

# Newsletter

## Jan '08

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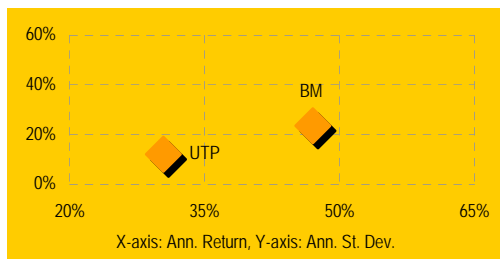
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## Term and Structure

Fund type	Open end
Fund launch date	27 October, 1997
Net assets (PKR/USDmn)	4,830.78 / 77.05
NAV (PKR/ USD)	148.09 / 2.36
Listing	LSE
Trustee	CDC
Auditors	Ford Rhodes SHC
Risk profile	Medium
Management fee	2.00%

## Risk / Return

Since inception (%)	UTP	BM	KSE100
Total return	312.36	482.75	615.30
Ann. return	30.42	47.01	59.92
Ann. volatility	12.04	23.52	33.69
Semi volatility	8.32	15.72	22.69
Downside dev. [10%]	8.90	15.58	22.60
Sharpe [10%] (x)	0.92	0.45	0.47
Sortino (x)	1.24	0.67	0.70



## Rolling Return

(%)	6M	12M	18M	24M
Avg. return	10.81	23.19	36.96	53.39
Best return	41.60	74.89	85.79	109.70
Worst return	-9.02	-2.21	5.99	21.98

## Monthly Performance

Since inception	UTP	BM	KSE100
Number	123	123	123
+ve mths	97	76	74
+ve mths (%)	79	62	60

## Drawdown Analysis

Since inception	UTP	BM	KSE100
Max DD (%)	13.95	39.93	60.89
Mths in max DD	3	7	7
Mths to recover	4	18	19

## Monthly Correlation

Since inception	Alpha	Beta	R <sup>2</sup> (%)
KSE100	1.23	0.23	41.57
KSE30	0.75	0.57	82.40

## Monthly Returns

%	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	YTD	Ann.
FY08 - UTP	-1.87	-7.59	5.21	2.43	-0.41	0.75	2.36						0.36	0.61
FY08 - BM	-1.47	-7.44	6.35	5.21	-2.12	0.04	0.13						0.06	0.10
FY07 - UTP	5.39	-5.16	2.39	5.69	-3.31	-3.64	6.99	0.53	0.04	6.53	3.76	7.14	28.28	28.28
FY07 - BM	3.81	-2.63	3.38	5.69	-4.12	-3.55	8.85	-0.31	0.83	7.07	3.60	4.63	29.77	29.77
FY06 - UTP	1.12	4.06	6.67	1.32	5.82	5.47	6.62	7.44	0.93	0.53	-9.95	-0.37	32.36	32.36
FY06 - BM	-2.32	6.25	4.07	0.41	6.84	4.34	7.32	6.43	0.42	-0.64	-9.27	1.59	26.76	26.76

Note: We use weightage of 30% 6M KIBOR and 70% KSE-30 as benchmark (BM) of UTP for simplified performance comparison

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## Investment Objective

UTP is a balanced fund that aims to preserve and grow investor's capital in the long term while providing a regular stream of current income on an annual basis. The fund operates a diverse portfolio of equity and fixed income investments whereby the equity component is meant to provide the growth in capital while dividends on the equity component along with the fixed income investments help generate the current income.

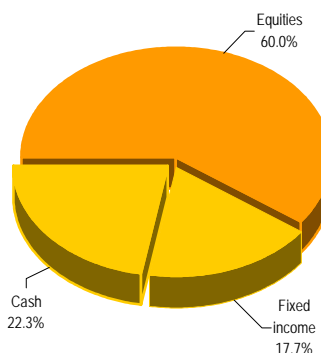
## Top Holdings

Name of scrips
Azgard Nine Ltd.
Bank of Punjab Ltd.
Engro Chemical (Pak) Ltd.
Lucky Cement Ltd.
National Bank of Pakistan
Nishat Mills Ltd.
Packages Ltd.
Pakistan Petroleum Ltd.
Pakistan State Oil Co. Ltd.
Pakistan Telecommunication Company

