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# JS Fund of Funds

Quarterly Report for the period  
ended March 31, 2021



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## **VISION**

To be recognized as a responsible asset manager respected for continually realizing goals of its investors.

## **MISSION**

To build JS Investments into a top ranking Asset Management Company; founded on sound values; powered by refined knowhow; supported by a committed team operating within an accountable framework of social, ethical and corporate responsibility - a strong and reliable institution for its shareholders to own; an efficient service provider and value creator for clients; an exciting and fulfilling work place for employees; and a participant worth reckoning for competitors.

## **BROAD POLICY OBJECTIVES**

- Value creation for clients on a sustainable basis
- Maintain high standards of ethical behaviors and fiduciary responsibility
- Manage Investments with Prudence and with the aim of providing consistent returns better than that of peers
- Take Products and Services to the People, Create awareness on understanding financial goals, risks and rewards
- Professional Excellence – Adapt, Evolve and Continuously Improve
- Maintain highly effective controls through strong compliance and risk management
- A talented, diligent and diverse HR



## ORGANIZATION

### Management Company

JS Investments Limited  
19<sup>th</sup> Floor, The Centre, Plot # 28,  
SB-5 Abdullah Haroon Road, Saddar,  
Karachi-75600  
Tel: (92-21) 111-222-626 Fax: (92-21) 35165540  
E-mail: info@jsil.com  
Website: www.jsil.com

### Board of Directors

Mr. Suleman Lalani	Chairman
Ms. Iffat Zehra Mankani*	Chief Executive Officer
Mr. Hasan Shahid	Non-Executive Director
Mr. Tahir Ali Sheikh	Non-Executive Director
Mr. Asif Reza Sana	Independent Director
Ms. Aisha Fariel Salahuddin	Independent Director
Mr. Zahid Ullah Khan**	Non-Executive Director
Mr. Imran Haleem Shaikh	Non-Executive Director

### Audit Committee

Mr. Asif Reza Sana	Chairman
Ms. Aisha Fariel Salahuddin	Member
Mr. Hasan Shahid	Member

### Director Finance & Company Secretary

Mr. Muhammad Khawar Iqbal

### Chief Financial Officer

Mr. Zafar Iqbal Ahmed

### Trustee

Central Depository Company of Pakistan Limited  
CDC House, 99-B, Block 'B', S.M.C.H.S.,  
Main Sharah-e-Faisal, Karachi-74400 Pakistan.  
Tel: (92-21) 111-111-500  
Fax: (92-21) 34326040

### Auditors

Yousuf Adil  
Chartered Accountants

### Legal Adviser

Bawaney & Partners

\* Ms. Iffat Zehra Mankani has been appointed as Chief Executive Officer of JS Investments Limited w.e.f April 15, 2021 in place of Mr. Hasnain Raza Nensey.

\*\* Mr. Zahid Ullah Khan has been appointed as Director on the Board of JS Investments Limited w.e.f March 18, 2021 in place of Mr. Kamran Jafar.

# JS Fund of Funds

## DIRECTORS' REPORT TO THE UNITHOLDERS

The Board of Directors of JS Investments Limited has the pleasure in presenting to you the un-audited Financial Statements of **JS Fund of Funds** (the Fund) for the nine months ended March 31, 2021.

### Economic Review:

Since July 2020, Pakistan witnessed two Corona virus waves and is currently undergoing the third wave, the severity of which has heightened the risk of city wide lockdowns and economic activity slowdown. In an effort to overcome the Corona virus situation, the government has initiated a vaccine drive targeting 50+ population and is expected to expand the drive to the lower age groups in the coming months. Therefore, this could be the last major Corona virus wave and the return to normalcy seems closer than ever.

Similarly, the IMF program has also resumed after a year long suspension with another disbursement of USD 500 million. The performance targets remain largely unchanged and the government is expected to achieve the set targets barring any political distraction and escalation of the Corona virus situation.

The Current Account improved considerably during the nine months of the fiscal year 2021. The country reported a surplus of USD 748 million in the period under review compared to USD 2,911 million deficit in the same period last year. The improvement was on account of 24% growth in remittances that outweighed the 22% rise in the trade deficit. As a result, foreign reserves continued to strengthen and PKR/USD parity also improved with the PKR trading at 153 to the dollar in March 2021.

