



JS AGGRESSIVE ASSET ALLOCATION FUND (JS AAAF)

MUTUAL FUND RATING (APRIL 2008)

NORMAL: ★★★★★ (4-STAR)
LONG-TERM Not Applicable

FUND: JS Aggressive Asset Allocation Fund (Formerly UTP – Aggressive Asset Allocation Fund)

FUND CATEGORY: Asset Allocation Fund

FUND TYPE: Open-end

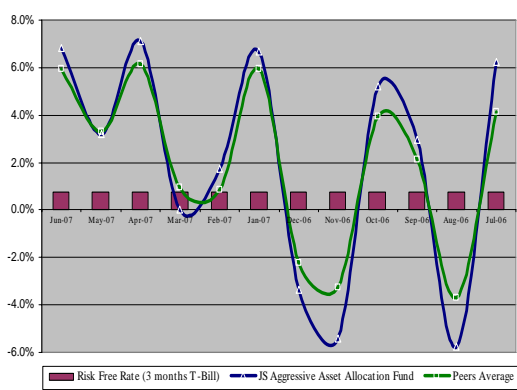
LAUNCH DATE: June 2005

ASSET MANAGER: JS Investments Limited (Formerly JS ABAMCO Limited)

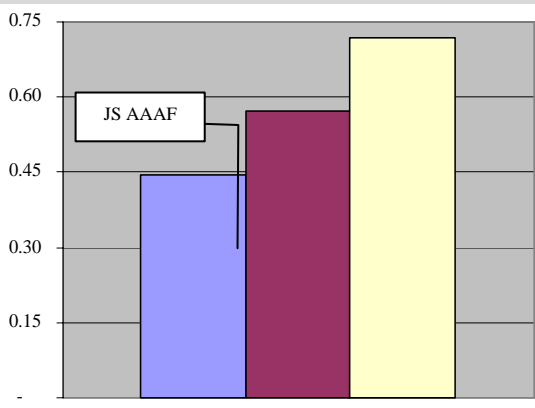
ASSET MANAGER RATING: AM2+ (by PACRA)

TRUSTEE Central Depository Company of Pakistan (CDC)

ABSOLUTE RETURN – MONTHLY



SHARPE RATIO (FY-07)



RATING

The star ratings measure the performance of the funds not only on the returns given by these funds over the period of analysis but also on the risk – measured by variability in return over monthly periods. The rating of a fund is comparable only to ratings of other funds in the same category. An asset allocation fund means a fund that can invest in any class of asset in any proportion according to criteria set in its offering document.

PACRA assigns two types of star ratings, differentiated based on period of review; (i) normal star ratings based on performance during the trailing 12 months, and (ii) long-term star ratings based on performance during the trailing 36 months period.

JSAAAF (Category: asset allocation fund, open-end) has been assigned 4-star rating (normal) based on the performance during FY07. As the fund is launched in 2005, it has a history of shorter than the requisite three years at end-Jun'07; hence, a long-term rating is not applicable.

ASSET MANAGER

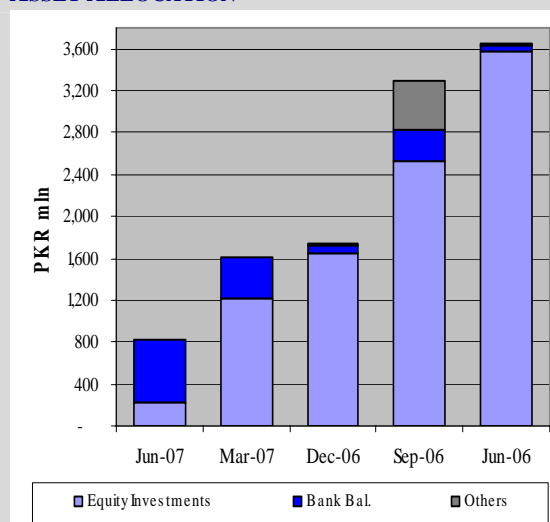
Incorporated in 1995, JS Investments Limited (JSIL) is the leading private sector asset management company in Pakistan. It is a subsidiary of Jahangir Siddiqui & Company Limited, JSCL, (52% shareholding at end-Dec07). Starting as a traditional securities firm, JSCL now functions as a holding company for Jahangir Siddiqui (JS) Group for its interest within the financial sector – brokerage, asset management, and banking. The Group also has investments in major industries namely the textiles, fertilizer, technology & media, commercial real estate, energy & natural resources and aviation. JSIL went public on March 21, 2007 with some members of the JS family divesting a portion of their holding through an offer for sale.

