



JS Large Cap. Fund

Annual Report 2023



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VISION

To be the preferred choice of every investor, offering diverse and innovative investment solutions.

MISSION

To establish a leadership position in bringing more investable asset classes and innovative products, while managing them with prudence and excellence.

BROAD POLICY OBJECTIVES

- Value creation for clients on a sustainable basis.
- Maintain high standards of ethical behaviors and fiduciary responsibilities.
- 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
19th 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	Non-Executive Director / Chairman
Ms. Iffat Zehra Mankani	Chief Executive Officer
Mr. Hasan Shahid	Non-Executive Director
Mr. Mirza M. Sadeed H. Barlas	Non-Executive Director
Mr. Atif Salim Malik	Non-Executive Director
Ms. Aisha Fariel Salahuddin	Non-Executive Independent Director
Ms. Mediha Kamal Afsar	Non-Executive Independent Director
Mr. Farooq Ahmed Malik	Non-Executive Independent Director

Audit Committee

Ms. Mediha Kamal Afsar	Chairperson
Mr. Hasan Shahid	Member
Mr. Mirza M. Sadeed H. Barlas	Member

Chief Operating Officer & Company Secretary

Mr. Muhammad Khawar Iqbal

Chief Financial Officer Trustee

Mr. Umair Khatri
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

Grant Thornton Anjum Rahman
Chartered Accountants

Legal Adviser

Bawaney & Partners
3rd & 4th Floor, 68-C, Lane-13
Bokhari Commercial Area
Phase-VI DHA, Karachi



JS Large Cap. Fund

Directors' Report to the Unit Holders

The Board of Directors of JS Investments Limited, the Management Company of **JS Large Cap. Fund** (the Fund), is pleased to present the Annual Report for the year ended June 30, 2023.

Economic Review:

During the fiscal year 2023, Pakistan encountered substantial challenges stemming from longstanding structural weaknesses. Delays in the IMF program, declining forex reserves, significant currency devaluation, persistent political uncertainty, and elevated inflation collectively presented formidable hurdles, resulting in a meager GDP growth of 0.29%, a marked decrease from the 6.10% achieved in the previous fiscal year, FY22.

The current account deficit (CAD) narrowed by 85% year-on-year to USD 2.6 billion in FY23, a notable improvement compared to USD 17.5 billion in FY22, primarily due to reduced trade deficit from import restrictions. However, despite this situation, foreign exchange reserves held by the State Bank of Pakistan (SBP) declined to USD 4.47 billion by June 2023, down from USD 9.82 billion at the commencement of FY23.

The scarcity of forex reserves exerted significant pressure on the currency, leading to a 40% devaluation. Another persistent concern throughout FY23 was soaring inflation, averaging 29.04%, surpassing the initial target of 11.5% and the FY22 rate of 12.15%. This surge was fueled by escalating food prices and higher energy and petroleum costs, compounded by the global crisis and PKR depreciation. In response, the SBP maintained its contractionary stance, raising the policy rate to a record high of 22% from 13.75% in June 2022. Despite these challenges, the measures taken by the government, including raising energy and gas tariffs, implementing currency regime change, introducing additional taxes and tightening monetary policy, yielded different outcomes.

However, as of June 2023, the Government of Pakistan secured a crucial 9-month Stand by Arrangement (SBA) with the IMF, leading to substantial deposits from multilateral countries. This achievement offers a much-needed short-term respite from the looming risk of default. Additionally, the SBA provides an economic roadmap for the next nine months, encompassing the period leading up to elections and a caretaker government, with a strong emphasis on fiscal discipline, energy reforms, and consistent policy implementation. Nevertheless, it is important to recognize that the SBA offers only temporary relief, as a long-term program with the IMF will be necessary once the SBA concludes in March 2024, alongside the implementation of structural reforms and a consistent macroeconomic framework.

Equity Market Review:

In FY23, the KSE-100 index exhibited relatively subdued performance, registering a marginal decline of 0.21%, equivalent to 88.14 points, culminating in a closing value of 41,452.69 points. The equity market operated amidst amplified political noise and the central bank's resolute monetary tightening measures aimed at addressing inflationary pressures. Additionally, lingering uncertainties surrounding the IMF staff-level agreement further dampened investor sentiment, leading to diminished interest and constrained liquidity inflows into the equity markets.

During this period, certain sectors demonstrated resilience and emerged as outperformers, including Power Generation & Distribution, Fertilizer, Cements, and Technology & Communication, highlighting their robustness in the market. Conversely, the Pharmaceuticals, Automobile Assembler and Refinery sectors underperformed during the same period.

As we embark on FY24, it is essential to recognize that two critical factors will significantly shape the financial markets. Firstly, the inflow of foreign exchange (FX) will play a decisive role, exerting influence on market dynamics. Secondly, unwavering dedication to adhering to the IMF's guidelines within the Stand-By Arrangement (SBA) will lay the groundwork for forthcoming negotiations concerning a long-term program with the IMF after the SBA concludes early next year.

Moreover, amidst this ever-evolving environment, political stability will act as a linchpin, fostering investor confidence and channeling liquidity into the equity market. In essence, the dynamic interplay of FX inflows, adherence to IMF guidelines, and political stability will form the base upon which the performance of the economy as a whole will be built in the coming months. As we chart our course forward, strategic decisions anchored in these key factors will be pivotal in seizing opportunities and driving growth within the continuously changing investment landscape.



Review of Fund Performance

The Fund return was -1.39% for the year ended June 30, 2023 against the benchmark return of 4.41%. Net Assets moved from PKR. 324.45 million as at June 30, 2022 to 273.06 million as at 30 June 2023. The Fund's total expense ratio (TER) is 4.68%, which includes 0.39% of government levies on the Fund.

Asset Manager Rating

Pakistan Credit Rating Agency Limited (PACRA) has assigned JS Investments Management Quality Rating of AM2+ with a stable outlook, which is an improvement from the previous rating of AM2 with a positive outlook. The rating denotes High Management Quality.

Auditors

The external auditors of the Fund Messrs Grant Thornton Anjum Rahman Chartered Accountants retire and being eligible offer themselves for reappointment. The Board of Directors, upon recommendation of the Audit Committee of the Board has approved the appointment of Messrs Grant Thornton Anjum Rahman, Chartered Accountants, as the Fund's auditors for the ensuing year ending June 30, 2024.

Board of Directors

During the period, Mr. Atif Salim Malik, Mr. Farooq Ahmed Malik, and Ms. Mediha Kamal Afsar were appointed as Director in place of Mr. Asif Reza Sana, Mr. Imran Haleem Shaikh, and Mr. Zahid Ullah Khan.

Additional Matters

- a. Annexed to the Annual Report is the Fund Manager's Report giving a description of principal risks and uncertainties with a reasonable indication of future prospects of profit.
- b. The Pattern of Unit holding as at June 30, 2023, is annexed to this annual report.
- c. The system of internal control is sound in design and has been effectively implemented and monitored.
- d. A performance table / key financial data is annexed to this annual report.

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: August 18, 2023

Director

Chief Executive Officer

شراکت داروں کے لیے ڈائریکٹرز رپورٹ

ہے ایس انویسٹمنٹس لمیٹڈ کے بورڈ آف ڈائریکٹرز، JS لارج کیپ. فنڈ (دی فنڈ) کی مینجمنٹ کمپنی نے 30 جون 2023 کو ختم ہونے والے سال کے لیے سالانہ رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

معاشی جائزہ

مالی سال 2023 کے دوران، پاکستان کو دیرینہ ساختی کمزوریوں کی وجہ سے کافی چیلنجز کا سامنا کرنا پڑا۔ انٹرنیشنل مانیٹری فنڈ (IMF) پروگرام میں تاخیر، زرمبادلہ کے ذخائر میں کمی، کرنسی کی قدر میں نمایاں کمی، مسلسل سیاسی غیر یقینی صورتحال اور افراط زر میں اضافے نے مجموعی طور پر زبردست رکاوٹیں پیش کیں، جس کے نتیجے میں جی ڈی پی (GDP) کی شرح نمو % 0.29 رہی جو گزشتہ مالی سال 2022 کے % 6.10 کے مقابلے میں واضح طور پر کم ہے۔

مالی سال 2023 میں کرنٹ اکاؤنٹ خسارہ (CAD) سال بہ سال % 85 کم ہو کر 2.6 بلین امریکی ڈالر رہ گیا، جو مالی سال 2022 کے 17.5 بلین امریکی ڈالر کے مقابلے میں نمایاں بہتری ہے، جس کی بنیادی وجہ درآمدی پابندیوں سے تجارتی خسارے میں کمی ہے۔ تاہم، اس صورتحال کے باوجود اسٹیٹ بینک آف پاکستان (SBP) کے پاس موجود غیر ملکی زرمبادلہ کے ذخائر جون 2023 تک کم ہو کر 4.47 بلین امریکی ڈالر گئے جو مالی سال 2023 کے آغاز میں 9.82 بلین امریکی ڈالر سے کم تھے۔

غیر ملکی زرمبادلہ کے ذخائر کی کمی نے کرنسی پر کافی دباؤ ڈالا، جس کی وجہ سے % 40 کی قدر میں کمی واقع ہوئی۔ مالی سال 2023 کے دوران ایک اور مستقل تشویش بڑھتی ہوئی افراط زر تھی، جو اوسطاً % 29.04 تھی، جو ابتدائی ہدف % 11.5 اور مالی سال 2022 کی شرح % 12.15 سے تجاوز کر گئی۔ اس اضافے کی وجہ خوراک کی قیمتوں میں اضافہ اور توانائی اور پیٹرولیم کی بلند قیمتیں ہیں جو عالمی بحران اور پاکستانی روپے کی قدر میں کمی کی وجہ سے ہوا۔ اسکے جواب میں اسٹیٹ بینک آف پاکستان (SBP) نے اپنے تخفیفی (contractionary) موقف کو برقرار رکھتے ہوئے پالیسی کی شرح کو جون 2022 میں % 13.75 سے بڑھا کر % 22 کی ریکارڈ سطح پر پہنچا دیا۔ ان چیلنجز کے باوجود حکومت کی جانب سے اٹھائے گئے اقدامات بشمول توانائی اور گیس کے نرخوں میں اضافہ، کرنسی نظام کی تبدیلی کا نفاذ، اضافی ٹیکس متعارف کروانا اور مانیٹری پالیسی کو سخت کرنے سے مختلف نتائج برآمد ہوئے۔

تاہم، جون 2023 تک حکومت پاکستان نے آئی ایم ایف کے ساتھ 9 ماہ کا ایک اہم اسٹیٹ بانی آرٹیمینٹ (SBA) حاصل کیا جس کے نتیجے میں کثیرالجہتی (multi lateral) ممالک سے خاطر خواہ ذخائر موصول ہوئے۔ یہ کامیابی ڈیفالٹ کے بڑھتے ہوئے خطرے سے ایک انتہائی ضروری قلیل مدتی راحت فراہم کرتی ہے۔ مزید برآں، اسٹیٹ بانی آرٹیمینٹ (SBA) اگلے 9 ماہ کے لیے اقتصادی روڈ میپ فراہم کرتا ہے، جس میں انتخابات اور نگران حکومت تک کی مدت کا احاطہ کیا گیا ہے، جس میں مالی نظم و ضبط، توانائی اصلاحات اور مستقل پالیسی کے نفاذ پر زور دیا گیا ہے۔ اس کے باوجود، یہ تسلیم کرنا ضروری ہے کہ اسٹیٹ بانی آرٹیمینٹ (SBA) عارضی ریلیف فراہم کرتا ہے، کیونکہ مارچ 2024 میں اسٹیٹ بانی آرٹیمینٹ (SBA) کے اختتام کے بعد IMF کے ساتھ، ساختی اصلاحات اور مستقل میکرو اکنامک فریم ورک کے نفاذ کے ساتھ، ایک طویل مدتی پروگرام ضروری ہوگا۔

ایکیویٹی مارکیٹ کا جائزہ

مالی سال 2023 میں، KSE - 100 انڈیکس نے نسبتاً کم کارکردگی کا مظاہرہ کیا، جس میں % 0.21 کی معمولی کمی ریکارڈ کی گئی، جو 88.14 پوائنٹس کے مساوی ہے، جس کے نتیجے میں اختتام 41,452.69 پوائنٹس کی سطح پر ہوا۔ ایکویٹی مارکیٹ بڑھتے ہوئے سیاسی شورش اور مرکزی بینک کے پر عزم مالیاتی سخت اقدامات کے درمیان کام کر رہی تھی، جس کا مقصد افراط زر کے دباؤ سے نمٹنا تھا۔ مزید برآں، IMF کے عملے کی سطح کے معاہدے کے بارے میں غیر یقینی صورتحال نے سرمایہ کاروں کے جذبات کو مزید متاثر کیا، جس کے نتیجے میں دلچسپی میں کمی آئی اور ایکویٹی مارکیٹوں میں محدود لیکویڈیٹی کا بہاؤ ہوا۔

اس مدت کے دوران، پاور جنریشن اور ڈسٹری بیوٹن، فریڈلائزرز، سینٹ اور ٹیکنالوجی اور کمیونیکیشن جیسے شعبوں نے لچک کا مظاہرہ کیا اور بہتر کارکردگی کا مظاہرہ کرنے والے شعبوں کے طور پر ابھرے، جس نے مارکیٹ میں ان کی مضبوطی کو اجاگر کیا۔ اس کے برعکس، فارماسیوٹیکل، آٹوموبائل اسمبلر اور ریفرنسری کے شعبوں نے یکساں مدت کے دوران ناقص کارکردگی کا مظاہرہ کیا۔

جب ہم مالی سال 2024 کی شروعات کرنے جا رہے ہیں، تو یہ تسلیم کرنا ضروری ہے کہ دو اہم عوامل مالیاتی مارکیٹوں کو نمایاں طور پر تشکیل دیں گے۔ سب سے پہلے، غیر ملکی زرمبادلہ (FX) کی آمد ایک فیصلہ کن کردار ادا کرے گی، جس سے مارکیٹ کی حرکیات پر اثر پڑے گا۔ دوسری بات یہ ہے کہ اسٹیٹ بانی آرٹیمینٹ (SBA) کے اندر IMF کی ہدایات پر عمل کرنے کی غیر متزلزل لگن اگلے سال کے اوائل میں اسٹیٹ بانی آرٹیمینٹ (SBA) کے اختتام کے بعد IMF کے ساتھ طویل مدتی پروگرام سے متعلق آئندہ مذاکرات کی بنیاد رکھے گی۔

مزید برآں، اس مسلسل بدلتے ہوئے ماحول کے درمیان، سیاسی استحکام ایک لنچ پین کے طور پر کام کرے گا، سرمایہ کاروں کے اعتماد کو فروغ دے گا اور ایکویٹی مارکیٹ میں لیکویڈیٹی کو متحرک کرے گا۔ خلاصہ یہ ہے کہ غیر ملکی زرمبادلہ (FX) کی آمد کا متحرک باہمی تعامل، IMF کی ہدایات پر عمل پیرا ہونا اور سیاسی استحکام وہ بنیاد بنائیں گے جس پر آنے والے مہینوں میں مجموعی

طور پر معیشت کی کارکردگی تعمیر کی جائے گی۔ جیسا کہ ہم مستقبل کی جانب گامزن ہیں، ان کلیدی عوامل سے منسلک اسٹریٹجک فیصلے مسلسل بدلتے ہوئے سرمایہ کاری کے منظر نامے میں مواقع سے فائدہ اٹھانے اور ترقی کو آگے بڑھانے میں اہم کردار ادا کریں گے۔

فنڈ کی کارکردگی کا جائزہ

30 جون 2023 کو ختم ہونے والے سال کے لیے فنڈ کا منافع % 4.41 اپنے بیچ مارک منافع کے مقابلے میں % -1.37 رہا۔ 30 جون 2023 کو خالص اثاثہ جات 30 جون 2022 کے 324.45 ملین روپے سے 273.06 ملین روپے پر پہنچ گئے۔ فنڈ کے کل اخراجات کا تناسب (TER) % 4.68 ہے، جس میں فنڈ پر سرکاری محصولات کا % 0.39 بھی شامل ہے۔

ایسیٹ مینجر ریٹنگ

پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) نے جے ایس انویسٹمنٹس کو "AM2+" کی ریٹنگ کو اسٹی ریٹنگ، مستحکم "stable" منظر نامے کے ساتھ تفویض کی ہے، جو "AM2" مثبت "positive" منظر نامے کی گزشتہ ریٹنگ سے بہتر ہے۔ یہ ریٹنگ منجمنٹ کے اعلیٰ معیار کی نشاندہی کرتی ہے۔

آڈیٹرز

ریٹائر ہونے والے بیرونی آڈیٹرز میسرز گرینٹ تھورنٹن انجم رحمان، چارٹرڈ اکاؤنٹنٹس نے اہلیت کی بنیاد پر خود کو دوبارہ تقرری کے لیے پیش کرتے ہیں۔ بورڈ آف ڈائریکٹرز نے، آڈٹ کمیٹی کی تجویز پر، میسرز گرینٹ تھورنٹن انجم رحمان، چارٹرڈ اکاؤنٹنٹس کی 30 جون 2023 کو ختم ہونے والے سال کے لیے تقرری کی منظوری دی۔

بورڈ آف ڈائریکٹرز

مدت کے دوران، جناب عاطف سالم ملک، جناب فاروق احمد ملک اور محترمہ مدیحہ کمال افسر؛ جناب آصف رضا ثناء، جناب عمران حلیم شیخ اور جناب زاہد اللہ خان کی جگہ پر بطور ڈائریکٹر مقرر کیے گئے۔

اضافی معاملات

1۔ سالانہ رپورٹ کے ساتھ فنڈ مینجیور رپورٹ منسلک ہے جس میں مرکزی خطرات اور منافع جات کے مستقبل کے امکانات کی مناسب علامت کے ساتھ ہیجان کی کیفیت کی وضاحت کی ہے۔
ب۔ 30 جون 2023 تک یونٹ ہولڈنگ کے نمونہ اس سالانہ رپورٹ کے ساتھ منسلک ہے۔
ج۔ اندرونی کنٹرول کا نظام ساخت کے اعتبار سے مضبوط ہے اور اس پر موثر اطلاق اور نگرانی کی جاتی ہے۔
د۔ کارکردگی کا ٹیبل / اہم مالیاتی معلومات اس سالانہ رپورٹ کے ضمیمہ میں دی گئی ہیں۔

اظہار تشکر

ڈائریکٹرز بیش قدر معاونت، مدد اور رہنمائی پر سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) اور سینٹرل ڈپازٹری کمپنی آف پاکستان لمیٹڈ (CDCPL) سے اظہار تشکر کرتے ہیں۔
بورڈنگ اور منجمنٹ پر مینجمنٹ کمپنی کے ملازمین اور انتظامیہ پر اعتماد پر یونٹ ہولڈرز کا بھی شکر یہ ادا کرتا ہے۔



JS Large Cap. Fund

Fund Manager Report Annual Report 2023

JS Large Cap. Fund (JS-LCF)

- Description of the Collective Investment Scheme category and type**

Equity Scheme / Open end

- Statement of Collective Investment Scheme's investment objective**

JS LCF is an open-end Equity Scheme that aims to benefit from an attractive Capital Market in an economy with growth potential, to maximize the total investment return consisting of a combination of capital appreciation and dividend income. Consistent with its Investment Objective, the Fund shall invest primarily in equity securities of listed Large-Cap companies with market capitalization of over Rupees one billion. The remaining Funds shall be invested in Authorized Investments including cash and/or near cash instruments which include cash in bank accounts, and Government securities not exceeding ninety (90) days maturity.

- Explanation as to whether the Collective Investment Scheme has achieved its stated objective**

The collective investment scheme achieved its stated objective.

- Statement of benchmark(s) relevant to the Collective Investment Scheme**

KSE30 (Total Return Index)

- Comparison of the Collective Investment Scheme's performance during the period compared with the said benchmarks**

	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	FY23
JSLCF	-2.68%	3.98%	-4.40%	0.50%	1.22%	-2.24%	-0.36%	-0.30%	1.12%	3.57%	-1.96%	0.47%	-1.39%
Benchmark	-3.62%	6.06%	-3.39%	1.18%	4.45%	-5.09%	2.39%	0.21%	0.89%	3.99%	-1.84%	-0.25%	4.41%
Diff.	0.95%	-2.08%	-1.00%	-0.68%	-3.23%	2.85%	-2.75%	-0.51%	0.23%	-0.41%	-0.12%	0.71%	-5.80%

- Description of the strategies and policies employed during the period under review in relation to the Collective Investment Scheme's performance**

During the year, the fund maintained defensive positions with the most considerable level of undervaluation and kept limited exposure to cyclical sectors amid a highly challenging macroeconomic outlook.

- Disclosure of the Collective Investment Scheme's asset allocation as at the date of the report and particulars of significant changes in asset allocation since the last report (if applicable)**

	Jun-23	Jun-22
Cash	12.83%	24.89%
Equity	84.28%	73.63%
Other including receivables	2.88%	1.49%
Total	100.00%	100.00%

- Analysis of the Collective Investment Scheme's performance**

	Fund		Fund	BM
Information Ratio	(0.20)	Beta	0.8	1.0
Correlation	0.89	Largest Month Gain	18.7%	25.2%
Standard Deviation*	22.1%	Largest Month Loss	-30.8%	-45.0%
Expense Ratio**	4.68%	% Positive Months	54.6%	56.8%

* Since inception

** This includes 0.39% Government levy & SECP fee; Selling & marketing expense is 1.24%.

- Based on changes in total NAV and NAV per unit since the last review period or since commencement (in the case of newly established Collective Investment Scheme)**

	Net Assets Excluding JSIL FoFs (PKR mn)	NAV per Unit (PKR)
30-Jun-23	273	110.17
30-Jun-22	324	111.72



Fund Manager Report Annual Report 2023

- **Disclosure of the markets that the Collective Investment Scheme has invested in:**
The fund primarily invests in equity securities listed on the Pakistan Stock Exchange (PSX) with a market capitalization of over Rupees one billion.
- **Disclosure on distribution (if any), comprising:-**
- Particulars of income distribution or other forms of distribution made and proposed during the period; and
- Statement on effects on the NAV before and after distribution is made

Distribution

NIL

NAV per unit as on June 30, 2023	
Cum NAV (PKR)	110.17
Ex-NAV (PKR)	110.17

- **Description and explanation of any significant changes in the state of affairs of the Collective Investment Scheme during the period and up till the date of the manager's report, not otherwise disclosed in the financial statements**

There were no significant changes in the state of affairs during the year under review.

- **Breakdown of unit holdings by size**

Fund Name	Ranges			Number of Folios
		to		
JS Large Cap. Fund	0.0001	to	9,999.9999	1,624
	10,000.0000	to	49,999.9999	34
	50,000.0000	to	99,999.9999	8
	100,000.0000	to	499,999.9999	1
	500,000.0000	&	above	-
			Total	1,667

- **Disclosure on unit split (if any), comprising:-**
The Fund has not carried out any unit split exercise during the year.
- **Disclosure of circumstances that materially affect any interests of the unit holders**
Investment is subject to market risk.
- **Disclosure if the Asset Management Company or its delegate, if any, receives any soft commission (i.e. goods and services) from its broker(s) or dealer(s) by virtue of transactions conducted by the Collective Investment Scheme, disclosure of the following:-**
The Management Company and / or any of its delegates have not received any soft commission from its brokers / dealers by virtue of transactions conducted by the Fund.



JS Large Cap. Fund

Performance Table Key Financial Data

Description	Years				
	2023	2022	2021	2020	2019
Net Assets - Rupees in '000'	273,057	324,452	478,436	351,764	542,499
Net (loss) / Income - Rupees in '000'	(5,073)	(85,263)	137,330	(22,379)	(159,235)
Net assets value per unit - Rupees	110.17	111.72	137.58	99.78	108.47
Highest offer price per unit	120.57	146.81	148.96	127.09	149.09
Lowest offer price per unit	105.99	113.96	105.04	85.802	109.91
Year-end offer price per unit	113.91	115.51	142.25	103.17	112.15
Highest repurchase price per unit	116.61	141.99	144.07	126.55	144.2
Lowest repurchase price per unit	102.51	110.22	101.59	78.45	106.3
Year-end repurchase price per unit	110.17	111.72	137.58	99.78	108.47
Earnings per unit - Rupees	(2.05)	(29.36)	39.49	(6.35)	(31.84)
Interim distribution per unit - Rupee	-	-	-	-	-
Interim distribution date	-	-	-	-	-
Final Distribution per unit - Rupees	-	-	-	-	-
Final distribution date	-	-	-	-	-
Total Distribution per unit	-	-	-	-	-
Total Distribution - Rupees in '000'	-	-	-	-	-
Accumulated capital growth - Rupees in '000'	(534,082)	(529,008)	(443,745)	(581,075)	(558,696)
Number of units in issue - Number	2,478,578	2,904,154	3,477,488	3,525,312	5,001,545

Average Annual Return

One Year - in percentage	-1.39%	-18.80%	37.88%	-8.01%	-21.46%
Two Year - in percentage	-10.10%	9.54%	14.94%	-14.74%	-16.77%
Three Year- in percentage	4.79%	3.25%	-5.52%	-15.75%	-0.33%

Notes:

- JS Large Cap. Fund was launched on May 15, 2004.
- Consequent to the conversion of the fund from a close end scheme to an open end scheme with effect from September 27, 2010, the comparative figures have not been arrived.

Disclaimer:

- Past performance is not necessarily indicative of future performance and that certificate prices and investment returns may go down, as well as up.

CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED

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Karachi - 74400, Pakistan,
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Fax: (92-21) 34326021 - 23
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Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

JS LARGE CAP. FUND

Report of the Trustee pursuant to Regulation 41(h) and Clause 8 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of JS Large Cap. Fund (the Fund) are of the opinion that JS Investments Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2023 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, September 25, 2023



INDEPENDENT AUDITOR'S REPORT

To the unitholders of JS Large Cap. Fund

Report on the Audit of the Financial Statements

Grant Thornton Anjum Rahman

1st & 3rd Floor,
Modern Motors House,
Beaumont Road,
Karachi, Pakistan.

T +9221 35672951-56

Opinion

We have audited the financial statements of **JS Large Cap. Fund** (the Fund), which comprise the statement of assets and liabilities as at June 30, 2023, and the related income statement, statement of comprehensive income, statement of movements in unit holder's fund, cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2023 and of its financial performance and its cash flows for the year then ended in accordance with approved accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund and JS Investments Limited (the Management Company) in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (the Code)* as adopted by the Institute of Chartered Accountants of Pakistan together with the ethical requirements that are relevant to our audit of the financial statements in Pakistan, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Net assets value (NAV)	
The balances with banks and investments constitute the most significant component of the net assets value (NAV).	We performed the following audit procedures: <ul style="list-style-type: none"> Obtained an understanding of design effectiveness of the key controls on the investment and balances with bank.



Key audit matter	How our audit addressed the key audit matter
<p>The balances with banks and investments as at June 30, 2023 amounted to Rs. 38.93 million and Rs. 251.03 million as disclosed in note 7 and 8 respectively.</p> <p>The proper valuation of balances with banks and investments for the determination of NAV of the Fund as at June 30, 2023 was considered as a high-risk area and therefore, we consider this as a Key Audit Matter (KAM).</p>	<ul style="list-style-type: none"> • Obtained independent confirmations for verifying the existence of the investment portfolio and balances with banks as at June 30, 2023 and reconciled it with the books and records of the Fund. • Re-performed valuation to assess that the investments are carried as per the valuation methodology specified in the accounting policies. • Obtained bank reconciliation statements and tested reconciling items on a sample basis. • Checked presentation and disclosure as per applicable financial reporting framework.

Information Other than the Financial Statements and Auditor’s Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor’s report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors of the Management Company for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the approved accounting and reporting standards as applicable in Pakistan, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Fund’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The Board is responsible for overseeing the Fund’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with auditing standards as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:



..... the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management;
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide to the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Further, we report that the Fund's financial statements have been prepared in accordance with the relevant provisions of Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is **Muhammad Khalid Aziz**.


Chartered Accountants

Karachi
Date: September 27, 2023
UDIN: AR2023101548Fg7UVSLw



FINANCIAL STATEMENTS



JS Large Cap. Fund

STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2023

	Note	June 30, 2023	June 30, 2022
-----Rupees-----			
Assets			
Balances with bank	7	38,925,302	86,867,996
Investments	8	251,032,545	257,007,576
Accrued return on bank balances	9	1,276,235	1,191,405
Deposits and other receivables	10	6,616,816	4,053,312
Total assets		297,850,898	349,120,289
Liabilities			
Payable to JS Investments Limited - Management Company	11	12,445,480	12,422,198
Payable to Central Depository Company of Pakistan Limited - Trustee	12	50,303	60,720
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)	13	59,702	83,277
Accrued expenses and other liabilities	14	753,796	617,417
Dividend payable		11,484,325	11,484,325
Total liabilities		24,793,606	24,667,937
Contingencies and commitments	15		
Net assets		273,057,292	324,452,352
Unit holders' fund (as per statement attached)		273,057,292	324,452,352
-----Number of units-----			
Number of units in issue	20	2,478,578	2,904,154
----- (Rupees) -----			
Net asset value per unit		110.17	111.72

The annexed notes from 1 to 29 form an integral part of these financial statements.

For JS Investments Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



JS Large Cap. Fund

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2022

	Note	June 30, 2023	June 30, 2022
-----Rupees-----			
Net realized loss on sale of investments classified as Financial asset at fair value through profit or loss		(7,213,297)	(55,294,652)
Net unrealised loss on re-measurement of investments classified at fair value through profit or loss	8.5	(24,889,122)	(59,856,148)
Dividend income			
Return on bank balances		25,965,176	31,160,265
Other income		11,402,350	4,607,331
Reversal of provision for Sindh Workers' Welfare Fund (SWWF)	18	3,636,078	3,191,869
Total income / (loss)		<u>8,901,185</u>	<u>(67,513,138)</u>
Expenses			
Remuneration of JS Investments Limited - Management Company	11.1	5,763,217	8,077,679
Sindh Sales tax on remuneration of the Management Company	11.2	749,217	1,050,101
Accounting and operational charges	11.3	298,475	416,384
Selling and marketing expenses	11.4	3,709,332	4,455,309
Remuneration to the Central Depository Company of Pakistan Limited - Trustee	12.1	596,942	832,771
Sindh Sales tax on remuneration of the trustee	12.2	77,602	108,260
Annual fee to the SECP	13	59,726	83,276
SECP supervisory fee on listing fee		2,500	2,500
Securities transaction cost		1,505,227	1,589,985
Listing fee and settlement charges		62,438	65,194
Auditors' remuneration	16	696,815	762,164
Legal and professional charges		350,000	214,250
Printing and stationary charges		101,468	76,496
Bank charges		1,677	15,652
Total expenses		<u>13,974,636</u>	<u>17,750,021</u>
Net loss from operating activities		<u>(5,073,451)</u>	<u>(85,263,159)</u>
Reversal of Provision for Sindh Workers' Welfare Fund (SWWF)		-	-
Net loss for the year before taxation		<u>(5,073,451)</u>	<u>(85,263,159)</u>
Taxation	19	-	-
Net loss for the year after taxation		<u>(5,073,451)</u>	<u>(85,263,159)</u>
Allocation of net income for the year			
Net income for the year after taxation		-	-
Income already paid on units redeemed		-	-
		<u>-</u>	<u>-</u>
Accounting income available for distribution			
- Relating to capital gain		-	-
- Excluding capital gain		-	-
		<u>-</u>	<u>-</u>

The annexed notes from 1 to 29 form an integral part of these financial statements.

For JS Investments Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



JS Large Cap. Fund

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2023

	June 30, 2023	June 30, 2022
	-----Rupees-----	
Net loss for the year after taxation	(5,073,451)	(85,263,159)
Other comprehensive income for the year	-	-
Total comprehensive loss for the year	<u>(5,073,451)</u>	<u>(85,263,159)</u>

The annexed notes from 1 to 29 form an integral part of these financial statements.

For JS Investments Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



CASH FLOW STATEMENT

FOR THE ENDED JUNE 30, 2023

	Note	June 30, 2023	June 30, 2022
-----Rupees-----			
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss for the year before taxation		(5,073,451)	(85,263,159)
Adjustments for:			
Net realised loss on sale of investments at fair value through profit or loss		7,213,297	55,294,652
Net unrealised loss on re-measurement of investments at fair value through profit or loss		24,889,122	59,856,148
Dividend income		(25,965,176)	(31,160,265)
Reversal of provision for Sindh Workers' Welfare Fund (SWWF)		-	(8,678,197)
Return on bank balances		(11,402,350)	(4,607,331)
Operating (loss) / income before working capital changes		(5,265,107)	70,705,007
(Increase)/decrease in assets			
Investments - net		(26,127,388)	96,972,258
Deposits and other receivables		(2,563,504)	(471,140)
		(28,690,892)	96,501,118
(Decrease)/increase in current liabilities			
Payable to JS Investments Limited - Management Company		23,282	(946,674)
Payable to Central Depository Company of Pakistan Limited -Trustee		(10,417)	(30,361)
Annual fee payable to the SECP		(23,575)	(11,860)
Accrued expenses and other liabilities		136,379	28,154
Payable against purchase of investment		-	(5,060)
		125,669	(965,801)
Profit received on bank balances		11,317,520	3,914,302
Dividend income received		25,965,176	31,238,229
		37,282,696	35,152,531
Net cash (used in)/generated from operating activities		(1,621,085)	116,129,696
NET CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts from issuance of units		7,231,382	58,906,175
Payments against redemption of units		(53,552,991)	(127,627,010)
Net cash used in financing activities		(46,321,609)	(68,720,835)
Net (decrease)/increase in cash and cash equivalents		(47,942,694)	47,408,861
Cash and cash equivalents at beginning of the year		86,867,996	39,459,135
Cash and cash equivalents at end of the year	7	38,925,302	86,867,996

The annexed notes from 1 to 29 form an integral part of these financial statements.

For JS Investments Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



JS Large Cap. Fund

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND

FOR THE YEAR ENDED JUNE 30, 2023

For The Year Ended June 30, 2023

For The Year Ended June 30, 2022

-----Rupees-----						
Capital Value	Accumulated losses	Total	Capital Value	Accumulated losses	Total	
Net assets at beginning of the year	828,976,116	(504,523,764)	324,452,352	897,696,951	(419,260,605)	478,436,346
Issuance of units 67,535 (2022: 441,184)						
- Capital value (at net asset value per unit at the beginning of the year)	7,544,963	-	7,544,963	60,698,545	-	60,698,545
- Element of loss	(313,581)	-	(313,581)	(1,792,370)	-	(1,792,370)
Total proceeds on issuance of units	7,231,382	-	7,231,382	58,906,175	-	58,906,175
Redemption of units 493,111 (2022: 1,014,518)						
- Capital value (at net asset value per unit at the beginning of the year)	(55,090,388)	-	(55,090,388)	(139,578,421)	-	(139,578,421)
- Element of income	1,537,397	-	1,537,397	11,951,411	-	11,951,411
Total payments on redemption of units	(53,552,991)	-	(53,552,991)	(127,627,010)	-	(127,627,010)
Total comprehensive loss for the year	-	(5,073,451)	(5,073,451)	-	(85,263,159)	(85,263,159)
Net assets at end of the year	782,654,507	(509,597,215)	273,057,292	828,976,116	(504,523,764)	324,452,352

Accumulated loss brought forward

- Realized loss	(444,667,616)	(408,776,374)
- Unrealized loss	(59,856,148)	(10,484,231)
	(504,523,764)	(419,260,605)

Accounting income available for distribution

- Relating to capital gain	-	-
- Excluding capital gain	-	-
	-	-

Total comprehensive loss for the year	(5,073,451)	(85,263,159)
Undistributed loss carried forward	(509,597,215)	(504,523,764)

Accumulated loss brought forward

- Realized loss	(484,708,093)	(444,667,616)
- Unrealized loss	(24,889,122)	(59,856,148)
	(509,597,215)	(504,523,764)
	(Rupees)	(Rupees)

Net assets value per unit at beginning of the year	111.72	137.58
Net assets value per unit at end of the year	110.17	111.72

The annexed notes from 1 to 29 form an integral part of these financial statements.

For JS Investments Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** JS Large Cap. Fund (the Fund) was established under the Trust Deed executed between JS Investments Limited as a Management Company and Central Depository Company of Pakistan Limited (CDC) as a Trustee. The Trust Deed was executed on April 06, 2004 and the Fund was approved as a closed-end scheme by the Securities and Exchange Commission of Pakistan (SECP) on April 16, 2004 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the Rules).
- 1.2** The Trust Deed has been revised through the Deed of Change of Trustee and the First, Second and Third Supplemental Trust Deeds dated June 13, 2006, May 19, 2009 and August 24, 2010, respectively with the approval of the Securities and Exchange Commission of Pakistan (SECP). Further, the Trust Deed has also been restated dated June 22, 2021 due to the enactment of Sindh Trusts Act, 2020 (as amended vide Sindh Trusts (Amended) Act, 2021). Accordingly, the Re-stated Trust Deed was approved by the SECP on September 03, 2021 Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the Rules).
- 1.3** The Fund was converted into an open end fund categorized as "equity scheme" with effect from September 27, 2010 (the effective date) pursuant to special resolution passed at the meeting of certificate holders on September 25, 2009.
- 1.4** The principal activity of the Fund is to make investments primarily in equity securities of large - cap. companies (with market capitalisation over Rs. 1 billion). The remaining net assets of the Fund shall be invested in cash and / or near cash instruments which includes cash in bank accounts and treasury bills not exceeding ninety days maturity and is an Equity Scheme in accordance with the categorisation guidelines issued by the Securities and Exchange Commission of Pakistan.
- 1.5** 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.
- 1.6** Title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as a Trustee of the Fund.
- 1.7** Pakistan Credit Rating Agency Limited (PACRA) has assigned JS Investments Management Quality Rating of AM2+ with a stable outlook with effect from 27, December 2022 (June 30, 2022 "AM2" with the 'positive' outlook to the management Company).