Lastly, CPI inflation eased off from 9.3% in July 2020 to 5.7% in January 2021. However, the inflation has increased to 9% levels from February onwards due to the low base effect. The State Bank of Pakistan continues to maintain a dovish policy stance with a higher focus towards economic recovery stimulation.

### Income & Money Market Review:

During the fiscal year to date, the State Bank of Pakistan kept the Policy Rate unchanged at 7%. The central bank has decreased its supply of Pakistan Investment Bonds and has been rejecting bids in the new issuance of 5 year instrument up until January 2021. However, as demand remained intact particularly from the Insurance and Banking sector, the central bank finally started accepting bids in the 5 year instrument at a cut-off yield of 9.52%. Consequently, the PIB cut-offs yields have increased across all tenors.

Recently, investors have shifted their preference to short-term treasury bills in anticipation of a policy rate hike on the back of increasing inflation. Therefore, the cut-off yields for the 3 month, 6 month and 12 month treasury bills have increased during the period under review.

### Equity Market Review:

The KSE 100 returned 29.5% during the nine months of the fiscal year 2021 and closed at 44,588 points. The KMI 30 recorded a slightly higher return of 32.8% while the KSE 30 returned 22.9%. The market's daily traded value improved from PKR 6.1 billion at the start of the fiscal year to PKR 14.8 billion in March 2021 as investor confidence grew on the back of improving macroeconomic conditions. However, foreigners continued to remain net sellers in Pakistan equities with USD 295.1 million outflow during the period under review compared to USD 130.2 million of outflow in the same period last year.



The KSE 100 index increased by 10,166 points during the nine months of the fiscal year due to improving Corona virus situation, the launch of several vaccines and strong corporate profitability in December 2020 earnings season. Cements were the largest contributors to the index at 1,957 points, followed by Commercial Banks at 1,938 points and Technology & Communication at 1,872 points. The rally in the index was broad based with all other sectors contributing positively to the index during the period.

### Review of Fund Performance

The Fund return was 22.46% for the nine months period ended March 31, 2021, against the benchmark return of 29.91%. Net Assets moved from PKR 216.5 million (June 30, 2020) to PKR 322.2 million as of March 31, 2021. The total expense ratio (TER) of the Fund is 0.81% which includes 0.45% representing government levies on the Fund.

### Asset Manager Rating

The Pakistan Credit Rating Agency Limited (PACRA) has assigned JS Investments' Management Quality Rating of AM2 (AM-Two) with a stable outlook. The rating denotes High Management Quality.

### Acknowledgment

The Directors express their gratitude to the Securities and Exchange Commission of Pakistan and Central Depository Company of Pakistan Limited for their valuable support, assistance, and guidance. The Board also thanks the employees of the Management Company for their dedication and hard work and the unit holders for their confidence in the Management.

Karachi: April 23, 2021

Director

Chief Executive Officer

# JS Fund of Funds

## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

AS AT 31 MARCH 2021

	Note	31 March 2021 (Unaudited)	30 June 2020 (Audited)
-----Rupees-----			
<b>Assets</b>			
Bank balances	7	1,171,925	1,960,541
Investments	8	324,758,688	218,038,970
Receivable and prepayments	9	204,447	238,968
Security deposit		100,000	100,000
<b>Total assets</b>		<b>326,235,060</b>	<b>220,338,479</b>
<b>Liabilities</b>			
Payable to the Management Company	10	545,651	537,978
Remuneration payable to the trustee	11	41,889	35,499
Sales Tax payable on Trustee remuneration		5,446	4,616
Annual fee payable to the Securities and Exchange Commission of Pakistan	12	35,625	44,116
Accrued expenses and other liabilities	13	3,376,269	3,167,077
<b>Total liabilities</b>		<b>4,004,880</b>	<b>3,789,286</b>
<b>Contingencies and Commitments</b>	15		
<b>Net assets</b>		<b>322,230,180</b>	<b>216,549,193</b>
<b>Unit holders' fund</b>		<b>322,230,180</b>	<b>216,549,193</b>
<b>Number of units in issue</b>	Number	<b>5,059,295</b>	<b>4,163,683</b>
<b>Net assets value per unit</b>		<b>63.69</b>	<b>52.01</b>

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statement.