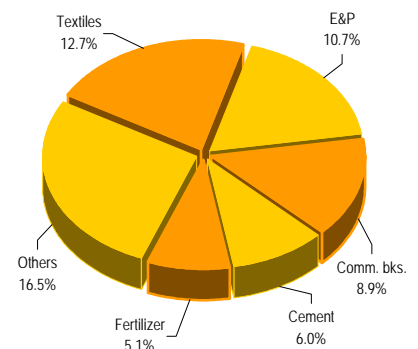
## Sector Allocation

% of NAV	31-Jan	31-Dec	
Textiles	12.7	11.5	1.2
E&P	10.7	14.2	-3.5
Comm. bks.	8.9	8.6	0.3
Cement	6.0	2.7	3.2
Fertilizer	5.1	7.0	-1.9
OMCs	4.8	5.9	-1.1
Paper & board	4.3	3.3	1.0
Telecom	3.4	3.9	-0.4
Mutual Funds	2.4	1.9	0.5
Others	1.6	1.5	0.0

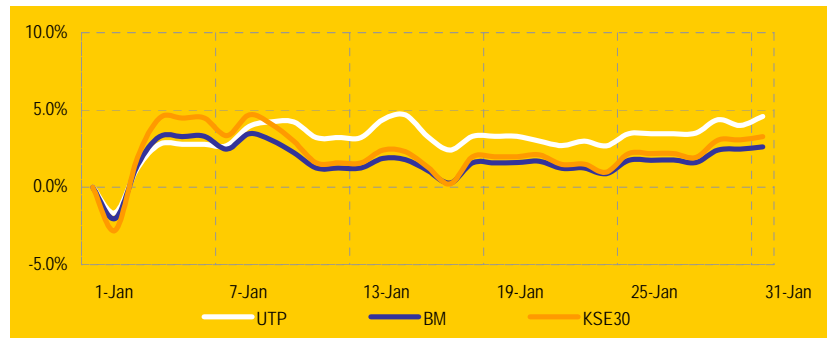
## Asset Allocation



## Sector Allocation



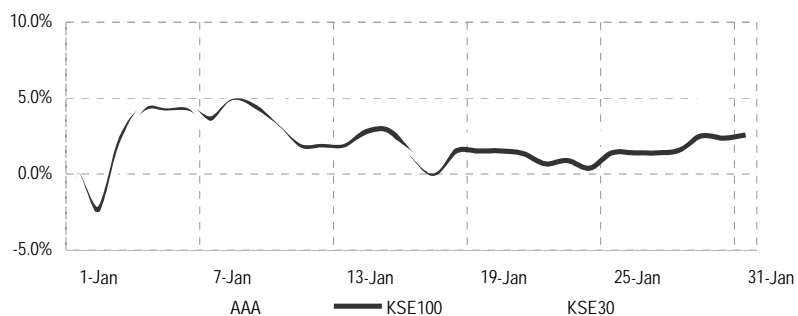
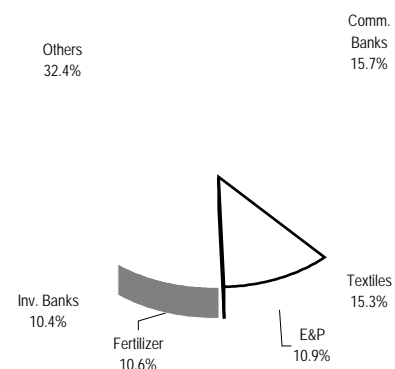
## Relative Performance



### Investment Objective

JS – AAA (formerly UTP-AAA) is a dynamic asset allocation fund that aims to achieve superior risk adjusted growth in investor's capital over the long term. The fund operates a diverse portfolio of equity and fixed income investments and it may constantly adjust the asset mix as equity markets rise or fall and the economy strengthens or weakens. The fund is allowed to invest up to 100% of net assets in any one type of asset class.

Attock Refinery Ltd.	Comm. Banks	15.7	17.7	-2.0
Azgard Nine Ltd.	Textiles	15.3	14.3	1.1
Bank of Punjab Ltd.	E&P	10.9	18.9	-8.0
Engro Chemical (Pak) Ltd.	Fertilizer	10.6	9.5	1.1
Jahangir Siddiqui & Company Ltd.	Inv. Banks	10.4	0.0	10.4
Lucky Cement Ltd.	Cement	9.9	6.2	3.7
National Bank of Pakistan	Refinery	9.4	0.0	9.4
Oil & Gas Development Company Ltd	Transport	7.2	6.5	0.7
Pakistan Int'l Container Terminal Ltd.	Telecom	6.0	6.5	-0.5
Pakistan Telecommunication Company				