2 SIGNIFICANT EVENTS OR TRANSACTIONS

There is no any significant event or transaction during the period.

3 BASIS OF PREPARATION

3.1 Statement of compliance

The financial statements has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards as applicable in Pakistan financial reporting comprise of:

- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act);



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- Provisions of and directives issued under the Companies Act, 2017 along with part VIII A of the repealed Companies Ordinance, 1984; 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).

Where provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ from the IFRSs, the provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

3.2 Accounting Convention

These financial statements have been prepared under the historical cost convention except for certain investments which have been marked to market and carried at fair value.

3.3 Functional and presentation currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistani Rupees which is the Fund's functional and presentation currency.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in accordance with the accounting and reporting standards as applicable in Pakistan requires the management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates, judgments and associated assumptions are based on historical experience and various other factors including expectations of future events that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

The areas involving a degree of judgment or complexity, or areas where estimates and assumption are significant to the financial statements relate to classification, impairment and valuation of investments (notes 6.1 and 8), provision for Federal Excise Duty (note 11.5) and provision for taxation (notes 6.7 and 19).

5 STANDARDS, AMENDMENTS AND INTERPRETATIONS TO APPROVED ACCOUNTING STANDARDS

5.1 Standards, amendments and interpretations to the published standards that may be relevant to the Fund and adopted in the Fund

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, 2021 but are considered not to be relevant or do not have any significant effect on the Fund's operations and therefore are not detailed in these financial information.

5.2 Standards, amendments and interpretations to the published standards that may be relevant but not yet effective and not early adopted by the Fund

In addition certain IFRS, amendments and interpretations to approved accounting standards are not yet effective. The Fund is in the process of assessing the impact of these Standards, amendments and interpretations to the published standards on the financial statements of the Fund.



5.3 Standards, amendments and interpretations to the published standards that are not yet notified by the Securities and Exchange Commission of Pakistan (SECP)

Further, certain IFRS have been issued by the International Accounting Standards Board (IASB) which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all the years presented in these financial statements.

6.1 Financial Assets

6.1.1 Initial recognition and measurement

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the income statement.

6.1.2 Classification and subsequent measurement

a) Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective and are instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All equity investments are required to be measured in the "Statement of Assets and Liabilities" at fair value, with gains and losses recognised in the "Income Statement", except where an irrevocable election has been made at the time of initial recognition to measure the investment at FVOCI.

The dividend income for equity securities classified under FVOCI are to be recognised in the income statement. However, any surplus / (deficit) arising as a result of subsequent movement in the fair value of equity securities classified as FVOCI is to be recognised in other comprehensive income and is not recycled to the income statement on derecognition.

The Fund has not made an irrevocable election upon adoption of IFRS 9 to present in other comprehensive income subsequent changes in the fair value of investments in equity instruments and accordingly all investments in equity instruments have been designated as FVTPL.

b) Impairment

The Fund assesses on a forward-looking basis the expected credit losses (ECL) associated with its financial assets (other than debt instruments as per Circular 33 of 2012) carried at amortised cost and FVOCI. The Fund recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecast of future economic conditions.



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The 12 months ECL is recorded for all financial assets in which there is no significant increase in credit risk from the date of initial recognition, whereas a lifetime ECL is recorded for all remaining financial assets.

6.1.3 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset. Regular way purchases / sales of assets require delivery of securities within two days from the transaction date as per the stock exchange regulations.

6.1.4 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. Any gain or loss on derecognition of financial assets is taken to the income statement.

6.2 Derivatives

Derivative instruments are initially recognised at fair value and subsequent to initial measurement each derivative instrument is remeasured to its fair value and the resultant gain or loss is recognised in the income statement.

6.3 Financial liabilities

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. These are initially recognised at fair value and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Any gain or loss on derecognition of financial liabilities is taken to the income statement. Financial liabilities include payable to the Management Company and other liabilities.

6.4 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the Statement of Assets and Liabilities when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the assets and settle the liabilities simultaneously.

6.5 Cash and cash equivalents

Cash and cash equivalents comprise of balances with banks and short-term highly liquid investments that are readily convertible to known amount of cash and are subject to an insignificant risk of changes in value with original maturities of three months or less.

6.6 Provisions

Provisions are recognised when the Fund has a present, legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.



6.7 Taxation

Current

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed among the unit holders in cash.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of part IV of the Second Schedule to the Income Tax Ordinance, 2001.

6.8 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the Management Company / distributors during business hours on that day. The offer price represents the Net Asset Value (NAV) per unit as of the close of the business day plus the allowable sales load, provision for transaction costs and any provision for duties and charges, if applicable. Sales load collected, if any, is payable to the Management Company.

Units redeemed are recorded at the redemption price, as per the constitutive documents, applicable to units for which the Management Company / distributors receive redemption requests during business hours of that day. The redemption price represents daily Net Asset Value (NAV) announced as of the close of the dealing day, provisions for transaction costs and any provision for duties and charges, if applicable.

6.9 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

Element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution.

6.10 Distributions to unit holders

Distributions to unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on the Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by SECP, distribution for the year also includes portion of income already paid on units redeemed during the year.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the year in which such distributions are declared and approved by the Board of Directors of the Management Company.

6.11 Revenue Recognition

- Realised capital gains / (losses) arising on sale of investments are included in the income statement and are recognised when the transaction takes place.
- Unrealised gains / (losses) arising on the revaluation of investments classified as 'at fair value through profit or loss' are included in the income statement in the year in which they arise.



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- Dividend income on equity securities is recognised when the right to receive the dividend is established, i.e. on the date of commencement of book closure of the investee company / institution declaring the dividend.
- Profit on debt securities classified as non performing assets are recognised on receipt basis.
- Profit on saving accounts with the banks are recognised on an accrual basis.

6.12 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company and Trustee and annual fee of the SECP are recognised in the income statement on an accrual basis.

6.13 Net asset value per unit

The Net Asset Value (NAV) per unit, as disclosed on the statement of assets and liabilities, is calculated by dividing the net assets of the Fund by the number of units in issue as at the year end.

6.14 Earning / (loss) per unit

Earning / (loss) per unit EPU/(LPU) has not been disclosed as, in the opinion of the management, the determination of weighted average units for calculating EPU/(LPU) is not practicable.

		June 30, 2023	June 30, 2022
	Note	-----Rupees-----	
7 BALANCES WITH BANK			
- In saving accounts	7.1	38,925,302	86,867,996

7.1 This includes balance of Rs. 15.56 (June 30, 2022: Rs. 4.99) million with JS Bank (related party) and Rs. 0.021 (June 30, 2022: 0.018) million with BankIslami Pakistan Limited (related party). These carries profit at the rate of 19.60% (June 30, 2022: 12.25%) per annum and 19.75% (June 30, 2022: 14.00%) per annum respectively. Other PLS accounts of the Fund carry profit rates ranging from 12.25% to 22.00% (June 30, 2022: 5.75% to 16.90%) per annum.

		June 30, 2023	June 30, 2022
	Note	-----Rupees-----	
8 INVESTMENTS			
At fair value through profit or loss			
Listed equity securities	8.1	251,032,545	257,007,576
Quoted debt securities			
- Sukuk certificates	8.2.1	-	-
- Term finance certificates	8.2.3	-	-
Unquoted debt securities	8.3	-	-
		251,032,545	257,007,576



8.1 Listed equity securities

Sectors / Companies	Holding at beginning of the year	Acquired during the year	Bonus / Right / Transfer during the year	Disposed during the year	Holding at end of the year	Carrying value as at June 30, 2023	Market value as at June 30, 2023	Market value as a percentage of net assets	Market value as a percentage of total investment	Market value as a percentage of investee capital
	----- Number of shares -----					----- Rupees -----		----- % -----		
ENGINEERING										
Aisha Steel Mills Limited	683,500	-	-	374,653	308,847	3,412,759	1,667,774	0.61%	0.66%	0.03%
Amreli Steel Limited	144,000	-	-	144,000	-	-	-	0.00%	0.00%	0.00%
						3,412,759	1,667,774	0.61%	0.66%	0.03%
GLASS & CERAMICS										
Shabbir Tiles & Ceramics Limited*	140,000			140,000	-	-	-	0.00%	0.00%	0.00%
PHARMACEUTICALS										
AGP Limited	71,800	-	-	-	71,800	6,291,116	4,055,264	1.49%	1.62%	0.03%
Highnoon Laboratories Limited	23,238	-	6,157	-	29,395	12,313,119	9,881,717	3.62%	3.94%	0.06%
						18,604,235	13,936,981	5.10%	5.55%	0.08%
TECHNOLOGY & COMMUNICATION										
Systems Limited	-	74,000	-	23,000	51,000	23,615,105	20,569,830	7.53%	8.19%	0.02%
Air Link Communication Limited	90,650	40,000	-	2,500	128,150	5,038,069	2,541,215	0.93%	1.01%	0.03%
Avanceon Limited	-	120,000	12,000	40,000	92,000	5,699,739	4,051,680	1.48%	1.61%	0.02%
TRG Pakistan Limited	-	120,000	-	120,000	-	-	-	0.00%	0.00%	0.00%
Octopus Digital Limited	-	40,000	6,000	-	46,000	2,802,145	1,719,940	0.63%	0.69%	0.03%
						37,155,058	28,882,665	10.58%	11.51%	0.10%
FERTILIZER										
Engro Corporation Limited	76,300	6,000	-	62,737	19,563	5,178,912	5,084,228	1.86%	2.03%	0.00%
Engro Fertilizers Limited	161,300	40,000	-	65,000	136,300	11,849,314	11,248,839	4.12%	4.48%	0.01%
Fauji Fertilizers Company Limited	35,000	160,000	-	-	195,000	20,249,318	19,195,800	7.03%	7.65%	0.02%
						37,277,544	35,528,867	13.01%	14.15%	0.03%
OIL & GAS MARKETING COMPANIES										
Hascol Petroleum Limited	8	-	-	-	8	34	44	0.00%	0.00%	0.00%
Pakistan State Oil Company Limited	77,580	115,000	-	113,500	79,080	10,699,912	8,778,671	3.21%	3.50%	0.02%
SNGP - Sui Northern Gas Pipeline Limited	152,500	322,500	-	235,000	240,000	10,758,884	9,448,800	3.46%	3.76%	0.04%
						21,458,830	18,227,515	6.68%	7.26%	0.05%
CEMENT										
Cherat Cement Limited	-	115,500	-	66,000	49,500	5,581,913	5,953,860	2.18%	2.37%	0.03%
Maple Leaf Cement Factory Limited	143,000	1,151,292	-	767,000	527,292	14,048,677	14,938,182	5.47%	5.95%	0.05%
Fauji Cement Company Limited	-	150,000	-	150,000	-	-	-	0.00%	0.00%	0.00%
Pioneer Cement Limited	-	87,000	-	87,000	-	-	-	0.00%	0.00%	0.00%
D.G Khan Cement Company Limited	-	253,500	-	133,500	120,000	5,850,920	6,156,000	2.25%	2.45%	0.03%
Lucky Cement Limited	28,150	28,250	-	44,400	12,000	5,484,731	6,265,080	2.29%	2.50%	0.00%
						30,966,241	33,313,122	12.20%	13.27%	0.11%



Sectors / Companies	Holding at beginning of the year	Acquired during the year	Bonus / Right / Transfer during the year	Disposed during the year	Holding at end of the year	Carrying value as at June 30, 2023	Market value as at June 30, 2023	Market value as a percentage of net assets	Market value as a percentage of total investment	Market value as a percentage of investee capital
POWER GENERATION AND DISTRIBUTION										
Kot Addu Power Company Limited	98,000	-	-	98,000	-	-	-	0.00%	0.00%	0.00%
K-Electric Limited	-	50,000	-	50,000	-	-	-	0.00%	0.00%	0.00%
The Hub Power Company Limited (note 8.1.2)	143,800	129,500	-	107,500	165,800	11,486,520	11,536,364	4.22%	4.60%	0.01%
						11,486,520	11,536,364	4.22%	4.60%	0.01%
OIL AND GAS EXPLORATION COMPANIES										
Mari Petroleum Company Limited	9,869	2,000	-	-	11,869	20,209,483	17,977,262	6.58%	7.16%	0.01%
Oil and Gas Development Company Limited (note 8.1.2)	221,200	307,500	-	395,200	133,500	12,022,769	10,413,000	3.81%	4.15%	0.00%
Pakistan Oilfields Limited	34,100	13,500	-	34,100	13,500	5,704,364	5,423,895	1.99%	2.16%	0.00%
Pakistan Petroleum Limited	190,898	324,000	-	344,898	170,000	11,595,440	10,053,800	3.68%	4.00%	0.01%
						49,532,056	43,867,957	16.07%	17.48%	0.02%
PAPER AND BOARD										
Cherat Packaging Limited	2,400	-	240	2,640	-	-	-	0.00%	0.00%	0.00%
CHEMICALS										
Descon Oxychem Limited	-	225,000	-	-	225,000	5,062,500	5,449,500	2.00%	2.17%	0.13%
Lotte Chemical Pakistan Limited	-	240,000	-	240,000	-	-	-	0.00%	0.00%	0.00%
Engro Polymer Company Limited	-	120,000	-	-	120,000	5,516,729	5,070,000	1.86%	2.02%	0.01%
						10,579,229	10,519,500	3.85%	4.19%	0.14%
COMMERCIAL BANKS										
Faysal Bank Limited	33,695	331,500	-	331,846	33,349	1,010,455	672,983	0.25%	0.27%	0.00%
United Bank Limited	187,000	25,000	-	69,000	143,000	16,130,233	16,807,743	6.16%	6.70%	0.01%
Bank Al Habib Limited	266,920	-	-	264,271	2,649	153,801	114,490	0.04%	0.05%	0.00%
Habib Metropolitan Bank Limited	98,500	-	-	98,500	-	-	-	0.00%	0.00%	0.00%
BankIslami Pakistan Limited	-	615,000	-	249,490	365,510	5,540,764	6,491,458	-	-	0.01%
Bank Alfalah Limited	322,500	-	-	25,000	297,500	9,520,000	9,055,900	3.32%	3.61%	0.02%
Habib Bank Limited (note 8.1.2)	173,800	157,589	-	123,000	208,389	17,762,181	15,260,326	5.59%	6.08%	0.02%
						50,117,434	48,402,900	15.35%	16.70%	0.06%
LEATHER AND TANNERIES										
Service Industries Limited	12,100	-	-	12,100	-	-	-	-	-	-
REFINERY										
National Refinery Limited	-	29,000	-	29,000	-	-	-	0.00%	0.00%	0.00%
Attock Refinery Limited	-	60,000	-	30,000	30,000	5,331,760	5,148,900	1.89%	2.05%	0.03%
						5,331,760	5,148,900	1.89%	2.05%	0.03%



Sectors / Companies	Holding at beginning of the year	Acquired during the year	Bonus / Right / Transfer during the year	Disposed during the year	Holding at end of the year	Carrying value as at June 30, 2023	Market value as at June 30, 2023	Market value as a percentage of net assets	Market value as a percentage of total investment	Market value as a percentage of investee capital
PROPERTY										
TPL Properties Limited	-	880,000	-	880,000	-	-	-	0.00%	0.00%	-
MISCELLANEOUS										
Tri-Pack Films Limited	17,000	-	-	17,000	-	-	-	0.00%	0.00%	0.00%
Investments as at June 30, 2023						<u>275,921,667</u>	<u>251,032,545</u>			
Investments as at June 30, 2022						<u>316,863,724</u>	<u>257,007,576</u>			
Cost of investments as at June 30, 2023						<u>374,984,304</u>				
Cost of investments as at June 30, 2022						<u>296,557,685</u>				

*Ordinary shares have a face value of Rs 10 per share, except for Shabbir Tiles & Ceramics Limited which have a face value of Rs 5 per share.



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8.1.1 The Finance Act, 2014 introduced amendments to the Income Tax Ordinance 2001 as a result of which companies were liable to withhold five percent of the bonus shares to be issued. The shares so withheld were only to be released if the Fund deposits tax equivalent to five percent of the value of the bonus shares issued to the Fund including bonus shares withheld, determined on the basis of day-end price on the first day of closure of books of the issuing company.

In this regard, a constitutional petition had been filed by Collective Investment Schemes (CISs) through their Trustees in the High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs. The petition was based on the fact that because CISs are exempt from deduction of income tax under Clause 99 Part I to the Second Schedule of the Income Tax Ordinance 2001, the withholding tax provision should also not be applicable on bonus shares received by CISs. A stay order had been granted by the High Court of Sindh (HCS) in favour of CISs.

During the year ended June 30, 2018, the Supreme Court of Pakistan passed a judgement on June 27, 2018 whereby the suits which are already pending or shall be filed in future must only be continued / entertained on the condition that a minimum of 50 percent of the tax calculated by the tax authorities is deposited with the authorities. Accordingly, the CISs were required to pay minimum 50% of the tax calculated by the tax authorities for the case to remain continued. The CISs failed to deposit the minimum 50% of the tax liability and accordingly the stay got vacated automatically during the year ended June 30, 2019. During the tax year 2020, the CISs filed a fresh constitutional petition via CP 4653 dated July 11, 2019 as a result of which the HCS issued an order dated July 15, 2019 whereby the previous stay has been restored. The matter is still pending adjudication and no provision has been recorded or contingent liability has been disclosed in the financial statements as the management is confident that the case will be decided in favor of the CISs.

Further, Finance Act, 2018 effective from July 1, 2018 has omitted Section 236M of Income Tax Ordinance, 2001 therefore, bonus shares, subsequent to this amendment, issued to the Fund were not withheld by the investee companies.

8.1.2 Following shares have been pledged with National Clearing Company of Pakistan Limited:

	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	---- Number of shares ----		----- Rupees -----	
The Hub Power Company Limited	110,000	125,000	7,653,800	8,521,250
Oil & Gas Development Company Limited	-	70,000	-	5,506,900
Habib Bank Limited	168,000	173,000	12,302,640	15,801,820
	278,000	368,000	19,956,440	29,829,970

8.2 Quoted debt securities
8.2.1 Sukuk certificates

Face value of Rs. 5,000 each

	Number of certificates				Carrying value as at June 30, 2023	Market value as at June 30, 2023	Market value as a percentage of net assets
	Holding at beginning of the year	Acquired during the year	Disposed during the year	Holding at end of the year			
CHEMICALS					----- Rupees -----	%	
Agritech Limited (note 8.2.2)	1,100	-	-	1,100	4,547,220	-	-
Less: Provision against financial assets					(4,547,220)	-	-
					-----	-----	-----
					-----	-----	-----
Cost as at June 30, 2023						4,276,509	
Cost as at June 30, 2022						4,720,718	

8.2.2 These sukuk certificates have face value of Rs. 5,000 each and carry a mark-up equal to six month offered rate of KIBOR plus 200 basis points receivable semi-annually in arrears and were to be matured in August 2015. However, up to the year ended June 30, 2022 no principal repayment has been received by the Fund. These sukuk certificates are secured by hypothecation charge over the entire legal ownership and the beneficial interest of the issuer from time to time in and to all present and future fixed assets (excluding land and building) of the issuer in favour of the Trustee for the benefit of unit holders.

These sukuk were classified as Non-Performing Asset by Mutual Fund Association of Pakistan (MUFAP) as on August 21, 2010 on account of non-payment of the coupon due in August 2010. Therefore, the Fund has made provision of 100% of principal outstanding in the calendar year 2010 and accordingly no accrual for profit have been made by the Fund since then. The above investments were made by the Fund prior to its conversion from closed end fund to an open end fund. However, the carrying value of investments at the year end was nil.

The above investments were made by the Fund prior to its conversion from closed end fund to an open end fund. However, the carrying value of investments at the year end was nil.

In respect of Agritech Limited, the Petitioner and its management held various meetings with the creditors for the purpose of formulating a plan to discharge the Company's liability towards the creditor and finally agreed in principle on the terms and conditions which are enumerated in the Scheme of Arrangement. However, the Honorable High Court of Lahore at Lahore has approved the said "Scheme of Arrangement" on 5 July, 2022. filed under section 284 read with section 285 to 288 of the Companies Ordinance 1984, which shall take effect from December 31, 2013.

Scheme of arrangement has two options for the settlement of liabilities and the Fund has elected for option 2 as mentioned in 'schedule F' of the Scheme for the settlement of fund outstanding liability. As per option 2 of the SOA, the outstanding principal against Sukuk certificate (8.2.1) and zero coupon PPTFCs (8.2.3) will be converted into preference shares as reduced by application of unutilized cash flow Available for Debt Servicing (CFADs). The overdue/outstanding markup amounting to Rs. 1,740,305 shall be converted into Zero coupon PPTFCs payable at the end of FY 2026 final settlement of the markup amount.



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In this regard, During the year the Fund has received the first tranche CFADs of Rs. 159,861 on September 27, 2022, Second tranche CFADs of Rs. 159,061 on December 23, 2022 and third tranche CFADs of Rs. 125,287 on June 26, 2023.

8.2.3 Term finance certificates

Face value of Rs. 5,000 each

Number of certificates				Carrying value as at June 30, 2023	Market value as at June 30, 2023	Market value as a percentage of net assets
Holding at beginning of the year	Acquired during the year	Disposed during the year	Holding at end of the year			

CHEMICALS

Agritech Limited

(note 8.2.4)

697

-

-

697

----- Rupees -----

-

-

%

-

Cost as at June 30, 2023

3,485,000

8.2.4 During the year 2012, the Fund has received zero coupon having face value of Rs. 5,000 each Agritech Limited' Privately Placed Term Finance Certificates (PPTFCs) of face value of Rs. 3.485 million against interest due on Agritech Limited's Sukuk. These PPTFCs had a tenor of 3.5 years starting from July 01, 2011 and matured on January 01, 2015 on semi annual repayments of principal. Agritech had a call option on the said facility from the first day of disbursement of the said facility. Since these PPTFCs are received against already defaulted securities and have non-performing status in MUFAP, therefore the management, as a matter of prudence, has valued the said PPTFCs at zero.

8.3 Unquoted debt securities

8.3.1 Privately placed term finance certificates

Face value of Rs. 10,000 each

Number of certificates				Carrying value as at June 30, 2023	Market value as at June 30, 2023	Market value as a percentage of net assets
Holding at beginning of the year	Acquired during the year	Disposed during the year	Holding at end of the year			

----- Rupees -----

%

TEXTILE COMPOSITE

Azgard Nine Limited

- related party (note

8.3.2 and 8.3.3)

8,316

-

-

8,316

63,837,358

-

-

Less:Provision

-

-

-

(63,837,358)

-

-

Azgard Nine Limited

- related party note

8.3.2 and 8.3.3)

- 11,949

-

-

11,949

59,745,000

-

-

Less:Provision

-

-

-

(59,745,000)

-

-

Cost as at June 30, 2023

80,778,490



8.3.2 These convertible privately placed term finance certificates (PPTFCs) , having face value of Rs. 10,000/- each were issued against the cumulative preference shares of Azgard Nine Limited on October 22, 2012 under the "Settlement Agreement" dated October 22, 2012 between the Management Company of the Fund and Azgard Nine Limited. Since these PPTFCs were received against non-performing security, therefore the management, as a matter of prudence had recognised above PPTFCs at nil value. The carrying value of preference shares so converted into PPTFC was Rs. 52 million and provision held there against was Rs. 52 million. These convertible PPTFCs carry mark-up rate of 11% per annum with a tenor of 8 years (inclusive of a 2 year grace period for principal redemption) as per the terms and conditions. In case of Default, the PPTFC Holders shall have the right to exercise the option to convert the PPTFCs into ordinary voting shares of Azgard Nine Limited as per the terms and procedures.

8.3.3 The Honorable Lahore High Court, on July 31, 2019, approved a scheme of arrangement (the "Approved Scheme") for the settlement / restructuring of Azgard Nine Limited's liabilities. The Approved Scheme stated that the principal repayment of Rs. 83.16 million, will be paid over a period of 08 years starting from Time Zero Date i.e. April 29, 2021 through some partial cash payments (of which Rs. 1.58 million have already been received at time zero and Rs. 17.74 million will be received within 2 years from time zero) and remaining amount of Rs. 63.837 million by 20 equal installments of TFC @ 5% starting from July 29, 2023. During the period from July 01, 2021 till June 30, 2023, Rs. 6.384 million have been received on account of markup income.

Moreover, a fresh issue of 11,949 zero coupon 10 years PPTFCs was issued of Rs. 59.745 million against the interest accrued on TFCs and PPTFCs till the date of restructuring on the existing TFC and PPTFC. However the net carrying value after provision is nil. Since these TFCs are non-performing and have been reclassified as a non-performing asset by MUFAP, these have been fully provided.

8.4 Details of Non Compliant Investments

The Securities & Exchange Commission of Pakistan (SECP), vide its circular No. 16 dated July 07, 2010, has prescribed certain disclosures for non-compliances, either with the minimum investment criteria specified for the category assigned to the Collective Investment Schemes or with the investment requirements of their constitutive documents.

Name of Non Compliant Investment	Type	Value before provision	Provision held if any	Value of investment after	% of Net Assets	% of Gross Assets
Agritech Limited (8.2.1)	Sukuks	4,547,220	(4,547,220)	-	-	-
Agritech Limited - zero coupons (8.2.3)	PPTFC	3,485,000	(3,485,000)	-	-	-
Azgard Nine Limited - PPTFCs (8.3.1)	PPTFC	63,837,358	(63,837,358)	-	-	-
Azgard Nine Limited - zero coupons (8.3.3)	TFC	59,745,000	(59,745,000)	-	-	-

8.4.1 It represents non-performing security and the Fund has made full provision against the principal amount in accordance with the requirement of circular 1 of 2009 read with circular 1 of 2009 read with circular 33 of 2012 issued by SECP and the provisioning policy of the Fund.

8.5 Net unrealised loss on re-measurement of investments at fair value through profit or loss

	Note	June 30, 2023	June 30, 2022
		-----Rupees-----	
Fair value of investments		251,032,545	257,007,576
Less: carrying value of investments		275,921,667	316,863,724
		(24,889,122)	(59,856,148)



JS Large Cap. Fund

9 ACCRUED RETURN ON BANK BALANCES

Accrued return on bank balances 9.1 1,276,235 1,191,405

9.1 This include amount of Rs. Nil (June 30, 2022: Rs. 0.0544) million as profit receivable from JS Bank Limited Limited (related party).

10 DEPOSITS AND OTHER RECEIVABLE

	Note	June 30, 2023	June 30, 2022
		-----Rupees-----	
Security deposits:			
- With National Clearing Company of Pakistan Limited		1,000,000	2,500,000
- With Central Depository Company of Pakistan Limited		200,000	200,000
		1,200,000	2,700,000
Prepaid legal and professional fee		-	350,000
Income tax recoverable		1,003,312	1,003,312
Receivable against sales of investments		4,413,504	-
		6,616,816	4,053,312

10.1 Clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 provides exemption from withholding tax deduction on dividend and markup income received by the collective investment scheme from investee companies and banks.

However a letter dated June 30, 2010 issued by Federal Board of Revenue to Assistant Director, Central Directorate of National Savings, Islamabad states that the said exemption will be applicable if exemption certificate under section 159(1) of the Income Tax Ordinance, 2001 is issued by the concerned Commissioner of Inland Revenue.

Based on the above letter, above amount of withholding tax has been deducted by certain banks on markup income and certain investee companies on dividends. An exemption certificate was issued by the concerned Commissioner of Inland Revenue effective up to June 30, 2023. Accordingly the management is in the process of recovering the above tax amount deducted. Furthermore, a stay order has also been obtained by the Management Company of the Fund from further deduction of income tax at source.

	Note	June 30, 2023	June 30, 2022
		-----Rupees-----	
11 PAYABLE TO JS INVESTMENTS LIMITED			
- MANAGEMENT COMPANY			
Remuneration of the Management Company	11.1	445,160	287,340
Sindh Sales Tax payable on the remuneration of the Management Company	11.2	1,496,268	1,475,753
Reimbursement of accounting and operational charges to the Management Company	11.3	22,258	26,867
Selling and marketing expenses payable	11.4	729,575	925,473
Federal Excise Duty payable on remuneration of the Management Company	11.5	9,630,269	9,630,269
Sales load payable		-	-
Printing and stationery charges payable		121,950	76,496
		12,445,480	12,422,198



- 11.1** As per regulation 61 of the NBFC Regulations, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the offering document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged remuneration at 2% (June 30, 2022: 2%) of the average annual net assets and is paid in arrears on a monthly basis.
- 11.2** Sindh Provincial Government has levied Sindh Sales Tax at the rate of 13% (June 30, 2022: 13%) on Management Company's remuneration through Sindh Sales Tax on Services Act, 2011 effective from July 01, 2011. Above liability includes Rs.1.438 million (June 30, 2022: 1.438 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 year end would have been higher by Rs. 0.58 (June 30, 2022: Rs. 0.50) per unit.
- 11.3** 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 year, such expenses have been charged at the rate of 0.1% (June 30, 2022: 0.1%) of net assets of the Fund.
- 11.4** SECP vide SRO 639(I)/2019 dated June 20, 2019 has removed a cap of 0.4% on charging of selling and marketing expenses which is charged by Asset Management Companies to all categories of open-end mutual funds (except fund of funds). Resultantly, with effect from October 15, 2019, such expense has been charged at the rate of upto 2.5% of the average annual net assets of the Fund as approved by the Board of Directors of Management Company.
- 11.5** As per the requirements of the Finance Act, 2013, Federal Excise Duty (FED) at the rate of 16 percent on the remuneration of the Management Company has been applied effective from June 13, 2013. The Management Company is of the view that since the remuneration is already subject to the provincial sales tax, further levy of FED may result in double taxation, which does not appear to be in the spirit of the law, hence, a petition was collectively filed by the Mutual Fund Association of Pakistan with the Sindh High Court (SHC) on September 04, 2013.

While disposing the above petition through the order dated July 16, 2016, the SHC declared the said provisions to be ultra vires and as a result no FED is payable with effect from July 01, 2016. However, the tax authorities subsequently filed appeal against the decision of the SHC in the Supreme Court of Pakistan, which is pending for the decision.

Furthermore, the Finance Act, 2016 also introduced an amendment to the Federal Excise Act, 2005 whereby FED was withdrawn on services of different industries including Non-Banking Financial Institutions, which are already subject to provisional sales tax.

However, since the appeal is pending in the Supreme Court of Pakistan, the Management Company, as a matter of abundant caution, is carrying provision of FED for the year aggregating to Rs. 9.63 (June 30, 2022: 9.63) million. Had the provision not been made, net asset value per unit of the Fund as at June 30, 2023 would have been higher by Rs. 3.89 (June 30, 2022: 3.32) per unit.

12 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note	June 30, 2023	June 30, 2022
-----Rupees-----			
Remuneration payable to the Trustee	12.1	44,516	53,734
Sindh sales tax payable on trustee remuneration	12.2	5,787	6,986
		50,303	60,720

- 12.1** The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed as per the tariff structure specified therein, based on the daily net assets of the Fund.



JS Large Cap. Fund

Based on the Trust Deed, the tariff structure applicable to the Fund as at June 30, 2023 is as follows:

Net assets	Tariff per annum
Up to Rs 1,000 million	0.2% per annum of the daily net assets.
Exceeding Rs 1,000 million	Rs 2 million plus 0.1% per annum of the daily net assets of the Fund exceeding Rs 1,000 million.

- 12.2** During the year, an amount of Rs 0.08 million (2022: Rs. 0.11 million) was charged on account of sales tax on remuneration of the Trustee levied through Sindh Sales Tax on Services Act, 2011.

13 ANNUAL FEE PAYABLE TO SECP

As per SRO 685 (I) / 2019 dated June 28, 2019, annual fee at the rate 0.02% (June 30, 2022: 0.02%) of the net assets of the Fund has been charged during the year by Securities and Exchange Commission of Pakistan.

14 ACCRUED EXPENSES AND OTHER LIABILITIES	Note	June 30, 2023	June 30, 2022
-----Rupees-----			
Auditors' remuneration		571,783	513,458
Zakat payable		130,044	8,321
Other liabilities		51,969	51,466
Payable against purchase of investments		-	44,172
		753,796	617,417

15 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at June 30, 2023 (June 30, 2022: Nil).

16 AUDITORS' REMUNERATION	June 30, 2023	June 30, 2022
-----Rupees-----		
Annual audit fee	358,560	358,560
Half yearly review of financial statements	179,280	179,280
Out of pocket expenses	107,356	167,867
	645,196	705,707
Sales tax	51,619	56,457
	696,815	762,164

17 TOTAL EXPENSE RATIO

The total expense ratio (TER) of the Fund for the year ended June 30, 2022 is 4.68% (2022: 4.26%) which includes 0.39% (2022: 0.35%) representing government levies on the Fund such as sales taxes, annual fee payable to the SECP, etc. This ratio is within the maximum limit of 4.5% (excluding government levies) prescribed under the NBFC Regulations for a collective investment scheme categorised as an "equity" scheme.



18 REVERSAL OF PROVISION FOR SINDH WORKERS' WELFARE FUND (SWWF)

During the year ended June 30, 2022, SRB through its letter dated August 12, 2021 has intimidated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and has also been taken up with the SECP and all the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Funds, for the period from May 21, 2015 to August 12, 2021, on August 13, 2021. The SECP has given its concurrence for prospective reversal of provision for SWWF. Accordingly, going forward, no provision for SWWF would be recognised in the financial statements of the Fund.. The mutual fund companies are covered by the terminology "financial institution" in terms of the Section 2(g)(v) of the Sindh Workers Welfare Fund Act, 2014, and are therefore, liable to pay Sindh Workers Welfare Fund Contributions, the mutual funds, as such, do not qualify as Financial Institutions and as a result all Asset Management Companies, in consultation with SECP, reversed the cumulative provision for SWWF, on August 13, 2021.

19 TAXATION

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

20 NUMBER OF UNITS IN ISSUE

	June 30, 2023	June 30, 2022
	-----Rupees-----	
Total outstanding as of July 01	2,904,154	3,477,488
Issued during the year	67,535	441,184
Redemption during the year	(493,111)	(1,014,518)
Total outstanding as of June 30	<u>2,478,578</u>	<u>2,904,154</u>

21 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons / related parties include JS Investments Limited (JSIL) being the Management Company of the Fund, Central Depository Company of Pakistan Limited (CDC) 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 Limited) being the holding company of JSBL, JS Global Capital Limited (JSGCL) (92.90% shares held by JS Bank Limited) 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 June 30, 2023. It also includes staff retirement benefit funds of the above related parties / connected persons.

Transactions with connected persons are carried out in normal course of business at contracted rates and thus determined in accordance with the market terms.