For JS Investments Limited  
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

## CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)

FOR THE NINE MONTHS AND THREE MONTHS PERIOD ENDED MARCH 31, 2021

		Nine months period ended		Three months period ended	
	Note	31 March		31 March	
		2021	2020	2021	2020
		(Rupees)			
<b>Income</b>					
Realized gain/(loss) on investments at fair value through P&L - net		3,699,417	(7,091,317)	2,112,295	(14,284,813)
Unrealized gain/(loss) on investments at fair value through P&L - net		45,418,428	(31,793,031)	(712,544)	(46,648,189)
Dividend income		-	6,342,263	-	-
Return on bank balances		196,199	2,182,322	121,972	543,310
		49,314,044	(30,359,763)	1,521,723	(60,389,692)
<b>Expenses</b>					
Remuneration to the Management Company		22,224	150,613	12,247	35,115
Sales Tax on Management Company's remuneration		2,889	19,580	1,592	4,565
Remuneration to the Trustee		356,503	337,159	123,106	114,227
Sales Tax on Trustee remuneration		46,345	43,831	16,003	14,850
Bank and Settlement charges		7,767	9,493	3,837	2,103
Auditors' remuneration		284,714	276,467	48,109	56,224
Annual fee to Securities and Exchange Commission of Pakistan	12	35,650	33,716	12,310	11,423
Listing fee		18,767	18,750	6,267	6,250
SECP Supervisory fee on listing fee		1,877	1,875	627	625
Accounting and operational charges	10.3	178,250	168,578	61,552	57,112
Provision for Sindh Workers' Welfare Fund	13.1	967,181	-	24,721	(585,448)
		1,922,167	1,060,062	310,371	(282,954)
<b>Net income/(loss) for the period before taxation</b>		47,391,877	(31,419,825)	1,211,352	(60,106,738)
Taxation	14	-	-	-	-
<b>Net income/(loss) for the period after taxation</b>		47,391,877	(31,419,825)	1,211,352	(60,106,738)
<b>Allocation of net income for the period.</b>					
Net income for the Period after taxation		47,391,877	-	1,211,352	-
Income already paid on units redeemed		(4,258,678)	-	(2,304,661)	-
<b>Accounting Income available for distribution:</b>		43,133,199	-	(1,093,309)	-
- Relating to capital gains		49,117,845	-	3,418,827	-
- Excluding capital gains		(5,984,646)	-	(4,512,136)	-
		43,133,199	-	(1,093,309)	-

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statement.

For JS Investments Limited  
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**  
FOR THE NINE MONTHS AND THREE MONTHS PERIOD ENDED MARCH 31, 2021

	Nine months period ended		Three months period ended	
	31 March		31 March	
	2021	2020	2021	2020
	(Rupees)			
Net income/(loss) for the period after taxation	47,391,877	(31,419,825)	1,211,352	(60,106,738)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income/(loss) for the period	47,391,877	(31,419,825)	1,211,352	(60,106,738)

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statement.

For JS Investments Limited  
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

## CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021

	<b>Nine months period ended 31 March</b>	
	<b>2021</b>	<b>2020</b>
	<b>----- (Rupees) -----</b>	
<b>Cash flows from operating activities</b>		
Net income/(loss) for the period after taxation	<b>47,391,877</b>	(31,419,825)
<b>Adjustments for:</b>		
Net (gain)/loss on investments at fair value through P&L - net	<b>(3,699,417)</b>	7,091,317
Dividend income	-	(6,342,263)
Unrealized (gain)/loss on remeasurement of investments at fair value through P&L - net	<b>(45,418,428)</b>	31,793,031
Return on bank balances	<b>(196,199)</b>	(2,182,322)
	<b>(1,922,167)</b>	(1,060,062)
<b>(Increase)/decrease in assets</b>		
Receivables and prepayments	<b>77,489</b>	(6,875)
<b>Increase/(decrease) in liabilities</b>		
Remuneration payable to the Management Company	<b>7,673</b>	(121,904)
Remuneration payable to the Trustee	<b>6,390</b>	(25,902)
Annual fee payable to Securities and Exchange Commission of Pakistan	<b>(8,491)</b>	(191,283)
Creditors, accrued and other liabilities	<b>209,581</b>	364,666
	<b>215,153</b>	25,577
	<b>(1,629,525)</b>	(1,041,360)
<b>(Purchase) / Sale of held for trading investments - net</b>	<b>(57,601,855)</b>	(48,192,262)
Dividend income	-	6,342,263
Receipt of Bank Profit	<b>153,654</b>	2,159,018
<b>Net cash used in from operating activities</b>	<b>(59,077,726)</b>	(40,732,341)
<b>Cash flows from financing activities</b>		
Cash received on issue of units	<b>89,723,215</b>	4,469,608
Cash paid on redemption of units	<b>(31,434,106)</b>	(5,847,718)
<b>Net cash generated from financing activities</b>	<b>58,289,110</b>	(1,378,110)
<b>Net decrease in cash and cash equivalent during the period</b>	<b>(788,616)</b>	(42,110,451)
Cash and cash equivalents at the beginning of the period	<b>1,960,541</b>	55,776,700
<b>Cash and cash equivalents at the end of the period</b>	<b>1,171,925</b>	13,666,249

