. Roles and responsibilities are well-delineated: Fund Managers initiate trades based on research and approved limits, Traders execute orders efficiently with approved brokers, and Compliance oversees adherence to internal and regulatory standards. Broker selection and counterparty management are controlled, with prohibited practices such as front-running, speculative trading, cross-fund favoritism, and soft-dollar arrangements strictly forbidden.

Additionally, the Internal Audit plan, approved by the Audit Committee, is designed to comprehensively assess the effectiveness of the internal control framework, including policies and procedures, physical safeguards, and the monitoring of compliance with applicable NBFC regulations.

Overall, policy framework demonstrates an adequate control and governance framework.

Portfolio Management

PQAMC investment governance structure includes separate Investment Committees (ICs) for fixed income, equity markets, and shareholders' funds, ensuring focused oversight across asset classes. The IC comprises the CEO, CIO, Head of Research, and the particular Fund Manager, all holding voting rights, with decisions guided by a top-down macro and sectoral analysis. Meetings are held monthly to review strategies and approve investments, with overall fund performance reported quarterly to the Board. To support distinctive Takaful funds under the investment advisory agreement between PQFTL and PQAMC, PQAMC has established an Investment Advisory Committee (IAC), with CEO/CIO/Head of Investment Advisory/ Head of Research are IAC members to oversee investment strategies.

The investment function is supported by a well-structured team of professionals, covering research, product development, and Shariah compliance, with plans additional hirings to further strengthen capabilities. Back-office operations, including unit management, settlement, and fund accounting, are currently outsourced to IT Minds Limited.

Market Positioning

AUMs (PKR bn)	Jun'24	Jun'25	Sep'25
PQAML AMC	29.3	63.8	65.7
Industry	2,687.7	3,808.6	4,196.9
Market Share	1.1%	1.7%	1.6%
Market Share (Shariah Compliant)	2.2%	3.7%	3.3%

Table 1: Market Share

PQAMC is a relatively small player in Pakistan's asset management industry, with a moderate market share of 1.6% as of September 2025 (up from 1.1% in Sep'24). Its AUMs stood at PKR 65.7 billion, with ten collective investment schemes/plans under management. Despite its size, PQAMC competes with larger industry players and is one of three dedicated Shariah-compliant AMCs, holding a Shariah market share of 3.3%.

The AMC leverages PQFTL sales and distribution platform, with a significant portion of AUM derived from expanding investment mandates along with gradual growth in treasury funds. While investor concentration appears high, the underlying retail customer base, mitigates redemption risk. Funds sourced directly from PQAMC's platform has started to grow gradually as the AMC relies on PQFTL's retail base. In terms of fund composition, Shariah-compliant asset allocation funds dominate (65.9% of total AUM), while income and money market funds account for roughly 15–16% each. To diversify its product suite, PQAMC plans to launch a Fixed Rate Fund, subject to SECP approval. Fund concentration given the size of the AMC remains adequate. Top three funds account for ~66% of the total AUMs.

PQAMC's strategy focuses on growing PQFTL's AUM to PKR 100 billion, which is expected to expand its Shariah-compliant market share to 5% by CY26. Growth drivers include auto monthly provident fund investments in the corporate segment, retail participation, organic profit growth, and new commitments in the pipeline.

Client Servicing

PQAMC leverages a dedicated salesforce and the extensive PQFTL branch network (100+ branches) to serve retail and corporate clients, complemented by an Investor Services Department providing personalized solutions and reporting. No major complaints are outstanding as of date. Digital engagement has grown significantly, with active digital clients with digital-only AUMs reaching PKR 12.43 billion as of Sep'25. The client base has expanded steadily, supported by an increased salesforce of 24, while the AMC's mobile app facilitates retail investments, enhancing accessibility and operational efficiency.

Funds' Performance

The relative performance of large funds (Pak Qatar Asset Allocation Plan-I and Pak Qatar Asset Allocation Plan-II) was evaluated against the Shariah-Compliant Income Scheme category. Although these funds are classified under Shariah-Compliant Asset Allocation, their underlying investments align more closely with the Income category. Accordingly, their returns were annualized to enable a meaningful comparative analysis.

PQAMC's fund performance highlights an improvement in the quartile distribution of its assets. As of FY25, a significant proportion of AUMs, ~81% was concentrated within the top two quartiles. The improvement was particularly notable in Q1 ranked funds. The top three funds demonstrated better relative rankings. Fund performances registered signs of sustained positioning vis-à-vis peers during Q1'26 wherein overall AUMs weightage in top quartiles have concentrated.

Financial Summary	PKR mn	
Balance Sheet	FY24A	FY25A
Paid up Capital	300.0	300.0
Total Equity	457.2	590.7
Income Statement	FY24A	FY25A
Total Income	223.2	386.0
Profit Before Tax	112.2	190.8
Profit After Tax	80.1	133.5
Ratio Analysis	FY24A	FY25A
Net cash generated from operating activities (PKR mn)	24.6	146.8
Current Ratio (x)	4.7	10.4
*Annualized, if required		
A - Actual Accounts		
P - Projected Accounts		
M - Management Accounts		

REGULATORY DISCLOSURES

Appendix I

Name of Rated Entity	Pak Qatar Asset Management Company Limited			
Sector	Mutual Funds			
Type of Relationship	Solicited			
Purpose of Rating	Management Quality Ratings			
Rating History	Rating Date	Medium to Long Term	Rating Outlook	Rating Action
	RATING TYPE: Management Quality Rating			
	Jan 01, 2026	AM2+	Stable	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 Karim	Chief Financial Officer	December 15, 2025	
	Mr. Muhammad Farhan Javaid	Head of Research		
	Mr. Meraj Uddin Mazher	Chief Investment Officer		
	Mr. Ammar Tariq Zuberi	Head of Investor Services		