JS Large Cap. Fund

Remuneration of the Management Company and the Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

Transactions and balances with related parties other than disclosed elsewhere in these financial statements are as follows:

	June 30, 2023	June 30, 2022
	-----Rupees-----	
21.1 Transactions during the year		
JS Investments Limited - Management Company		
Remuneration of JS Investments Limited - Management Company	5,763,217	8,077,679
Sindh Sales tax on remuneration of the Management Company	749,217	1,050,101
Reimbursement of accounting and operational charges	298,475	416,384
Selling and marketing expense	3,709,332	4,455,309
Printing and stationary charges	101,468	76,496
Legal Charges	350,000	214,250
Issuance of units: Nil (2022: 99,886)	-	13,027,816
Redemption of units: Nil (2022: 99,886)	-	12,868,407
Central Depository Company of Pakistan Limited - Trustee		
Remuneration to the Trustee	596,942	832,771
Sindh Sales Tax on remuneration of the trustee	77,602	108,260
Annual transaction,custodian, connection fee and settlement charges	37,440	40,194
JS Global Capital Limited - Fellow Subsidiary of JSBL		
Brokerage fee	150,424	203,255
JS Bank Limited - Parent Company of JSIL		
Return on Bank Balances	4,399,373	1,737,974
BankIslami Pakistan Limited - Associated Company (Associate of Ultimated Parent Company - JSCL)		
Return on Bank Balances	1,879	1,914
Azgard Nine Limited (Other related party)		
Markup Receipt (Non Performing - ANL PPTFC)	3,191,869	3,191,869
Key Management Personnel of the Management Company		
Issue of units: 123 (2022: 2,909)	13,376	355,000
Redemption of units: Nil (2022: 13,054)	-	1,438,797



JS Large Cap. Fund

	June 30, 2023	June 30, 2022
	-----Rupees-----	
21.2 Details of balances with related parties / connected persons as at year end		
JS Investments Limited - Management Company		
Remuneration payable to the Management Company	445,160	287,340
Sindh sales tax payable on remuneration to the Management Company	1,496,268	1,475,753
Reimbursement of accounting and operational charges to the Management Company	22,258	26,867
Selling and marketing expenses payable	729,575	925,473
Federal Excise Duty payable on remuneration to the management company	9,630,269	9,630,269
Printing and stationery charges payable	121,950	76,496
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable to the trustee	44,516	53,734
Sindh sales tax payable on remuneration to the trustee	5,787	6,986
Annual, transaction, custodian, CDS connection fee payable	1,560	1,774
Security deposit	200,000	200,000
JS Global Capital Limited - Fellow subsidiary of JSBL		
Brokerage payable	2893	-
JS Bank Limited - Parent Company of JSIL		
Bank balances	15,556,662	4,989,952
Accrued return on bank balance	-	102,404
BankIslami Pakistan Limited - Associated Company (Associate of Ultimated Parent Company - JSCL)		
Bank balances	20,553	18,673
Key Management Personnel of the Management Company		
Units outstanding: 3,334 (June 30, 2022: 39,047)	367,317	4,362,334
Unit holder holding 10% or more of units in issue		
Units outstanding: 267,834 (June 30, 2022: Nil)	29,507,327	-



JS Large Cap. Fund

22 RECONCILIATION OF LIABILITIES ARISING OUT OF FINANCING ACTIVITIES

June 30, 2023

Balance as at July 01, 2022

Receivable against issuance of units

Payable against redemption of units

Amount received on issuance of units

Amount paid on redemption of units

Balance as at June 30, 2023

Receivable against issuance of units	Payable against redemption of units	Total
-----Rupees-----		
-	-	-
7,231,382	-	7,231,382
-	(53,552,991)	(53,552,991)
7,231,382	(53,552,991)	(46,321,609)
(7,231,382)	-	(7,231,382)
-	53,552,991	53,552,991
(7,231,382)	53,552,991	46,321,609
-	-	-

June 30, 2022

Balance as at July 01, 2021

Receivable against issuance of units

Payable against redemption of units

Amount received on issuance of units

Amount paid on redemption of units

Balance as at June 30, 2022

Receivable against issuance of units	Payable against redemption of units	Total
-----Rupees-----		
-	-	-
58,906,175	-	58,906,175
-	(127,627,010)	(127,627,010)
58,906,175	(127,627,010)	(68,720,835)
(58,906,175)	-	(58,906,175)
-	127,627,010	127,627,010
(58,906,175)	127,627,010	68,720,835
-	-	-



23 FINANCIAL INSTRUMENTS - BY CATEGORY

Particulars	-----As at June 30, 2023-----		
	At amortised cost	Financial asset at 'fair value through profit or loss'	Total
-----Rupees-----			
Financial assets			
Balances with banks	38,925,302	-	38,925,302
Investments	-	251,032,545	251,032,545
Bank profit receivable	1,276,235	-	1,276,235
Security deposits and other receivables	1,200,000	-	1,200,000
Receivable against sales of investments	4,413,504	-	4,413,504
	<u>45,815,041</u>	<u>251,032,545</u>	<u>296,847,586</u>
Financial liabilities			
Payable to JS Investments Limited - Management Company	1,318,944	-	1,318,944
Payable to Central Depository Company of Pakistan Limited - Trustee	44,516	-	44,516
Dividend payable	11,484,325	-	11,484,325
Accrued expenses and other liabilities	600,943	-	600,943
	<u>13,448,728</u>	<u>-</u>	<u>13,448,728</u>
Particulars	-----As at June 30, 2022-----		
	At amortised cost	Financial asset at 'fair value through profit or loss'	Total
-----Rupees-----			
Financial assets			
Balances with banks	86,867,996	-	86,867,996
Investments	-	257,007,576	257,007,576
Bank profit receivable	1,191,405	-	1,191,405
Security deposits and other receivables	2,700,000	-	2,700,000
	<u>90,759,401</u>	<u>257,007,576</u>	<u>347,766,977</u>
Financial liabilities			
Payable to JS Investments Limited - Management Company	12,422,198	-	12,422,198
Payable to Central Depository Company of Pakistan Limited - Trustee	60,720	-	60,720
Dividend payable	11,484,325	-	11,484,325
Accrued expenses and other liabilities	609,096	-	609,096
	<u>24,576,339</u>	<u>-</u>	<u>24,576,339</u>



24 FINANCIAL RISK MANAGEMENT

The Fund's activities expose it to a variety of financial risks, market risk, credit risk and liquidity risk.

Risk management framework

The Fund's Board of Directors has an overall responsibility for the establishment and oversight of the Fund's risk management framework.

Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily set up to be performed based on limits established by the Management Company, the Fund's constitutive documents and the regulations and directives of the SECP. The policies are established to identify and analyse the risks faced by the Fund, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Fund's activities.

The audit committee oversees how management monitors compliance with the Fund's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Fund. The audit committee is assisted in its oversight role by the internal audit. The Internal audit undertakes regular reviews of risk management controls and procedures and the results of which are reported to the audit committee.

Asset purchases and sales are determined by the Fund's Investment Manager, who has been authorised to manage the distribution of the assets to achieve the Fund's investment objectives. Compliance with the target asset allocations and the composition of the portfolio is monitored by the Investment Committee. In instances where the portfolio has diverged from target asset allocations, the Fund's Investment Manager is obliged to take actions to rebalance the portfolio in line with the established targets within prescribed time limits.

24.1 Market risk

Market risk is the risk that the fair value or the future cash flows of a financial instrument may fluctuate as a result of changes in market prices.

The Management Company manages the market risk by monitoring exposure on marketable securities by following internal risk management policies and investment guidelines approved by the Investment Committee and the regulations laid down by SECP.

Market risk comprises of three types of risk: currency risk, profit rate risk and price risk.

24.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. At present, the Fund is not exposed to currency risk as all the transactions are carried out in Pakistani Rupees.

24.1.2 Profit rate risk

Yield / profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. The Fund is mainly exposed to interest rate risk on balances held with banks.



a) Sensitivity analysis for variable rate instruments

Presently, the Fund does not hold any variable rate instrument except for balances in profit and loss sharing accounts amounting Rs 38.93 million (2022: Rs 86.87million) which carry profit at rates ranging from 12.25% to 22.00% (2022: 5.75% to 16.90%) per annum.

Cash flow sensitivity analysis for variable-rate instruments.

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / decreased unit holder fund and income statement by Rs 0.389 million (2022: Rs 0.869 million). The analysis assumes that all other variables remain constant.

None of the Fund's liabilities are subject to interest rate risk.

b) Sensitivity analysis for fixed rate instruments

Presently, the Fund does not hold any fixed rate instrument that exposes the Fund to any material interest rate risk.

Interest rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off-balance sheet financial instruments is based on settlement date.

Particulars	June 30, 2023					
	Interest rate	Total	---Exposed to interest rate risk---			Not exposed to interest rate risk
			Upto three months	More than three months and upto one year	More than one year	
	%		(Rupees)			
On-balance sheet financial instruments						
Financial assets						
Balances with banks	12.25 - 22.00	38,925,302	38,925,302	-	-	-
Investments		251,032,545	-	-	-	251,032,545
Bank profit receivable		1,276,235	-	-	-	1,276,235
Receivable against sales of investments		4,413,504	4,413,504	-	-	-
Security deposits and other receivables		1,200,000	-	-	-	1,200,000
		296,847,586	43,338,806	-	-	253,508,780
Financial liabilities						
Payable to JS Investment Limited Company		1,318,944	-	-	-	1,318,944
Payable to Central Depository Company of Pakistan Limited - Trustee		44,516	-	-	-	44,516
Dividend payable		11,484,325	-	-	-	11,484,325
Accrued expenses and other liabilities		600,943	-	-	-	600,943
		13,448,728	-	-	-	13,448,728
On-balance sheet gap (a)		283,398,858	43,338,806	-	-	240,060,052
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a+b)		283,398,858	43,338,806	-	-	240,060,052
Cumulative interest rate sensitivity gap			43,338,806	43,338,806	43,338,806	



JS Large Cap. Fund

Particulars	June 30, 2022					
	Interest rate	Total	---Exposed to interest rate risk---			Not exposed to interest rate risk
			Upto three months	More than three months and upto one year	More than one year	
	%	----- (Rupees) -----				
On-balance sheet financial instruments						
Financial assets						
Balances with banks	5.75 - 16.90	86,867,996	86,867,996	-	-	-
Investments		257,007,576	-	-	-	257,007,576
Accrued return on bank balances		1,191,405	-	-	-	1,191,405
Security deposits and other receivables		2,700,000	-	-	-	2,700,000
		347,766,977	86,867,996	-	-	260,898,981
Financial liabilities						
Payable to JS Investment Limited Company - Management Company		12,422,198	-	-	-	12,422,198
Payable to Central Depository Company of Pakistan Limited - Trustee		60,720	-	-	-	60,720
Accrued expenses and other liabilities		609,096	-	-	-	609,096
Dividend payable		11,484,325	-	-	-	11,484,325
		24,576,339	-	-	-	24,576,339
On-balance sheet gap (a)		323,190,638	86,867,996	-	-	236,322,642
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a+b)		323,190,638	86,867,996	-	-	236,322,642
Cumulative interest rate sensitivity gap			86,867,996	86,867,996	86,867,996	

24.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The management of the Fund monitors the proportion of equity securities in its investment portfolio based on market indices. The Fund's policy is to manage price risk through diversification and selection of securities within specified limits set by internal risk management guidelines or the requirements of the NBFC Regulations. The Fund manages those risk by limiting exposure to any single investee company to the extent of 10% of issued capital of that investee company and the net assets of the Fund with overall limit of 30% to a single industry sector of the net assets of the Fund (the limit set by the NBFC Regulations).

The Fund also manages its exposure to price risk by reviewing portfolio allocation as frequently as necessary and at least once a quarter from the aspect of allocation within industry and individual stock within that allocation. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the Investment Committee. The primary goal of the Fund's investment strategy is to maximise investment returns. The Fund's equity investments are concentrated in the sectors given in note 8.1.



At June 30, 2023, the fair value of equity securities exposed to price risk are disclosed in note 8.1.

All of the Fund's equity investments are listed on the Pakistan Stock Exchange (PSX). In case of 5% increase / decrease in PSX 100 index on June 30, 2023, net income for the year would increase / decrease by Rs. 12.552 million (2022: Rs 12.850 million) and net assets of the Fund would increase / decrease by the same amount as a result of gains / losses on equity securities at fair value through profit or loss. The sensitivity analysis is based on the Fund's equity securities as at the statement of assets and liabilities date with all other variables held constant.

The analysis is based on the assumption that equity index had increased / decreased by 5% with all other variables held constant. The composition of the Fund's investment portfolio and the correlation thereof to the PSX 100 index, is expected to change over time. Accordingly, the aforementioned sensitivity analysis prepared as of June 30, 2023 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of the PSX 100 Index.

24.2 Credit risk

Credit risk is the risk of financial loss to the Fund if a customer or counter party to a financial instrument fails to meet its contractual obligations. This mainly arises principally from bank balances, security deposits and receivable against sale of securities.

The carrying amount of financial assets represent the maximum credit exposure.

	2023		2022	
	Balance as per statement of assets and liabilities	Maximum exposure	Balance as per statement of assets and liabilities	Maximum exposure
Balances with banks	38,925,302	38,925,302	86,867,996	86,867,996
Investments	251,032,545	-	257,007,576	-
Bank profit receivable	1,276,235	1,276,235	1,191,405	1,191,405
Receivable against sales of investments	4,413,504	4,413,504	-	-
Security deposits and other receivables	1,200,000	1,200,000	2,700,000	2,700,000
	296,847,586	45,815,041	347,766,977	90,759,401

Difference in the balance as per the statement of assets and liabilities and maximum exposure is due to the fact that investments in equity securities are not exposed to credit risk.

Management of credit risk

The Fund's policy is to enter into financial contracts in accordance with the investment guidelines approved by the Investment Committee, its Trust Deed and the requirements of the NBFC Rules and the Regulations. Before making investment decisions, the credit rating and credit worthiness of the issuer is taken into account along with the financial background so as to minimise the risk of default.

Credit risk is managed and controlled by the Management Company of the Fund in the following manner:

- Where the investment committee makes an investment decision, the credit rating and credit worthiness of the issuer is taken into account along with the financial background so as to minimise the risk of default.
- Analyses of credit ratings and obtaining adequate collaterals wherever appropriate / relevant.



JS Large Cap. Fund

- The risk of counterparty exposure due to failed trades causing a loss to the Fund is mitigated by a periodic review of the credit ratings and financial statements of the counter party on a regular basis.
- Cash is held only with reputable banks with high quality external credit enhancements.
- Investment transactions are carried out with a large number of brokers, whose credit worthiness is taken into account so as to minimise the risk of default and transactions are settled or paid for only upon delivery.

The Fund's policy is to enter into financial contracts in accordance with the internal risk management policies and investment guidelines approved by the Investment Committee. The Fund does not expect to incur material credit losses on its financial assets.

The analysis below summarises the credit quality of the Fund's financial assets:

24.2.1 Credit quality of balances held by the Fund's bank accounts

Name Of The Bank	-----June 30, 2023-----		
	Rating agency	Latest available published rating	Percentage
Soneri Bank Limited	PACRA	AA-	28.76%
JS Bank Limited	PACRA	AA-	39.55%
Faysal Bank Limited	PACRA	AA	23.16%
Samba Bank Limited	JCR-VIS	AA	0.05%
Allied Bank Limited	PACRA	AAA	0.05%
BankIslami Pakistan Limited	PACRA	AA-	0.05%
U Micro Finance Bank	JCR-VIS	A+	6.49%
Sindh Bank Limited	JCR-VIS	A+	0.03%
Telenor Micro Finance Bank Limited	PACRA	A	0.05%
Dubai Islamic Bank	JCR-VIS	AA	0.03%

24.2.2 Concentration of credit risk

The concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial instruments is broadly diversified and transactions are entered into with diverse credit-worthy counterparties thereby mitigating any significant concentrations of credit risk.

24.3 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on the terms that are materially disadvantageous to the Fund.



JS Large Cap. Fund

The Fund is exposed to the daily settlement of equity securities and to daily cash redemptions, if any at the option of unit holders. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation. The Fund's policy is, therefore, to invest the majority of its assets in investments that can be readily realised. The Fund's listed securities are considered readily realisable as they are listed on the Pakistan Stock Exchange.

In addition, the Fund has the ability to borrow, with prior approval of the trustee, for meeting redemption. The maximum amount available to the Fund from borrowings is limited to the extent of 10% of net assets at the time of borrowing with repayments within 90 days of such borrowings. However, no borrowings were obtained by the Fund during the current year.

In order to manage the Fund's overall liquidity, the Fund may withhold daily redemption requests in excess of ten percent of units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the year.

The table below indicates the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

Particulars	2023			
	Total	Upto three months	Over three months and upto one year	Over one year
----- (Rupees) -----				
Financial liabilities				
Payable to JS Investments Limited - Management Company	1,318,944	1,318,944	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	44,516	44,516	-	-
Dividend payable	11,484,325	11,484,325	-	-
Accrued expenses and other liabilities	600,943	600,943	-	-
	13,448,728	13,448,728	-	-
----- (Rupees) -----				
Particulars	2022			
	Total	Upto three months	Over three months and upto one year	Over one year
----- (Rupees) -----				
Financial liabilities				
Payable to JS Investments Limited - Management Company	12,422,198	12,422,198	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	60,720	60,720	-	-
Dividend payable	11,484,325	11,484,325	-	-
Accrued expenses and other liabilities	609,096	609,096	-	-
	24,576,339	24,576,339	-	-



JS Large Cap. Fund

25 UNIT HOLDERS' FUND RISK MANAGEMENT

The Unit Holders' Fund is represented by redeemable units. These units are entitled to distributions and to payment of a proportionate share, based on the Fund's net asset value per unit as of the close of the business day less any back end load, provision for transaction cost and any provision for duty and charge, if applicable. The relevant movements are shown on the 'Statement of Movement in Unit holders' Fund'.

The Fund's objective when managing unit holder's funds are to safeguard its ability to continue as a going concern so that it can continue to provide returns to unit holders' and to maintain a strong base of assets under management.

The Fund has no restrictions on the subscription and redemption of units.

The Fund meets the requirements of sub-regulation 54(3a) which requires that the minimum size of an Open End Scheme shall be one hundred million rupees at all times during the life of the scheme.

In accordance with the risk management policies stated in note 24, the Fund endeavours to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by short-term borrowings or disposal of investments where necessary.

26 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. Consequently, differences can arise between carrying values and the fair value estimates.

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.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

26.1 Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' 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:

'Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

'Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

'Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at June 30, 2023 and June 30, 2022, all investments are categorised in level 1. The outstanding amounts of these investments are shown in note 8 to these financial statements.



27 SUPPLEMENTARY NON FINANCIAL INFORMATION

The information regarding units holding pattern, top ten brokers, particulars of members of the Investment Committee and fund manager, particulars of meetings of the Board of Directors of the Management Company, meetings of Audit Committee of the management company, meetings of the Human Resource and Remuneration Committee of the Management Company and rating of the Fund and the management company are as follows:

27.1 Details of the members of investment committee of the Fund are as follows:

S. No.	Name	Designation	Experience in years	Qualification
1	Ms. Iffat Zehra Mankani	Chief Executive Officer	22	MBA
2	Mr. Khawar Iqbal	Chief Operating Officer and Company Secretary	30	MBA
3	Mr. Syed Hussain Haider	Chief Investment officer / Fund Manager	21	CFA

27.2 Transactions with Brokers/Dealers

27.2.1 List of top 10 brokers by percentage of commission charged during the year ended June 30, 2023:

S. No.	Name	Percentage of Commission/ Brokerage
1	JS Global Capital Limited	14.90%
2	Multiline Securities Limited	14.21%
3	Optimus Capital Management (Private) Limited	14.19%
4	Intermarket Securities (Private) Limited	13.97%
5	DJM Securities Limited	13.08%
6	Adam Securities Limited	6.63%
7	Topline Securities (Pvt) Limited	6.29%
8	Habib Metropolitan Financial Services Limited	5.90%
9	Spectrum Securities Limited	4.74%
10	AKIK Capital (Pvt) Limited	4.24%



JS Large Cap. Fund

27.2.2 List of top 10 brokers by percentage of commission charged during the year ended June 30, 2022.

S. No.	Name	Percentage of Commission/ Brokerage
1	JS Global Capital Limited	18.70%
2	Optimus Capital Management (Private) Limited	11.13%
3	Adam Securities Limited	7.55%
4	KASB Securities (Private) Limited	7.39%
5	BMA Capital Management Limited	7.04%
6	Intermarket Securities (Private) Limited	5.79%
7	Fortune Securities (Private) Limited	4.92%
8	Habib Metropolitan Financial Services Limited	4.87%
9	Cedar Capital (Private) Limited	4.69%
10	DJM Securities Limited	4.54%

27.3 Pattern of unit holding

Category	----- As at June 30, 2023 -----			
	Number of unit holders	Number of units held	Net assets value of the amount invested (Rs. In million)	Percentage of total investment (%)
Individuals	1,615	1,365,950	150,482,481	55.11
Associated companies / directors	4	3,046	335,616	0.12
Insurance Companies	3	157,639	17,366,602	6.36
Banks / DFI's	1	89,027	9,807,839	3.59
Non Banking Finance Companies	1	10	1,062	0.00
Retirement funds	18	687,014	75,686,213	27.72
Others	25	175,892	19,377,479	7.10
	1,667	2,478,578	273,057,292	100

Category	----- As at June 30, 2022 -----			
	Number of unit holders	Number of units held	Net assets value of the amount invested (Rs. In million)	Percentage of total investment (%)
Individuals	1,675	1,776,991	198,525,587	61.19
Associated Companies and Directors	3	138	15,362	0.00
Insurance Companies	2	110,554	12,351,057	3.81
Banks / Development Financial Institutions	1	89,027	9,946,115	3.07
Non Banking Finance Companies	1	10	1,077	0.00
Retirement Funds	22	869,476	97,137,995	29.94
Others	20	57,959	6,475,159	2.00
	1,724	2,904,155	324,452,352	100

27.4 Attendance at the meeting of the Board of Directors of the Management Company

The 164th, 165th, 166th, 167th and 168th meetings of the Board of Directors were held on August 19, 2022, October 22, 2022, January 11, 2023, February 24, 2023 and April 18, 2023 respectively. Information in respect of attendance by the directors and other persons in the meetings is given below:

S. No	Name of Directors	Meetings held on					
		Meetings attended	19 August 2022	22 October 2022	11 January 2023	24 February 2023	18 April 2023
1	Mr. Suleman Lalani	4	✓	-	✓	✓	✓
2	Ms. Iffat Zehra Mankani	5	✓	✓	✓	✓	✓
3	Mr. Hasan Shahid	5	✓	✓	✓	✓	✓
4	Mr. Asif Reza Sana*	1	✓	-	-	-	-
5	Mr. Imran Haleem Shaikh*	2	✓	✓	-	-	-
6	Mr. Zahid Ullah Khan*	2	✓	✓	-	-	-
7	Ms. Aisha Fariel Salahuddin	2	✓	-	✓	-	-
8	Mr. Mirza M. Sadeed Hasan Barlas	4	✓	✓	✓	-	✓
9	Mr. Atif Salim Malik**	3	-	-	✓	✓	✓
10	Ms. Mediha Kamal Afsar**	2	-	-	✓	-	✓
11	Mr. Syed Abu Ahmed Akif**	-	-	-	-	-	-
12	Mr. Farooq Ahmed Malik***	2	-	-	-	✓	✓

*Mr. Asif Reza Sana, Mr. Imran Haleem Shaikh and Mr. Zahid Ullah Khan retired on December 28, 2022

**Mr. Atif Salim Malik, Mr. Syed Abu Ahmed Akif and Ms. Mediha Kamal Afsar were appointed in Election of Directors held on December 28, 2022

***Mr. Farooq Ahmed Malik were appointed in Election of Director held on February 22, 2023.

27.5 Meetings of the audit committee

S. No	Name of Directors	Meetings held on				
		Meetings attended	18 August 2022	20 October 2022	23 February 2023	18 April 2023
1	Mr. Hasan Shahid	4	✓	✓	✓	✓
2	Ms. Aisha Fariel Salahuddin	2	✓	✓	-	-
3	Ms. Mediha Kamal Afsar	2	-	-	✓	✓
4	Mr. Mirza M. Sadeed Hasan Barlas	1	-	-	-	✓

Audit Committee was re composed in the meeting held on January 11, 2023



JS Large Cap. Fund

27.6 Meetings Of Human Resource And Remuneration Committee

S. No	Name of Directors	Meetings held on	
		Meetings attended	18 August 2022
1	Ms. Aisha Fariel Salahuddin	1	✓
2	Mr. Suleman Lalani	1	✓
3	Ms. Iffat Zehra Mankani	1	✓

28 GENERAL

28.1 Figures have been rounded off to the nearest rupee.

28.2 Units have been rounded off to the nearest decimal place.

29 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue by Board of Directors of the Management Company of the Fund on August 18, 2023.

For JS Investments Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



**SUPPLEMENTARY NON FINANCIAL INFORMATION
AS REQUIRED UNDER CLAUSE 38A (g)
OF THE NBFC & NE REGULATION**

SUMMARY OF ACTUAL PROXY VOTED BY JS LARGE CAP. FUND

	Resolutions	For	Against	Abstain
Number	2	2	Nil	N/A
(% ages)	100	100	-	-

Note:

The Proxy voting policy of the Collective Investment Scheme (CIS) is available on the website of JS Investments Limited, the Company and detailed information regarding actual proxies voted by the Company in respect of the CIS is also available without charge, upon request, to all unit holders.

We did not participate in any shareholders' meetings on behalf of CIS during the year.

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JS Investments Limited

19th Floor, The Centre, Plot # 28,
SB-5 Abdullah Haroon Road, Saddar,
Karachi-75600

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E-mail: info@jsil.com
Website: www.jsil.com



JS Momentum Factor Exchange Traded Fund

Annual Report 2023



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VISION

To be the preferred choice of every investor, offering diverse and innovative investment solutions.

MISSION

To establish a leadership position in bringing more investable asset classes and innovative products, while managing them with prudence and excellence.

BROAD POLICY OBJECTIVES

- Value creation for clients on a sustainable basis.
- Maintain high standards of ethical behaviors and fiduciary responsibilities.
- 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
19th 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	Non-Executive Director / Chairman
Ms. Iffat Zehra Mankani	Chief Executive Officer
Mr. Hasan Shahid	Non-Executive Director
Mr. Mirza M. Sadeed H. Barlas	Non-Executive Director
Mr. Atif Salim Malik	Non-Executive Director
Ms. Aisha Fariel Salahuddin	Non-Executive Independent Director
Ms. Mediha Kamal Afsar	Non-Executive Independent Director
Mr. Farooq Ahmed Malik	Non-Executive Independent Director

Audit Committee

Ms. Mediha Kamal Afsar	Chairperson
Mr. Hasan Shahid	Member
Mr. Mirza M. Sadeed H. Barlas	Member

Chief Operating Officer & Company Secretary

Mr. Muhammad Khawar Iqbal

Chief Financial Officer

Mr. Umair Khatri

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

EY Ford Rhodes
Chartered Accountants

Legal Adviser

Bawaney & Partners
3rd & 4th Floor, 68-C, Lane-13
Bokhari Commercial Area
Phase-VI DHA, Karachi



JS Momentum Factor Exchange Traded Fund

Directors' Report to the Unit Holders

The Board of Directors of JS Investments Limited, the Management Company of **JS Momentum Factor Exchange Traded Fund** (the Fund), is pleased to present the Annual Report for the Period ended June 30, 2023.

Economy Review:

During the fiscal year 2023, Pakistan encountered substantial challenges stemming from longstanding structural weaknesses. Delays in the IMF program, declining forex reserves, significant currency devaluation, persistent political uncertainty, and elevated inflation collectively presented formidable hurdles, resulting in a meager GDP growth of 0.29%, a marked decrease from the 6.10% achieved in the previous fiscal year, FY22.

The current account deficit (CAD) narrowed by 85% year-on-year to USD 2.6 billion in FY23, a notable improvement compared to USD 17.5 billion in FY22, primarily due to reduced trade deficit resulting from import restrictions. However, despite this situation, foreign exchange reserves held by the State Bank of Pakistan (SBP) declined to USD 4.47 billion by June 2023, down from USD 9.82 billion at the commencement of FY23.

The scarcity of forex reserves exerted significant pressure on the currency, leading to a 40% devaluation. Another persistent concern throughout FY23 was soaring inflation, averaging 29.04%, far surpassing the initial target of 11.5% and the FY22 rate of 12.15%. This surge was fueled by escalating food prices and higher energy and petroleum costs, compounded by global crisis and PKR depreciation. In response, the SBP maintained its contractionary stance, raising the policy rate to a record high of 22% from 13.75% in June 2022. Despite these challenges, the measures taken by the government, including raising energy and gas tariffs, implementing currency regime change, introducing additional taxes and tightening monetary policy, did not yield the desired outcomes.

However, as of June 2023, the Government of Pakistan successfully secured a crucial 9-month Stand by Arrangement (SBA) with the IMF, leading to substantial deposits from multilateral countries. This achievement offers a much-needed short-term respite from the looming risk of default. Additionally, the SBA provides an economic roadmap for the next nine months, encompassing the period leading up to elections and a caretaker government, with a strong emphasis on fiscal discipline, energy reforms, and consistent policy implementation. Nevertheless, it is important to recognize that the SBA offers only temporary relief, as a long-term program with the IMF will be necessary once the SBA concludes in March 2024, alongside the implementation of structural reforms and a consistent macroeconomic framework.

Equity Market Review:

In FY23, the KSE-100 index exhibited relatively subdued performance, registering a marginal decline of 0.21%, equivalent to 88.14 points, culminating in a closing value of 41,452.69 points. The equity market operated amidst amplified political noise and the central bank's resolute monetary tightening measures aimed at addressing inflationary pressures. Additionally, lingering uncertainties surrounding the IMF staff-level agreement further dampened investor sentiment, leading to diminished interest and constrained liquidity inflows into the equity markets.

During this period, certain sectors demonstrated resilience and emerged as outperformers, including Power Generation & Distribution, Fertilizer, Cements, and Technology & Communication, highlighting their robustness in the market. Conversely, the Pharmaceuticals, Automobile Assembler and Refinery sectors underperformed during the same period.

As we embark on FY24, it is essential to recognize that two critical factors will significantly shape the financial markets. Firstly, the inflow of foreign exchange (FX) will play a decisive role, exerting influence on market dynamics. Secondly, unwavering dedication to adhering to the IMF's guidelines within the Stand-By Arrangement (SBA) will lay the groundwork for forthcoming negotiations concerning a long-term program with the IMF after the SBA concludes early next year.

Moreover, amidst this ever-evolving environment, political stability will act as a linchpin, fostering investor confidence and channeling liquidity into the equity market. In essence, the dynamic interplay of FX inflows, adherence to IMF guidelines, and political stability will form the base upon which the performance of the economy as a whole will be built in the coming months. As we chart our course forward, strategic decisions anchored in these key factors will be pivotal in seizing opportunities and driving growth within the continuously changing investment landscape.



JS Momentum Factor Exchange Traded Fund

Review of Fund Performance

The Fund return was -11.02% for the year ended June 30, 2023, against the benchmark return of -12.13%. Net Assets moved from PKR 22.17 million as at June 30, 2022, to PKR 80.41 million as at June 30, 2023. The total expense ratio (TER) of the Fund is 2.89%, which includes 0.39% of government levies on the Fund.

Asset Manager Rating

Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of 'AM2+' with 'stable outlook' dated December 27, 2022 (June 30, 2022: 'AM2' with 'positive outlook' dated August 6, 2022) to the Management Company which is an improvement from the previous rating of AM2 with a positive outlook. The rating denotes high management quality.

Auditors

The external auditors of the Fund Messrs EY Ford Rhodes Chartered Accountants have retired from office. The Board of Directors, upon recommendation of the Audit Committee of the Board has approved the appointment of Messrs A.F Ferguson, Chartered Accountants as the Fund's auditors for the ensuing year ending June 30, 2024.

Board of Directors

During the period Mr. Atif Salim Malik, Mr. Farooq Ahmed Malik and Ms. Mediha Kamal Afsar were appointed as Director in place of Mr. Asif Reza Sana, Mr. Imran Haleem Shaikh and Mr. Zahid Ullah Khan.

Additional Matters

- a. Annexed to the Annual Report is Fund Manager's Report giving a description of principal risks and uncertainties with a reasonable indication of future prospects of profit.
- b. The Pattern of Unit holding as at June 30, 2023, is annexed to this annual report.
- c. The system of internal control is sound in design and has been effectively implemented and monitored.
- d. A performance table / key financial data is annexed to this annual report.

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: August 18, 2023

Director

Chief Executive Officer

شراکت داروں کے لیے ڈائریکٹرز رپورٹ

جے ایس انومینٹس لمیٹڈ کے بورڈ آف ڈائریکٹرز، JS مومینٹم فیکٹر ایچ ایچ ٹریڈڈ فنڈ (دی فنڈ) کی مینجمنٹ کمپنی نے 30 جون 2023 کو ختم ہونے والے سال کے لیے سالانہ رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

معاشی جائزہ

مالی سال 2023 کے دوران، پاکستان کو دیرینہ ساختی کمزوریوں کی وجہ سے کافی چیلنجز کا سامنا کرنا پڑا۔ انٹرنیشنل مانیٹری فنڈ (IMF) پروگرام میں تاخیر، زرمبادلہ کے ذخائر میں کمی، کرنسی کی قدر میں نمایاں کمی، مسلسل سیاسی غیر یقینی کی صورتحال اور افراط زر میں اضافے نے مجموعی طور پر زبردست رکاوٹیں پیش کیں، جس کے نتیجے میں جی ڈی پی (GDP) کی شرح نمو 0.29 % رہی جو گزشتہ مالی سال 2022 کے 6.10 % کے مقابلے میں واضح طور پر کم ہے۔

مالی سال 2023 میں کرنٹ اکاؤنٹ خسارہ (CAD) سال بہ سال % 85 کم ہو کر 2.6 بلین امریکی ڈالر رہ گیا، جو مالی سال 2022 کے 17.5 بلین امریکی ڈالر کے مقابلے میں نمایاں بہتری ہے، جس کی بنیادی وجہ درآمدی پابندیوں سے تجارتی خسارے میں کمی ہے۔ تاہم، اس صورتحال کے باوجود اسٹیٹ بینک آف پاکستان (SBP) کے پاس موجود غیر ملکی زرمبادلہ کے ذخائر جون 2023 تک کم ہو کر 4.47 بلین امریکی ڈالر گئے جو مالی سال 2023 کے آغاز میں 9.82 بلین امریکی ڈالر سے کم تھے۔

غیر ملکی زرمبادلہ کے ذخائر کی کمی نے کرنسی پر کافی دباؤ ڈالا، جس کی وجہ سے % 40 کی قدر میں کمی واقع ہوئی۔ مالی سال 2023 کے دوران ایک اور مستقل تشویش بڑھتی ہوئی افراط زر تھی، جو اوسطاً % 29.04 تھی، جو ابتدائی ہدف % 11.5 اور مالی سال 2022 کی شرح % 12.15 سے تجاوز کر گئی۔ اس اضافے کی وجہ خوراک کی قیمتوں میں اضافہ اور توانائی اور پیٹرولیم کی بلند قیمتیں ہیں جو عالمی بحران اور پاکستانی روپے کی قدر میں کمی کی وجہ سے ہوا۔ اسکے جواب میں اسٹیٹ بینک آف پاکستان (SBP) نے اپنے تحفظی (contractionary) موقف کو برقرار رکھتے ہوئے پالیسی کی شرح کو جون 2022 میں % 13.75 سے بڑھا کر % 22 کی ریکارڈ سطح پر پہنچا دیا۔ ان چیلنجز کے باوجود حکومت کی جانب سے اٹھائے گئے اقدامات بشمول توانائی اور گیس کے نرخوں میں اضافہ، کرنسی نظام کی تبدیلی کا نفاذ، اضافی ٹیکس متعارف کروانا اور مانیٹری پالیسی کو سخت کرنے سے مختلف نتائج برآمد ہوئے۔

تاہم، جون 2023 تک حکومت پاکستان نے آئی ایم ایف کے ساتھ 9 ماہ کا ایک اہم اسٹینڈ بائی آرٹیمینٹ (SBA) حاصل کیا جس کے نتیجے میں کثیرالجہتی (multi lateral) ممالک سے خاطر خواہ ذخائر موصول ہوئے۔ یہ کامیابی ڈیفالٹ کے بڑھتے ہوئے خطرے سے ایک انتہائی ضروری قلیل مدتی راحت فراہم کرتی ہے۔ مزید برآں، اسٹینڈ بائی آرٹیمینٹ (SBA) اگلے 9 ماہ کے لیے اقتصادی روڈ میپ فراہم کرتا ہے، جس میں انتخابات اور نگران حکومت تک کی مدت کا احاطہ کیا گیا ہے، جس میں مالی نظم و ضبط، توانائی اصلاحات اور مستقل پالیسی کے نفاذ پر زور دیا گیا ہے۔ اس کے باوجود، یہ تسلیم کرنا ضروری ہے کہ اسٹینڈ بائی آرٹیمینٹ (SBA) عارضی ریلیف فراہم کرتا ہے، کیونکہ مارچ 2024 میں اسٹینڈ بائی آرٹیمینٹ (SBA) کے اختتام کے بعد IMF کے ساتھ، ساختی اصلاحات اور مستقل میکرو اکنامک فریم ورک کے نفاذ کے ساتھ، ایک طویل مدتی پروگرام ضروری ہوگا۔

ایکیویٹی مارکیٹ کا جائزہ

مالی سال 2023 میں، KSE - 100 انڈیکس نے نسبتاً کم کارکردگی کا مظاہرہ کیا، جس میں % 0.21 کی معمولی کمی ریکارڈ کی گئی، جو 88.14 پوائنٹس کے مساوی ہے، جس کے نتیجے میں اختتام 41,452.69 پوائنٹس کی سطح پر ہوا۔ ایکویٹی مارکیٹ بڑھتے ہوئے سیاسی شورش اور مرکزی بینک کے پر عزم مالیاتی سخت اقدامات کے درمیان کام کر رہی تھی، جس کا مقصد افراط زر کے دباؤ سے نمٹنا تھا۔ مزید برآں، IMF کے عملے کی سطح کے معاہدے کے بارے میں غیر یقینی صورتحال نے سرمایہ کاروں کے جذبات کو مزید متاثر کیا، جس کے نتیجے میں دلچسپی میں کمی آئی اور ایکویٹی مارکیٹوں میں محدود لیکویڈیٹی کا بہاؤ ہوا۔

اس مدت کے دوران، پاور جنریشن اور ڈسٹری بیوٹن، فریڈلائزرز، سینٹ اور ٹیکنالوجی اور کمیونیکیشن جیسے شعبوں نے چلک کا مظاہرہ کیا اور بہتر کارکردگی کا مظاہرہ کرنے والے شعبوں کے طور پر ابھرے، جس نے مارکیٹ میں ان کی مضبوطی کو اجاگر کیا۔ اس کے برعکس، فارماسیوٹیکل، آٹوموبائل اسمبلر اور ریفرنڈری کے شعبوں نے یکساں مدت کے دوران ناقص کارکردگی کا مظاہرہ کیا۔

جب ہم مالی سال 2024 کی شروعات کرنے جا رہے ہیں، تو یہ تسلیم کرنا ضروری ہے کہ دو اہم عوامل مالیاتی مارکیٹوں کو نمایاں طور پر تشکیل دیں گے۔ سب سے پہلے، غیر ملکی زرمبادلہ (FX) کی آمد ایک فیصلہ کن کردار ادا کرے گی، جس سے مارکیٹ کی حرکیات پر اثر پڑے گا۔ دوسری بات یہ ہے کہ اسٹینڈ بائی آرٹیمینٹ (SBA) کے اندر IMF کی ہدایات پر عمل کرنے کی غیر متزلزل لگن اگلے سال کے اوائل میں اسٹینڈ بائی آرٹیمینٹ (SBA) کے اختتام کے بعد IMF کے ساتھ طویل مدتی پروگرام سے متعلق آئندہ مذاکرات کی بنیاد رکھے گی۔

مزید برآں، اس مسلسل بدلتے ہوئے ماحول کے درمیان، سیاسی استحکام ایک لچ پن کے طور پر کام کرے گا، سرمایہ کاروں کے اعتماد کو فروغ دے گا اور ایکویٹی مارکیٹ میں لیکویڈیٹی کو متحرک کرے گا۔ خلاصہ یہ ہے کہ غیر ملکی زرمبادلہ (FX) کی آمد کا متحرک باہمی تعامل، IMF کی ہدایات پر عمل پیرا ہونا اور سیاسی استحکام وہ بنیاد بنائیں گے جس پر آنے والے مہینوں میں مجموعی

طور پر معیشت کی کارکردگی تعمیر کی جائے گی۔ جیسا کہ ہم مستقبل کی جانب گامزن ہیں، ان کلیدی عوامل سے منسلک اسٹریٹجک فیصلے مسلسل بدلتے ہوئے سرمایہ کاری کے منظر نامے میں مواقع سے فائدہ اٹھانے اور ترقی کو آگے بڑھانے میں اہم کردار ادا کریں گے۔

فنڈ کی کارکردگی کا جائزہ

30 جون 2023 کو ختم ہونے والے سال کے لیے فنڈ کا منافع % 12.13 - اپنے بیچ مارک منافع کے مقابلے میں % 11.02 - رہا۔ 30 جون 2023 کو خالص اثاثہ جات 30 جون 2022 کے 22.17 ملین روپے سے 80.41 ملین روپے پر پہنچ گئے۔ فنڈ کے کل اخراجات کا تناسب (TER) % 2.89 ہے، جس میں فنڈ پر سرکاری محصولات کا % 0.39 بھی شامل ہے۔

ایسیٹ مینجریٹنگ

پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) نے منجمنٹ کمپنی کو 27 دسمبر 2022 کو "AM2+" کی ایسیٹ منجریٹنگ، مستحکم "stable" منظر نامے کے ساتھ تفویض کی ہے (30 جون 2022 : 06 اگست 2022 کو "AM2" مثبت "positive" منظر نامے کے ساتھ) جو "AM2" مثبت "positive" منظر نامے کی گزشتہ ریٹنگ سے بہتر ہے۔ یہ ریٹنگ منجمنٹ کے اعلیٰ معیار کی نشاندہی کرتی ہے۔

آڈیٹرز

فنڈ کے بیرونی آڈیٹرز میسرز ای وائے فورڈ رہورڈز چارٹرڈ اکاؤنٹنٹس اپنے عہدے سے مستعفی ہو چکے ہیں۔ بورڈ کی آڈٹ کمیٹی کی سفارش پر بورڈ آف ڈائریکٹرز نے 30 جون 2024 کو ختم ہونے والی مدت کے لیے میسرز ای وائے فورڈ رہورڈز چارٹرڈ اکاؤنٹنٹس کو بطور فنڈ کے آڈیٹرز کے تقرر کی منظوری دی۔

بورڈ آف ڈائریکٹرز

مدت کے دوران، جناب عاطف سالم ملک، جناب فاروق احمد ملک اور محترمہ مدیحہ کمال افسر؛ جناب آصف رضاشاہ، جناب عمران حلیم شیخ اور جناب زاہد اللہ خان کی جگہ پر بطور ڈائریکٹر مقرر کیے گئے۔

اضافی معاملات

ا۔ سالانہ رپورٹ کے ساتھ فنڈ مینجریٹنگ رپورٹ منسلک ہے جس میں مرکزی خطرات اور منافع جات کے مستقبل کے امکانات کی مناسب علامت کے ساتھ ہیجان کی کیفیت کی وضاحت کی ہے۔
ب۔ 30 جون 2023 تک پونٹ ہولڈنگ کے نمونہ اس سالانہ رپورٹ کے ساتھ منسلک ہے۔
ج۔ اندرونی کنٹرول کا نظام ساخت کے اعتبار سے مضبوط ہے اور اس پر موثر اطلاق اور نگرانی کی جاتی ہے۔
د۔ کارکردگی کا ٹیبل / اہم مالیاتی معلومات اس سالانہ رپورٹ کے ضمیمہ میں دی گئی ہیں۔

اظہار تشکر

ڈائریکٹرز پیش قدمی، مدد اور رہنمائی پر سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) اور سینٹرل ڈپازٹری کمپنی آف پاکستان لمیٹڈ (CDCPL) سے اظہار تشکر کرتے ہیں۔
بورڈ لیکن اور محنت پر منجمنٹ کمپنی کے ملازمین اور انتظامیہ پر اعتماد پر پونٹ ہولڈرز کا بھی شکر یہ ادا کرتا ہے۔



JS Momentum Factor Exchange Traded Fund

Fund Manager Report Annual Report 2023

JS Momentum Factor ETF (JSMFETF)

- Description of the Collective Investment Scheme category and type**
Exchange Traded Fund

- Statement of Collective Investment Scheme's investment objective**

The Fund shall invest in a particular basket of equity securities with a view to track the performance of the Benchmark index. The Benchmark Index is called "JS Momentum Factor Index" and shall be constituted by Management Company and periodically maintained by the Pakistan Stock Exchange.