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statement.

For JS Investments Limited  
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

## Condensed Interim Statement Of Movement In Unit Holders' Fund (Unaudited) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021

	Nine month period ended					
	31 March 2021			31 March 2020		
	-----Rupees-----					
	Capital Value	Income	Total	Capital Value	Income	Total
Net assets as at the beginning of the period	223,644,073	(7,094,880)	216,549,193	221,916,023	(8,347,639)	213,568,384
Issuance of 1,415,973 units (2020: 77,738 units)						
- Capital value	73,644,779	-	73,644,779	4,019,059	-	4,019,059
- Element of Income / (loss)	16,078,437	-	16,078,437	450,549	-	450,549
	89,723,215	-	89,723,215	4,469,608	-	4,469,608
Redemption of 520,361 units (2020:105,180 units)						
- Capital value	(27,064,020)	-	(27,064,020)	(5,437,824)	-	(5,437,824)
- Income already paid on units redeemed	-	(4,258,678)	(4,258,678)	-	-	-
- Element of Income / (loss)	(111,407)	-	(111,407)	(409,894)	-	(409,894)
	(27,175,428)	(4,258,678)	(31,434,106)	(5,847,718)	-	(5,847,718)
Net income/(loss) for the period	-	47,391,877	47,391,877	-	(31,419,825)	(31,419,825)
Net assets as at the end of the period	286,191,861	36,038,319	322,230,180	220,537,913	(39,767,464)	180,770,449
						-
Undistributed loss/income brought forward						
- Realized (loss)/income		(8,132,935)			(6,871,881)	
- Unrealized (loss)/income		1,038,055			(1,475,758)	
		(7,094,880)			(8,347,639)	
Accounting income available for distribution						
- Relating to capital gains		49,117,845			-	
- Excluding capital gains		(5,984,646)			-	
		43,133,199			-	
Net income for the period after taxation		47,391,877			(31,419,825)	
Undistributed loss carried forward		36,038,319			(39,767,464)	
Undistributed loss carried forward						
- Realized (loss)/gain		(9,380,109)			(7,974,433)	
- Unrealized gain/(loss)		45,418,428			(31,793,031)	
		36,038,319			(39,767,464)	
Net asset value per unit at the beginning of the period			52.01			51.70
Net asset value per unit at the end of the period			63.69			44.05

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statement.

For JS Investments Limited  
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021

### 1. LEGAL STATUS AND NATURE OF BUSINESS

JS Fund of Funds ("the Fund") was established under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules) as an open-end unit trust scheme. The Fund is governed under Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and Non-Banking Finance Companies and Notified Entities Regulations, 2008. The Fund was constituted under a Trust Deed, dated April 19, 2005 between JS Investments Limited as the Management Company, a company incorporated under the Companies Act, 2017 and the Central Depository Company of Pakistan Limited as the Trustee, also incorporated under the Companies Act, 2017.

The Fund is an open end mutual fund categorized as "Asset Allocation Fund of Funds scheme" and the Fund is listed on Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering them to the Fund. The Fund's primary activity is to invest in the leading equity, fixed income, money market and balanced funds, including funds managed by JS Investments Limited, and provide investors an opportunity to gain from the performance of these funds through one investment in the Fund. Under the Securities and Exchange Commission of Pakistan's (SECP's) guidelines, the Fund is also allowed to maintain balance in the

The Management Company of the Fund is registered with the Securities and Exchange Commission of Pakistan as a Non-Banking Finance Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). Its registered office is located at 19th floor, The Center, Abdullah Haroon Road, Saddar, Karachi, Pakistan.

