

# Press Release

Karachi, January 11, 2012: JCR-VIS Credit Rating Company Ltd. (JCR-VIS) has re-affirmed the Management Quality Rating of JS Investments Limited (JSIL) at 'AM2-' (AM-Two Minus). Outlook on the assigned rating is 'Stable'.

JSIL has strengthened its organizational infrastructure, as planned, with all key positions having been filled in the out-going year. Stability in senior management team will be tested overtime. Research function has been set-up in-house with models in the process of being developed; risk management responsibilities are also assigned to the same department and the risk infrastructure is being developed.

JSIL offers a diverse portfolio of fourteen funds, with product suite including almost all fund categories currently being offered in the market. The size of two funds has fallen below the minimum size proposed in new regulations on account of redemptions. Performance of equity based funds has mostly experienced an uptick in FY11. Equity funds (JS Value Fund, JS Large Cap Fund, JS Growth Fund, JS Islamic Fund) posted competitive returns in FY11, on account of increased exposure to equities and portfolio re-alignment. The high equity investment levels also resulted in favorable returns for the company's asset allocation fund. In 1H12, return rankings of equity funds have weakened vis-à-vis peers, with the exception of JS Value Fund. JCR-VIS will continue to monitor the performance of funds under management, for consistent results.

Performance of income and balanced funds suffered in FY11 due to provisioning against non-performing debt instruments. However with full provisioning charged by end FY11, downside risks from existing fixed income exposures have largely been addressed. Performance of the balanced fund has been competitive vis-à-vis peers, ranking in the top quartile in the open-end balanced funds category during 1H12. JS Cash Fund, a money market fund under management, generated superior returns, ranking in the top quartile in the open-end money market funds category during FY11 and 1H12.

Aggregate assets under management have reduced considerably by end FY11. Cognizant of this, the company is actively working towards reviving relationships with institutional investors and channel partners. The company's endeavours in this regard will be monitored by JCR-VIS. Investor base features concentration, with only about 18% of net assets of open-end funds contributed by retail investors.

For further information on this rating announcement, please contact Mr. Javed Callea (Ext: 501) or Ms. Sobia Maqbool, CFA (Ext: 506) at 35311861-70 or fax to 35311872-3.

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