- Explanation as to whether the Collective Investment Scheme has achieved its stated objective**

The collective investment scheme achieved its stated objective.

- Statement of benchmark(s) relevant to the Collective Investment Scheme**

JS Momentum Factor Index

- Comparison of the Collective Investment Scheme's performance during the period compared with the said benchmarks**

	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	FY23
JSMFETF	-10.27%	5.95%	-2.82%	-8.33%	5.04%	-7.29%	4.90%	-5.86%	6.18%	1.75%	2.82%	-1.65%	-11.02%
Benchmark	-9.84%	6.42%	-3.02%	-9.32%	4.46%	-8.00%	5.21%	-6.57%	6.37%	2.28%	3.11%	-1.74%	-12.13%
Diff.	-0.43%	-0.48%	0.21%	0.99%	0.58%	0.72%	-0.31%	0.70%	-0.18%	-0.53%	-0.29%	0.09%	1.11%

- Description of the strategies and policies employed during the period under review in relation to the Collective Investment Scheme's performance**

While being a Smart Beta ETF, the fund tracks the underlying custom index called the JS Momentum Factor Index (JSMFI) and the portfolio is rebalanced on a monthly basis.

- Disclosure of the Collective Investment Scheme's asset allocation as at the date of the report and particulars of significant changes in asset allocation since the last report (if applicable)**

	Jun-23	Jun-22
Cash	5.62%	0.84%
Equity	92.23%	98.16%
Other including receivables	2.15%	1.00%
Total	100.00%	100.00%

- Analysis of the Collective Investment Scheme's performance**

	Fund		Fund	BM
Information Ratio	0.01	Beta	0.9	1.0
Correlation	1.00	Largest Month Gain	6.6%	7.2%
Standard Deviation*	20.5%	Largest Month Loss	-11.1%	-10.3%
Expense Ratio**	2.89%	% Positive Months	50.0%	50.0%

* Since inception

** This includes 0.39% Government levy & SECP fee.

- Based on changes in total NAV and NAV per unit since the last review period or since commencement (in the case of newly established Collective Investment Scheme)**

	Net Assets Excluding JSIL FoFs (PKR mn)	NAV per Unit (PKR)
30-Jun-23	6	8.29
30-Jun-22	8	9.32

- Disclosure of the markets that the Collective Investment Scheme has invested in**

The fund invests in equity securities listed on the Pakistan Stock Exchange (PSX).



**Fund Manager Report
Annual Report 2023**

- **Disclosure on distribution (if any), comprising:-**
 - Particulars of income distribution or other forms of distribution made and proposed during the period; and
 - Statement on effects on the NAV before and after distribution is made

Distribution

NIL

NAV per unit as on June 30, 2023	
Cum NAV (PKR)	8.29
Ex-NAV (PKR)	8.29

- **Description and explanation of any significant changes in the state of affairs of the Collective Investment Scheme during the period and up till the date of the manager’s report, not otherwise disclosed in the financial statements**

There were no significant changes in the state of affairs during the year under review.

- **Breakdown of unit holdings by size**

Fund Name	Ranges			Number of Folios
JS Momentum Factor Exchange Traded Fund	0.0001	to	9,999.9999	-
	10,000.0000	to	49,999.9999	-
	50,000.0000	to	99,999.9999	-
	100,000.0000	to	499,999.9999	-
	500,000.0000	&	above	1
			Total	1

- **Disclosure on unit split (if any), comprising:-**
The Fund has not carried out any unit split exercise during the year.
- **Disclosure of circumstances that materially affect any interests of the unit holders**
Investment is subject to market risk.
- **Disclosure if the Asset Management Company or its delegate, if any, receives any soft commission (i.e. goods and services) from its broker(s) or dealer(s) by virtue of transactions conducted by the Collective Investment Scheme, disclosure of the following:-**
The Management Company and / or any of its delegates have not received any soft commission from its brokers / dealers by virtue of transactions conducted by the Fund.



JS Momentum Factor Exchange Traded Fund

Performance Table

		30-Jun-23	For the period from January 07, 2022 to June 30, 2022
Net assets - Rupees in "000"		80.412	22.173
Net income / (loss) - Rupees in "000"		9.956	-1.627
Total return of the Fund (Since inception) *	%	-11.02	-6.84
Dividend distribution	%	-	0
Capital Growth *	%	-11.02	-6.84
Average annual return			
- One Year (Annualized)	%	-11.02	5.27
- Two Years	%	-8.93	n/a
NAV per unit	Rs.	8.2900	9.3163
Highest offer price per unit	Rs.	10.0331	10.0940
Lowest offer price per unit	Rs.	7.3500	7.7325
Year-end offer price per unit	Rs.	8.2900	9.3163
Highest repurchase price per unit	Rs.	10.0331	10.0940
Lowest repurchase price per unit	Rs.	7.3500	7.7325
Year-end repurchase price per unit	Rs.	8.2900	9.3163
Interim distribution (Daily)	Rs.	-	-
Final distribution	Rs.	-	-
Total distribution as % of par value	Rs.	-	-

Notes

- JS Momentum Factor - Exchange Traded Fund was launched on January 07, 2022.
- Investment portfolio composition of the Fund is disclosed in note 7 of the financial statements.
- The income distribution have been shown against The year to which they relate although these were declared & distributed subsequently to the year end.

Disclaimer

- Past performance is not necessarily indicative of future performance and that unit prices and investment returns may go down, as well as up.

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OF PAKISTAN LIMITED

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TRUSTEE REPORT TO THE UNIT HOLDERS

JS MOMENTUM FACTOR EXCHANGE TRADED FUND

Report of the Trustee pursuant to Regulation 41(h) and Clause 8 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of JS Momentum Factor Exchange Traded Fund (the Fund) are of the opinion that JS Investments Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2023 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, September 25, 2023



JS Momentum Factor Exchange Traded Fund



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INDEPENDENT AUDITORS' REPORT

To the Unit holders of JS Momentum Factor Exchange Traded Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **JS Momentum Factor Exchange Traded Fund** (the Fund), which comprise the statement of assets and liabilities as at **30 June 2023**, and the income statement, statement of comprehensive income, statement of cash flows and statement of movement in unit holders' fund for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, (or give a true and fair view of) the financial position of the Fund as at 30 June 2023, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the key audit matters:

Key audit matter	How our audit addressed the key audit matter
Existence and valuation of bank balances and investments	
As disclosed in notes 6 and 7 to the accompanying financial statements of the Fund for the year ended 30 June 2023, the bank balances and investments (comprised of equity securities) held by the Fund represent 98.51% of the total assets of the Fund as at the year end.	<p>We performed a combination of audit procedures focusing on the existence and valuation of bank balances and investments. Our key procedures included the following:</p> <ul style="list-style-type: none"> - We obtained independent confirmations for verifying the existence of the bank balances as at 30 June 2023 and reconciled it with the books and records of the Fund. - We tested controls over acquisition, disposals and periodic valuation of investments portfolio.





-: 2 :-

Key audit matter	How our audit addressed the key audit matter
<p>In view of the significance of bank balances and investment in relation to the total assets and the Net Assets Value (NAV) of the Fund, we have considered the existence and valuation of such bank balances and investments as a key audit matter.</p>	<ul style="list-style-type: none"> - We performed substantive audit procedures on year-end balance of portfolio including review custodian's statement and related reconciliations and re-performance of investment valuations on the basis of quoted market prices at the Pakistan Stock Exchange as at 30 June 2023. - We evaluated the appropriateness of the classification of the investments in accordance with the requirements of IFRS 9 and the valuations in accordance with the requirements of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations). - We assessed the Fund's compliance with the requirements of the Regulations in relation to the concentration of investments and exposure limits prescribed in such Regulations and the applicability of disclosures in this regard. - We also evaluated the adequacy of the overall disclosures in the financial statements in respect of the investment portfolio in accordance with the requirements of the Regulations and applicable financial reporting standards.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.



3 :-

The Board of Directors are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



. 4 :-

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and the Non-Banking Finance Companies and Notified Entities Regulation, 2008.

The engagement partner on the audit resulting in this independent auditor's report is Shaikh Ahmed Salman.

Chartered Accountants

Date: 28 September 2023

Place: Karachi

UDIN Number: AR202310076qjmATnDhC



FINANCIAL STATEMENTS



JS Momentum Factor Exchange Traded Fund

STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2023

	Note	June 30, 2023	June 30, 2022
		----- (Rupees) -----	
ASSETS			
Balance with bank	6	40,767,918	732,298
Investments	7	74,741,429	22,044,260
Mark-up and other receivable	8	1,743,012	365,905
Total assets		117,252,359	23,142,463
LIABILITIES			
Payable to JS Investments Limited - Management Company	9	188,741	117,979
Payable to Central Depository Company - Trustees	10	3,751	1,595
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)	11	7,822	4,455
Payable against purchase of marketable securities		36,214,677	474,695
Accrued and other liabilities	12	425,026	371,038
Total liabilities		36,840,017	969,762
NET ASSETS		80,412,342	22,172,701
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		80,412,342	22,172,701
CONTINGENCIES AND COMMITMENTS			
	14	-----Number of units-----	
NUMBER OF UNITS IN ISSUE	15	9,700,000	2,380,000
		----- (Rupees) -----	
NET ASSETS VALUE PER UNIT		8.2899	9.3163

The annexed notes from 1 to 26 form an integral part of these financial statements.

For JS Investments Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



JS Momentum Factor Exchange Traded Fund

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2023

	Note	June 30, 2023	For the Period from January 07, 2022 to June 30, 2022
----- (Rupees) -----			
INCOME			
Mark-up on bank account		239,115	62,663
Unrealized gain on revaluation of investments classified at "fair value through profit or loss"	7.2	1,253,600	191,543
Net loss on sale of investments classified as 'at fair value through profit or loss '		(9,203,274)	(6,561,593)
Dividend income		6,509,257	2,741,679
Other Income		570,243	
Total income		(631,059)	(3,565,708)
EXPENSES			
Remuneration to JS Investments Limited - Management Company	9.1	69,635	111,356
Sindh sales tax on Management Company's remuneration	9.2	9,053	14,476
Remuneration of the Central Depository Company - Trustee	10.1	39,240	22,271
Sales tax on remuneration of the Trustee	10.2	5,101	2,895
Annual fee to the Securities & Exchange Commission of Pakistan (SECP)	11	7,848	4,455
Bank and settlement charges		744,351	25,068
Registrar fees		135,600	66,324
Auditors' remuneration	16	563,868	340,200
Printing and stationery		101,468	-
PSX listing fees		7,500	-
SECP supervisory fees		750	-
Legal and professional fees		21,600	-
Total expenses		1,706,014	587,045
Net loss for the year from operating activities		(2,337,073)	(4,152,753)
Element of income and capital gains / (loss) included in prices of units issued less those in units redeemed - net		(7,618,602)	2,525,454
Net loss for the year before taxation		(9,955,675)	(1,627,299)
Taxation	17	-	-
Net loss for the year after taxation		(9,955,675)	(1,627,299)

The annexed notes from 1 to 26 form an integral part of these financial statements.

For JS Investments Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



JS Momentum Factor Exchange Traded Fund

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2023

	June 30, 2023	For the Period from January 07, 2022 to June 30, 2022
	----- (Rupees) -----	
Net loss for the year	(9,955,675)	(1,627,299)
Other comprehensive income for the year	-	
Total comprehensive loss for the year	<u>(9,955,675)</u>	<u>(1,627,299)</u>

The annexed notes from 1 to 26 form an integral part of these financial statements.

For JS Investments Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



JS Momentum Factor Exchange Traded Fund

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2023

	Note	June 30, 2023	For the Period from January 07, 2022 to June 30, 2022
----- (Rupees) -----			
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss for the year before taxation		(9,955,675)	(1,627,299)
Adjustments for:			
Element of income and capital gains / (loss) included in prices of units issued less those in units redeemed - net		7,618,602	(2,525,454)
Unrealized gain on revaluation of investments 'classified at "fair value through profit or loss"		(1,253,600)	(191,543)
Net loss on sale of investments classified as 'at fair value through profit or loss '		9,203,274	6,561,593
		15,568,276	3,844,596
Increase in assets			
Investments - net		(60,646,843)	(28,414,310)
Mark-up and other receivable		(1,377,107)	(365,905)
		(62,023,950)	(28,780,215)
Increase in liabilities			
Payable to JS Investments Limited - Management Company		70,762	117,979
Payable to Central Depository Company - Trustees		2,156	1,595
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)		3,367	4,455
Payable against purchase of marketable securities		35,739,982	474,695
Accrued and other liabilities		53,988	371,038
		35,870,255	969,762
Net cash used in operating activities		(20,541,094)	(25,593,156)
CASH FLOWS FROM FINANCING ACTIVITIES			
Amount received from issuance of units		139,658,366	94,178,225
Amount paid on redemption of units		(79,081,652)	(67,852,771)
Net cash generated from financing activities		60,576,714	26,325,454
Net increase in cash and cash equivalents during the year		40,035,620	732,298
Cash and cash equivalents at beginning of the year		732,298	-
Cash and cash equivalents at end of the year	6	40,767,918	732,298

The annexed notes from 1 to 26 form an integral part of these financial statements.

For JS Investments Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

JS Momentum Factor Exchange Traded Fund

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND

FOR THE YEAR ENDED JUNE 30, 2023

	For the year ended June 30, 2023			For the Period from January 07, 2022 to June 30, 2022		
	Capital value	Undistributed loss (Rupees)	Total	Capital value	Undistributed loss (Rupees)	Total
Net assets at beginning of the year	23,800,000	(1,627,299)	22,172,701	-	-	-
Issue of 16,510,000 units						
Capital value	153,812,113	-	153,812,113	102,500,000	-	102,500,000
Element of loss during the year;						
- Relating to other comprehensive loss for the year	-	-	-	-	-	-
- Relating to net loss for the year after taxation	(14,153,747)	-	(14,153,747)	(8,321,775)	-	(8,321,775)
	139,658,366	-	139,658,366	94,178,225	-	94,178,225
Redemption of 9,190,000 units						
Capital value	(85,616,797)	-	(85,616,797)	(78,700,000)	-	(78,700,000)
Element of income during the year;						
- Relating to other comprehensive loss for the year	-	-	-	-	-	-
- Relating to net loss for the year after taxation	6,535,145	-	6,535,145	10,847,229	-	10,847,229
	(79,081,652)	-	(79,081,652)	(67,852,771)	-	(67,852,771)
Element of income and capital gain / (loss) included in prices of units issued less those in units redeemed	7,618,602	-	7,618,602	(2,525,454)	-	(2,525,454)
Total comprehensive loss for the year	-	(9,955,675)	(9,955,675)	-	(1,627,299)	(1,627,299)
Net assets at end of the year	91,995,316	(11,582,974)	80,412,342	23,800,000	(1,627,299)	22,172,701
Undistributed income brought forward comprises of:						
- Realised loss		(1,818,842)			-	
- Unrealised gain		191,543			-	
Total undistributed loss brought forward		(1,627,299)			-	
Accounting income available for distribution:						
- Relating to capital loss		-			-	
- Excluding capital loss		-			-	
		-			-	
Net loss for the year after taxation		(9,955,675)			(1,627,299)	
Undistributed loss carried forward		(11,582,974)			(1,627,299)	
Undistributed loss carried forward						
- Realised loss		(12,836,574)			(1,818,842)	
- Unrealised gain		1,253,600			191,543	
		(11,582,974)			(1,627,299)	
			-- (Rupees) --			-- (Rupees) --
Net assets value per unit at beginning of the year			9.3163			-
Net assets value per unit at end of the year			8.2899			9.3163

The annexed notes from 1 to 26 form an integral part of these financial statements.

For JS Investments Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2023

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** JS Momentum Factor Exchange Traded Fund (the Fund) is an open ended mutual fund constituted under a Trust Deed entered between JS Investments Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Management Company has launched the Fund on January 07, 2022. Therefore, there is no comparative information disclosed in these financial statements, as the same is not applicable. The Trust Deed was executed on October 05, 2021 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on October 25, 2021.
- 1.2** The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and Non-Banking Finance Companies and Notified Entities Regulations, 2008, through a certificate of registration issued by Securities and Exchange Commission of Pakistan. The registered office of JS Investments Limited is situated at 19th Floor, the Centre, Saddar, Karachi, Pakistan.
- 1.3** The Fund has been categorised as an open ended exchange traded mutual fund that aims to provide investors an opportunity to track the performance of JS Momentum Factor Index that has been constituted and is maintained by the Management Company and comprises of 10 equity securities selected based on free float market capitalization & traded value filter (CF).
- 1.4** The Fund is a hybrid fund having features of both open ended and close ended funds. A new concept of Authorised Participants (APs) has been introduced who will act as market makers. The Management Company will only have contact with the APs for issuance and redemption of units. The units of the Fund are tradeable in the Pakistan Stock Exchange Limited (PSX). The APs to whom the units are issued may either keep the units with themselves or trade in the PSX. Consequently, upon trading, the holders of the units keep on changing. Moreover, on issuance and redemption of units, the basket of shares will be exchanged between APs and Management Company and cash will be paid / received if there is a difference in the market value of shares and net asset value.
- 1.5** The Management Company has been assigned a quality rating of 'AM2+' by Pakistan Credit Rating Agency (PACRA) dated December 27, 2022.
- 1.6** Title to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited as Trustee of the Fund.
- 1.7** During the year ended June 30, 2021, The Trust Act, 1882 has been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on August 23, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

2. STATEMENT OF COMPLIANCE

- 2.1** These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:
 - International Financial Reporting Standards (IFRS Standards) 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 along with part VIIIA of the repealed Companies Ordinance, 1984;
 - the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.



JS Momentum Factor Exchange Traded Fund

Where provisions of and directives issued under the Companies Act, 2017, Part VIIIA of the repealed Companies Ordinance, 1984, the NBFC rules, the NBFC Regulations and requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, Part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

3. BASIS OF MEASUREMENT

These financial statements have been prepared under the historical cost convention except for certain investments which are measured at fair value.

These financial statements are presented in Pakistani Rupee which is the Fund's functional and presentation currency.

4. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making judgments about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an on-going basis.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies were adopted in the preparation of these financial statements.

5.1 Financial assets

Classification

Business model assessment

The Fund determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Fund's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- The objectives for the portfolio, in particular, whether management's strategy focuses on earning contractual revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realizing cash flows through the sale of the assets;
- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Fund's original expectations, the Fund does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.



JS Momentum Factor Exchange Traded Fund

Assessments whether contractual cash flows are solely payments of principal and interest (SPPI)

As a second step of its classification process the Fund assesses the contractual terms of financial to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Fund applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

In contrast, contractual terms that introduce a more de minimise exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

Equity instruments

On initial recognition of an equity investment that is not held for trading, the Fund may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis.

An equity instrument held for trading purposes is classified as measured at FVTPL.

Initial Measurement

Investments are initially measured at their fair value except in the case of financial assets recorded at FVTPL, transaction costs are added to, or subtracted from, this amount.

Subsequent Measurement

Equity instruments at FVOCI

Upon initial recognition, the Fund occasionally elects to classify irrevocably some of its equity investments as equity instruments at FVOCI when they meet the definition of Equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The Fund's policy is to designate equity investments as FVOCI when those investments are held for purposes other than to generate investment returns. Such classification is determined on an instrument-by-instrument basis.

Gains and losses on these equity instruments are never recycled to profit. Dividends are recognised in profit or loss as other operating income when the right of the payment has been established, except when the Fund benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVOCI are not subject to an impairment assessment.

Financial assets at fair value through profit or loss

Financial assets at FVTPL are recorded in the statement of financial position at fair value. Changes in fair value are recorded in profit and loss. Dividend income from equity instruments measured at FVTPL is recorded in profit or loss when the right to the payment has been established.



JS Momentum Factor Exchange Traded Fund

Impairment of financial assets

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

However, SECP through its SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 have deferred the applicability of above impairment requirements in relation to debt securities for mutual funds and accordingly, basis defined in Circular No. 33 of 2012 dated, October 24, 2012 will be followed.

5.2 Derecognition

The Fund derecognises a financial asset when the contractual right to the cash flows from the financial asset expires or it transfers the right to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

5.3 Financial liabilities

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. These are initially recognised at fair value and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired.

5.4 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the statement of assets and liabilities when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

5.5 Provisions

Provisions are recognised when the Fund has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

5.6 Net asset value per unit

The net asset value (NAV) per unit, as disclosed on the Statement of Assets and Liabilities, is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

5.7 Unit holders' fund

Unit holders' fund representing the units issued by the Fund, is carried at the net asset value representing the investors' right to a residual interest in the Fund assets.

5.8 Issue and redemption of units

Units issued are recorded at the offer price determined by the Management Company when the Fund is open for subscription. The purchase / offer price open for subscription, shall be calculated and announced by the Management on a daily basis and be made available to the public at the office and branches of the Distributors and will also be published daily on the Management Company's and MUFAP's website.



JS Momentum Factor Exchange Traded Fund

The offer price shall be equal to the sum of:

- (i) the Net Asset Value (NAV) as of the close of the previous business day (historical pricing);
- (ii) such amount as the Management Company may consider an appropriate provision for duties and charges; and
- (iii) such sum shall be adjusted upward to the nearest paisa.

Investors can sell the units at market prices on PSX which may be above or below actual NAV of the Fund. Only the Authorized Participants can directly redeem units with the Fund in Creation Unit size or multiples thereof. Units can be redeemed on in-kind basis calculated on the basis of NAV determined on the business day prior to the day of receipt of redemption application. The Management Company at the time of announcing the NAV of the Fund, would also announce the composition of Portfolio Deposit and the Cash Component required to be exchanged against redemption of Units.

5.9 Distributions to unit holders

Dividend distributions and appropriations are recorded in the period in which the distributions and appropriations are approved.

5.10 Element of income / (loss) and capital gains / (losses) included

Element of income represents the difference between net asset value (NAV) per unit on the issuance or redemption date, as the case may be, of units and the NAV per unit at the beginning of the relevant accounting period.

Under SECP circular no. SCD/AMCW/ETF/240/2020, It is clarified that due to hybrid nature of the exchange traded funds, the treatment of element of income as defined in clause (xiib) of regulation (2) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 is not applicable in case of Exchange Traded Funds. Element of Income in case of Exchange Traded Funds shall be taken to Income statement both at the time of issuance and redemption of units to the extent it pertains to Income Statement. Accordingly, as per Regulation 63 of the NBFC Regulations, 2008, Accounting Income for ETF shall also include element created at the time of issuance and income paid on redemption of units.

5.11 Revenue recognition

- Gains / (losses) arising on sale of investments are included in the Income Statement on the date at which the transaction takes place.
- Unrealised gains / (losses) arising on re-measurement of investments classified as 'financial assets at fair value through profit or loss' are recorded in the period in which these arise.
- Dividend income is recognised when the right to receive dividend is established i.e. on the date of book closure of the investee company / institution declaring the dividend.
- Mark-up on bank deposits is recognised using effective yield method.

5.12 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company, Trustee fee and annual fee of the SECP are recognised in the Income Statement on an accrual basis.

5.13 Taxation

The Fund's income is exempt from Income Tax as per Clause 99 of Part I of the Second Schedule of the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders. The Fund is also exempt from the provision of Section 113 (minimum tax) under Clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.



JS Momentum Factor Exchange Traded Fund

5.14 Earnings / (loss) per unit

Earnings per unit (EPU) has not been disclosed as in the opinion of the management determination of weighted average units for calculating EPU is not practicable.

5.15 Cash and cash equivalents

Cash and cash equivalents comprise of deposits and current accounts maintained with banks. Cash equivalents are short term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short term cash commitments rather than for investments and other purposes.

5.16 Adoption of amendments and improvements to approved accounting standards

The accounting policies adopted in the preparation of these unconsolidated financial statements are consistent with those of the previous financial year, except as described below:

Amendments and improvements to the approved accounting and reporting standards that became effective during the year

The Fund has adopted the following amendments and improvements to the approved accounting and reporting standards which became effective for the current year:

Amendments to approved accounting standards

IFRS 3	Reference to the Conceptual Framework (Amendments)
IAS 16	Property, Plant and Equipment: Proceeds before Intended Use (Amendments)
IAS 37	Onerous Contracts – Costs of Fulfilling a Contract (Amendments)

Improvements to approved accounting standards issued by the IASB (2018-2020 cycle)

IFRS 9	Fees in the '10 percent' test for the derecognition of financial liabilities
IAS 41	Agriculture - Taxation in fair value measurement
IFRS 16	Leases: Lease incentives

The adoption of the above amendments and improvements to the approved accounting standards did not have any material effect on the Fund's financial statements.

5.17 Standards, interpretations and amendments to approved accounting standards that are not yet effective

The following standards and amendments to approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standards and amendments:



JS Momentum Factor Exchange Traded Fund

Standard or Interpretation	Effective date (annual periods beginning on or after)
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	January 01, 2023
Definition of Accounting Estimates - Amendments to IAS 8	January 01, 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12	January 01, 2023
International Tax Reform – Pillar Two Model Rules - Amendments to IAS 12	Not yet finalized
Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants - Amendments to IAS 1	January 01, 2024
Disclosures: Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7	January 01, 2024
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendment to IFRS 10 and IAS 28	Not yet finalized
Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.	

Standards	IASB Effective date (annual periods beginning on or after)
IFRS 1 - First-time Adoption of International Financial Reporting Standards	January 01, 2004
IFRS 17 – Insurance Contracts	January 01, 2023

The Fund expects that above standards and amendments to approved accounting standards will not have any material impact on the Fund's financial statements in the period of initial application.

6. BALANCE WITH BANK	Note	June 30, 2023	June 30, 2022
		----- (Rupees) -----	
In saving account	6.1	<u>40,767,918</u>	<u>732,298</u>
6.1	This represents balance maintained with JS Bank (related party) carrying profit at the rate of 19.60% (June 30, 2022: 12.25%) per annum.		
7. INVESTMENTS			
At fair value through profit and loss			
- Equity securities - listed	7.1	<u>74,741,429</u>	<u>22,044,260</u>



7.1 Equity securities classified as 'Fair value through profit and loss'

Shares of listed companies - fully paid ordinary shares of Rs.10 each unless stated otherwise

Name of Investee Company						Balance as at June 30, 2023			Market value as a % of net assets	Market value as a % of total investments	Par value as percentage of total paid up capital of the investee company
	As at July 01 2022	Purchased during the year	Bonus / right issue during the year	Sold during the year	As at June 30, 2023	Carrying value	Market value	(Diminution) / appreciation			
	-----Number of Shares-----					----- (Rupees) -----			-----%-----		
AUTOMOBILE ASSEMBLER											
Pak Suzuki Motors Company Limited	-	31,080	-	31,080	-	-	-	-	0.00%	0.00%	0.00%
Honda Atlas Car Limited	-	11,431	-	11,431	-	-	-	-	0.00%	0.00%	0.00%
Millat Tractors Limited	714	1,602	-	2,316	-	-	-	-	0.00%	0.00%	0.00%
						-	-	-	0.00%	0.00%	0.00%
CABLE & ELECTRICAL GOODS											
Pak Elektron Limited	-	50,382	-	50,382	-	-	-	-	0.00%	0.00%	0.00%
						-	-	-	0.00%	0.00%	0.00%
CEMENT											
Cherat Cement Company Limited	-	115,594	-	67,094	48,500	5,792,747	5,833,580	40,833	7.25%	7.81%	0.02%
D.G. Khan Cement Company Limited	-	529,975	-	292,325	237,650	11,999,409	12,191,445	192,036	15.16%	16.31%	0.05%
Pioneer Cement Limited	-	239,483	-	108,533	130,950	10,947,323	11,344,199	396,876	14.11%	15.18%	0.06%
Kohat Cement Company Limited	-	6,636	-	6,636	-	-	-	-	0.00%	0.00%	0.00%
Lucky Cement Limited	-	62,268	-	32,198	30,070	15,436,776	15,699,246	262,470	19.52%	21.00%	0.01%
Attock Cement Pakistan Limited	-	15,520	-	-	15,520	1,297,565	1,286,142	(11,423)	1.60%	1.72%	0.01%
Maple Leaf Cement Factory Limited	-	434,386	-	434,386	-	-	-	-	0.00%	0.00%	0.00%
						45,473,820	46,354,612	880,792	57.64%	62.02%	0.15%
CHEMICAL											
Engro Polymer and Chemicals Limited	43,316	18,384	-	61,700	-	-	-	-	0.00%	0.00%	0.00%
Lucky Core Industries Limited	-	534	-	534	-	-	-	-	0.00%	0.00%	0.00%
Lotte Chemical Pakistan Limited	66,640	340,784	-	216,334	191,090	4,973,306	5,258,797	285,491	6.54%	7.04%	0.01%
						4,973,306	5,258,797	285,491	6.54%	7.04%	0.01%
COMMERCIAL BANKS											
Bankislami Pakistan Limited	-	98,846	-	98,846	-	-	-	-	0.00%	0.00%	0.00%
Faysal Bank Limited	-	57,100	-	57,100	-	-	-	-	0.00%	0.00%	0.00%
United Bank Limited	-	54,451	-	54,451	-	-	-	-	0.00%	0.00%	0.00%
Habib Bank Limited	-	84,126	-	84,126	-	-	-	-	0.00%	0.00%	0.00%
Meezan Bank Limited	-	81,403	3,841	85,244	-	-	-	-	0.00%	0.00%	0.00%
						-	-	-	0.00%	0.00%	0.00%
ENGINEERING											
Mughal Iron & Steel Industries Limited	-	33,145	-	33,145	-	-	-	-	0.00%	0.00%	0.00%
						-	-	-	0.00%	0.00%	0.00%
FERTILIZER											
Engro Corporation Limited	-	83,756	-	29,436	54,320	14,166,303	14,117,225	(49,078)	17.56%	18.89%	0.01%
Fauji Fertilizer Company Limited	11,424	-	-	11,424	-	-	-	-	0.00%	0.00%	0.00%
Engro Fertilizer Limited	-	84,319	-	84,319	-	-	-	-	0.00%	0.00%	0.00%
						14,166,303	14,117,225	(49,078)	17.56%	18.89%	0.01%
FOOD & PERSONAL CARE PRODUCTS											
Al Shaheer Corporation Limited	-	56,880	-	56,880	-	-	-	-	0.00%	0.00%	0.00%
Fauji Food Limited	-	118,350	-	118,350	-	-	-	-	0.00%	0.00%	0.00%
Unity Foods Limited	-	475,394	-	475,394	-	-	-	-	0.00%	0.00%	0.00%
						-	-	-	0.00%	0.00%	0.00%

Name of Investee Company						Balance as at June 30, 2023			Market value as a % of net assets	Market value as a % of total investments	Par value as percentage of total paid up capital of the investee company
	As at July 01 2022	Purchased during the year	Bonus / right issue during the year	Sold during the year	As at June 30, 2023	Carrying value	Market value	(Diminution) / appreciation			
	-----Number of Shares-----					------(Rupees)-----			-----%-----		
GLASS & CERAMICS											
Tariq Glass Industries Limited	-	35,451	-	35,451	-	-	-	-	0.00%	0.00%	0.00%
						-	-	-	0.00%	0.00%	0.00%
MISCELLANEOUS											
TPL Properties Limited	-	1,231,539	24,739	1,256,278	-	-	-	-	0.00%	0.00%	0.00%
Pakistan Aluminum Beverage Cans Limited	-	18,668	-	18,668	-	-	-	-	0.00%	0.00%	0.00%
						-	-	-	0.00%	0.00%	0.00%
OIL & GAS EXPLORATION COMPANIES											
Oil and Gas Development Company Limited	31,892	233,314	-	265,206	-	-	-	-	0.00%	0.00%	0.00%
Mari Petroleum Company Limited	-	1,452	-	1,452	-	-	-	-	0.00%	0.00%	0.00%
Pakistan Oilfields Limited	1,428	10,452	-	11,880	-	-	-	-	0.00%	0.00%	0.00%
Pakistan Petroleum Limited	-	202,710	-	202,710	-	-	-	-	0.00%	0.00%	0.00%
						-	-	-	0.00%	0.00%	0.00%
OIL & GAS MARKETING COMPANIES											
Attock Petroleum Limited	-	5,016	-	5,016	-	-	-	-	0.00%	0.00%	0.00%
Sui Northern Gas Pipelines Limited	-	305,800	-	305,800	-	-	-	-	0.00%	0.00%	0.00%
Sui Southern Gas Company Limited	-	41,364	-	41,364	-	-	-	-	0.00%	0.00%	0.00%
Pakistan State Oil Company Limited	-	66,132	-	66,132	-	-	-	-	0.00%	0.00%	0.00%
						-	-	-	0.00%	0.00%	0.00%
PAPER & BOARD											
Packages Limited	-	4,850	-	-	4,850	1,852,195	1,886,359	34,164	2.35%	2.52%	0.01%
						1,852,195	1,886,359	34,164	2.35%	2.52%	0.01%
PHARMACEUTICALS											
The Searle Company Limited	-	16,940	-	16,940	-	-	-	-	0.00%	0.00%	0.00%
						-	-	-	0.00%	0.00%	0.00%
POWER GENERATION & DISTRIBUTION											
Hub Power Company Limited	-	343,312	-	343,312	-	-	-	-	0.00%	0.00%	0.00%
K-Electric Limited*	-	254,666	-	254,666	-	-	-	-	0.00%	0.00%	0.00%
Nishat Power Limited	-	83,424	-	83,424	-	-	-	-	0.00%	0.00%	0.00%
						-	-	-	0.00%	0.00%	0.00%
REFINERY											
Attock Refinery Limited	19,754	225,975	-	245,729	-	-	-	-	0.00%	0.00%	0.00%
National Refinery Limited	-	94,075	-	94,075	-	-	-	-	0.00%	0.00%	0.00%
Pakistan Refinery Limited	133,042	794,906	-	927,948	-	-	-	-	0.00%	0.00%	0.00%
						-	-	-	0.00%	0.00%	0.00%

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Name of Investee Company						Balance as at June 30, 2023			Market value as a % of net assets	Market value as a % of total investments	Par value as percentage of total paid up capital of the investee company
	As at July 01 2022	Purchased during the year	Bonus / right issue during the year	Sold during the year	As at June 30, 2023	Carrying value	Market value	(Diminution) / appreciation			
	-----Number of Shares-----					----- (Rupees) -----			-----%-----		
TECHNOLOGY											
Systems Limited	-	49,082	-	49,082	-	-	-	-	0.00%	0.00%	0.00%
Air Link Communication Ltd	-	259,960	-	-	259,960	5,110,280	5,155,006	44,726	6.41%	6.90%	0.07%
Avanceon Limited	24,038	90,772	-	114,810	-	-	-	-	0.00%	0.00%	0.00%
WorldCall Telecom Limited	-	1,780,028	-	1,780,028	-	-	-	-	0.00%	0.00%	0.00%
TRG Pakistan Limited	55,930	376,466	-	432,396	-	-	-	-	0.00%	0.00%	0.00%
NetSol Technologies Limited	-	115,805	-	115,805	-	-	-	-	0.00%	0.00%	0.00%
Telecard Limited	-	158,610	-	158,610	-	-	-	-	0.00%	0.00%	0.00%
						5,110,280	5,155,006	44,726	6.41%	6.90%	0.07%
TEXTILE COMPOSITE											
Gul Ahmed Textile Mills Limited	-	101,441	9,139	-	110,580	1,911,925	1,969,430	57,505	2.45%	2.63%	0.01%
Interloop Limited	-	19,414	-	19,414	-	-	-	-	0.00%	0.00%	0.00%
						1,911,925	1,969,430	57,505	2.45%	2.63%	0.01%
Total as at June 30, 2023						73,487,829	74,741,429	1,253,600			
Total as at June 30, 2022						21,852,717	22,044,260	191,543			

* These have a face value of Rs. 3.5 per share.