Title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as a Trustee of the

### 2. BASIS OF PREPARATION

#### 2.1 Statement of Compliance

**2.1.1** This condensed interim financial information has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS-34), Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

Wherever provisions of and directives issued under the Companies Act, 2017, the requirements of the Trust Deed, the NBFC Rules and the NBFC Regulations differ with the requirements of IAS-34, the provisions of and directives issued under the Companies Act, 2017, requirements of the Trust Deed, the NBFC Rules and the NBFC Regulations have been followed.

**2.1.2** The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of IAS-34. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published financial statements of the Fund for the year ended June 30, 2020.

**2.1.3** In compliance with schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at March 31, 2021.

#### 2.2 Basis of measurement

This condensed interim financial information has been prepared under the historical cost convention, except that certain financial assets are stated at fair value.

# JS Fund of Funds

## 2.3 Functional and presentation currency

This condensed interim financial information is presented in Pak Rupees, which is the functional and presentation currency of the Fund. All amounts have been rounded off to the nearest of Rupee, unless otherwise indicated.

- 2.4 There are certain new and amended standards, interpretations and amendments that are mandatory for the Fund's accounting periods beginning on or after July 01, 2020 but are considered not to be relevant or do not have any significant effect on the Fund's operations and therefore not detailed in this condensed interim financial information.

## 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies, basis of accounting estimates applied and method of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2020.

## 4. USE OF JUDGEMENTS AND ESTIMATES

The preparation of this condensed interim financial information in conformity with accounting and reporting standards requires management to make estimates, assumptions and use judgements that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of revision and future periods, if the revision affects both current and future periods.

The significant estimates, judgements and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty are same as those that applied to annual audited financial statements as at and for the year ended June 30, 2020.

## 5. FINANCIAL RISK MANAGEMENT

The Fund's financial risk management objectives and policies are consistent with that disclosed in the annual audited financial statements for the year ended June 30, 2020.

## 6. TOTAL EXPENSE RATIO

The total expense ratio (TER) of the Fund for the nine months period ended March 31, 2021 is 0.81% which includes 0.45% representing government levies on the Fund such as federal excise duties and sales taxes, Sindh Workers' Welfare Fund, annual fee payable to the SECP, etc. This ratio is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an "Fund of Funds" scheme.

	31 March 2021 (Unaudited)	30 June 2020 (Audited)
Note		
	-----Rupees-----	

## 7. BANK BALANCES

In profit and loss sharing accounts	7.1	<u>1,171,925</u>	<u>1,960,541</u>
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- 7.1 This includes balances of Rs. 0.837 million (June 20: Rs 0.739 million) with JS Bank Limited (a related party) and Rs. 0.011 million (June 20: 0.010) with Bank Islami Pakistan Limited (a related party). These accounts carry profit at the rates of 7.00% (June 20: 8.00%) and 6.00% (June 20: 6.00%) per annum respectively. Other PLS accounts of the Fund carry profit at the rates of 3% to 8.45% (June 20: 3% to 12.20%) per annum.

## 8. INVESTMENTS

- At fair value through profit or loss - held-for-trading

	Note	31 March 2021 (Unaudited)	30 June, 2020 (Audited)
		-----Rupees-----	
- Open end mutual funds - quoted	8.1	<u>324,758,688</u>	<u>218,038,970</u>
		<u>324,758,688</u>	<u>218,038,970</u>

Par value (Rupees)	Number of units				Carrying value Rupees	Market value Rupees	% of Net Assets	% of Investee Capital *
	Holding at the beginning of the period	Acquired during the period	Disposed during the period	Holding at the end of the period				

## Sectors / Collective Investment Schemes

### 8.1 Open end mutual Funds - quoted

#### Managed by JS Investments Limited - Related party

JS Growth Fund	100	1,410,985	481,861	94,128	1,798,719	279,340,260	324,758,688	100.78	15.87
Unit Trust of Pakistan	100	84,515	-	84,515	-	-	-	-	-
<b>Investments at fair value through P&amp;L as at 31 March 2021</b>						<b>279,340,260</b>	<b>324,758,688</b>	<b>100.78</b>	
Cost of Investments at fair value through P&L as at 31 March 2021						<b>278,882,896</b>			