The seven-member BoD is reasonably diverse in terms of background and experience. The Chief Executive of JSIL, Mr. M. Najam Ali, is a Chartered Accountant with extensive exposure to the financial sector. The position of Chief Investment Officer (CIO) is currently vacant following the departure of the previous CIO in mid-07. The Investment Committee (IC) works under the guidance of the CEO in the interim. The fund manager of JS AAAF is an MBA having reasonable experience in the financial sector.

JSIL has an asset manager rating of 'AM2+', which reflects the company's very strong capacity to manage the risks inherent in asset management. The company offers a wide range of mutual funds with varying risk/return profiles. Currently, the company is managing thirteen funds – ten open-end and three closed-end – with assets under management aggregating to over PKR 40bln. JSIL has launched a pension saving scheme, having three underlying sub-funds. After launching a range of plain vanilla funds including balanced, income, equity, and Islamic, the company is focusing upon specialized products to tap specific investor needs.

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ASSET ALLOCATION



TOP 10 HOLDINGS (30-JUNE-07)

Entity	Holding as a %age of total portfolio
Azgard Nine Limited	47.0%
Pakistan Int' Container Terminal Limited	18.6%
Dawood Hercules Chemicals Limited	12.7%
Pakistan Oilfields Limited	12.5%
D.G. Khan Cement Company Limited	5.2%
MCB Bank Limited	4.1%
	100.0%

Total Equity Portfolio (PKR mln) 224.7
Equity Portfolio / Total Assets 27.0%

UNIT HOLDING PATTERN (30-JUN-07)

Category	%
Individuals	39.6%
Corporates	10.1%
Financial Institutions	15.1%
Pension/Provident Funds & Others	35.1%
	100.0%

PERFORMANCE

The Fund derives its returns from the relative share of different asset classes it invests in, mainly debt and equity securities. Redemption pressure that began in the last quarter of FY06 continued and the fund suffered net redemption of PKR3bln in FY07, mainly, from group companies. This led to a 78% decline in net assets YoY. Beginning from the 3QFY07, the fund slashed its exposure in equities. At end-June 07, equity exposure was brought down from 97% back in end-Dec 06 to 27%.

The fund has comparable returns amongst peers during FY07; however, it experienced higher volatility evident in a lower Sharpe ratio.

INVESTMENT OBJECTIVE AND METHODOLOGY

UTP-AAAF is a broad based asset allocation fund, investing in a combination of equity, fixed income and money market securities. The primary objective of the Fund is to provide higher total return than a balanced fund through proactive allocation of funds across different asset classes. The Fund does not have set allocation limits for any asset class and can invest 100% of its NAV in any asset class. If a particular asset class offers relatively higher return prospects than other asset classes, the Fund is likely to be aggressively invested in that particular asset class and vice versa.

To reduce dependence on external resources and avoid conflict of interest with other group companies, JSIL has strengthened the composition of its Investment Committee (IC) after which the reference shareholder (JSCL) has been sufficiently distanced from the investment function. The IC, comprising the CEO, Chief Operating Officer (COO), the CIO (as the position is vacant, the CEO is looking after the role in the interim), Executive Director, Head of Research and Head of Business Planning and Development, is responsible for macro-level planning including asset allocation and overall investment policy. The fund manager, in consultation with CIO, executes the investment decisions under the broad guidelines prescribed by the IC.

ANALYST

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RATING SCALE

- ☆☆☆☆☆ Superior Performance
- ☆☆☆☆ Good Performance
- ☆☆☆ Average Performance
- ☆☆ Weak Performance
- ☆ Poor Performance