JS Momentum Factor Exchange Traded Fund

		June 30, 2023	June 30, 2022
		----- (Rupees) -----	
7.2	Net unrealised appreciation on re-measurement of investments classified at 'fair value through profit or loss'		
	Market value of investments	74,741,429	22,044,260
	Less: Carrying cost	(73,487,829)	(21,852,717)
		<u>1,253,600</u>	<u>191,543</u>
8.	MARK-UP AND OTHER RECEIVABLE		
	Mark-up receivable on bank account	24,619	10,063
	Receivable from JS Investments Limited - Management Company	570,243	-
	Security Deposit with Central Depository Company of Pakistan Limited	100,000	-
	Advance Tax	1,048,150	355,842
	8.1	<u>1,743,012</u>	<u>365,905</u>
8.1	As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 151 and 150. However, during the year and prior years, withholding tax on profit on debt securities and profit on bank deposits paid to the Fund was deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated 12 May 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholder. The tax withheld on dividend income and profit on bank deposits amounts to Rs 1.048 million.		
	For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. A petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgment of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on dividend income and profit on bank deposits has been shown as other receivables as at June 30, 2023 as, in the opinion of the management, the amount of tax deducted at source will be refunded.		
9.	PAYABLE TO JS INVESTMENTS LIMITED - MANAGEMENT COMPANY		
	Remuneration payable	-	7,061
	Sales tax on remuneration payable	-	918
	Payable to the Management Company	110,000	110,000
	Payable against printing and stationary	78,741	-
		<u>188,741</u>	<u>117,979</u>
9.1	As per regulation 61 of the NBFC Regulations, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the offering document. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 0.00% to 0.5% per annum of average net assets of the Fund during the period from July 01, 2022 to June 30, 2023. The remuneration is payable to the Management Company monthly in arrears.		



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9.2 The Provincial Government of Sindh has levied Sindh sales tax at the rate of 13% on the remuneration of the Management Company through the Sindh Sales Tax on Services Act, 2011.

	Note	June 30, 2023 ----- (Rupees) -----	June 30, 2022
10. PAYABLE TO THE TRUSTEE			
Remuneration payable	10.1	3,319	1,411
Sales tax on remuneration payable	10.2	432	184
		3,751	1,595

10.1 As per the Trust Deed and Offering Document, the tariff structure applicable to the Fund in respect of the trustee fee for the year is 0.1% (June 30, 2022: 0.1%) of the average daily net assets.

10.2 The Provincial Government of Sindh has levied Sindh sales tax at the rate of 13% on the remuneration of the Management Company through the Sindh Sales Tax on Services Act, 2011.

11. ANNUAL FEE PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)

In accordance with the NBFC Regulations, a collective investment scheme is required to pay annual fee to the Securities and Exchange Commission of Pakistan an amount equal to 0.02% (June 30, 2022: 0.02%) of average annual assets of the Fund.

		June 30, 2023 ----- (Rupees) -----	June 30, 2022
12. ACCRUED AND OTHER LIABILITIES			
Auditors' remuneration payable		399,168	340,200
Registrar fees payable		11,300	11,300
Settlement charges payable		2,622	3,563
Withholding tax		11,936	15,975
		425,026	371,038

13. TOTAL EXPENSE RATIO

The total expense ratio (TER) of the Fund for the current year ended June 30, 2023 is 2.89% (June 30, 2022: 1.27%) which includes 0.39% (June 30, 2022: 0.23%) representing government levies such as federal excise duties and sales taxes, annual fee payable to the SECP, etc. This ratio is within the maximum limit of 2.50% prescribed under the NBFC Regulations for a collective investment scheme categorised as an "Index" scheme.

14. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at June 30, 2023 (June 30, 2022: nil).

		June 30, 2023 (Number of units)	June 30, 2022
15. NUMBER OF UNITS IN ISSUE			
Total units in issue at beginning of the year/period		2,380,000	-
Add: Units issued		16,510,000	10,250,000
Less: Units redeemed		(9,190,000)	(7,870,000)
Total units in issue at end of the year/period		9,700,000	2,380,000



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	June 30, 2023	June 30, 2022
	----- (Rupees) -----	
16. AUDITORS' REMUNERATION		
Annual audit fee	477,200	300,000
Out of pocket	46,100	15,000
Sales tax	40,568	25,200
	563,868	340,200

17. TAXATION

The Fund's income is exempt from income tax as per clause 99 of Part I of the Second Schedule of the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders (excluding distribution made by issuance of bonus units). Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 the Fund is required to distribute ninety percent of accounting income other than capital gains whether realised or unrealised to the unit holders. The Fund has not distributed any amount for the year ended June 30, 2023 since the fund has incurred loss during the year therefore no provision for taxation has been made in these financial statements.

18. TRANSACTIONS AND BALANCES OUTSTANDING WITH CONNECTED PERSONS / RELATED PARTIES

Related party / connected person include JS Investments Limited being the Management Company, CDC-Trustee being the Trustee, Jahangir Siddiqui & Co. Limited (holding 75.02% shares of JS Bank Ltd) being the holding company of JS Bank Limited (JSBL-which is the holding company of the Management Company - holding 84.56% shares of JS Investments Ltd), JS Global Capital Limited (which is a fellow subsidiary of JSBL- 92.90% shares held by JS Bank Ltd) and other associated companies of the Management Company and its subsidiaries, Key Management Personnel of the Management Company and other funds being managed by the Management Company and includes entities holding 10% or more in the units of the Fund as at June 30, 2023. It also includes the staff retirement benefits of the above related parties / connected persons.

	June 30 2023	For the Period from January 07, 2022 to June 30, 2022
	----- (Rupees) -----	
18.1 Transactions during the year		
JS Investments Limited - Management Company		
Remuneration of JS Investments Limited - Management Company	69,635	111,356
Sindh Sales Tax on remuneration of the Management Company	9,053	14,476
Printing and stationery	101,468	-
Other Income	570,243	-
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of Central Depository Company of Pakistan Limited - Trustee	39,240	22,271
Sindh Sales Tax on remuneration of the Trustee	5,101	2,895
Settlement charges	33,635	19,858
Registrar fee	135,600	66,324



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	June 30 2023	For the Period from January 07, 2022 to June 30, 2022
	----- (Rupees) -----	
JS Bank Limited - Holding company of the Management Company (Parent Company of JSIL)		
Mark-up on bank balance	239,115	62,663
JS Global Capital Limited - Fellow subsidiary of JSBL & unit holder with more than 10% holding		
Units purchased during the year: 16,510,000 (June 30, 2022: 10,250,000)	139,658,366	102,500,000
Units redeemed during the year: 9,190,000 (June 30, 2022: 7,870,000)	79,081,759	78,700,000
18.2 Remuneration payable to the management company and the trustee is determined in accordance with the provisions of NBFC Regulations, and the Trust Deed respectively.		
18.3 Purchase and redemption of the Fund's units by related parties / connected persons are recorded at the applicable net asset value per unit. Other transactions are at agreed rates.		
	June 30, 2023	June 30, 2022
	----- (Rupees) -----	
18.4 Amounts / balances outstanding as at year end are as follows		
JS Investments Limited - Management Company		
Remuneration payable to the Management Company	-	7,061
Sindh Sales Tax on remuneration of the Management Company	-	918
Payable to the management company	110,000	110,000
Payable against printing and stationary	78,741	-
Receivable from AMC	570,243	-
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable to the Trustee	3,319	1,411
Sindh Sales Tax payable on Trustee remuneration	432	184
Settlement charges payable	2,622	3,563
Registrar fee payable	11,300	11,300
Security deposit	100,000	100,000
JS Bank Limited - Holding company of the Management Company (Parent Company of JSIL)		
Bank balances	40,767,918	463,915
Mark-up receivable	24,619	10,063
JS Fund of Funds - Fund under JSIL Management		
Units held: 8,935,500 units (June 30, 2022: 1,571,500 units)	74,074,689	14,640,565
JS Global Capital Limited - Fellow subsidiary of JSBL & unit holder with more than 10% holding		
Payable against purchase of marketable securities	35,919,310	474,695
Units held: 764,500 units (June 30, 2022: nil)	6,337,653	-



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19. FINANCIAL RISK MANAGEMENT

19.1 The Fund's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Fund's financial performance.

The Fund's activities expose it to a variety of financial risks: market risk (including currency risk, profit rate and other price risk), credit risk and liquidity risk. Risk of the Fund is being managed by the Management Company in accordance with the approved policies of the investment committee which provide broad guidelines for management of above mention risks. The Board of Directors of Management Company has overall responsibility for the establishment and oversight of the Fund's risk management framework.

The Fund primarily invests in equity securities.

19.2 Market risk

Market risk is the risk that the fair value or the future cash flows of a financial instrument may fluctuate as a result of changes in market prices.

The Management Company manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Board and regulations laid down by the SECP, the NBFC Regulations and the NBFC Rules.

Market risk comprises of three types of risk: currency risk, interest rate risk and other price risk.

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund, at present is not exposed to currency risk as all transactions were carried out in Pak Rupee.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

a) Sensitivity analysis of variable rate instruments

Presently, the Fund holds bank balances which expose the Fund to cash flow profit rate risk. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the net income for the year ended June 30, 2023 and net assets of the Fund would have been higher / lower by Rs. 407,679 (June 30, 2022: Rs. 3,062)

b) Sensitivity analysis of fixed rate instruments

As at June 30, 2023, the Fund does not hold any fixed rate instruments and is not exposed to fair value interest rate risk.

Yield / interest rate sensitivity position for on balance sheet financial instruments is based on the earlier of contractual repricing or maturity date. The composition of the fund investment may change over time. Accordingly, the sensitivity analysis prepared as at June 30, 2023 is not necessarily indicative of the impact on the Fund's net assets of future movements in interest rates.



JS Momentum Factor Exchange Traded Fund

June 30, 2023					
Exposed to interest rate risk					
Interest rate (%)	Up to three months	More than three months and up to one year	More than one year	Not exposed to interest rate risk	Total
On-balance sheet financial instruments					
Financial assets					
Investments classified as:					
At fair value through profit and loss-					
- Listed equity securities					
	-	-	-	74,741,429	74,741,429
Bank Balances	19.60%	40,767,918	-	-	40,767,918
Mark-up and other receivable		-	-	594,862	594,862
		<u>40,767,918</u>	<u>-</u>	<u>75,336,291</u>	<u>116,104,209</u>
Financial liabilities					
Payable to JS Investments Limited					
- Management Company					
		-	-	188,741	188,741
Payable to Central Depository Company					
- Trustees					
		-	-	3,751	3,751
Payable against purchase of marketable securities					
		-	-	36,214,677	36,214,677
Accrued and other liabilities					
		-	-	413,090	413,090
		<u>-</u>	<u>-</u>	<u>36,820,259</u>	<u>36,820,259</u>
On-balance sheet gap		<u>40,767,918</u>	<u>-</u>	<u>38,516,032</u>	<u>79,283,950</u>



JS Momentum Factor Exchange Traded Fund

June 30, 2022						
Interest rate (%)	Exposed to interest rate risk				Not exposed to interest rate risk	Total
	Up to three months	More than three months and up to one year	More than one year	(Rupees)		
On-balance sheet financial instruments						
Financial assets						
Investments classified as:						
At fair value through profit and loss-						
- Listed equity securities	-	-	-	22,044,260	22,044,260	
Bank Balances	12.25%	732,298	-	-	732,298	
Mark-up and other receivable	-	-	-	10,063	10,063	
		<u>732,298</u>	<u>-</u>	<u>22,054,323</u>	<u>22,786,621</u>	
Financial liabilities						
Payable to JS Investments Limited						
- Management Company	-	-	-	7,061	7,061	
Payable to Central Depository Company						
- Trustees	-	-	-	1,411	1,411	
Payable against purchase of marketable securities				474,695	474,695	
Accrued and other liabilities	-	-	-	355,063	355,063	
		<u>-</u>	<u>-</u>	<u>838,230</u>	<u>838,230</u>	
On-balance sheet gap		<u>732,298</u>	<u>-</u>	<u>21,216,093</u>	<u>21,948,391</u>	

There is no off-balance sheet financial instrument that exist as at year ended June 30, 2023 and June 30, 2022.

(iii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund, at present, is not exposed to foreign currency risk as all transactions were carried out in Pak Rupee.

(iv) Price risk

Price risk is that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Fund has exposure to equity price risk arising from its investments in equity securities. The Fund manages its price risk arising from investment in the equity securities by diversifying its portfolio within the eligible limits prescribed in the Fund's constitutive documents, the NBFC Regulations and circulars issued by SECP from time to time. The Fund's equity investments and their fair values exposed to price risk as at the year end are concentrated in the sectors given in note 7.1.

The following table illustrates the sensitivity of the profit for the year and the unit holders' fund to an increase or decrease of 5% in the fair values of the Fund's equity securities. This level of change is considered to be reasonably possible based on observation of current market conditions. The sensitivity analysis is based on the Fund's equity securities at each statement of assets and liabilities date, with all other variables held constant.



JS Momentum Factor Exchange Traded Fund

	June 30, 2023	June 30, 2022
	----- (Rupees) -----	
Income statement	3,737,071	1,102,213
Unit holders' fund	3,737,071	1,102,213

19.3 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The Fund is exposed to daily cash redemptions, if any, at the option of unit holders. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation. Its policy is therefore to invest the majority of its assets in investments that are traded in an active market and can be readily disposed and are considered readily realisable.

The Fund has the ability to borrow in the short-term to ensure settlement. During the current year, the Fund did not avail any borrowing. As per the NBFC Regulations the maximum amount available to the Fund from the borrowing would be limited to fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund and bear interest at commercial rates.

In order to manage the Fund's overall liquidity, the Fund also has the ability to withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the year.

The table below analyses the Fund's financial liabilities into relevant maturity groupings based on the remaining year at the statement of assets and liabilities date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Total
	----- (Rupees) -----				
June 30, 2023					
Financial liabilities					
Payable to JS Investments Limited - Management Company	188,741	-	-	-	188,741
Payable to Central Depository Company - Trustees	3,751	-	-	-	3,751
Payable against purchase of marketable securities	36,214,677				36,214,677
Accrued and other liabilities	413,090	-	-	-	413,090
Total liabilities	36,820,259	-	-	-	36,820,259



JS Momentum Factor Exchange Traded Fund

	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Total
	----- (Rupees) -----				
June 30, 2022					
Financial liabilities					
Payable to JS Investments Limited - Management Company	7,061	-	-	-	7,061
Payable to Central Depository Company - Trustees	1,411	-	-	-	1,411
Payable against purchase of marketable securities	474,695				474,695
Accrued and other liabilities	355,063	-	-	-	355,063
Total liabilities	838,230	-	-	-	838,230

19.4 Credit risk

Credit risk represents the risk of loss if counterparties fail to perform as contracted. The Fund is exposed to counter party credit risks on bank balances, investments and profit receivable.

The Fund's maximum exposure to credit risk related to receivables at June 30, 2023 is the carrying amounts of following financial assets.

	June 30, 2023	June 30, 2022
	----- (Rupees) -----	
Bank balance	40,767,918	732,298
Investments	74,741,429	22,044,260
Mark-up and other receivable	1,743,012	365,905

The analysis below summaries the credit rating quality of the Fund's financial assets as at June 30, 2023:

	June 30, 2023	June 30, 2022
	----- (%) -----	
Rating		
Balance with bank		
AA-	100	100
Total	100	100

Concentration of credit risk exists when changes in economic or industry factors affect the group of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial assets is broadly diversified and transactions are entered into with diverse credit worthy counterparties thereby mitigating any significant concentration of credit risk.



JS Momentum Factor Exchange Traded Fund

19.5 Financial instruments by category	June 30, 2023			
	At fair value through OCI	At fair value through profit or loss	At amortised cost	Total
	----- (Rupees) -----			
Assets				
Balance with bank	-	-	40,767,918	40,767,918
Investments	-	74,741,429	-	74,741,429
Mark-up and other receivable	-	-	594,862	594,862
	-	74,741,429	41,362,780	116,104,209

	June 30, 2023			
	At fair value through OCI	At fair value through profit or loss	At amortised cost	Total
	----- (Rupees) -----			
Liabilities				
Payable to JS Investments Limited				
- Management Company	-	-	188,741	188,741
Payable to Central Depository Company				
- Trustees	-	-	3,751	3,751
Payable against purchase of marketable securities			36,214,677	36,214,677
Accrued and other liabilities	-	-	413,090	413,090
	-	-	36,820,259	36,820,259

Financial instruments by category	June 30, 2022			
	At fair value through OCI	At fair value through profit or loss	At amortised cost	Total
	----- (Rupees) -----			
Assets				
Balance with bank	-	-	732,298	732,298
Investments	-	22,044,260	-	22,044,260
Mark-up and other receivable	-	-	10,063	10,063
	-	22,044,260	742,361	22,786,621



JS Momentum Factor Exchange Traded Fund

June 30, 2022

	At fair value		At amortised cost	Total
	At fair value through OCI	through profit or loss		
	(Rupees)			
Liabilities				
Payable to JS Investments Limited				
- Management Company	-	-	7,061	7,061
Payable to Central Depository Company				
- Trustees	-	-	1,411	1,411
Payable against purchase of marketable securities			474,695	474,695
Accrued and other liabilities	-	-	355,063	355,063
	-	-	838,230	838,230

20. UNIT HOLDERS' FUND

The unit holders' fund is represented by redeemable units. These units are entitled to dividends and to payment of a proportionate share based on the Fund's net asset value per unit on the redemption date. The relevant movements are shown in the 'Statement of Movement in Unit Holders' Fund'.

The Fund has no restrictions on the subscription and redemption of units.

The Fund's objectives when managing unit holders' funds are to safeguard its ability to continue as a going concern so that it can continue to provide returns to the unit holders and to maintain a strong base of assets to meet unexpected losses or opportunities.

In accordance with the risk management policies as stated in note 19, the Fund endeavours to invest the subscriptions received in appropriate investment avenues while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by short term borrowings or disposal of investments, where necessary.

As mentioned in the Offering Document, the requirements of NBFC Regulations in relation to maintenance of minimum fund size are not applicable to this Fund.

21. FAIR VALUE OF FINANCIAL INSTRUMENTS

IFRS 13 - 'Fair Value Measurement' establishes a single source of guidance under IFRS for all fair value measurements and disclosures about fair value measurement where such measurements are required as permitted by other IFRSs. It defines fair value as 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 (i.e. an exit price).

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and financial liabilities is considered not significantly different from book value.

The following table shows financial instruments recognised at fair value, analysed between those whose fair value is based on:

- Level 1:** Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2:** Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3:** Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

JS Momentum Factor Exchange Traded Fund

The table below analyse financial instruments measured at the end of the year by the level in the fair value hierarchy into which the fair value measurement is categorised:

	June 30, 2023			
	Fair value			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value	(Rupees)			
Equity securities - listed	74,741,429	-	-	74,741,429
	<u>74,741,429</u>	<u>-</u>	<u>-</u>	<u>74,741,429</u>
	June 30, 2022			
	Fair value			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value	(Rupees)			
Equity securities - listed	22,044,260	-	-	22,044,260
	<u>22,044,260</u>	<u>-</u>	<u>-</u>	<u>22,044,260</u>

During the year ended June 30, 2023, there were no transfers between level 1 and level 2 fair value measurements, and no transfer into and out of level 3 fair value measurements.

The Fund has not disclosed the fair values of other financial assets and financial liabilities, as these are either short term in nature or repriced periodically. Therefore, their carrying amounts are a reasonable approximation of their fair values.

22. LIST OF TOP 10 BROKERS BY PERCENT OF THE COMMISSION PAID

Name of broker	% of commission 2023
Particulars	
Multiline Securities (Pvt) Limited	45.32%
Intermarket Securities (Pvt) Limited	24.39%
Topline Securities (Pvt) Limited	12.77%
DJM Securities (Pvt) Limited	8.80%
Optimus Capital Management (Pvt) Limited	4.87%
Adam Securities (Pvt) Limited	3.83%
JS Global Capital Limited	0.02%
	<u>100%</u>

23. PARTICULARS OF INVESTMENT COMMITTEE AND FUND MANAGER

Following are the members of Investment Committee of the Fund:

Ms. Iffat Zehra Mankani – Chief Executive Officer
 Mr. Muhammad Khawar Iqbal – Chief Operating Officer & Company Secretary
 Mr. Syed Hussain Haider – Chief Investment Officer
 Mr. Waqas Mustafa - Head of Equity



JS Momentum Factor Exchange Traded Fund

MS. IFFAT ZEHRA MANKANI – CHIEF EXECUTIVE OFFICER

Ms. Iffat Mankani has joined JS Investments Limited in April 2021. She brings with her over 21 years of global experience in both public and private markets across multiple asset classes. During her 11 years working in capital markets in Pakistan, she held various senior strategy and research roles, both on the buy and sell-side of the industry, including the National Investment Trust, JS Investments Limited and BMA Asset Management Company Limited amongst others.

Working as a sell side analyst, Iffat was frequently quoted in the financial press, and was well-known for her accuracy as a strategist. In her buy-side roles as Chief Investment Officer at JS Investments (2005-2007) and BMA Asset Management (2007-2011), she led the successful implementation of a disciplined asset and risk allocation process, resulting in consistent top quartile performance for funds under management. These included some pioneering products in the industry, such as the asset allocation fund, capital protected fund, index fund, an offshore fund and separately managed accounts.

In her most recent role, Iffat was working in the Deals Advisory team at PwC Canada, where she made significant contributions in the space of complex financial instruments and private debt valuations amongst others, helping to steer the business toward sustainable growth. Moreover, she also held diversified roles in the risk management groups of leading Canadian Banks (Bank of Montreal and CIBC) associated with their quants and trading risk oversight teams. In addition to making numerous value additions in her role as a Risk Manager of equity, fixed income and structured product desk, she also spearheaded bank wide regulatory and infrastructure projects and initiatives.

Iffat holds a Master of Finance from Rotman School of Management (University of Toronto) and Master of Business Administration from the Institute of Business Administration, Karachi.

MR. MUHAMMAD KHAWAR IQBAL – CHIEF OPERATING OFFICER & COMPANY SECRETARY

With over more than 30 years of diversified experience, Mr. Muhammad Khawar Iqbal is currently serving as "Chief Operating Officer & Company Secretary" in JS Investments Limited, where he joined in May 2005 as Manager Finance.

He also served as Chief Financial Officer of the Company from 2012 to 2019 and as Director Finance & Company Secretary from May 2019 to February 2022.

Throughout his career Mr. Iqbal has implemented a system of continuous review and introduced changes to bring in efficiencies, simplifications and improvement in the overall quality of his departmental deliverables.

His role encompasses a wide range of matters ranging from financial management, reporting, internal control, compliance with laws applicable to the Company and other secretarial matters.

Mr. Khawar holds Masters Degree in Business Administration and Economics.

MR. SYED HUSSAIN HAIDER – CHIEF INVESTMENT OFFICER

Hussain possesses two decades of global experience in investment management, equity advisory & private banking for clients spread across three continents. Having worked across financial markets, private & public sector institutions and family offices in both buy & sell-side roles, he is adept at delivering the best thinking and actionable portfolio allocation ideas for a diverse set of clients.

Although Hussain assumed his responsibilities as CIO in February 2022, he has been associated with JS Investments in the past and was part of the team that spearheaded the launch of new products such as capital protected, asset allocation and index funds. During this time, he was managing some of the top performing funds. He was also an integral member of the team when the company went public in 2007. Moreover, while in Canada, he worked in private wealth management at Raymond James and

JS Momentum Factor Exchange Traded Fund

Canadian Imperial Bank of Commerce (CIBC) focusing on operational and strategy engagements across wealth channels. In that, he worked alongside senior financial planners advising global clients on investment plans covering equities, mutual funds, segregated funds & fixed income products of renowned North American Investment Managers like BlackRock, Fidelity & State Street, to name a few.

More recently, he was associated with JS Global Capital as their Chief Strategist & won various CFA Excellence Awards for the firm and was voted as Pakistan's Best Economist & Strategist in the AsiaMoney Broker Polls, 2020. An IBA graduate, a CFA Charterholder & a CIPM Certificiant, Hussain has also served as Director & Chair, Public Awareness on the Board of a local CFA Society in Canada.

MR. WAQAS MUSTAFA – HEAD OF EQUITIES

Mr. Waqas has 8+ years of Diversified Experience in Tech, Insurance, Telecom and Investment Management sectors. He brings along core Investment skills that include Acquisition Due Diligence, Valuation, Financial and Management Reporting, Equity Research and Risk Management. His experience is backed by a strong educational background holding an MBA (Finance) & CFA Charter. Prior to JSIL, he has worked with HBL AMC, Pakistan Takaful, ESW Capital & IBEX Digital.

24. ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

S. No	Name of Directors	Meetings held on					
		Meetings attended	19 August 2022	22 October 2022	11 January 2023	24 February 2023	18 April 2023
1	Mr. Suleman Lalani	4	✓	-	✓	✓	✓
2	Ms. Iffat Zehra Mankani	5	✓	✓	✓	✓	✓
3	Mr. Hasan Shahid	5	✓	✓	✓	✓	✓
4	Mr. Asif Reza Sana*	1	✓	-	-	-	-
5	Mr. Imran Haleem Shaikh*	2	✓	✓	-	-	-
6	Mr. Zahid Ullah Khan*	2	✓	✓	-	-	-
7	Ms. Aisha Fariel Salahuddin	2	✓	-	✓	-	-
8	Mr. Mirza M. Sadeed Hasan Barlas	4	✓	✓	✓	-	✓
9	Mr. Atif Salim Malik**	3	-	-	✓	✓	✓
10	Ms. Mediha Kamal Afsar**	2	-	-	✓	-	✓
11	Mr. Syed Abu Ahmed Akif**	-	-	-	-	-	-
12	Mr. Farooq Ahmed Malik***	2	-	-	-	✓	✓

*Mr. Asif Reza Sana, Mr. Imran Haleem Shaikh and Mr. Zahid Ullah Khan retired on December 28, 2022

**Mr. Atif Salim Malik, Mr. Syed Abu Ahmed Akif and Ms. Mediha Kamal Afsar were appointed in Election of Directors held on December 28, 2022

***Mr. Farooq Ahmed Malik were appointed in Election of Director held on February 22, 2023.

24.1 Meetings of the audit committee

S. No	Name of Directors	Meetings held on				
		Meetings attended	18 August 2022	20 October 2022	23 February 2023	18 April 2023
1	Mr. Hasan Shahid	4	✓	✓	✓	✓
2	Ms. Aisha Fariel Salahuddin	2	✓	✓	-	-
3	Ms. Mediha Kamal Afsar	2	-	-	✓	✓
4	Mr. Mirza M. Sadeed Hasan Barlas	1	-	-	-	✓

Audit Committee was re composed in the meeting held on January 11, 2023

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JS Momentum Factor Exchange Traded Fund

24.2 MEETINGS OF HUMAN RESOURCE AND REMUNERATION COMMITTEE

Name of Members	Meetings attended	February 24, 2023
Ms. Aisha Fariel Salahuddin	1	✓
Mr. Suleman Lalani	1	✓
Ms. Iffat Zehra Mankani	1	✓
		3

25. PATTERN OF UNIT HOLDING

Category	As at June 30, 2023			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Associated Company	2	9,700,000	80,412,342	100.00
	2	9,700,000	80,412,342	100.00

26. GENERAL

26.1 Figures have been rounded off to the nearest rupee.

26.2 Date of authorisation for issue

These financial statements were authorized for issue by the Board of Directors of the Management Company on August 18, 2023.

For JS Investments Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



**SUPPLEMENTARY NON FINANCIAL INFORMATION
AS REQUIRED UNDER CLAUSE 38A (g)
OF THE NBFC & NE REGULATION**

SUMMARY OF ACTUAL PROXY VOTED BY JS MOMENTUM FACTOR EXCHANGE TRADED FUND

	Resolutions	For	Against	Abstain
Number	2	2	Nil	N/A
(% ages)	100	100	-	-

Note:

The Proxy voting policy of the Collective Investment Scheme (CIS) is available on the website of JS Investments Limited, the Company and detailed information regarding actual proxies voted by the Company in respect of the CIS is also available without charge, upon request, to all unit holders.

We did not participate in any shareholders' meetings on behalf of CIS during the year.

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JS Investments Limited

19th Floor, The Centre, Plot # 28,
SB-5 Abdullah Haroon Road, Saddar,
Karachi-75600

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E-mail: info@jsil.com
Website: www.jsil.com



JS Microfinance Sector Fund

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VISION

To be the preferred choice of every investor, offering diverse and innovative investment solutions.

MISSION

To establish a leadership position in bringing more investable asset classes and innovative products, while managing them with prudence and excellence.

BROAD POLICY OBJECTIVES

- Value creation for clients on a sustainable basis.
- Maintain high standards of ethical behaviors and fiduciary responsibilities.
- 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
19th 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	Non-Executive Director / Chairman
Ms. Iffat Zehra Mankani	Chief Executive Officer
Mr. Hasan Shahid	Non-Executive Director
Mr. Mirza M. Sadeed H. Barlas	Non-Executive Director
Mr. Atif Salim Malik	Non-Executive Director
Ms. Aisha Fariel Salahuddin	Non-Executive Independent Director
Ms. Mediha Kamal Afsar	Non-Executive Independent Director
Mr. Farooq Ahmed Malik	Non-Executive Independent Director

Audit Committee

Ms. Mediha Kamal Afsar	Chairperson
Mr. Hasan Shahid	Member
Mr. Mirza M. Sadeed H. Barlas	Member

Chief Operating Officer & Company Secretary

Mr. Muhammad Khawar Iqbal

Chief Financial Officer

Mr. Umair Khatri

Trustee

Digital Custodian Company Limited
4th Floor, Perdesi House
2/1, R-Y-16, Old Queens Road,
Karachi - 75530

Auditors

Grant Thornton Anjum Rahman
Chartered Accountants

Legal Adviser

Bawaney & Partners
3rd & 4th Floor, 68-C, Lane-13
Bokhari Commercial Area
Phase-VI DHA, Karachi



JS Microfinance Sector Fund

Directors' Report to the Unit Holders

The Board of Directors of JS Investments Limited, the Management Company of **JS Microfinance Sector Fund** (the Fund), is pleased to present the Annual Report for the year ended June 30, 2023.

Economic Review:

During the fiscal year 2023, Pakistan encountered substantial challenges stemming from longstanding structural weaknesses. Delays in the IMF program, declining forex reserves, significant currency devaluation, persistent political uncertainty, and elevated inflation collectively presented formidable hurdles, resulting in a meager GDP growth of 0.29%, a marked decrease from the 6.10% achieved in the previous fiscal year, FY22.

The current account deficit (CAD) narrowed by 85% year-on-year to USD 2.6 billion in FY23, a notable improvement compared to USD 17.5 billion in FY22, primarily due to reduced trade deficit from import restrictions. However, despite this situation, foreign exchange reserves held by the State Bank of Pakistan (SBP) declined to USD 4.47 billion by June 2023, down from USD 9.82 billion at the commencement of FY23.

The scarcity of forex reserves exerted significant pressure on the currency, leading to a 40% devaluation. Another persistent concern throughout FY23 was soaring inflation, averaging 29.04%, surpassing the initial target of 11.5% and the FY22 rate of 12.15%. This surge was fueled by escalating food prices and higher energy and petroleum costs, compounded by the global crisis and PKR depreciation. In response, the SBP maintained its contractionary stance, raising the policy rate to a record high of 22% from 13.75% in June 2022. Despite these challenges, the measures taken by the government, including raising energy and gas tariffs, implementing currency regime change, introducing additional taxes and tightening monetary policy, yielded different outcomes.

However, as of June 2023, the Government of Pakistan secured a crucial 9-month Stand by Arrangement (SBA) with the IMF, leading to substantial deposits from multilateral countries. This achievement offers a much-needed short-term respite from the looming risk of default. Additionally, the SBA provides an economic roadmap for the next nine months, encompassing the period leading up to elections and a caretaker government, with a strong emphasis on fiscal discipline, energy reforms, and consistent policy implementation. Nevertheless, it is important to recognize that the SBA offers only temporary relief, as a long-term program with the IMF will be necessary once the SBA concludes in March 2024, alongside the implementation of structural reforms and a consistent macroeconomic framework.

Income / Money Market Review:

Against a challenging macroeconomic landscape and mounting inflationary pressures, the Pakistani Rupee (PKR) experienced a significant depreciation of 40% during FY23. In response to the surging inflation, the State Bank of Pakistan (SBP) adopted a tight monetary policy stance, culminating in a cumulative 825 basis points increase in the policy rate, reaching an elevated 22% by June 2023.

Amidst heightened uncertainty, investors preferred shorter-tenor instruments along the yield curve. As a result, the government resorted to relying on the 3-month and 6-month treasury bills to fulfill its budgetary borrowing requirements, given the subdued market participation in one-year treasury bills. Notably, yields for 3-month treasury bills surged from 14.98% to 22.65%, while yields for 6-month treasury bills rose from 15.15% to 22.87%. The total amount borrowed through T-bills stood at PKR 24.62 trillion during the year. Furthermore, the government successfully borrowed PKR 1.28 trillion in fixed-rate Pakistan Investment Bonds (PIBs), slightly below the target of PKR 1.85 trillion. The yields on the 3-year, 5-year, and 10-year bonds experienced increments of 6.02%, 3.15%, and 2.40%, leading to final yields of 19.47%, 16.08%, and 15.32%, respectively.

Review of Fund Performance

The Fund return was 19.80% for the year ended June 30, 2023, against the benchmark return of 18.33. Net Assets moved from PKR 2.22 billion as at June 30, 2022, to PKR 7.57 billion as at June 30, 2023. The Fund's total expense ratio (TER) is 0.82%, which includes 0.08% of government levies on the Fund.