\* The investee capital represents the net assets of the investee funds as at 31 March 2021

## 9. RECEIVABLE AND PREPAYMENTS

	31 March 2021 (Unaudited)	30 June 2020 (Audited)
Receivable against sale of investments	-	83,922
Prepaid SECP Supervisory fee on listing fee	623	-
Prepaid listing fee	6,233	-
Accrued return on bank balances	55,791	13,246
Income tax recoverable	141,800	141,800
	<b>204,447</b>	<b>238,968</b>

## 10. PAYABLE TO MANAGEMENT COMPANY

Under the provisions of Non-Banking Finance Companies and Notified Entities Regulations 2008, an asset management company shall be entitled to an accrued remuneration equal to an amount not exceeding 1.5% of average annual net assets. Management Company has charged remuneration at the rate of 1% (June 30, 2020: 1%) per annum based on the daily net assets of the Fund during the period ended March 31, 2021. However, no remuneration is charged on that part of the net assets which have been invested in the mutual funds managed by the Management Company.

	31 March 2021 (Unaudited)	30 June 2020 (Audited)
Remuneration payable to management company	6,046	2,090
Sindh Sales Tax on remuneration of the Management Company	66,829	66,315
Federal excise duty payable on Management Company's remuneration	451,833	451,833
Accounting and operational charges	20,943	17,740
	<b>545,651</b>	<b>537,978</b>

**10.1** Sindh Provincial Government has levied Sindh Sales Tax at the rate of 13% (June 30, 2020: 13%) on Management Company's remuneration through Sindh Sales Tax on Services Act, 2011 effective from July 01, 2011. Above liability includes Rs. 0.066 million (June 30, 2020: 0.066 million) accrued on Federal Excise Duty (FED) on the Management Company's remuneration. Had the provision on FED not been made, net asset value per unit of the Fund as at period end would have been higher by Re. 0.01 (June 30, 2020: Re. 0.02) per unit.

**10.2** The legal status of applicability of Federal Excise Duty on the Fund is same as disclosed in note 11.2 to the annual audited financial statements of the Fund for the year ended June 30, 2020, and the appeal, filed by tax authorities against the order passed by Sindh High Court in the Honorable Supreme Court of Pakistan dated July 16, 2016, is pending for decision.

In view of above, the Management Company, as a matter of abundant caution, is carrying provision for FED aggregating to Rs. .452 million as at March 31, 2021 (June 30, 2020: .452 million). Had the provision not been made, Net Asset Value per unit as at March 31, 2021 would have been higher by Re. 0.09 (June 30, 2020: Re.0.11) per unit.

**10.3** This represents reimbursement of certain expenses to the Management Company. As per regulation 60(3) of the NBFC Regulations, fee and expenses related to registrar services, accounting, operation and valuation services related to CIS shall be payable to AMC. During the period, such expenses have been charged at the rate of 0.1% (June 30, 2020: 0.1%) of net assets of the Fund.

# JS Fund of Funds

## 11 REMUNERATION PAYABLE TO THE TRUSTEE

Central Depository of Pakistan Limited (the Trustee) is entitled to a monthly remuneration of services rendered to the Fund under the provision of the Trust Deed as follows:

- up to rupees one billion 0.2% per annum of the daily net assets.
- exceeding rupees one billion Rs. 2,000,000 plus 0.1% per annum of the daily net assets of the Fund

## 12 ANNUAL FEE OF SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay annual fee to the Securities and Exchange Commission of Pakistan (SECP) at the rate of 0.02% of daily net assets of the Fund.

		31 March 2021 (Unaudited)	30 June 2020 (Audited)
	Note		
<b>13 ACCRUED EXPENSES AND OTHER LIABILITIES</b>			
Provision for contribution to Sindh Worker's Welfare Fund (SWWF)	13.1	2,602,843	1,635,662
Capital gain tax payable		7,535	1,590
Auditors' remuneration		181,287	330,760
Zakat Payable		317	12,794
Withholding tax payable		66,640	663,083
Mutual Fund Rating fee payable		116,000	116,000
Other payable		401,647	407,188
		<b>3,376,269</b>	<b>3,167,077</b>

## 13.1 The legal status of applicability of Sindh Workers' Welfare Fund (SWWF) is same as that disclosed in note 11.1 to the annual audited financial statements of the Fund for the year ended June 30, 2020.

