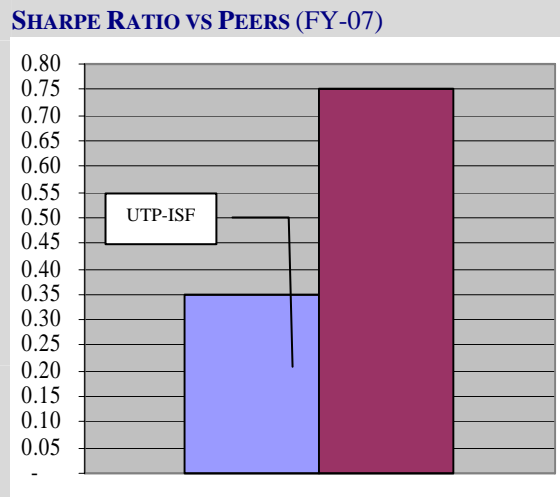
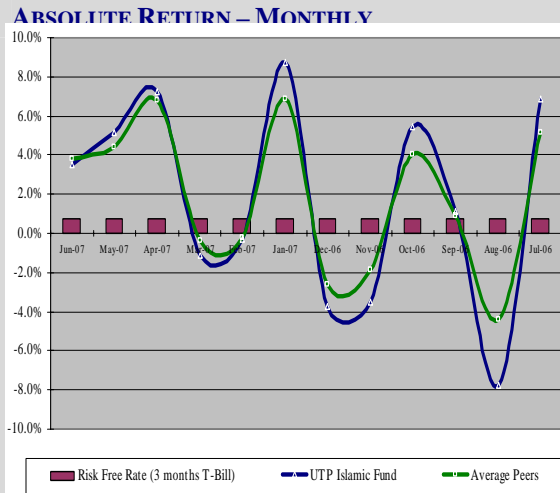




UTP ISLAMIC FUND (UTP-ISF)

MUTUAL FUND RATING (APRIL 2008)	
NORMAL:	★★★★ (4-STAR)
LONG TERM:	Not Applicable
FUND:	UTP Islamic Fund
FUND CATEGORY:	Islamic Balanced Fund
FUND TYPE:	Open-end
LAUNCH DATE:	December 2002
ASSET MANAGER:	JS Investments Limited <i>(Formerly JS ABAMCO Limited)</i>
ASSET MANAGER RATING:	AM2+ (by PACRA)
TRUSTEE	Central Depository Company of Pakistan (CDC)



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 Islamic balanced fund means a fund that invests in *Shariah* compliant equity securities and Islamic debt instruments, and at least invests around 30% of its net assets in equities at all times.

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.

UTP-ISF (Category: Islamic balanced fund, open-end) has been assigned 4-star rating (normal) based on the performance during FY07. The fund is not eligible for a long-term rating due to the absence of a peer fund in this category having the requisite three-year history at end-June 07.

ASSET MANAGER

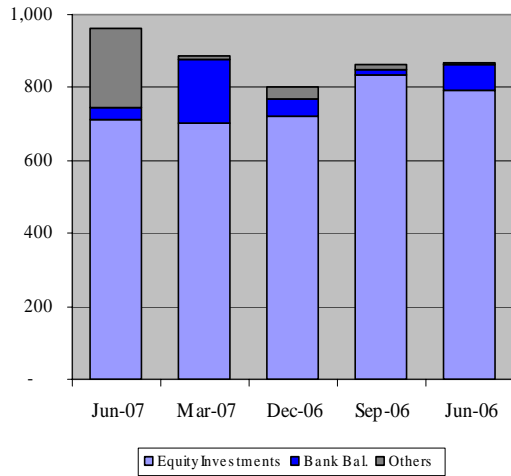
Incorporated in 1995, JS Investments Limited (JSIL) is the leading private sector asset management company in Pakistan. It is a subsidiary of Jahangir Siddiqui & Company Limited, JSCL, (52% shareholding at end-Dec07). Starting as a traditional securities firm, JSCL now functions as a holding company 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, fertilizers, 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.

Presence of four independent directors has improved corporate governance. 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 UTP-ISF is a finance professional having reasonable experience in the industry.

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.

PACRA has used due care in preparation of this document. Our information has been obtained from sources we consider to be reliable but its accuracy or completeness is not guaranteed. PACRA shall owe no liability whatsoever to any loss or damage caused by or resulting from any error in such information. None of the information in this document may be copied or otherwise reproduced, stored or disseminated in whole or in part in any form or by any means whatsoever by any person without PACRA’s written consent. Our reports and ratings constitute opinions, not recommendations to buy or to sell.

ASSET ALLOCATION:



TOP TEN HOLDINGS (30-June-07)

Entity	Holding as a %age of total portfolio
Pakistan Petroleum Limited	18.4%
Oil & Gas Development Company	14.1%
Pakistan State Oil Company Limited	13.5%
Fauji Fertilizer Company Limited	11.1%
Fauji Fertilizer Bin Qasim Co. Limited	10.1%
Nishat Mills Limited	7.7%
PTCL	7.7%
ICI Pakistan Limited	4.3%
Shell Pakistan Limited	2.7%
Ghani Glass Limited	2.5%
Others	7.8%
	100.0%

Total Equity Portfolio (PKR mln) 712
Equity Portfolio / Total Assets 74.0%

UNIT HOLDING PATTERN (30-June-07)

Category	%
Individuals	24.5%
Corporates	8.8%
Financial Institutions	24.2%
Pension/Provident Funds & Others	42.5%
	100.0%

PERFORMANCE

The UTP-ISF's earnings have pre-dominantly been a function of capital gains and dividend income on *Shariah* compliant equity securities. Although a balanced fund, the fund remained heavily invested in equities throughout the year. Funds released on sales of stocks are placed in *Shariah* compliant bank deposits. The redemptions during the year were in excess of fresh investment. Hence, the YoY growth in the fund's size is a function of net income earned during the year.

While the fund in terms of absolute monthly returns is comparable to peers, it exhibited higher volatility, resulting in a lower Sharpe ratio.

INVESTMENT METHODOLOGY

The primary objective of UTP-ISF is to provide an avenue of investment to those who wish to invest their savings in schemes based on profit / loss sharing and are *Shariah* compliant. In addition, the aim is to provide investors an optimum rate of return, reasonable assurance of safety of capital and liquidity to enter/exit the fund at their convenience. The Fund invests in asset classes approved by *Shariah* Advisory Board (SAB). UTP-ISF primarily invests in equities and places funds with banks. The Fund is also permitted to invest in TFCs, *Modaraba* certificates, *Musharika*, *Morabaha*, Preference shares, convertible preference shares and other asset backed securities approved by the SAB. The fund uses as its benchmark the Dow Jones-JS Islamic Index.

To reduce dependence on external resources, avoid conflict of interest with other group companies and ensure a higher degree of autonomy in the decision making process, 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

Humaira Jamil
 +92 42 5869504
 humaira@pacra.com

RATING SCALE

★★★★★ Superior Performance
 ★★★★ Good Performance
 ★★★ Average Performance
 ★★ Weak Performance
 ★ Poor Performance