Dividend

The Fund paid an interim cash dividend of Rs 17.27 per unit during the year ended June 30, 2023.

Fund & Asset Manager Rating

PACRA has assigned a stability Rating of "A(f)" to the Fund on June 12, 2023, by the Pakistan Credit Rating Agency (PACRA) (June 2022: "A(f)").

'Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of 'AM2+' with 'stable outlook' dated December 27, 2022 (June 30, 2022: 'AM2' with 'positive outlook' dated August 6, 2022) to the Management Company which is an improvement from the previous rating of AM2 with a positive outlook. The rating denotes high management quality.

Auditors

The external auditors of the Fund Messrs Grant Thornton Anjum Rahman Chartered Accountants retire and, being eligible, offer themselves for reappointment. The Board of Directors, upon recommendation of the Audit Committee of the Board has approved the appointment of Messrs Grant Thornton Anjum Rahman Chartered Accountants, as the Fund's auditors for the ensuing year ending June 30, 2024.

Board of Directors

During the period, Mr. Atif Salim Malik, Mr. Farooq Ahmed Malik and Ms. Mediha Kamal Afsar were appointed as Director in place of Mr. Asif Reza Sana, Mr. Imran Haleem Shaikh and Mr. Zahid Ullah Khan.

Additional Matters

- a. Annexed to the Annual Report is the Fund Manager's Report giving a description of principal risks and uncertainties with a reasonable indication of future prospects of profit.
- b. The Pattern of Unit holding as at June 30, 2023, is annexed to this annual report.
- c. The system of internal control is sound in design and has been effectively implemented and monitored.
- d. A performance table / key financial data is annexed to this annual report.

Acknowledgment

The directors express their gratitude to the Securities and Exchange Commission of Pakistan and Digital Custodian Company 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: August 18, 2023

Director

Chief Executive Officer

شراکت داروں کے لیے ڈائریکٹرز رپورٹ

جے ایس انویسٹمنٹس لمیٹڈ کے بورڈ آف ڈائریکٹرز، مائیکرو فنانس سیکٹر فنڈ (دی فنڈ) کی منجمنٹ کمپنی نے 30 جون 2023 کو ختم ہونے والے سال کے لیے سالانہ رپورٹ پیش کرتے ہوئے خوش محسوس کرتے ہیں۔

معاشی جائزہ

مالی سال 2023 کے دوران، پاکستان کو دیرینہ ساختی کمزوریوں کی وجہ سے کافی چیلنجز کا سامنا کرنا پڑا۔ انٹرنیشنل مانیٹری فنڈ (IMF) پروگرام میں تاخیر، زرمبادلہ کے ذخائر میں کمی، کرنسی کی قدر میں نمایاں کمی، مسلسل سیاسی غیر یقینی صورتحال اور افراط زر میں اضافے نے مجموعی طور پر زبردست رکاوٹیں پیش کیں، جس کے نتیجے میں جی ڈی پی (GDP) کی شرح نمو % 0.29 رہی جو گزشتہ مالی سال 2022 کے % 6.10 کے مقابلے میں واضح طور پر کم ہے۔

مالی سال 2023 میں کرنٹ اکاؤنٹ خسارہ (CAD) سال بہ سال % 85 کم ہو کر 2.6 بلین امریکی ڈالر رہ گیا، جو مالی سال 2022 کے 17.5 بلین امریکی ڈالر کے مقابلے میں نمایاں بہتری ہے، جس کی بنیادی وجہ درآمدی پابندیوں سے تجارتی خسارے میں کمی ہے۔ تاہم، اس صورتحال کے باوجود اسٹیٹ بینک آف پاکستان (SBP) کے پاس موجود غیر ملکی زر مبادلہ کے ذخائر جون 2023 تک کم ہو کر 4.47 بلین امریکی ڈالر گئے جو مالی سال 2023 کے آغاز میں 9.82 بلین امریکی ڈالر سے کم تھے۔

غیر ملکی زرمبادلہ کے ذخائر کی کمی نے کرنسی پر کافی دباؤ ڈالا، جس کی وجہ سے % 40 کی قدر میں کمی واقع ہوئی۔ مالی سال 2023 کے دوران ایک اور مستقل تشویش بڑھتی ہوئی افراط زر تھی، جو اوسطاً % 29.04 تھی، جو ابتدائی ہدف % 11.5 اور مالی سال 2022 کی شرح % 12.15 سے تجاوز کر گئی۔ اس اضافے کی وجہ خوراک کی قیمتوں میں اضافہ اور توانائی اور پیٹرولیم کی بلند قیمتیں ہیں جو عالمی بحران اور پاکستانی روپے کی قدر میں کمی کی وجہ سے ہوا۔ اسکے جواب میں اسٹیٹ بینک آف پاکستان (SBP) نے اپنے تخفیفی (contractionary) موقف کو برقرار رکھتے ہوئے پالیسی کی شرح کو جون 2022 میں % 13.75 سے بڑھا کر % 22 کی ریکارڈ سطح پر پہنچا دیا۔ ان چیلنجوں کے باوجود حکومت کی جانب سے اٹھائے گئے اقدامات بشمول توانائی اور گیس کے نرخوں میں اضافہ، کرنسی نظام کی تبدیلی کا نفاذ، اضافی ٹیکس متعارف کروانا اور مانیٹری پالیسی کو سخت کرنے سے مختلف نتائج برآمد ہوئے۔

تاہم، جون 2023 تک حکومت پاکستان نے آئی ایم ایف کے ساتھ 9 ماہ کا ایک اہم اسٹینڈ بائی آرٹیمینٹ (SBA) حاصل کیا جس کے نتیجے میں کثیرالجہتی (multi lateral) ممالک سے خاطر خواہ ذخائر موصول ہوئے۔ یہ کامیابی ڈیفالٹ کے بڑھتے ہوئے خطرے سے ایک انتہائی ضروری قلیل مدتی راحت فراہم کرتی ہے۔ مزید برآں، اسٹینڈ بائی آرٹیمینٹ (SBA) اگلے 9 ماہ کے لیے اقتصادی روڈ میپ فراہم کرتا ہے، جس میں انتخابات اور گورنر کی مدت کا احاطہ کیا گیا ہے، جس میں مالی نظم و ضبط، توانائی اصلاحات اور مستقل پالیسی کے نفاذ پر زور دیا گیا ہے۔ اس کے باوجود، یہ تسلیم کرنا ضروری ہے کہ اسٹینڈ بائی آرٹیمینٹ (SBA) عارضی ریلیف فراہم کرتا ہے، کیونکہ مارچ 2024 میں اسٹینڈ بائی آرٹیمینٹ (SBA) کے اختتام کے بعد IMF کے ساتھ، ساختی اصلاحات اور مستقل میکرو اکنامک فریم ورک کے نفاذ کے ساتھ، ایک طویل مدتی پروگرام ضروری ہوگا۔

انکم / منی مارکیٹ کا جائزہ

چیلنجنگ میکرو اکنامک منظر نامے اور بڑھتے ہوئے افراط زر کے دباؤ کے باوجود، مالی سال 2023 کے دوران، پاکستانی روپے (PKR) کو % 40 کی نمایاں کمی کا سامنا کرنا پڑا۔ بڑھتی ہوئی افراط زر کے جواب میں اسٹیٹ بینک آف پاکستان (SBP) نے سخت مانیٹری پالیسی کا موقف اپنایا، جس کے نتیجے میں پالیسی کی شرح میں مجموعی طور پر 825 بیسس پوائنٹس کا اضافہ ہوا، جو جون 2023 تک % 22 تک پہنچ گیا۔

بڑھتی ہوئی غیر یقینی صورتحال کے درمیان، سرمایہ کاروں نے نتائج کی منحنی توجس کے ساتھ مختصر مدت کے آلات کو ترجیح دی۔ نتیجتاً، حکومت نے بجٹ قرضوں کی ضروریات کو پورا کرنے کے لیے 3 ماہ اور 6 ماہ کے ٹریژری بلز (T - Bills) پر انحصار کیا کیونکہ ایک سال کے ٹریژری بلز میں مارکیٹ کی کم شرکت تھی۔ قابل ذکر بات یہ ہے کہ، 3 ماہ کے ٹریژری بلز کا منافع % 14.98 سے بڑھ کر % 22.65 ہو گیا، جبکہ 6 ماہ کے ٹریژری بلز کا منافع % 15.15 سے بڑھ کر % 22.87 ہو گیا۔ سال کے دوران، ٹریژری بلز کے ذریعے لینے گئے قرضوں کی مجموعی رقم 24.62 ٹریلین پاکستانی روپے رہی۔ مزید برآں، حکومت نے فیکسڈ ریٹ پاکستان انویسٹمنٹ بانڈز (PIBs) میں 1.28 ٹریلین پاکستانی روپے کا کامیابی سے قرض لیا، جو 1.85 ٹریلین روپے کے ہدف سے تھوڑا سا کم ہے۔ 3 سال، 5 سال اور 10 سال کے بانڈز پر منافع میں بالترتیب % 6.02، % 3.15 اور % 2.40 کا اضافہ ہوا، جس کے نتیجے میں حتمی منافع بالترتیب % 19.47، % 16.08 اور % 15.32 رہا۔

فند کی کارکردگی کا جائزہ

30 جون 2023 کو ختم ہونے والے سال کے لیے فند کا منافع % 18.33 اپنے بیچ مارک منافع کے مقابلے میں % 19.80 رہا۔ 30 جون 2023 کو خالص اثاثہ جات 30 جون 2022 کے 2.22 بلین روپے سے 7.57 بلین روپے پر پہنچ گئے۔ فند کے کل اخراجات کا تناسب (TER) % 0.82 ہے، جس میں فند پر سرکاری محصولات کا % 0.08 بھی شامل ہے۔

ڈیویڈنڈ

30 جون 2023 کو ختم ہونے والے سال کے دوران فند نے 17.27 روپے فی یونٹ کا انٹرم کیش ڈیویڈنڈ کی ادائیگی کی۔

ایسیٹ مینجر ریٹنگ

پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) نے 12 جون 2023 کو فند کو "A (f)" کی اسٹیبلٹی ریٹنگ تفویض کی ہے (جون 2022: "A (f)")۔ پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) نے مینجمنٹ کمپنی کو 27 دسمبر 2022 کو "AM2+" کی ایسیٹ مینجر ریٹنگ، مستحکم "stable" منظر نامے کے ساتھ تفویض کی ہے (30 جون 2022: 06 اگست 2022 کو "AM2" مثبت "positive" منظر نامے کے ساتھ) جو "AM2" مثبت "positive" منظر نامے کی گزشتہ ریٹنگ سے بہتر ہے۔ یہ ریٹنگ مینجمنٹ کے اعلیٰ معیار کی نشاندہی کرتی ہے۔

آڈیٹرز

ریٹائر ہونے والے بیرونی آڈیٹرز میسرز گرینٹ تھورنٹن انجم رحمان، چارٹرڈ اکاؤنٹنٹس نے اہلیت کی بنیاد پر خود دوبارہ تقرری کے لیے پیش کرتے ہیں۔ بورڈ آف ڈائریکٹرز نے، آڈٹ کمیٹی کی تجویز پر، میسرز گرینٹ تھورنٹن انجم رحمان، چارٹرڈ اکاؤنٹنٹس کی 30 جون 2024 کو ختم ہونے والے سال کے لیے تقرری کی منظوری دی۔

بورڈ آف ڈائریکٹرز

مدت کے دوران، جناب عاطف سالم ملک، جناب فاروق احمد ملک اور محترمہ مدیحہ کمال افر؛ جناب آصف رضا ثناء، جناب عمران حلیم شیخ اور جناب زاہد اللہ خان کی جگہ پر بطور ڈائریکٹر مقرر کیے گئے۔

اضافی معاملات

- ا۔ سالانہ رپورٹ کے ساتھ فند مینجر رپورٹ منسلک ہے جس میں مرکزی خطرات اور منافع جات کے مستقبل کے امکانات کی مناسب علامت کے ساتھ ہجان کی کیفیت کی وضاحت کی ہے۔
- ب۔ 30 جون 2023 تک یونٹ ہولڈنگ کے نمونہ اس سالانہ رپورٹ کے ساتھ منسلک ہے۔
- ج۔ اندرونی کنٹرول کا نظام ساخت کے اعتبار سے مضبوط ہے اور اس پر موثر اطلاق اور نگرانی کی جاتی ہے۔
- د۔ کارکردگی کا ٹیبل / اہم مالیاتی معلومات اس سالانہ رپورٹ کے ضمیمہ میں دی گئی ہیں۔

اظہار تشکر

ڈائریکٹرز پیش قدمی، مدد اور رہنمائی پر سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) اور ڈیجیٹل کسٹوڈین کمپنی لمیٹڈ سے اظہار تشکر کرتے ہیں۔ بورڈ لگن اور محنت پر مینجمنٹ کمپنی کے ملازمین اور انتظامیہ پر اعتماد پر یونٹ ہولڈرز کا بھی شکریہ ادا کرتا ہے۔

Fund Manager Report Annual Report 2023

JS Microfinance Sector Fund (JS MFSF)

- **Description of the Collective Investment Scheme category and type**
Income Fund Scheme / Open end
- **Statement of Collective Investment Scheme's investment objective**
JS Microfinance Sector Fund aims to provide investors with competitive & attractive returns, with a medium risk profile while providing comparatively higher returns than the traditional banking channels. The fund diversifies its investments across the spectrum of low-risk Microfinance sector and Authorized Investments with hope to outperform returns of most fixed income products.
- **Explanation as to whether the Collective Investment Scheme has achieved its stated objective**
The collective investment scheme achieved its stated objective.
- **Statement of benchmark(s) relevant to the Collective Investment Scheme**
Six (6) months KIBOR Rate.

- **Comparison of the Collective Investment Scheme's performance during the period compared with the said benchmarks**

Ann. Returns	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	FY23
JSMFSF	16.40%	16.12%	16.10%	16.10%	16.08%	16.67%	16.72%	17.37%	19.55%	21.13%	22.48%	23.81%	19.80%
Benchmark	15.64%	15.96%	16.05%	15.82%	15.96%	17.00%	17.38%	18.73%	21.19%	22.09%	22.08%	22.24%	18.33%
Diff.	0.76%	0.16%	0.05%	0.29%	0.12%	-0.33%	-0.66%	-1.36%	-1.63%	-0.96%	0.39%	1.57%	1.47%

- **Description of the strategies and policies employed during the period under review in relation to the Collective Investment Scheme's performance**
During the year, the fund assets remained largely allocated to bank placements with top-rated microfinance banks. Considering the prevalent interest rate dynamics amidst a highly challenging macroeconomic environment, the fund strategically maintained a low duration profile.
- **Disclosure of the Collective Investment Scheme's asset allocation as at the date of the report and particulars of significant changes in asset allocation since the last report (if applicable)**

	Jun-23	Jun-22
Cash	89.88%	99.09%
Placement with Banks and DFIs	7.57%	0.00%
Other including receivables	2.54%	0.91%
Total	100.00%	100.00%

- **Analysis of the Collective Investment Scheme's performance**

	Fund	BM		Fund	BM
Standard Deviation*	1.1%	1.0%	Largest Month Gain	2.0%	1.9%
Duration (Days)	2		Largest Month Loss	0.7%	0.8%
WAM (Day)	2		% Positive Months	100.0%	100.0%
Expense Ratio**	0.82%				

* Since inception

** This is annualized and includes 0.08% Government levy & SECP fee; Selling & marketing expense is 0.18%.

- **Based on changes in total NAV and NAV per unit since the last review period or since commencement (in the case of newly established Collective Investment Scheme)**

	Net Assets Excluding JSIL FoFs (PKR mn)	NAV per Unit (PKR)
30-Jun-23	7,285	101.12
30-Jun-22	2,178	100.09



**Fund Manager Report
Annual Report 2023**

- Disclosure of the markets that the Collective Investment Scheme has invested in:**
 Although it falls under the income fund category, JS Microfinance Sector fund mainly invests in the Microfinance space, as its name suggests. In addition to cash placements and investment in securities or instruments within the Microfinance sector, other allowable investment avenues include government securities and any other securities or instruments approved under SECP rules, regulations, or directives from time to time.
- Disclosure on distribution (if any), comprising:-**
 - Particulars of income distribution or other forms of distribution made and proposed during the period; and
 - Statement on effects on the NAV before and after distribution is made

Distribution

The fund has paid a final distribution of Rs. 1.45 per unit of Rs. 100/- each i.e. 1.45%. The cumulative distribution for FY23 is Rs. 17.27 per unit.

NAV per unit as on June 30, 2023

Cum NAV (PKR)

Ex-NAV (PKR)

- Description and explanation of any significant changes in the state of affairs of the Collective Investment Scheme during the period and up till the date of the manager’s report, not otherwise disclosed in the financial statements**
 There were no significant changes in the state of affairs during the year under review.

- Breakdown of unit holdings by size**

Fund Name	Ranges			Number of Folios
JS Microfinance Sector Fund	0.0001	to	9,999.9999	74
	10,000.0000	to	49,999.9999	46
	50,000.0000	to	99,999.9999	23
	100,000.0000	to	499,999.9999	31
	500,000.0000	&	above	14
			Total	188

- Disclosure on unit split (if any), comprising:-**
 The Fund has not carried out any unit split exercise during the year.
- Disclosure of circumstances that materially affect any interests of the unit holders**
 Investment is subject to market risk.
- Disclosure if the Asset Management Company or its delegate, if any, receives any soft commission (i.e. goods and services) from its broker(s) or dealer(s) by virtue of transactions conducted by the Collective Investment Scheme, disclosure of the following:-**

The Management Company and / or any of its delegates have not received any soft commission from its brokers / dealers by virtue of transactions conducted by the Fund.



JS Microfinance Sector Fund

Performance Table

		2023	2022
Net assets	Rs.	7,570,930,150	2,226,846,762
Net income / loss	Rs.	1,288,054,017	18,977,230
Total return of the Fund	%	19.80	15.29
Dividend distribution	%	17.27	1.99
Capital Growth	%	2.53	13.30
Average annual return			
- One Year (Since launch date)*	%	19.80	15.29
- Two Year (Since launch date)*	%	17.55	15.29
- Three Year (Since launch date)*	%	17.55	15.29
NAV per unit	Rs.	101.12	100.09
Year-end offer price per unit	Rs.	102.27	101.23
Highest offer price per unit	Rs.	103.77	102.24
Lowest offer price per unit	Rs.	101.23	101.13
Year-end repurchase price per unit	Rs.	101.12	100.09
Highest repurchase price per unit	Rs.	102.61	101.09
Lowest repurchase price per unit	Rs.	100.09	100.00
interim distribution	Rs.	17.27	1.99
Final distribution	Rs.	-	-
Total distribution as % of par value	Rs.	17.27	1.99

Notes

- *JS Microfinance Sector Fund was launched on May 12, 2022.

- The income distribution have been shown against The year to which they relate although these were declared & distributed subsequently to the year end.

Disclaimer

Past performance is not necessarily indicative of future performance and that unit prices and investment returns may go down, as well as up.



REPORT OF THE TRUSTEE TO THE UNIT HOLDERS
JS MICROFINANCE SECTOR FUND

Report of the Trustee Pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

JS Micro Finance Sector Fund, an open-end scheme established under a trust deed executed between JS Investments Limited as the Management Company and Digital Custodian Company Limited as the Trustee on January 7, 2022.

- I. JS Investments Limited, the Management Company of JS Micro Finance Sector Fund has, in all material respects, managed JS Micro Finance Sector Fund during the period ended June 30, 2023 in accordance with the provisions of the following:
 - (i) Investment limitations imposed on the Asset Management Company and the Trustee under the trust deed and other applicable laws;
 - (ii) the valuation or pricing is carried out in accordance with the deed and any regulatory requirement;
 - (iii) the creation and cancellation of units are carried out in accordance with the deed;
 - (iv) and any regulatory requirement

Dabeer Khan
 Manager Compliance
 Digital Custodian Company Limited

Karachi: August 31, 2023

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INDEPENDENT AUDITOR'S REPORT
To the unitholders of JS Microfinance Sector Fund

Report on the Audit of the Financial Statements

Grant Thornton Anjum Rahman
 1st & 3rd Floor,
 Modern Motors House,
 Beaumont Road,
 Karachi, Pakistan.

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Opinion

We have audited the financial statements of **JS Microfinance Sector Fund** (the Fund), which comprise the statement of assets and liabilities as at June 30, 2023, and the related income statement, statement of comprehensive income, statement of movements in unit holder's fund, cash flow statement for the year ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2023 and of its financial performance and its cash flows for the year then ended in accordance with approved accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund and JS Investments Limited (the Management Company) in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (the Code)* as adopted by the Institute of Chartered Accountants of Pakistan together with the ethical requirements that are relevant to our audit of the financial statements in Pakistan, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Net assets value (NAV)	
The balances with banks constitute the most significant component of the net assets value (NAV).	We performed the following audit procedures: <ul style="list-style-type: none"> Obtained an understanding of design effectiveness of the key controls on the balances with bank.



	How our audit addressed the key audit matter
<p>The balances with banks as at June 30, 2023 amounted to Rs. 7,399.26 million as disclosed in note 6.</p> <p>The proper valuation of balances with banks for the determination of NAV of the Fund as at June 30, 2023 was considered as a high-risk area and therefore, we consider this as a Key Audit Matter (KAM).</p>	<ul style="list-style-type: none"> • Obtained independent confirmations for verifying the existence of the balances with banks as at June 30, 2023 and reconciled it with the books and records of the Fund. • Obtained bank reconciliation statements and tested reconciling items on a sample basis. • Checked presentation and disclosure as per applicable financial reporting framework.

Information Other than the Financial Statements and Auditor’s Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor’s report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors of the Management Company for the Financial Statements

The Management Company is responsible for the preparation and fair presentation of these financial statements in accordance with the approved accounting and reporting standards as applicable in Pakistan, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Fund’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Fund’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance,

but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with auditing standards as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:



- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management;
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide to the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because

the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Further, we report that the Fund's financial statements have been prepared in accordance with the relevant provisions of Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is **Muhammad Khalid Aziz**.


Chartered Accountants

Karachi

Date: September 27, 2023

UDIN: AR202310154pAnmXwyVf



FINANCIAL STATEMENTS



JS Microfinance Sector Fund

STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2023

	Note	June 30, 2023	June 30, 2022
----- (Rupees) -----			
ASSETS			
Balances with bank	6	7,399,261,415	2,213,232,206
Bank profit receivable	7	192,479,159	16,511,305
Deferred formation cost	8	541,611	683,326
Prepaid Mutual Fund Rating Fee		189,411	155,245
Total assets		7,592,471,596	2,230,582,082
LIABILITIES			
Payable to JS Investments Limited - Management Company	9	14,395,495	1,487,194
Payable to Digital Custodian Company Limited - Trustee	10	609,427	80,524
Annual fee payable to Securities and Exchange commission of Pakistan	11	1,414,098	23,560
Accrued expenses and other liabilities	12	5,122,426	2,144,042
Total liabilities		21,541,446	3,735,320
Contingencies and commitments	13	-	-
Net assets		7,570,930,150	2,226,846,762
Unit holders' fund (as per statement attached)		7,570,930,150	2,226,846,762
Number of units in issue		74,869,343	22,247,678
Net asset value per unit		101.12	100.09

The annexed notes from 1 to 26 form an integral part of these financial statements.

For JS Investments Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2023

	Note	June 30, 2023	For the Period from May 12, 2022 to June 30, 2022
		----- (Rupees) -----	
Income			
Markup on bank balances		1,346,086,430	20,100,723
		<u>1,346,086,430</u>	<u>20,100,723</u>
Expenses			
Remuneration to Management company	9.1	25,088,716	769,119
Sales tax on remuneration to Management Company	9.2	3,261,930	99,985
Accounting and operational charges	9.3	4,833,591	22,777
Selling and marketing expense	9.4	16,081,513	-
Remuneration to the Trustee	10.1	5,302,890	88,342
Sales tax on remuneration to Trustee	10.2	689,375	11,485
Annual fee Securities and Exchange Commission of Pakistan	11.1	1,416,598	23,560
Amortization of deferred formation costs	8	141,715	17,199
Listing fee		25,000	-
Mutual fund rating fee		154,544	16,515
Bank and settlement charges		3,309	-
Professional tax		7,500	-
Printing and stationary		101,468	6,254
Auditor's remuneration	14	924,264	68,257
		<u>58,032,413</u>	<u>1,123,493</u>
Net income for the year/period before taxation		<u>1,288,054,017</u>	<u>18,977,230</u>
Taxation	16	-	-
Net income for the year/period after taxation		<u>1,288,054,017</u>	<u>18,977,230</u>
Allocation of net income for the year/period			
Net income for the year/period after taxation		1,288,054,017	18,977,230
Income already paid on units redeemed		(105,202,669)	(2,256,961)
Accounting income available for distribution		<u>1,182,851,348</u>	<u>16,720,269</u>
- Relating to capital gain		-	-
- Excluding capital gain		<u>1,182,851,348</u>	<u>16,720,269</u>
		1,182,851,348	16,720,269

The annexed notes from 1 to 26 form an integral part of these financial statements.

For JS Investments Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



JS Microfinance Sector Fund

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2023

	June 30, 2023	For the Period from May 12, 2022 to June 30, 2022
	-----	(Rupees) -----
Net profit for the year/period after taxation	1,288,054,017	18,977,230
Other comprehensive income	-	-
Total comprehensive income for the year/period	<u><u>1,288,054,017</u></u>	<u><u>18,977,230</u></u>

The annexed notes from 1 to 26 form an integral part of these financial statements.

For JS Investments Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



JS Microfinance Sector Fund

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2023

	June 30, 2023	For the Period from May 12, 2022 to June 30, 2022
	----- (Rupees) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year/period before taxation	1,288,054,017	18,977,230
Adjustments for:		
Amortization of deferred formation costs	141,715	17,199
Increase in current assets		
Bank profit receivable	(175,967,854)	(16,511,305)
Deferred formation cost	-	(700,525)
Prepaid Mutual Fund Rating Fee	(34,166)	(155,245)
	(176,002,020)	(17,367,075)
Increase in current liabilities		
Payable to JS Investments Limited - Management Company	12,908,301	1,487,194
Payable to Digital Custodian Company Limited - Trustee	528,903	80,524
Annual fee payable to Securities and Exchange commission	1,390,538	23,560
Accrued expenses and other liabilities	2,978,384	2,144,042
	17,806,126	3,735,320
Net cash generated from operating activities	1,129,999,838	5,362,674
CASH FLOWS FROM FINANCING ACTIVITIES		
Amount received on issuance of units	37,305,971,543	2,864,978,722
Amount paid on redemption of units	(32,199,683,432)	(641,690,638)
Dividend paid	(1,050,258,740)	(15,418,552)
Net cash generated from financing activities	4,056,029,371	2,207,869,532
Net increase in cash and cash equivalents	5,186,029,209	2,213,232,206
Cash and cash equivalents at beginning of the period	2,213,232,206	-
Cash and cash equivalents at end of the year/period	7,399,261,415	2,213,232,206

The annexed notes from 1 to 26 form an integral part of these financial statements.

For JS Investments Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



JS Microfinance Sector Fund

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND

FOR THE YEAR ENDED JUNE 30, 2023

For The Year Ended June 30, 2023

For the Period from May 12, 2022 to June 30, 2022

	-----Rupees-----					
	Capital Value	Unappropriate profit	Total	Capital Value	Unappropriate profit	Total
Net assets at beginning of the year	2,225,545,045	1,301,717	2,226,846,762	-	-	-
Issuance of units 370,838,058 (2022: 28,605,095 units)						
- Capital value (at net asset value per unit at the beginning of the year)	37,287,766,697	-	37,287,766,697	2,860,509,600	-	2,860,509,600
- Element of income	18,204,846	-	18,204,846	4,469,122	-	4,469,122
Total proceeds on issuance of units	37,305,971,543	-	37,305,971,543	2,864,978,722	-	2,864,978,722
Redemption of units 318,216,393 (2022: 6,357,417 units)						
- Capital value (at net asset value per unit at the beginning of the year)	(31,971,097,150)	-	(31,971,097,150)	(633,484,740)	-	(633,484,740)
- Element of (loss)	(123,383,613)	-	(123,383,613)	(5,948,937)	(2,256,961)	(8,205,898)
- Amount paid / payable on redemption of unit	-	(105,202,669)	(105,202,669)	-	-	-
Total payments on redemption of units	(32,094,480,763)	(105,202,669)	(32,199,683,432)	(639,433,677)	(2,256,961)	(641,690,638)
Total comprehensive income for the year	-	1,288,054,017	1,288,054,017	-	18,977,230	18,977,230
Distributions during the period	-	(1,050,258,740)	(1,050,258,740)	-	(15,418,552)	(15,418,552)
Net assets at end of the year	7,437,035,825	133,894,325	7,570,930,150	2,225,545,045	1,301,717	2,226,846,762
Unappropriate profit brought forward						
- Realized gain		1,301,717			-	
- Unrealized gain		-			-	
		1,301,717			-	
Accounting income available for distribution						
- Relating to capital gain		-			-	
- Excluding capital gain		1,182,851,348			16,720,269	
		1,182,851,348			16,720,269	
Distribution during the year		(1,050,258,740)			(15,418,552)	
Undistributed gain carried forward		133,894,325			1,301,717	
Unappropriate profit brought forward						
- Realized gain		133,894,325			1,301,717	
- Unrealized gain		-			-	
		133,894,325			1,301,717	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the year		100.09			-	
Net assets value per unit at end of the year		101.12			100.09	

The annexed notes from 1 to 26 form an integral part of these financial statements.

For JS Investments Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2023

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 JS Microfinance Sector Fund ("the Fund") was established under the Trust Deed and the Sindh Trust Act, 2020 executed between JS Investments Limited as the Management Company and Digital Custodian Company Limited (formerly: MCB Financial Services Limited) as the Trustee. The draft trust deed was approved by the Securities and Exchange Commission of Pakistan (the SECP) vide its letter dated December 27, 2021 consequent to which the Trust Deed was executed on January 7, 2022 in accordance with the requirement of Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules).

The Trust Act, 1882 has been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on August 23, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

1.2 The Fund is an open end mutual fund categorised as "Income Scheme" and is listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription on continuous basis and are transferrable and can be redeemed by surrendering them to the Fund. As per the offering document, the Fund shall invest in prime quality Microfinance sector products, Microfinance bank deposits and short-term Money Market instruments.

1.3 The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at The Centre, 19th Floor, Plot No.28 SB-5, Abdullah Haroon Road, Saddar, Karachi, Pakistan.

1.4 Title to the assets of the Fund is held in the name of Digital Custodian Company Limited as Trustee of the Fund.

1.5 PACRA has assigned stability Rating of "A(f)" to the Fund on June 12, 2023 by the Pakistan Credit Rating Agency (PACRA) (June 2022: "A(f)").

Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of 'AM2+' with 'stable outlook' dated December 27, 2022 (June 30, 2022: 'AM2' with 'positive outlook' dated August 6, 2022) to the Management Company which is an improvement from the previous rating of AM2 with positive outlook. The rating denotes high management quality.

1.6 The comparative information of income statement, statement of comprehensive income and cash flow statement are presented for a period from May 12, 2022 to June 30, 2022 in these financial statements as the Fund was incorporated on May 12, 2022 and the results may not be comparable.

2 BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards as applicable in Pakistan financial reporting comprise of:

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ from the IFRSs, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.



JS Microfinance Sector Fund

2.2 Accounting convention

These financial statements have been prepared under the historical cost convention except for certain investments which have been marked to market and carried at fair value.

2.3 Functional and presentation currency

These financial statements are presented in Pakistani Rupees, which is the Fund's functional and presentation currency.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in accordance with the accounting and reporting standards as applicable in Pakistan requires the management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates, judgments and associated assumptions are based on historical experience and various other factors including expectations of future events that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

The areas involving a degree of judgment or complexity, or areas where estimates and assumption are significant to the financial statements relates to provision for taxation (notes 5.11 and 16).

4 STANDARDS, AMENDMENTS AND INTERPRETATIONS TO APPROVED ACCOUNTING STANDARDS

4.1 Standards, amendments and interpretations to the published accounting and reporting standards that are effective in the current year

There are certain new and amended standards, amendments and interpretations that are mandatory for the Fund's accounting periods beginning on or after July 01, 2022 but are considered not to be relevant or do not have any significant effect on the Fund's operations and therefore are not detailed in these financial statements.

4.2 Standards, amendments and interpretations to the published standards that may be relevant to the Fund and adopted in the Fund

In addition certain new standards, amendments and interpretations to approved accounting standards are not yet effective. The Fund is in the process of assessing the impact of these Standards, amendments and interpretations to the published standards on the financial statements of the Fund.

4.3 Standards, amendments and interpretations to the published standards that are not yet notified by the Securities and Exchange Commission of Pakistan (SECP)

Further, certain certain new standards, amendments and interpretations have been issued by the International Accounting Standards Board (IASB) which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently presented in these financial statements.



5.1 Financial assets

5.1.1 Initial recognition and measurement

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the income statement.

5.1.2 Classification and subsequent measurement

Debt instruments

IFRS 9 has provided a criteria for debt securities whereby these debt securities are either classified based on the business model of the entity as:

- at amortised cost;
- at fair value through other comprehensive income (FVOCI); or
- at fair value through profit or loss (FVPL).

IFRS 9 also provides an option for securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis, to be recognized at FVPL. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Therefore, the management considers its investment in debt securities as being managed as a group of assets and hence has classified them as FVPL.

5.1.3 Impairment

The Fund assesses on a forward-looking basis the expected credit losses (ECL) associated with its financial assets (other than debt instruments) carried at amortised cost and FVOCI. The Fund recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecast of future economic conditions.

The 12 months ECL is recorded for all financial assets in which there is no significant increase in credit risk from the date of initial recognition, whereas a lifetime ECL is recorded for all remaining financial assets.

5.1.4 Impairment loss on debt securities

Provision for non-performing debt securities is made on the basis of time-based criteria as prescribed by the SECP and based on management's assessment made in line with its provisioning policy approved by the Board of Directors of the Management Company in accordance with the guidelines issued by the SECP. Impairment losses recognised on debt securities can be reversed through the income statement.

As allowed by the SECP, the Management Company may make provision against debt securities over and above the minimum provision requirement prescribed by the SECP, in accordance with the provisioning policy duly approved by the Board of Directors.



JS Microfinance Sector Fund

5.1.5 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset. Regular way purchases / sales of assets require delivery of securities within two days from the transaction date as per the stock exchange regulations.

5.1.6 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. Any gain or loss on derecognition of financial assets is taken to the income statement.

5.1.7 Derivatives

Derivative instruments are initially recognised at fair value and subsequent to initial measurement each derivative instrument is remeasured to its fair value and the resultant gain or loss is recognised in the income statement.

5.2 Financial liabilities

Financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair values and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Any gain or loss on derecognition of financial liabilities is taken to the income statement.

5.3 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the Statement of Assets and Liabilities when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the assets and settle the liabilities simultaneously.

5.4 Provisions

Provisions are recognised when the Fund has a present, legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

5.5 Cash and cash equivalents

Cash and cash equivalents comprise of balances with banks and short-term highly liquid investments that are readily convertible to known amount of cash and are subject to an insignificant risk of changes in value with original maturities of three months or less.

5.6 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

Element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution.



5.7 Issue and redemption of units

Units issued are recorded at the offer price determined by the management company for the applications received by the distribution company / management company during business hours on that day. The offer price represents the Net Asset Value (NAV) per unit as of the close of the business day, plus the allowable sales load and provision of any duties and charges if applicable. The sales load is payable to the Management Company / distributors.

Units redeemed are recorded at the redemption price applicable to units for which the distribution company / management company receives redemption application during business hours of that day. The redemption price is equal to NAV as of the close of the business day, less an amount as the management company may consider to be an appropriate provision of duties and charges.

5.8 Distribution to unit holders

Distributions to unit holders are recognised upon declaration and approval by the Investment Committee of the Board of Directors of Management Company under powers delegated to them by the Board of Directors of the Management Company or declaration and approval by the Board of Directors of the Management Company. Based on Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes portion of income already paid on units redeemed during the year.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the period in which such distributions are declared and approved by the Board of Directors of the Management Company.

5.9 Revenue recognition

- Capital gains / (losses) arising on sale of investments are included in the income statement on the date at which the transaction takes place.
- Income from investments in government securities and commercial papers is recognised on an accrual basis using effective interest method at the rate of return implicit in the instrument.
- Unrealised gains / (losses) arising on re-measurement of investments classified as 'financial assets at fair value through profit or loss' are included in the income statement in the period in which they arise.
- Interest income on bank balances is recognised on an accrual basis.

5.10 Expenses

All expenses chargeable to the Fund including remuneration of Management Company, Trustee and annual fee of SECP are recognised in the income statement on an accrual basis.

5.11 Taxation

The income of the Fund is exempt from income tax under Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed among the unit holders. The Fund intends to distribute such income by the year end in order to avail this tax exemption. Accordingly, no provision has been made for current and deferred taxation in these financial statements.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of part IV of the Second Schedule to the Income Tax Ordinance, 2001.



JS Microfinance Sector Fund

5.12 Net asset value per unit

The net asset value (NAV) per unit disclosed in the statement of assets and liabilities is calculated by dividing the net assets of the Fund by the number of units in issue at the year end.