As a matter of abundant caution, Management Company with effect from May 21, 2015 till March 31, 2021 is carrying provision for SWWF aggregating to Rs. 2.603 million (June 30, 2020: Rs. 1.636 million). Had the provision not been made, the Net Asset Value per unit of the Fund as at March 31, 2021 would have been higher by Re. 0.51 (June 30, 2020: Re. 0.39) per unit.

## 14 TAXATION

The Fund is exempt from taxation under clause 99 of the Part I of the 2nd Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90% of its accounting income as reduced by the realized and unrealised capital gain for the year is distributed amongst the Fund's unit holders. Since the management intends to distribute the income earned by the Fund during the year to the unit holders in the manner as explained above, no provision for taxation has been made in these financial statements.

The Fund is exempt from provisions of section 113 (Minimum Tax) under the clauses IIA of Part IV of the second schedule of the Income Tax Ordinance, 2001.

## 15 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at March 31, 2021.

## 16 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons / related parties include JS Investments Limited (JSIL) being the Management Company of the Fund, CDC-Trustee being the Trustee of the Fund, JS Bank Limited (JSBL) being the Holding Company of JSIL (Holding 84.56% shares of JS Investment Limited), Jahangir Siddiqui and Co. Limited (JSCL) (Holding 75.02% shares of JS Bank Ltd.) being the Holding Company of JSBL, JS Global Capital Limited (JSGCL) (83.53% shares held by JS Bank) being the fellow subsidiary of JSBL, and other associated companies of JSBL, JSIL and its subsidiaries, Key Management Personnel of the above entities and other funds being managed by JSIL and includes entities holding 10% or more in the units of the Fund as at 31 March 2021. It also includes staff retirement benefit funds of the above related parties / connected persons. Details of balances and transactions with the related parties / connected persons not disclosed elsewhere are as follows:

**16.1 Detail of transactions with related parties during the period**

	<b>Nine months period ended</b>	
	<b>31 March</b>	
	<b>2021</b>	<b>2020</b>
	<b>------(Rupees)-----</b>	
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>JS Investments Limited - Management Company</b>		
Remuneration of the management company	<b>22,224</b>	150,613
Sales tax on management company's remuneration	<b>2,889</b>	19,580
Purchase of units: 1,373,646 (2020: Nil)	<b>87,000,000</b>	-
Expenses incurred	<b>178,250</b>	168,578
Sales load for the period	<b>30,016</b>	147
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration of the trustee	<b>356,503</b>	337,159
Sales tax on trustee remuneration	<b>46,345</b>	43,831
Settlement charges	<b>5,085</b>	5,085
<b>JS Bank Limited - Parent Company of JSIL</b>		
Return on bank balances	<b>148,121</b>	456,509
Bank Charges	<b>-</b>	1,878
<b>Bank Islami Pakistan Limited</b>		
<b>Associate of ultimate Parent Company - JSCL</b>		
Return on bank balances	<b>972</b>	5,216
<b>Unit Trust of Pakistan - Fund under JSIL Management</b>		
Purchase of units: Nil (2020: 324,301 )	<b>-</b>	45,000,000
Sales of units: 84,515 (2020: 384,907)	<b>12,798,116</b>	53,257,508
Net loss on disposal of investments by Fund of Funds	<b>847,686</b>	(266,734)
<b>JS Income Fund - Fund under JSIL Management</b>		
Purchase of units: Nil (2020: 2,659,234 )	<b>-</b>	259,198,559
Sale of units: Nil (2020: 4,264,149)	<b>-</b>	415,746,406
Net gain on disposal of investments by Fund of Funds	<b>-</b>	4,981,518
<b>JS Cash Fund - Fund under JSIL Management</b>		
Purchase of units: Nil (2020 : 2,095,307 )	<b>-</b>	213,704,222
Sales of units: Nil (2020: 2,163,522 )	<b>-</b>	220,752,868
Dividend Reinvest units : Nil (2020: 62,244)	<b>-</b>	6,342,263
Refund of Capital units : Nil (2020: 5,971)	<b>-</b>	608,564
Net gain on disposal of investments by Fund of Funds	<b>-</b>	706,384
<b>JS Growth Fund - Fund under JSIL Management</b>		
Purchase of units: 481,861 (2020: 1,632,316)	<b>87,000,000</b>	253,704,002
Sales of units: 94,128 (2020 : 662,422)	<b>16,600,000</b>	90,000,000
Net gain on disposal of investments by Fund of Funds	<b>2,851,731</b>	(12,512,486)
<b>JS Islamic Dedicated Equity Fund - Fund under JSIL Management</b>		
Purchase of units: Nil (2020: 923,191)	<b>-</b>	50,000,000