## Glossary of Terms

<b>Annualized Return</b>	Annualized return reflects an expected or approximate return for a full year.
<b>Annualized Volatility</b>	Annualized volatility measures the dispersion of returns for a given security or market index for a whole year.
<b>Alpha</b>	Alpha takes the volatility (price risk) of a mutual fund and compares its risk-adjusted performance to a benchmark index. For example, a positive alpha of 1.0 means the fund has outperformed its benchmark index by 1%.
<b>Beta</b>	Beta is a measure of the volatility, or systematic risk, of a security or a portfolio in comparison to the market as a whole. For example, a beta of 1 indicates that the fund will move with the market. A beta of less than 1 means that it will be less volatile than the market and conversely, a beta of greater than 1 indicates that the fund will be more volatile than the market.
<b>Correlation</b>	Correlation is a statistical measure of how two funds/ indexes move in relation to each other. A correlation co-efficient of >1 implies that a fund/ index will move in the same direction as another fund/ index. Alternatively a correlation co-efficient of <1 implies that the fund/ index will move in the opposite direction as its counterpart. Zero correlation implies the movement of two funds/ indexes are not related i.e., they are random.
<b>Downside Deviation</b>	Downside deviation represents the potential loss that may arise from risk as measured against a minimum acceptable return. Downside deviation aims to isolate the negative portion of volatility.
<b>Drawdown</b>	Drawdown is the peak-to-trough decline during a specific record period of the fund. A drawdown is usually quoted as the percentage between the peak and the trough and is measured from the time a retrenchment begins to when a new high is reached.
<b>Rolling Returns</b>	Rolling returns measures the annualized average return for a period ending with the listed year.
<b>R-squared</b>	R-squared is a statistical measure that represents the percentage of a fund's movements that can be explained by movements in a benchmark index. R-squared values range from 0 to 100; a value of 100 means that all movements of a security are completely explained by movements in the index. A high R-squared (between 85 and 100) indicates the fund's performance patterns have been in line with the index. A fund with a low R-squared (70 or less) doesn't act much like the index.
<b>Semi Volatility</b>	Semi volatility is upside volatility or downside volatility.
<b>Sharpe Ratio</b>	Sharpe ratio measures risk-adjusted performance. It is calculated by subtracting the risk-free rate - such as the 10-year PIB - from the rate of return for a portfolio and dividing the result by the standard deviation of the portfolio returns. The greater a portfolio's Sharpe ratio, the better its risk-adjusted performance has been.
<b>Sortino Ratio</b>	Sortino ratio differentiates between good and bad volatility in the Sharpe ratio. The Sortino ratio is similar to the Sharpe ratio, except it uses downside deviation for the denominator instead of standard deviation, the use of which doesn't discriminate between up and down volatility.
<b>Standard Deviation</b>	Standard deviation calculated as the square root of the variance and measures how much the return on the fund is deviating from the expected normal returns.
<b>Total Return</b>	Total return is the return on an investment over a given time period, usually a year.
<b>Volatility</b>	Volatility measures the dispersion of returns for a given security or market index, the higher the volatility, the riskier the security.

# Contact directory

## JS Investments Limited\*

### Head Office

7th Floor, The Forum, G-20  
Khayaban-e-Jami, Clifton  
Karachi.  
Tel: 92-21-111-222-626

### Regional Office

Ground Floor  
307, Upper Mall  
Lahore.  
Tel: 92-42-111-222-626

### Regional Office

Chaudhary Plaza, 65-West,  
Ground Floor No. 6, Fazal-e-Haq Road,  
Blue Area, Islamabad.  
Tel: 92-51-111-222-626

### Branch Offices

#### Karachi

209, 2nd Floor,  
Park Towers,  
Clifton.  
Tel: 92-21-5820100

#### Hyderabad

41/97, Ground Floor,  
Opp: Bank Al-Habib Limited,  
Saddar.  
Tel: 92-22-2720250

#### Peshawar

1st Floor, State Life Building,  
34-The Mall.  
Tel: 92-91-5253844-6

#### Sialkot

27-Paris Road,  
Sialkot.  
Tel: 92-52-4298501-2

#### Gujranwala

40 Trust Plaza,  
Gujranwala.  
Tel: 92-55-3252953

#### Mirpur Azad Kashmir

Jarral Plaza  
Building No. 63/F, Sector F-1  
Kotli Road, Mirpur AJK.  
Tel: 92-058610-39670-2

Call us 0800-00887  
[www.jsil.com](http://www.jsil.com)