5.13 Earning per unit

Earning per unit EPU has not been disclosed as, in the opinion of the management, the determination of weighted average units for calculating EPU is not practicable.

6	BALANCES WITH BANK	Note	June 30, 2023	June 30, 2022
			---- Rupees ----	
	Profit and loss (PLS) sharing account	6.1	6,824,261,415	2,213,232,206
	TDR with U-Microfinance Bank	6.2	575,000,000	-
			7,399,261,415	2,213,232,206

6.1 These include a balance of Rs. 22.83 million (June 30, 2022: Rs: 1.52 million) maintained with JS Bank Limited (a related party) that carries profit at the rate of 19.60% (June 30, 2022: 12.25%) and Rs. 6.96 billion (June 30, 2022: Rs: 1.18 billion) maintained with U Microfinance Bank Limited (a related party) that carries profit at the rate of 24.00% (June 30, 2022: 16.90%). Other profit and loss sharing accounts of the Fund carry profit rates ranging from 14.50% to 24.00% (June 30, 2022: 12.25% to 17.00%) per annum.

6.2 This pertain to the (TDR) maintained with U-Microfinance Bank (a related party) carries profit at the rate of 24.00%. The maturity date of (TDR) is July 19, 2023.

7	BANK PROFIT RECEIVABLE	Note	June 30, 2023	June 30, 2022
			---- Rupees ----	
	Accrued markup on bank balances & (TDR)	7.1	192,479,159	16,511,305

7.1 This include amount of Rs1.05 million (2022: Nil) erroneously withheld as tax on bank profits of the Fund despite of valid exemption certificate and same has been claimed from the Banks deducting such taxes.

8	DEFERRED FORMATION COST		June 30, 2023	June 30, 2022
			---- Rupees ----	
	Preliminary expenses and formation costs	8.1	683,326	700,525
	Less: Amortization during the period		(141,715)	(17,199)
			541,611	683,326

8.1 Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of the operations of the Fund and are being amortised over a period of five years commencing from May 12, 2022 as per the requirements set out in the Trust Deed of the Fund.



JS Microfinance Sector Fund

9	PAYABLE TO JS INVESTMENTS LIMITED - MANAGEMENT COMPANY	Note	June 30, 2023	June 30, 2022
			---- Rupees ----	
	Remuneration Payable to management company	9.1	2,901,639	655,231
	Sindh sales tax on management remuneration	9.2	377,611	85,181
	Accounting and Operational Charges payable	9.3	719,086	-
	Selling and Marketing Expenses payable	9.4	9,460,559	-
	Preliminary Expenses and formation costs Payable	8.1	740,525	700,525
	<i>Balance Carried Forward</i>		14,199,420	1,440,937
			June 30, 2023	June 30, 2022
			---- Rupees ----	
	<i>Balance Brought Forward</i>		14,199,420	1,440,937
	Printing charges payable		101,677	6,257
	Other payable to management company		-	40,000
	Sales load payable to management company		94,398	-
			14,395,495	1,487,194

9.1 During the period, the Management Company has charged its remuneration at the rate of 0% to 1% on net assets, subject to floor and capping of 1% per annum of the average annual net assets. The remuneration is payable to the Management Company monthly in arrears.

9.2 The Provincial Government of Sindh has levied Sindh sales tax at the rate of 13% on the remuneration of the Management Company through the Sindh Sales Tax on Services Act, 2011.

9.3 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% of net assets of the Fund.

9.4 The SECP has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds). Asset Management Company is required to set a maximum limit for charging of such expenses to the Fund and the same should be approved by the Board of Directors of the Management Company as part of annual plan. Accordingly, the Management Company based on its discretion has currently determined a capping of upto 2% of the daily annual net assets of the Fund for charging of selling and marketing expenses which has also been approved by the Board of Directors of the Management Company.

10	PAYABLE TO DIGITAL CUSTODIAN COMPANY LIMITED - TRUSTEE	Note	June 30, 2023	June 30, 2022
			---- Rupees ----	
	Trustee remuneration	10.1	539,314	71,260
	Sindh sales tax on trustee remuneration	10.2	70,113	9,264
			609,427	80,524

10.1 During the period, the Trustee has charged its remuneration at the rate of 0.075% per annum of the average annual net assets.

10.2 The Provincial Government of Sindh has levied Sindh sales tax at the rate of 13% on the remuneration of the Management Company through the Sindh Sales Tax on Services Act, 2011.



JS Microfinance Sector Fund

11 ANNUAL FEE PAYABLE TO THE SECURITIES COMMISSION OF PAKISTAN

	Note	June 30, 2023	June 30, 2022
		---- Rupees ----	
Annual fee to SECP	11.1	<u>1,414,098</u>	<u>23,560</u>

11.1 In accordance with the NBFC Regulations, 2008, 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 the average annual net assets of the Fund.

12 ACCRUED EXPENSE AND OTHER LIABILITIES

	Note	June 30, 2023	June 30, 2022
		---- Rupees ----	
Auditors' remuneration		291,950	68,257
Withholding tax payable		235,523	2,075,785
Other liabilities		4,594,953	-
		<u>5,122,426</u>	<u>2,144,042</u>

13 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at June 30, 2023.

14 AUDITOR'S REMUNERATION

	Note	June 30, 2023	June 30, 2022
		---- Rupees ----	
Annual audit fee		336,799	63,201
Half yearly review of financial statements		150,000	-
Out of pocket expenses		40,000	-
Other Certification		329,001	-
		855,800	63,201
Sales tax		68,464	5,056
		<u>924,264</u>	<u>68,257</u>

15 TOTAL EXPENSE RATIO

The total expense ratio (TER) of the Fund for the year ended June 30, 2023 is 0.82% (2022: 0.28%) which includes 0.08% (2022: 0.09%) representing government levies on the Fund such as sales taxes, annual fee payable to the SECP, etc. This ratio is within the maximum limit of 2.5% (excluding government levies) prescribed under the NBFC Regulations for a collective investment scheme categorised as an "income" scheme.

16 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 period to the unit holders in the manner as explained above, no provision for taxation has been made in these financial statements.



JS Microfinance Sector Fund

17	NUMBER OF UNITS IN ISSUE	June 30, 2023	June 30, 2022
		---- Rupees ----	
	Total outstanding units- opening	22,247,678	-
	Issued during the year	370,838,058	28,605,095
	Redemption during the year	(318,216,393)	(6,357,417)
	Total outstanding units - closing	74,869,343	22,247,678

18 TRANSACTIONS WITH RELATED PARTIES/CONNECTED PERSONS

Connected persons / related parties of the Fund include JS Investments Limited (JSIL) being the Management Company of the Fund, Digital Custodian Company Limited (formerly: MCB Financial Services Limited) being the Trustee of the Fund, JS Bank Limited (JSBL-which is the holding company of the Management Company - holding 84.56% shares of JS Investments Limited) being the Holding Company of JSIL, Jahangir Siddiqui and Company Limited (JSCL which is holding 75.02% shares of JS Bank Limited) being the Holding Company of JSBL, JS Global Capital Limited (JSGCL which is a fellow subsidiary of JSBL - 92.90% shares held by JS Bank Limited) being the fellow subsidiary of JSBL, and other associated companies of JSBL, JSIL and their 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 June 30, 2023. It also includes staff retirement benefit Funds of the above connected persons / related parties.

Transactions with connected persons are carried out in normal course of business at contracted rates and thus determined in accordance with the market terms.

Remuneration of the Management Company and the Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

Transactions and balances with related parties other than disclosed elsewhere in these financial statements are as follows:



JS Microfinance Sector Fund

	June 30, 2023	For the Period from May 12, 2022 to June 30, 2022
	---- Rupees ----	
18.1 Details of transactions with related parties / Connected person during the year		
JS Investments Limited - Management Company		
Remuneration to the Management Company	25,088,716	769,119
Sindh sales tax on remuneration of the Management Company	3,261,930	99,985
Issue of units: 27,351,134 units (2022: 8,126,127)	2,781,564,401	819,097,569
Redemption of units: 29,485,032 units (2022: 4,135,962)	2,996,229,541	417,967,671
Reinvest in lieu of Dividend paid : 6,404 units (2022: 32,044)	643,576	3,204,480
Sales load	817,852	-
Accounting and operating expenses	4,833,591	22,777
Units refund as capital : 233,709 (2022: Nil)	-	-
Selling and marketing expense	16,081,513	-
Amortization of deferred formation costs	141,715	17,199
Printing Charges	101,468	6,254
Digital Custodian Company Limited - Trustee		
Remuneration to the trustees	5,302,890	88,342
Sales tax on trustee remuneration	689,375	11,485
JS Fund of Funds (Fund Under JSIL Management)		
Issue of units: 10,746,668 units (2022: 489,559)	1,089,197,751	49,000,000
Redemption of units: 8,553,361 units (2022: Nil)	866,112,310	-
Reinvest in lieu of Dividend paid : 69,693 units (2022: Nil)	6,999,044	-
Units refunded as Capital : 71,639 (2022: Nil)	-	-
Energy Infrastructure Holding (Private) Limited (Fully owned by JSCL)		
Issue of units: 1,989,060 units (2022: Nil)	200,000,000	-
Redemption of units: 1,989,060 (2022: Nil)	200,477,374	-
EFU Life Assurance Ltd. (Associate of JSIL)		
Issue of units: Nil units (2022: 495,540)	-	50,000,000
Reinvest in lieu of Dividend paid : 92,949 units (2022: 198)	9,340,121	19,822
Units refunded as Capital : Nil (2022: 4,460)	-	-



JS Microfinance Sector Fund

For the Period
from May 12, 2022
to June 30, 2022

June 30, 2023

---- Rupees ----

Jahangir Siddiqui & Co. Limited

(Ultimate Parent Company - JSIL)

Issue of units: 48,212,599 units (2022: Nil)	4,874,553,337	-
Redemption of units: 41,155,096 units (2022: Nil)	4,159,409,793	-
Units refunded as Capital : 159,344 (2022: Nil)	-	-
Dividend paid	47,815,915	-

JS Infocom Limited

(Fully owned by JSCL)

Issue of units: 597,285 units (2022: Nil)	60,000,000	-
Redemption of units: 498,206 units (2022: Nil)	50,189,318	-
Dividend paid	6,606,217	-

Jahangir Siddiqui & Sons Limited

(Common Directership)

Issue of units: 5,772,467 units (2022: Nil)	582,000,000	-
Redemption of units: 920,579 units (2022: Nil)	94,000,000	-
Units refunded as Capital : 2,118 (2022: Nil)	-	-
Reinvest in lieu of Dividend paid : 8,065 (2022: Nil)	808,980	-

JS Bank Limited

(Parent Company of JSIL)

Interest income on bank balances	2,489,197	925,355
Issue of units: 26,758,795 units (2022: Nil)	2,700,000,000	-
Redemption of units: 26,834,560 units (2022: Nil)	2,709,749,787	-
Reinvest in lieu of Dividend paid : 18,086 units (2022: Nil)	1,818,539	-
Units refunded as Capital : 57,679 (2022: Nil)	-	-

U Microfinance Bank Limited

(Entities holding 10% or more of units)

Interest income on bank balances	1,227,925,774	-
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JS Microfinance Sector Fund

	June 30, 2023	For the Period from May 12, 2022 to June 30, 2022
---- Rupees ----		
MKRF Swat Relief Fund		
(Common Directorship - JSBL)		
Issue of units: 465,017 units (2022: Nil)	47,901,353	-
Units refunded as Capital : 6,151 (2022: Nil)	-	-
Reinvest in lieu of Dividend paid : 19,789 (2022: Nil)	2,691,869	-
Key management personnel of the Management Company		
Issue of units: 1,390,911 (2022: 24,787)	141,457,960	2,493,289
Redemption of units: 1,340,354 (2022: Nil)	136,888,326	-
Units refunded as Capital : 12,881 (2022: 126)	-	-
Reinvest in lieu of Dividend paid : 9,404 (2022: 314)	945,051	31,422
18.2 Details of balances with related parties / connected persons as at year end	June 30, 2023	June 30, 2022
---- Rupees ----		
JS Investments Limited - Management Company		
Remuneration payable to the Management Company	2,901,639	655,231
Sindh sales tax on management remuneration	377,611	85,181
Preliminary Expenses and formation costs Payable	740,525	700,525
Accounting and Operational Charges payable	719,086	-
Selling and Marketing Expenses payable	9,460,559	-
Printing charges Payable	101,677	6,257
Sales load payable	94,398	-
Units held: 2,168,140 (June 30, 2022: 4,061,926)	219,242,292	406,558,143
Digital Custodian Company Limited - Trustee		
Remuneration to the trustees	539,314	71,260
Sales tax on trustee remuneration	70,113	9,264
U Microfinance Bank Limited		
(Entities holding 10% or more of units)		
Bank balances	7,371,297,836	1,180,957,329
Accrued return on bank balance	191,091,193	5,041,077
Units held: 37,635,186 (June 30, 2022: Nil)	3,805,669,886	-
JS Bank Limited (Parent Company of JSIL)		
Bank balances	22,832,133	1,521,831
Accrued return on bank balance	317,518	-
JS Fund of Funds (Fund Under JSIL Management)		
Units held: 2,824,198 (June 30, 2022: 489,559)	285,582,983	49,000,000
EFU Life Assurance Ltd. (Associate of JSCL)		
Units held: 593,147 (June 30, 2022: 500,198)	59,979,030	50,064,839



JS Microfinance Sector Fund

	June 30, 2023	June 30, 2022
	---- Rupees ----	
Jahangir Siddiqui & Co. Limited (Ultimate Parent Company - JSIL) Units held: 7,216,847 (June 30, 2022: Nil)	729,767,561	-
Jahangir Siddiqui & Sons Limited (Common Directorship) Units held: 4,862,071 (June 30, 2022: Nil)	491,652,647	-
JS Infocom Limited (Fully owned by JSCL) Units held: 99,079 (June 30, 2022: Nil)	10,018,825	-
MKRF Swat Relief Fund (Common Directorship - JSBL) Units held: 490,957 (June 30, 2022: Nil)	49,645,528	-
Entities holding 10% or more of units Units held: 37,635,185 (June 30, 2022: Nil)	3,805,669,886	-
Key management personnel of the Management Company Units held: 98,069 (June 30, 2022: 25,227)	9,916,731	2,524,979

19 RECONCILIATION OF LIABILITIES ARISING OUT OF FINANCING ACTIVITIES

	Receivable against issuance of units	Payable against redemption of units	Total
	-----Rupees-----		
June 30, 2023			
Balance as at July 01, 2022	-	-	-
Receivable against issuance of units	37,305,971,543	-	37,305,971,543
Payable against redemption of units	-	(32,199,683,432)	(32,199,683,432)
	37,305,971,543	(32,199,683,432)	5,106,288,111
Amount received on issuance of units	(37,305,971,543)	-	(37,305,971,543)
Amount paid on redemption of units	-	32,199,683,432	32,199,683,432
	(37,305,971,543)	32,199,683,432	(5,106,288,111)
Balance as at June 30, 2023	-	-	-
	Receivable against issuance of units	Payable against redemption of units	Total
	-----Rupees-----		
June 30, 2022			
Balance as at July 01, 2021	-	-	-
Receivable against issuance of units	2,864,978,722	-	2,864,978,722
Payable against redemption of units	-	(641,690,638)	(641,690,638)
	2,864,978,722	(641,690,638)	2,223,288,084
Amount received on issuance of units	(2,864,978,722)	-	(2,864,978,722)
Amount paid on redemption of units	-	641,690,638	641,690,638
	(2,864,978,722)	641,690,638	(2,223,288,084)
Balance as at June 30, 2022	-	-	-



JS Microfinance Sector Fund

20 FINANCIAL INSTRUMENTS - BY CATEGORY

Particulars	-----As at June 30, 2023-----		
	At amortised cost	Financial asset at 'fair value through profit or loss'	Total

----- Rupees -----

Financial assets

Balances with bank	7,399,261,415	-	7,399,261,415
Bank profit receivable	192,479,159	-	192,479,159
	7,591,740,574	-	7,591,740,574

Financial liabilities

Payable to JS Investments Limited			
- Management Company	14,017,884	-	14,017,884
Payable to Digital Custodian Company Limited - Trustee	539,314	-	539,314
Annual fee payable to Securities and Exchange Commission of Pakistan	1,414,098	-	1,414,098
Accrued expense and other liabilities	1,296,956	-	1,296,956
	17,268,252	-	17,268,252

Particulars	-----As at June 30, 2022-----		
	At amortised cost	Financial asset at 'fair value through profit or loss'	Total

----- Rupees -----

Financial assets

Balances with bank	2,213,232,206	-	2,213,232,206
Bank profit receivable	16,511,305	-	16,511,305
	2,229,743,511	-	2,229,743,511

Financial liabilities

Payable to JS Investments Limited			
- Management Company	1,402,013	-	1,402,013
Payable to Digital Custodian Company Limited - Trustee	71,260	-	71,260
Annual fee payable to Securities and Exchange Commission of Pakistan	23,560	-	23,560
Accrued expense and other liabilities	68,257	-	68,257
	1,565,090	-	1,565,090



21 FINANCIAL RISK MANAGEMENT

The Fund's activities expose it to a variety of financial risks, market risk, credit risk and liquidity risk.

Risk management framework

The Management Company Board of Directors has an overall responsibility for the establishment and oversight of the Fund's risk management framework.

Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily set up to be performed based on limits established by the Management Company, the Fund's constitutive documents and the regulations and directives of the SECP. The policies are established to identify and analyse the risks faced by the Fund, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Fund's activities.

The audit committee oversees how management monitors compliance with the Fund's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Fund. The audit committee is assisted in its oversight role by the internal audit. The Internal audit undertakes regular reviews of risk management controls and procedures and the results of which are reported to the audit committee.

Asset purchases and sales are determined by the Fund's Investment Manager, who has been authorised to manage the distribution of the assets to achieve the Fund's investment objectives. Compliance with the target asset allocations and the composition of the portfolio is monitored by the Investment Committee. In instances where the portfolio has diverged from target asset allocations, the Fund's Investment Manager is obliged to take actions to rebalance the portfolio in line with the established targets within prescribed time limits.

21.1 Market risk

Market risk is the risk that the fair value or the future cash flows of a financial instrument may fluctuate as a result of changes in market prices.

The Management Company manages the market risk by monitoring exposure on marketable securities by following internal risk management policies and investment guidelines approved by the Investment Committee and the regulations laid down by SECP.

Market risk comprises of three types of risk: currency risk, profit rate risk and price risk.

21.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. At present, the Fund is not exposed to currency risk as all the transactions are carried out in Pakistani Rupees.

21.1.2 Profit rate risk

Yield / profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. The Fund is mainly exposed to interest rate risk on balances held with banks.



JS Microfinance Sector Fund

a) Sensitivity analysis for variable rate instruments

Presently, the Fund does not hold any variable rate instrument except for balances in profit and loss sharing accounts amounting Rs. 6,824.26 million which carry profit at rates ranging from 14.50% to 24.00% per annum.

Cash flow sensitivity analysis for variable-rate instruments.

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / decreased unit holder fund and income statement by Rs 682.43million. The analysis assumes that all other variables remain constant.

None of the Fund's liabilities are subject to interest rate risk.

b) Sensitivity analysis for fixed rate instruments

Presently, the Fund does not hold any fixed rate instrument that exposes the Fund to any material interest rate risk.

Interest rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off-balance sheet financial instruments is based on settlement date.

Particulars	June 30, 2023					
	Interest rate	Total	---Exposed to interest rate risk---			Not exposed to interest rate risk
			Upto three months	More than three months and upto one year	More than one year	
	%		(Rupees)			
On-balance sheet financial instruments						
Financial assets						
Balances with bank	14.5-24	7,399,261,415	7,399,261,415	-	-	-
Bank profit receivable		192,479,159	-	-	-	192,479,159
		7,591,740,574	7,399,261,415	-	-	192,479,159
Financial liabilities						
Payable to JS Investment Limited Company		14,017,884	-	-	-	14,017,884
Payable to Digital Custodian Company Limited - Trustee		539,314	-	-	-	539,314
Annual fee payable to Securities and Exchange Commission of Pakistan		1,414,098	-	-	-	1,414,098
Accrued expenses and other liabilities		1,296,956	-	-	-	1,296,956
		17,268,252	-	-	-	17,268,252
On-balance sheet gap (a)		7,574,472,322	7,399,261,415	-	-	175,210,907
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a+b)		7,574,472,322	7,399,261,415	-	-	175,210,907
Cumulative interest rate sensitivity gap			7,399,261,415	7,399,261,415	7,399,261,415	



JS Microfinance Sector Fund

Particulars	June 30, 2022					
	Interest rate	Total	---Exposed to interest rate risk---			Not exposed to interest rate risk
			Upto three months	More than three months and upto one year	More than one year	
On-balance sheet financial instruments	%		(Rupees)			
Financial assets						
Balances with bank	12.25- 17	2,213,232,206	2,213,232,206	-	-	-
Bank profit receivable		16,511,305	-	-	-	16,511,305
		2,229,743,511	2,213,232,206	-	-	16,511,305
Financial liabilities						
Payable to JS Investment Limited Company		1,402,013	-	-	-	1,402,013
Payable to Digital Custodian Company Limited - Trustee		71,260	-	-	-	71,260
Annual fee payable to Securities and Exchange Commission of Pakistan		23,560	-	-	-	23,560
Accrued expenses and other liabilities		68,257	-	-	-	68,257
		1,565,090	-	-	-	1,565,090
On-balance sheet gap (a)		2,228,178,421	2,213,232,206	-	-	14,946,215
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a+b)		2,228,178,421	2,213,232,206	-	-	14,946,215
Cumulative interest rate sensitivity gap			2,213,232,206	2,213,232,206	2,213,232,206	

21.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

21.2 Credit risk

Credit risk is the risk of financial loss to the Fund if a customer or counter party to a financial instrument fails to meet its contractual obligations. This mainly arises principally from bank balances, security deposits and receivable against sale of securities.

The carrying amount of financial assets represent the maximum credit exposure.

	-----June 30, 2023-----		-----June 30, 2022-----	
	Balance as per statement of assets and liabilities	Maximum exposure	Balance as per statement of assets and liabilities	Maximum exposure
	---- Rupees ----		---- Rupees ----	
Balances with banks	7,399,261,415	7,399,261,415	2,213,232,206	2,213,232,206
Bank profit receivable	192,479,159	192,479,159	16,511,305	16,511,305
	7,591,740,574	7,591,740,574	2,229,743,511	2,229,743,511



JS Microfinance Sector Fund

Difference in the balance as per the statement of assets and liabilities and maximum exposure is due to the fact that investments in equity securities are not exposed to credit risk.

Management of credit risk

The Fund's policy is to enter into financial contracts in accordance with the investment guidelines approved by the Investment Committee, its Trust Deed and the requirements of the NBFC Rules and the Regulations. Before making investment decisions, the credit rating and credit worthiness of the issuer is taken into account along with the financial background so as to minimise the risk of default.

Credit risk is managed and controlled by the Management Company of the Fund in the following manner:

- Where the investment committee makes an investment decision, the credit rating and credit worthiness of the issuer is taken into account along with the financial background so as to minimise the risk of default.
- Analyses of credit ratings and obtaining adequate collaterals wherever appropriate / relevant.
- The risk of counterparty exposure due to failed trades causing a loss to the Fund is mitigated by a periodic review of the credit ratings and financial statements of the counter party on a regular basis.
- Cash is held only with reputable banks with high quality external credit enhancements.
- Investment transactions are carried out with a large number of brokers, whose credit worthiness is taken into account so as to minimise the risk of default and transactions are settled or paid for only upon delivery.

The Fund's policy is to enter into financial contracts in accordance with the internal risk management policies and investment guidelines approved by the Investment Committee. The Fund does not expect to incur material credit losses on its financial assets.

The analysis below summarises the credit quality of the Fund's financial assets:

21.2.1 Credit quality of balances held by the Fund's bank accounts

Name Of The Bank	-----June 30, 2023-----		
	Rating agency	Latest available published rating	Percentage
JS Bank Limited	PACRA	AA-	0.31%
U Microfinance Bank	JCR-VIS	A+	99.62%
HBL First Microfinance Bank	PACRA	A+	0.07%
Finca Microfinance Bank	PACRA	A-	0.00%
The Bank of Punjab	PACRA	AA+	0.00%

21.2.2 Concentration of credit risk

The concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial instruments is broadly diversified and transactions are entered into with diverse credit-worthy counterparties thereby mitigating any significant concentrations of credit risk.

21.3 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on the terms that are materially disadvantageous to the Fund.

The Fund is exposed to redemptions of its redeemable units on a regular basis. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is therefore to invest the majority of its assets in short-term instruments in order to maintain liquidity.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the period.

The table below indicates the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

Particulars	-----As at June 30, 2023-----			
	Upto three months	Upto three months	Over three months and upto one year	Over one year
	----- Rupees -----			
Financial liabilities				
Payable to JS Investments Limited - Management Company	14,017,884	14,017,884	-	-
Payable to Digital Custodian Company Limited - Trustee	539,314	539,314	-	-
Annual fee payable to Securities and Exchange Commission of Pakistan	1,414,098	1,414,098	-	-
Accrued expenses and other liabilities	1,296,956	1,296,956	-	-
	17,268,252	17,268,252	-	-
Particulars	-----As at June 30, 2022-----			
	Upto three months	Upto three months	Over three months and upto one year	Over one year
	----- Rupees -----			
Financial liabilities				
Payable to JS Investments Limited - Management Company	1,402,013	1,402,013	-	-
Payable to Digital Custodian Company Limited - Trustee	71,260	71,260	-	-
Annual fee payable to Securities and Exchange Commission of Pakistan	23,560	23,560	-	-
Accrued expenses and other liabilities	68,257	68,257	-	-
	1,565,090	1,565,090	-	-



JS Microfinance Sector Fund

22 UNIT HOLDERS' FUND RISK MANAGEMENT

The Unit Holders' Fund is represented by redeemable units. These units are entitled to distributions and to payment of a proportionate share, based on the Fund's net asset value per unit as of the close of the business day less any back end load, provision for transaction cost and any provision for duty and charge, if applicable. The relevant movements are shown on the 'Statement of Movement in Unit holders' Fund'.

The Fund's objective when managing unit holder's funds are to safeguard its ability to continue as a going concern so that it can continue to provide returns to unit holders' and to maintain a strong base of assets under management.

The Fund has no restrictions on the subscription and redemption of units.

The Fund meets the requirements of sub-regulation 54(3a) which requires that the minimum size of an Open End Scheme shall be one hundred million rupees at all times during the life of the scheme.

In accordance with the risk management policies stated in note 21, the Fund endeavours to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by short-term borrowings or disposal of investments where necessary.

23 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. Consequently, differences can arise between carrying values and the fair value estimates.

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.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

23.1 Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' 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:

'Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

'Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

'Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at June 30, 2023 and June 30, 2022, the carrying value of the assets approximate their fair value since these are short term in nature and are placed with counterparties which have high credit rating.

24 SUPPLEMENTARY NON FINANCIAL INFORMATION

The information regarding units holding pattern, top ten brokers, particulars of members of the Investment Committee and fund manager, particulars of meetings of the Board of Directors of the Management Company, meetings of Audit Committee of the Management Company, meetings of the Human Resource and Remuneration Committee of the Management Company and rating of the Fund and the management company are as follows:

24.1 Details of the members of investment committee of the Fund are as follows:

S. No.	Name	Designation	Experience in years	Qualification
1	Ms. Iffat Zehra Mankani	Chief Executive Officer	22	MBA
2	Mr. Khawar Iqbal	Chief Operating Officer and Company Secretary	30	MBA
3	Mr. Syed Hussain Haider	Chief Investment officer / Fund Manager	21	CFA

24.2 Pattern of unit holding

Category	----- As at June 30, 2023 -----			
	Number of unit holders	Number of units held	Investment amount	Percentage of total investment (%)
Individuals	159	13,419,897	1,357,020,033	17.92%
Associated Companies and directors	7	15,603,501	1,577,825,991	20.84%
Bank./ development financial institutions	1	37,635,185	3,805,812,086	50.27%
Non Banking Finance Companies	0	-	-	0.00%
Retirement funds	9	1,520,233	153,725,921	2.03%
Public Limited Companie:	5	1,273,802	128,806,891	1.70%
Others	7	5,416,725	547,739,226	7.23%
	188	74,869,343	7,570,930,148	100.00%

Category	----- As at June 30, 2022 -----			
	Number of unit holders	Number of units held	Investment amount	Percentage of total investment (%)
Individuals	15	582,893	58,343,773	2.82%
Associated Companies and directors	3	5,051,683	505,640,385	24.41%
Bank./ development financial institutions	1	15,064,234	1,507,831,029	72.78%
Non Banking Finance Companies	0	-	-	0.00%
	19	20,698,810	2,071,815,187	100.00%

24.3 Attendance at the meeting of the Board of Directors of the Management Company

The 164th, 165th, 166th, 167th and 168th meetings of the Board of Directors were held on August 19, 2022, October 22, 2022, January 11, 2023, February 24, 2023 and April 18, 2023 respectively. Information in respect of attendance by the directors and other persons in the meetings is given below:

S. No	Name of Directors	Meetings held on					
		Meetings attended	19 August 2022	22 October 2022	11 January 2023	24 February 2023	18 April 2023
1	Mr. Suleman Lalani	4	✓	-	✓	✓	✓
2	Ms. Iffat Zehra Mankani	5	✓	✓	✓	✓	✓
3	Mr. Hasan Shahid	5	✓	✓	✓	✓	✓
4	Mr. Asif Reza Sana*	1	✓	-	-	-	-
5	Mr. Imran Haleem Shaikh*	2	✓	✓	-	-	-
6	Mr. Zahid Ullah Khan*	2	✓	✓	-	-	-
7	Ms. Aisha Fariel Salahuddin	2	✓	-	✓	-	-
8	Mr. Mirza M. Sadeed Hasan Barlas	4	✓	✓	✓	-	✓
9	Mr. Atif Salim Malik**	3	-	-	✓	✓	✓
10	Ms. Mediha Kamal Afsar**	2	-	-	✓	-	✓
11	Mr. Syed Abu Ahmed Akif**	-	-	-	-	-	-
12	Mr. Farooq Ahmed Malik***	2	-	-	-	✓	✓

*Mr. Asif Reza Sana, Mr. Imran Haleem Shaikh and Mr. Zahid Ullah Khan retired on December 28, 2022

**Mr. Atif Salim Malik, Mr. Syed Abu Ahmed Akif and Ms. Mediha Kamal Afsar were appointed in Election of Directors held on December 28, 2022

***Mr. Farooq Ahmed Malik were appointed in Election of Director held on February 22, 2023.

24.4 Meetings of the audit committee

S. No	Name of Directors	Meetings held on				
		Meetings attended	18 August 2022	20 October 2022	23 February 2023	18 April 2023
1	Mr. Hasan Shahid	4	✓	✓	✓	✓
2	Ms. Aisha Fariel Salahuddin	2	✓	✓	-	-
3	Ms. Mediha Kamal Afsar	2	-	-	✓	✓
4	Mr. Mirza M. Sadeed Hasan Barlas	1	-	-	-	✓

Audit Committee was re composed in the meeting held on January 11, 2023

24.5 Meetings Of Human Resource And Remuneration Committee

S. No	Name of Directors	Meetings held on	
		Meetings attended	18 August 2022
1	Ms. Aisha Fariel Salahuddin	1	✓
2	Mr. Suleman Lalani	1	✓
3	Ms. Iffat Zehra Mankani	1	✓



25 GENERAL

25.1 Figures in the financial statements have been rounded off to nearest rupee.

25.2 Units have been rounded off to the nearest decimal place.

26 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by Board of Directors of the Management Company of the Fund on August 18, 2023.

For JS Investments Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

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JS Investments Limited

19th Floor, The Centre, Plot # 28,
SB-5 Abdullah Haroon Road, Saddar,
Karachi-75600

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E-mail: info@jsil.com
Website: www.jsil.com



JS Money Market Fund

Annual Report 2023



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VISION

To be the preferred choice of every investor, offering diverse and innovative investment solutions.

MISSION

To establish a leadership position in bringing more investable asset classes and innovative products, while managing them with prudence and excellence.

BROAD POLICY OBJECTIVES

- Value creation for clients on a sustainable basis.
- Maintain high standards of ethical behaviors and fiduciary responsibilities.
- 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
19th 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	Non-Executive Director / Chairman
Ms. Iffat Zehra Mankani	Chief Executive Officer
Mr. Hasan Shahid	Non-Executive Director
Mr. Mirza M. Sadeed H. Barlas	Non-Executive Director
Mr. Atif Salim Malik	Non-Executive Director
Ms. Aisha Fariel Salahuddin	Non-Executive Independent Director
Ms. Mediha Kamal Afsar	Non-Executive Independent Director
Mr. Farooq Ahmed Malik	Non-Executive Independent Director

Audit Committee

Ms. Mediha Kamal Afsar	Chairperson
Mr. Hasan Shahid	Member
Mr. Mirza M. Sadeed H. Barlas	Member

Chief Operating Officer & Company Secretary

Mr. Muhammad Khawar Iqbal

Chief Financial Officer

Mr. Umair Khatri

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

Grant Thornton Anjum Rahman
Chartered Accountants

Legal Adviser

Bawaney & Partners
3rd & 4th Floor, 68-C, Lane-13
Bokhari Commercial Area
Phase-VI DHA, Karachi



JS Money Market Fund

Directors' Report to the Unit Holders

The Board of Directors of JS Investments Limited, the Management Company of **JS Money Market Fund** (the Fund), is pleased to present the Annual Report for the Period from March 03, 2023 to June 30, 2023.

Economy:

During the fiscal year 2023, Pakistan encountered substantial challenges stemming from longstanding structural weaknesses. Delays in the IMF program, declining forex reserves, significant currency devaluation, persistent political uncertainty, and elevated inflation collectively presented formidable hurdles, resulting in a meager GDP growth of 0.29%, a marked decrease from the 6.10% achieved in the previous fiscal year, FY22.

The current account deficit (CAD) narrowed by 85% year-on-year to USD 2.6 billion in FY23, a notable improvement compared to USD 17.5 billion in FY22, primarily due to reduced trade deficit resulting from import restrictions. However, despite this situation, foreign exchange reserves held by the State Bank of Pakistan (SBP) declined to USD 4.47 billion by June 2023, down from USD 9.82 billion at the commencement of FY23.

The scarcity of forex reserves exerted significant pressure on the currency, leading to a 40% devaluation. Another persistent concern throughout FY23 was soaring inflation, averaging 29.04%, far surpassing the initial target of 11.5% and the FY22 rate of 12.15%. This surge was fueled by escalating food prices, and higher energy and petroleum costs, compounded by the global crisis and PKR depreciation. In response, the SBP maintained its contractionary stance, raising the policy rate to a record high of 22% from 13.75% in June 2022. Despite these challenges, the measures taken by the government, including raising energy and gas tariffs, implementing currency regime change, introducing additional taxes and tightening monetary policy, did not yield the desired outcomes.

However, as of June 2023, the Government of Pakistan successfully secured a crucial 9-month Stand by Arrangement (SBA) with the IMF, leading to substantial deposits from multilateral countries. This achievement offers a much-needed short-term respite from the looming risk of default. Additionally, the SBA provides an economic roadmap for the next nine months, encompassing the period leading up to elections and a caretaker government, with a strong emphasis on fiscal discipline, energy reforms, and consistent policy implementation. Nevertheless, it is important to recognize that the SBA offers only temporary relief, as a long-term program with the IMF will be necessary once the SBA concludes in March 2024, alongside the implementation of structural reforms and a consistent macroeconomic framework.

Income / Money Market Review:

Against a challenging macroeconomic landscape and mounting inflationary pressures, the Pakistani Rupee (PKR) experienced a significant depreciation of 40% during FY23. In response to the surging inflation, the State Bank of Pakistan (SBP) adopted a tight monetary policy stance, culminating in a cumulative 825 basis points increase in the policy rate, reaching an elevated 22% by June 2023.

Amidst heightened uncertainty, investors preferred shorter-tenor instruments along the yield curve. As a result, the government resorted to relying on the 3-month and 6-month treasury bills to fulfill its budgetary borrowing requirements, given the subdued market participation in one-year treasury bills. Notably, yields for 3-month treasury bills surged from 14.98% to 22.65%, while yields for 6-month treasury bills rose from 15.15% to 22.87%. The total amount borrowed through T-bills stood at PKR 24.62 trillion during the year. Furthermore, the government successfully borrowed PKR 1.28 trillion in fixed-rate Pakistan Investment Bonds (PIBs), slightly below the target of PKR 1.85 trillion. The yields on the 3-year, 5-year, and 10-year bonds experienced increments of 6.02%, 3.15%, and 2.40%, leading to final yields of 19.47%, 16.08%, and 15.32%, respectively.

Review of Fund Performance

The Fund return was 20.67% for the year ended June 30, 2023 against the benchmark return of 21.02%. The net assets of the fund stood at PKR. 2,039.98 million as at June 30, 2023. The total expense ratio (TER) of the Fund is 0.86%, which includes 0.33% of government levies on the Fund.

Dividend

The Fund paid interim cash dividends of Rs 5.77 per unit during the year ended June 30, 2023.



Asset Manager Rating

Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of 'AM2+' with 'stable outlook' dated December 27, 2022 (June 30, 2022: 'AM2' with 'positive outlook' dated August 6, 2022) to the Management Company which is an improvement from the previous rating of AM2 with a positive outlook. The rating denotes high management quality.