# JS Fund of Funds

	31 March 2021 (Un-audited)	30 June 2020 (Audited)
	------(Rupees)-----	
<b>16.2 Detail of balances with related parties as at period / year end</b>		
<b>JS Investments Limited - Management Company</b>		
Remuneration payable to the management company	6,046	2,090
Sales tax payable on management company's remuneration	66,829	66,315
FED on management company's remuneration	451,833	451,833
Units held: 4,195,940 (June 2020: 2,822,294)	267,239,387	146,787,505
Expense payable	20,943	17,740
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration payable to the trustee	41,889	35,499
Sales tax payable on trustee remuneration	5,446	4,616
Settlement charges payable	565	565
Security deposit	100,000	100,000
<b>JS Bank Limited - Parent Company of JSIL</b>		
Bank balance	836,990	739,295
Profit receivable	33,590	2,740
<b>Bank Islami Pakistan Limited</b>		
<b>Associate of ultimate Parent Company - JSCL</b>		
Bank balance	11,123	10,152

**16.3** Remuneration payable to the Management Company and the Trustee is determined in accordance with the provisions of NBFC Regulations, and the Trust Deed respectively.

**16.4** Details of related party transactions and balances in respect of investments made by the Fund have been disclosed in note 8.1 of this condensed interim financial information.

**16.5** Purchase and redemptions of the units of other mutual funds are made at respective rates and amount declared by the said funds. Similarly purchase and redemption of the Fund's unit by related parties / connected persons are recorded at the applicable net asset value per unit. Dividend income are recorded at the rates and amount declared by the investee entities. Other transactions are at agreed rates.

**16.6** This reflects the position of related party / connected person status as of 31 March 2021.

## 17 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date. The quoted market prices used for financial assets held by the Fund is current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13, 'Fair Value Measurements' requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date (level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (level 2).
- Unobservable inputs for the asset or liability (level 3).



## JS Fund of Funds

	----- As at March 31 2021 -----			
	Level 1	Level 2	Level 3	Total
	----- Rupees -----			
<b>ASSETS</b>				
Open end mutual funds - quoted	-	324,758,688	-	324,758,688
	<u>-</u>	<u>324,758,688</u>	<u>-</u>	<u>324,758,688</u>

	----- As at June 30, 2020 -----			
	Level 1	Level 2	Level 3	Total
	----- Rupees -----			
<b>ASSETS</b>				
Open end mutual funds - quoted	-	218,038,970	-	218,038,970
	<u>-</u>	<u>218,038,970</u>	<u>-</u>	<u>218,038,970</u>

### 18 GENERAL

**18.1** The corresponding figures have been re-arranged wherever necessary.

**18.2** Figures have been rounded off to the nearest Rupee.

**18.3** The pandemic of COVID-19 that has rapidly spread all across the world has not only endangered human lives but has also impacted the economy. On March 24, 2020, the Government announced a temporary lock down as a measure to reduce the spread of the COVID-19. The Fund's operations were not affected as it were operated under all necessary Standard Operating Procedures (SOPs) issued by the Government to ensure safety of employees and smooth and adequate continuation of its business. Due to this, management has assessed the accounting implications of these developments on these financial statements, however, according to management's assessment, there is no significant accounting impact of the effects of COVID-19 on these financial statements.

**18.4** During the current period, The Trust Act, 1882 has been repealed due to promulgation of provincial trust acts as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration and annual renewal requirements under the relevant trust act have been introduced. The Management Company in consultation with the MUPAF and the Trustee is currently deliberating upon the requirements of the newly enacted provincial trust act and their implication on the fund.

### 19 DATE OF AUTHORIZATION OF ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on April 23, 2021

For JS Investments Limited  
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

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**JS Investments Limited**

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