Auditors

The external auditors of the Fund Messrs Grant Thornton Anjum Rahman, Chartered Accountants retire and, being eligible, offer themselves for reappointment. The Board of Directors, upon recommendation of the Audit Committee of the Board, has approved the appointment of Messrs Grant Thornton Anjum Rahman, Chartered Accountants, as the Fund's auditors for the ensuing year ending June 30, 2024.

Board of Directors

During the period, Mr. Atif Salim Malik, Mr. Farooq Ahmed Malik and Ms. Mediha Kamal Afsar were appointed as Director in place of Mr. Asif Reza Sana, Mr. Imran Haleem Shaikh and Mr. Zahid Ullah Khan.

Additional Matters

- a. Annexed to the Annual Report is the Fund Manager's Report giving a description of principal risks and uncertainties with a reasonable indication of future prospects of profit.
- b. The Pattern of Unit holding as at June 30, 2023, is annexed to this annual report.
- c. The system of internal control is sound in design and has been effectively implemented and monitored.
- d. A performance table / key financial data is annexed to this annual report.

Acknowledgment

The Directors express their gratitude to the Securities and Exchange Commission of Pakistan and Digital Custodian Company 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: August 18, 2023

Director

Chief Executive Officer

شراکت داروں کے لیے ڈائریکٹرز رپورٹ

جے ایس انویسٹمنٹس لمیٹڈ کے بورڈ آف ڈائریکٹرز، JS منی مارکیٹ فنڈ (دی فنڈ) کی مینجمنٹ کمپنی، 03 مارچ 2023 سے 30 جون 2023 تک کی مدت کے لیے سالانہ رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

معاشی جائزہ

مالی سال 2023 کے دوران، پاکستان کو دیرینہ ساتھی کمزوریوں کی وجہ سے کافی چیلنجز کا سامنا کرنا پڑا۔ انٹرنیشنل مانیٹری فنڈ (IMF) پروگرام میں تاخیر، زرمبادلہ کے ذخائر میں کمی، کرنسی کی قدر میں نمایاں کمی، مسلسل سیاسی غیر یقینی کی صورتحال اور افراط زر میں اضافے نے مجموعی طور پر زبردست رکاوٹیں پیش کیں، جس کے نتیجے میں جی ڈی پی (GDP) کی شرح نمو % 0.29 رہی جو گزشتہ مالی سال 2022 کے % 6.10 کے مقابلے میں واضح طور پر کم ہے۔

مالی سال 2023 میں کرنٹ اکاؤنٹ خسارہ (CAD) سال بہ سال % 85 کم ہو کر 2.6 بلین امریکی ڈالر رہ گیا، جو مالی سال 2022 کے 17.5 بلین امریکی ڈالر کے مقابلے میں نمایاں بہتری ہے، جس کی بنیادی وجہ درآمدی پابندیوں سے تجارتی خسارے میں کمی ہے۔ تاہم، اس صورتحال کے باوجود اسٹیٹ بینک آف پاکستان (SBP) کے پاس موجود غیر ملکی زر مبادلہ کے ذخائر جون 2023 تک کم ہو کر 4.47 بلین امریکی ڈالر گئے جو مالی سال 2023 کے آغاز میں 9.82 بلین امریکی ڈالر سے کم تھے۔

غیر ملکی زرمبادلہ کے ذخائر کی کمی نے کرنسی پر کافی دباؤ ڈالا، جس کی وجہ سے % 40 کی قدر میں کمی واقع ہوئی۔ مالی سال 2023 کے دوران ایک اور مستقل تشویش بڑھتی ہوئی افراط زر تھی، جو اوسطاً % 29.04 تھی، جو ابتدائی ہدف % 11.5 اور مالی سال 2022 کی شرح % 12.15 سے تجاوز کر گئی۔ اس اضافے کی وجہ خوراک کی قیمتوں میں اضافہ اور توانائی اور پیٹرولیم کی بلند قیمتیں ہیں جو عالمی بحران اور پاکستانی روپے کی قدر میں کمی کی وجہ سے ہوا۔ اسکے جواب میں اسٹیٹ بینک آف پاکستان (SBP) نے اپنے تخفیفی (contractionary) موقف کو برقرار رکھتے ہوئے پالیسی کی شرح کو جون 2022 میں % 13.75 سے بڑھا کر % 22 کی ریکارڈ سطح پر پہنچا دیا۔ ان چیلنجز کے باوجود حکومت کی جانب سے اٹھائے گئے اقدامات بشمول توانائی اور گیس کے نرخوں میں اضافہ، کرنسی نظام کی تبدیلی کا نفاذ، اضافی ٹیکس متعارف کروانا اور مانیٹری پالیسی کو سخت کرنے سے مختلف نتائج برآمد ہوئے۔

تاہم، جون 2023 تک حکومت پاکستان نے آئی ایم ایف کے ساتھ 9 ماہ کا ایک اہم اسٹینڈ بائی آرٹیمینٹ (SBA) حاصل کیا جس کے نتیجے میں کثیرالجہتی (multi lateral) ممالک سے خاطر خواہ ذخائر موصول ہوئے۔ یہ کامیابی ڈیفالٹ کے بڑھتے ہوئے خطرے سے ایک انتہائی ضروری قلیل مدتی راحت فراہم کرتی ہے۔ مزید برآں، اسٹینڈ بائی آرٹیمینٹ (SBA) اگلے 9 ماہ کے لیے اقتصادی روڈ میپ فراہم کرتا ہے، جس میں انتخابات اور نگران حکومت تک کی مدت کا احاطہ کیا گیا ہے، جس میں مالی نظم و ضبط، توانائی اصلاحات اور مستقل پالیسی کے نفاذ پر زور دیا گیا ہے۔ اس کے باوجود، یہ تسلیم کرنا ضروری ہے کہ اسٹینڈ بائی آرٹیمینٹ (SBA) عارضی ریلیف فراہم کرتا ہے، کیونکہ مارچ 2024 میں اسٹینڈ بائی آرٹیمینٹ (SBA) کے اختتام کے بعد IMF کے ساتھ، ساختی اصلاحات اور مستقل میکرو اکنامک فریم ورک کے نفاذ کے ساتھ، ایک طویل مدتی پروگرام ضروری ہوگا۔

انکم / منی مارکیٹ کا جائزہ

چیلنجنگ میکرو اکنامک منظر نامے اور بڑھتے ہوئے افراط زر کے دباؤ کے باوجود، مالی سال 2023 کے دوران، پاکستانی روپے (PKR) کو % 40 کی نمایاں کمی کا سامنا کرنا پڑا۔ بڑھتی ہوئی افراط زر کے جواب میں اسٹیٹ بینک آف پاکستان (SBP) نے سخت مانیٹری پالیسی کا موقف اپنایا، جس کے نتیجے میں پالیسی کی شرح میں مجموعی طور پر 825 بیسس پوائنٹس کا اضافہ ہوا، جو جون 2023 تک % 22 تک پہنچ گیا۔

بڑھتی ہوئی غیر یقینی صورتحال کے درمیان، سرمایہ کاروں نے نتائج کی منحنی قوس کے ساتھ مختصر مدت کے آلات کو ترجیح دی۔ نتیجتاً، حکومت نے بجٹ قرضوں کی ضروریات کو پورا کرنے کے لیے 3 ماہ اور 6 ماہ کے ٹریژری بلز (T - Bills) پر انحصار کیا کیونکہ ایک سال کے ٹریژری بلز میں مارکیٹ کی کم شرکت تھی۔ قابل ذکر بات یہ ہے کہ، 3 ماہ کے ٹریژری بلز کا منافع % 14.98 سے بڑھ کر % 22.65 ہو گیا، جبکہ 6 ماہ کے ٹریژری بلز کا منافع % 15.15 سے بڑھ کر % 22.87 ہو گیا۔ سال کے دوران، ٹریژری بلز کے ذریعے لیے گئے قرضوں کی مجموعی رقم 24.62 ٹریلین پاکستانی روپے رہی۔ مزید برآں، حکومت نے فیکسڈ ریٹ پاکستان انویسٹمنٹ بانڈز (PIBs) میں 1.28 ٹریلین پاکستانی روپے کا کامیابی سے قرض لیا، جو 1.85 ٹریلین روپے کے ہدف سے تھوڑا سا کم ہے۔ 3 سال، 5 سال اور 10 سال کے بانڈز پر منافع میں بالترتیب % 6.02، % 3.15 اور % 2.40 کا اضافہ ہوا، جس کے نتیجے میں حتمی منافع بالترتیب % 19.47، % 16.08 اور % 15.32 رہا۔



فنڈ کی کارکردگی کا جائزہ

30 جون 2023 کو ختم ہونے والے سال کے لیے فنڈ کا منافع % 21.02 اپنے بیچ مارک منافع کے مقابلے میں % 20.67 رہا۔ 30 جون 2023 کو فنڈ کے خالص اثاثہ جات 2,039.98 ملین روپے پر بند ہوئے۔ فنڈ کے کل اخراجات کا تناسب (TER) % 0.86 ہے، جس میں فنڈ پر سرکاری محصولات کا % 0.33 بھی شامل ہے۔

ڈیویڈنڈ

30 جون 2023 کو ختم ہونے والے سال کے دوران فنڈ نے 5.77 روپے فی یونٹ کا انٹیرم کیش ڈیویڈنڈ کی ادائیگی کی۔

ایسیٹ مینجریٹنگ

پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) نے بیچمنٹ کمپنی کو 27 دسمبر 2022 کو "AM2+" کی ایسیٹ مینجریٹنگ، مستحکم "stable" منظر نامے کے ساتھ تقویض کی ہے (30 جون 2022: 06 اگست 2022 کو "AM2 مثبت" positive "منظر نامے کے ساتھ) جو "AM2 مثبت" positive "منظر نامے کی گزشتہ ریٹنگ سے بہتر ہے۔ یہ ریٹنگ بیچمنٹ کے اعلیٰ معیار کی نشاندہی کرتی ہے۔

آڈیٹرز

ریٹائر ہونے والے بیرونی آڈیٹرز میسرز گرینٹ تھورنٹن انجم رحمان، چارٹرڈ اکاؤنٹنٹس نے اہلیت کی بنیاد پر خود کو دوبارہ تقرری کے لیے پیش کرتے ہیں۔ بورڈ آف ڈائریکٹرز نے، آڈٹ کمیٹی کی تجویز پر، میسرز گرینٹ تھورنٹن انجم رحمان، چارٹرڈ اکاؤنٹنٹس کی 30 جون 2024 کو ختم ہونے والے سال کے لیے تقرری کی منظوری دی۔

بورڈ آف ڈائریکٹرز

مدت کے دوران، جناب عاطف سالم ملک، جناب فاروق احمد ملک اور محترمہ مدیحہ کمال افسر؛ جناب آصف رضاشاہ، جناب عمران حلیم شیخ اور جناب زاہد اللہ خان کی جگہ پر بطور ڈائریکٹر مقرر کیے گئے۔

اضافی معاملات

ا۔ سالانہ رپورٹ کے ساتھ فنڈ مینجری رپورٹ منسلک ہے جس میں مرکزی خطرات اور منافع جات کے مستقبل کے امکانات کی مناسب علامت کے ساتھ ہجیان کی کیفیت کی وضاحت کی ہے۔
ب۔ 30 جون 2023 تک یونٹ ہولڈنگ کے نمونہ اس سالانہ رپورٹ کے ساتھ منسلک ہے۔
ج۔ اندرونی کنٹرول کا نظام ساخت کے اعتبار سے مضبوط ہے اور اس پر موثر اطلاق اور نگرانی کی جاتی ہے۔
د۔ کارکردگی کا ٹیبل / اہم مالیاتی معلومات اس سالانہ رپورٹ کے ضمیمہ میں دی گئی ہیں۔

اظہار تشکر

ڈائریکٹرز پیش قدمی، مدد اور رہنمائی پر سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) اور ڈی بی سی ایل کسٹومرز سروسز کمپنی لمیٹڈ سے اظہار تشکر کرتے ہیں۔ بورڈ گلن اور محنت پر بیچمنٹ کمپنی کے ملازمین اور انتظامیہ پر اعتماد پر یونٹ ہولڈرز کا بھی شکریہ ادا کرتا ہے۔



JS Money Market Fund

Fund Manager Report Annual Report 2023

JS Money Market Fund (JS MMF)

- Description of the Collective Investment Scheme category and type**

Money Market Scheme / Open end

- Statement of Collective Investment Scheme’s investment objective**

JS Money Market Fund (JSMMF) aims to provide a competitive return to its investors (with a periodic payout as may be set out by the Management Company) by investing in low risk, highly liquid, and short-duration portfolio consisting of money market instruments.

- Explanation as to whether the Collective Investment Scheme has achieved its stated objective**

The collective investment scheme achieved its stated objective.

- Statement of benchmark(s) relevant to the Collective Investment Scheme**

70% three (3) months PKRV rates + 30% three (3) months average deposit rate of three (3) “AA” rated scheduled Banks as selected by MUFAP

- Comparison of the Collective Investment Scheme’s performance during the period compared with the said benchmarks**

Ann. Returns	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	FY23
JSMMF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	19.61%	20.47%	20.08%	20.47%	20.67%
Benchmark	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	19.37%	20.43%	20.82%	21.29%	21.02%
Diff.	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0.24%	0.03%	-0.74%	-0.82%	-0.35%

- Description of the strategies and policies employed during the period under review in relation to the Collective Investment Scheme’s performance**

During the year, the fund’s asset allocation was largely maintained in the short-term money market instruments like treasury bills, commercial papers, and bank cash balances. The duration was kept low to mitigate interest rate risk emanating from the challenging macroeconomic situation.

- Disclosure of the Collective Investment Scheme’s asset allocation as at the date of the report and particulars of significant changes in asset allocation since the last report (if applicable)**

	Jun-23	Jun-22
Cash	3.57%	n/a
Short term Sukkuks	7.81%	n/a
T Bills	32.73%	n/a
PIBs	29.40%	n/a
Other including receivables	26.48%	n/a
Total	100.00%	n/a

- Analysis of the Collective Investment Scheme’s performance**

	Fund	BM	Fund	BM	
Standard Deviation*	0.3%	0.4%	Largest Month Gain	1.7%	1.8%
WAM (Days)	50		Largest Month Loss	1.5%	1.5%
Expense Ratio**	0.86%		% Positive Months	100.0%	100.0%

* Since inception

** This is annualized and includes 0.33% Government levy & SECP fee.



Fund Manager Report Annual Report 2023

- Based on changes in total NAV and NAV per unit since the last review period or since commencement (in the case of newly established Collective Investment Scheme)

	Net Assets Excluding JSIL FoFs (PKR mn)	NAV per Unit (PKR)
30-Jun-23	2,040	100.91
30-Jun-22	n/a	n/a

- Disclosure of the markets that the Collective Investment Scheme has invested in:**

The JS Money Market Fund primarily invests in short-term debt securities, including treasury bills, cash, and near-cash instruments. These near-cash instruments encompass funds held in bank accounts, money market placements, certificates of deposits (COD), Certificates of Deposits (CODs), Certificate of Musharka (COMs), Letters of placements (LOPs), Certificate of Investments (COIs), etc. but not including commercial papers – a departure from the typical strategy of traditional money market funds. This distinctive investment approach contributes to a relatively lower risk profile than many other money market funds.

- Disclosure on distribution (if any), comprising:-**

- Particulars of income distribution or other forms of distribution made and proposed during the period; and
- Statement on effects on the NAV before and after distribution is made

Distribution

The fund has paid a final distribution of Rs. 2.83 per unit of Rs. 100/- each i.e. 2.83%. The cumulative distribution for FY23 is Rs. 5.77 per unit.

NAV per unit as on June 30, 2023

Cum NAV (PKR)	100.91
Ex-NAV (PKR)	100.91

- Description and explanation of any significant changes in the state of affairs of the Collective Investment Scheme during the period and up till the date of the manager’s report, not otherwise disclosed in the financial statements**

There were no significant changes in the state of affairs during the year under review.

- Breakdown of unit holdings by size**

Fund Name	Ranges			Number of Folios
JS Money Market Fund	0.0001	to	9,999.9999	28
	10,000.0000	to	49,999.9999	4
	50,000.0000	to	99,999.9999	4
	100,000.0000	to	499,999.9999	9
	500,000.0000	&	above	7
			Total	52



Fund Manager Report Annual Report 2023

- **Disclosure on unit split (if any), comprising:-**
The Fund has not carried out any unit split exercise during the year.
- **Disclosure of circumstances that materially affect any interests of the unit holders**
Investment is subject to market risk.
- **Disclosure if the Asset Management Company or its delegate, if any, receives any soft commission (i.e. goods and services) from its broker(s) or dealer(s) by virtue of transactions conducted by the Collective Investment Scheme, disclosure of the following:-**

The Management Company and / or any of its delegates have not received any soft commission from its brokers / dealers by virtue of transactions conducted by the Fund.



Performance Table

For the period from March 03, 2023 to June 30, 2023

Net assets - Rupees in "000"		2,039.98
Net income / (loss) - Rupees in "000"		65.80
Total return of the Fund (Since inception) *	%	20.67
Dividend distribution	%	-
Capital Growth *	%	20.67
NAV per unit	Rs.	100.91
Highest offer price per unit	Rs.	105.72
Lowest offer price per unit	Rs.	102.32
Year-end offer price per unit	Rs.	103.20
Highest repurchase price per unit	Rs.	103.38
Lowest repurchase price per unit	Rs.	100.05
Year-end repurchase price per unit	Rs.	100.91
Interim distribution	Rs.	5.77
Final distribution	Rs.	-
Total distribution as % of par value	Rs.	5.77

Notes

- JS Money Market Fund was launched on March 03, 2023.
- Investment portfolio composition of the Fund is disclosed in note 8 of the financial statements.
- The income distribution have been shown against The year to which they relate although these were declared & distributed subsequently to the year end.

Disclaimer

- Past performance is not necessarily indicative of future performance and that unit prices and investment returns may go down, as well as up.



REPORT OF THE TRUSTEE TO THE UNIT HOLDERS
JS MONEY MARKET FUND

Report of the Trustee Pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

JS Money Market Fund, an open-end scheme established under a trust deed executed between JS Investments Limited as the Management Company and Digital Custodian Company Limited as the Trustee. The Trust Deed was approved by the Securities and Exchange Commission of Pakistan on April 29, 2022 whereas the date of execution of the Trust Deed was June 8, 2022.

1. JS Investments Limited, the Management Company of JS Money Market Fund has, in all material respects, managed JS Money Market Fund during the period ended June 30, 2023 in accordance with the provisions of the following:
 - (i) Investment limitations imposed on the Asset Management Company and the Trustee under the trust deed and other applicable laws;
 - (ii) the valuation or pricing is carried out in accordance with the deed and any regulatory requirement;
 - (iii) the creation and cancellation of units are carried out in accordance with the deed;
 - (iv) and any regulatory requirement

Dabeer Khan
Manager Compliance
Digital Custodian Company Limited

Karachi: August 31, 2023

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INDEPENDENT AUDITOR'S REPORT
To the unitholders of JS Money Market Fund

Report on the Audit of the Financial Statements

Grant Thornton Anjum Rahman
1st & 3rd Floor,
Modern Motors House,
Beaumont Road,
Karachi, Pakistan.

Opinion

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We have audited the financial statements of **JS Money Market Fund** (the Fund), which comprise the statement of assets and liabilities as at June 30, 2023, and the related income statement, statement of comprehensive income, statement of movements in unit holder's fund, cash flow statement for the period from March 03, 2023 to June 30, 2023, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2023 and of its financial performance and its cash flows for the period then ended in accordance with approved accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund and JS Investments Limited (the Management Company) in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (the Code)* as adopted by the Institute of Chartered Accountants of Pakistan together with the ethical requirements that are relevant to our audit of the financial statements in Pakistan, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Net assets value (NAV)	
The balances with banks and investments constitute the most significant component of the net assets value (NAV).	<p>We performed the following audit procedures:</p> <ul style="list-style-type: none"> Obtained an understanding of design effectiveness of the key controls on the investment and balances with bank.



Key audit matter	How our audit addressed the key audit matter
<p>The balances with banks and investments as at June 30, 2023 amounted to Rs. 71.76 million and Rs. 1,432.47 million as disclosed in note 7 and 8 respectively.</p> <p>The proper valuation of balances with banks and investments for the determination of NAV of the Fund as at June 30, 2023 was considered as a high risk area and therefore we consider this as a Key Audit Matter (KAM).</p>	<ul style="list-style-type: none"> • Obtained independent confirmations for verifying the existence of the investment portfolio and balances with banks as at June 30, 2023 and reconciled it with the books and records of the Fund. • Re-performed valuation to assess that the investments are carried as per the valuation methodology specified in the accounting policies. • Obtained bank reconciliation statements and tested reconciling items on a sample basis. • Checked presentation and disclosure as per applicable financial reporting framework.

Information Other than the Financial Statements and Auditor’s Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor’s report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors of the Management Company for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the approved accounting and reporting standards as applicable in Pakistan, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Fund’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Fund’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with auditing standards as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:



- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management;
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide to the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Further, we report that the Fund's financial statements have been prepared in accordance with the relevant provisions of Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is **Muhammad Khalid Aziz**.


Chartered Accountants

Karachi
Date: September 27, 2023
UDIN: AR202310154W9G1QCpZA



FINANCIAL STATEMENTS





STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2023

	Note	June 30, 2023 -----Rupees-----
Assets		
Balances with banks	7	71,761,395
Investments	8	1,432,465,745
Profit receivables on balances with banks and investments	9	19,944,859
Deferred formation cost	10	682,525
Prepayments and other receivables	11	523,605,806
Total assets		2,048,460,330
Liabilities		
Payable to the JS Investments Limited -Management Company	12	2,157,492
Annual fee payable to the Securities and Exchange Commission of Pakistan	14	65,674
Accrued expenses and other liabilities	15	6,258,109
Total liabilities		8,481,275
Contingencies and commitments	16	-
Net assets		<u><u>2,039,979,055</u></u>
Unit holders' funds		<u><u>2,039,979,055</u></u>
		Number of units
Number of units in issue	20	<u><u>20,215,119</u></u>
		Rupees
Net assets value per unit		<u><u>100.91</u></u>

The annexed notes from 1 to 29 and annexure form an integral part of these financial statements.

For JS Investments Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



JS Money Market Fund

INCOME STATEMENT

FOR THE PERIOD FROM MARCH 03, 2023 TO JUNE 30, 2023

	Note	For the period from March 03, 2023 to June 30, 2023 -----Rupees-----
Income		
Profit/markup on balances with banks and investments		68,909,973
Realized gain on sale of investments at fair value through profit or loss - net		2,299,695
Net unrealised loss on re-measurement of investments 'at fair value through profit or loss' - net		(2,578,807)
Total income		<u>68,630,861</u>
Expenses		
Remuneration of the Management Company	12.1	1,284,565
Sindh sales tax on Management Company's remuneration	12.2	166,993
Annual fee to the Securities and Exchange Commission of Pakistan (SECP)	14	65,674
Securities transaction cost		83,322
Mutual fund rating fee		25,411
Amortization of deferred formation costs		48,000
Auditors' remuneration	17	300,000
Accounting and operational charges	12.3	227,566
Selling and marketing expense	12.4	565,000
Printing and stationery		56,014
Bank and settlement charges		4,285
Total expenses		<u>2,826,830</u>
Net income for the period before taxation		<u>65,804,031</u>
Taxation	19	-
Net income for the period after taxation		<u>65,804,031</u>
Allocation of net income for the period		
Net income for the period after tax		65,804,031
Income already paid on units redeemed		(36,622,609)
		29,181,422
Accounting income available for distribution:		
Relating to capital gain		-
Excluding capital gain		29,181,422
		<u>29,181,422</u>

The annexed notes from 1 to 29 and annexure form an integral part of these financial statements.

For JS Investments Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD FROM MARCH 03, 2023 TO JUNE 30, 2023

For the period from
March 03, 2023 to
June 30, 2023
-----Rupees-----

Net income for the period after taxation	65,804,031
Other comprehensive income for the period	-
Total comprehensive income for the period	<u><u>65,804,031</u></u>

The annexed notes from 1 to 29 and annexure form an integral part of these financial statements.

For JS Investments Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



JS Money Market Fund

CASH FLOW STATEMENT

FOR THE PERIOD FROM MARCH 03, 2023 TO JUNE 30, 2023

For the period from
March 03, 2023 to
June 30, 2023
-----Rupees-----

CASH FLOWS FROM OPERATING ACTIVITIES

Net income for the period before taxation	65,804,031
Adjustments for:	
Profit/markup on balances with banks and investments	(68,909,973)
Amortization of deferred formation costs	48,000
Realized gain on sale of investments at fair value through profit or loss - net	(2,299,695)
Net unrealised loss on re-measurement of investments at fair value through profit or loss	2,578,807
	<u>(2,778,830)</u>
(Increase) in assets	
Investments - net	(1,432,744,857)
Deferred formation cost	(730,525)
Prepayments and other receivables	(523,605,806)
	<u>(1,957,081,188)</u>
Increase in liabilities	
Payable to the JS Investments Limited -Management Company	2,157,492
Annual fee payable to SECP	65,674
Accrued expenses and other liabilities	6,258,109
	<u>8,481,275</u>
	<u>(1,951,378,743)</u>
Profit received on balances with banks and investments	48,965,114
Net cash flows used in operating activities	<u>(1,902,413,629)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Dividend distribution	(20,973,041)
Amount received on issuance of units	5,167,893,000
Amount paid on the redemption of units	(3,172,744,935)
Net cash flows generated from financing activities	<u>1,974,175,024</u>
Cash and cash equivalents at end of the period	<u><u>71,761,395</u></u>

The annexed notes from 1 to 29 and annexure form an integral part of these financial statements.

For JS Investments Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



STATEMENT OF CHANGES IN UNIT HOLDERS' FUND

FOR THE PERIOD FROM MARCH 03, 2023 TO JUNE 30, 2023

For the period from March 03, 2023 to June 30, 2023		
Capital Value	Undistributed income	Total

-----Rupees-----

Issuance of units 51,061,774

- Capital value (at net asset value per unit)
- Element of Income

5,106,177,400	-	5,106,177,400
61,715,600	-	61,715,600
5,167,893,000	-	5,167,893,000

Total proceeds on issuance of units

Redemption of units 30,846,655

- Capital value (at net asset value per unit)
- Element of Loss
- Amount paid/payable on redemption of unit

(3,084,665,487)	-	(3,084,665,487)
(51,456,839)	-	(51,456,839)
-	(36,622,609)	(36,622,609)
(3,136,122,326)	(36,622,609)	(3,172,744,935)

Total payments on redemption of units

- Total comprehensive income for the period
- Distribution during the period

-	65,804,031	65,804,031
-	(20,973,041)	(20,973,041)

Net assets at end of the period

2,031,770,674	8,208,381	2,039,979,055
----------------------	------------------	----------------------

Undistributed income brought forward

- Realized gain
- Unrealized income

-
-
-

Accounting income available for distribution

- Relating to capital gains
- Excluding capital gains

-
29,181,422
29,181,422

Distribution during the period

(20,973,041)

Undistributed income carried forward

8,208,381

Undistributed income carried forward

- Realized gain
- Unrealized gain

10,787,188
(2,578,807)
8,208,381

(Rupees)

Net assets value per unit at beginning of the period

100.00

Net assets value per unit at end of the period

100.91

The annexed notes from 1 to 29 and annexure form an integral part of these financial statements.

For JS Investments Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM MARCH 03, 2023 TO JUNE 30, 2023

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** JS Money Market Fund ("the Fund") was established/registered under the Trust Deed and under section 16 of the Sindh Trust Act, 2020 executed between JS Investments Limited as the Management Company and Digital Custodian Company Limited as the Trustee. The trust deed was approved by the Securities and Exchange Commission of Pakistan (the SECP) vide its letter dated April 29, 2022 consequent to which the Trust Deed was executed on June 08, 2022 in accordance with the requirement of Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules). The Management Company has launched the Fund on March 03, 2023.
- 1.2** The Fund is an open end mutual fund categorised as "Money Market Scheme" and is listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription on continuous basis. The units are transferrable and can be redeemed by surrendering them to the Fund. As per the offering document, the Fund shall invest in low and highly liquid short term assets including money market instruments.
- 1.3** The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the Securities and Exchange Commission of Pakistan (SECP). The registered office of the Management Company is situated at The Centre, 19th Floor, Plot No.28 SB-5, Abdullah Haroon Road, Saddar, Karachi, Pakistan.
- 1.4** Title to the assets of the Fund is held in the name of Digital Custodian Company Limited as Trustee of the Fund.
- 1.5** The objective of the Fund is to seek reasonable rate of return while maintaining high liquidity by investing primarily in highly liquid short-term money market instruments with low risk.
- 1.6** Pakistan Credit Rating Agency Limited (PACRA) has assigned JS Investments Management Quality Rating of AM2+ with a stable outlook with effect from 27, December 2022 (June 30, 2022 "AM2" with the 'positive' outlook to the management Company).
- 1.7** These are the first annual financial statements for the period from March 03, 2023 to June 30, 2023. Therefore, the comparative figures have not been included.

2 SIGNIFICANT EVENTS OR TRANSACTIONS

There are no significant events or transactions during the period.

3 BASIS OF PREPARATION

3.1 Statement of compliance

The financial statements has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards as applicable in Pakistan financial reporting comprise of:

- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act);



- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; 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).

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ from the IFRSs, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

3.2 Basis of Measurement

These financial statements have been prepared under the historical cost convention except for certain investments which have been marked to market and carried at fair value.

3.3 Functional and presentation currency

These financial statements are presented in Pakistani Rupees, which is the Fund's functional and presentation currency.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these financial statements in accordance with the accounting and reporting standards as applicable in Pakistan requires the management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates, judgments and associated assumptions are based on historical experience and various other factors including expectations of future events that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

The areas involving a degree of judgment or complexity, or areas where estimates and assumption are significant to the financial statements relate to classification, impairment and valuation of investments (notes 6.1 and 8) and provision for taxation (notes 6.7 and 19).

5 STANDARDS, AMENDMENTS AND INTERPRETATIONS TO APPROVED ACCOUNTING STANDARDS

5.1 Standards, amendments and interpretations to the published standards that may be relevant but not yet effective and not early adopted by the Fund

In addition certain new standards, amendments and interpretations to approved accounting standards are not yet effective. The Fund is in the process of assessing the impact of these Standards, amendments and interpretations to the published standards on the financial statements of the Fund.



JS Money Market Fund

5.2 Standards, amendments and interpretations to the published standards that are not yet notified by the Securities and Exchange Commission of Pakistan (SECP)

Further, certain new standards, amendments and interpretations have been issued by the International Accounting Standards Board (IASB) which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently.

6.1 Financial assets

6.1.1 Initial recognition and measurement

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the income statement.

6.1.2 Classification and subsequent measurement

Debt instruments

IFRS 9 has provided a criteria for debt securities whereby these debt securities are either classified based on the business model of the entity as:

- at amortised cost;
- at fair value through other comprehensive income (FVOCI); or
- at fair value through profit or loss (FVPL).

IFRS 9 also provides an option for securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis, to be recognized at FVPL. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Therefore, the management considers its investment in debt securities as being managed as a group of assets and hence has classified them as FVPL.

6.1.3 Impairment

The Fund assesses on a forward-looking basis the expected credit losses (ECL) associated with its financial assets (other than debt instruments) carried at amortised cost and FVOCI. The Fund recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecast of future economic conditions.

The ECL is recorded for all financial assets in which there is no significant increase in credit risk from the date of initial recognition, whereas a lifetime ECL is recorded for all remaining financial assets.



6.1.4 Impairment loss on debt securities

Provision for non-performing debt securities is made on the basis of time-based criteria as prescribed by the SECP and based on management's assessment made in line with its provisioning policy approved by the Board of Directors of the Management Company in accordance with the guidelines issued by the SECP. Impairment losses recognised on debt securities can be reversed through the Income Statement.

As allowed by the SECP, the Management Company may make provision against debt securities over and above the minimum provision requirement prescribed by the SECP, in accordance with the provisioning policy duly approved by the Board of Directors of the management company.

6.1.5 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset. Regular way purchases / sales of assets require delivery of securities within two days from the transaction date as per the stock exchange regulations.

6.1.6 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. Any gain or loss on derecognition of financial assets is taken to the Income Statement.

6.2 Derivatives

Derivative instruments are initially recognised at fair value and subsequent to initial measurement each derivative instrument is remeasured to its fair value and the resultant gain or loss is recognised in the income statement.

6.3 Financial liabilities

Financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair values and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Any gain or loss on derecognition of financial liabilities is taken to the Income Statement.

6.4 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the Statement of Assets and Liabilities when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the assets and settle the liabilities simultaneously.

6.5 Provisions

Provisions are recognised when the Fund has a present, legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.



JS Money Market Fund

6.6 Cash and cash equivalents

Cash and cash equivalents comprise of balances with banks and short-term highly liquid investments that are readily convertible to known amount of cash and are subject to an insignificant risk of changes in value with original maturities of three months or less.

6.7 Taxation

Current

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed among the unit holders in cash.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of part IV of the Second Schedule to the Income Tax Ordinance, 2001.

6.8 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

Element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution.

6.9 Issue and redemption of units

Units issued are recorded at the offer price determined by the management company for the applications received by the distribution company / management company during business hours on that day. The offer price represents the Net Asset Value (NAV) per unit as of the close of the business day, plus the allowable sales load and provision of any duties and charges if applicable. The sales load is payable to the Management Company / distributors.

Units redeemed are recorded at the redemption price applicable to units for which the distribution company / management company receives redemption application during business hours of that day. The redemption price is equal to NAV as of the close of the business day, less an amount as the management company may consider to be an appropriate provision of duties and charges.

6.10 Distribution to unit holders

Distributions to unit holders are recognised upon declaration and approval by the Investment Committee of Management Company under powers delegated to them by the Board of Directors of the Management Company or declaration and approval by the Board of Directors of the Management Company. Based on Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes portion of income already paid on units redeemed during the year.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the period in which such distributions are declared and approved by the Board of Directors of the Management Company.



6.11 Revenue recognition

- Capital gains / (losses) arising on sale of investments are included in the income statement on the date at which the transaction takes place.
- Income from investments in government securities and commercial papers is recognised on an accrual basis using effective interest method at the rate of return implicit in the instrument.
- Unrealised gains / (losses) arising on re-measurement of investments classified as 'financial assets at fair value through profit or loss' are included in the income statement in the period in which they arise.
- Interest income on bank balances is recognised on an accrual basis.

6.12 Expenses

All expenses chargeable to the Fund including remuneration of Management Company, Trustee and annual fee of SECP are recognised in the income statement on an accrual basis.

6.13 Net asset value per unit

The Net Asset Value (NAV) per unit, as disclosed on the statement of assets and liabilities, is calculated by dividing the net assets of the Fund by the number of units in issue as at the year end.

6.14 Earning/(loss) per unit

Earning/(loss) per unit EPU/LPU has not been disclosed as, in the opinion of the management, the determination of weighted average units for calculating EPU/LPU is not practicable.

		June 30, 2023
		-----Rupees-----
7	BALANCES WITH BANKS	Note
	Profit and loss (PLS) sharing account	7.1
		<u><u>71,761,395</u></u>
7.1	These carry profit rates ranging from 15.00% - 19.50% per annum.	
		June 30, 2023
		-----Rupees-----
8	INVESTMENTS	Note
Financial assets 'at fair value through profit or loss'		
	Market Treasury Bills	8.1
	Pakistan Treasury Bonds	8.2
	Sukuk certificates	8.3
	Commercial papers	8.4
		<u><u>670,314,385</u></u>
		<u><u>602,151,360</u></u>
		<u><u>160,000,000</u></u>
		<u><u>-</u></u>
		<u><u>1,432,465,745</u></u>

JS Money Market Fund

8.1 Market Treasury Bills

Particulars	-----Face value-----				Value as at June 30, 2023		Market value as percentage of		
	As at March 03, 2022	Purchased	Sold/ matured	As at June 30, 2023	Rupees	Carrying value	Market value	Total investments of the fund	Net assets of the fund
3 - Months Treasury Bill	-	59,616	52,630	6,986	698,600,000	671,222,046	670,314,385	46.79	32.86
Total cost as at June 30, 2023						<u>666,573,400</u>			

8.1.1 Market treasury bills of the Fund carry IRR ranging from 21.85% - 23.00% per annum.

8.2 Pakistan Investment Bonds

Floating

Particulars	-----Face value-----				Value as at June 30, 2023		Market value as percentage of		
	As at March 03, 2022	Purchased	Sold/ matured	As at June 30, 2023	Rupees	Carrying value	Market value	Total investments of the fund	Net assets of the fund
3 Years Pakistan Investment Bonds	-	7,136	1,100	6,036		603,822,506	602,151,360	42.04	29.52
Total cost as at June 30, 2023						<u>602,268,720</u>			

8.2.1 The coupon rate on these Pakistan investment bonds range from 21.98% per annum.

8.3 Sukuk certificates

Particulars	-----Face value-----				Value as at June 30, 2023		Market value as percentage of		
	As at March 03, 2022	Purchased	Sold/ matured	As at June 30, 2023	Carrying value	Market value	Total investments of the fund	Net assets of the fund	
The Hub Power Company Limited	-		90	-	90	90,000,000	90,000,000	6.28	4.41
K-Electric STS XVII	-		70	-	70	70,000,000	70,000,000	4.89	3.43
Total cost as at June 30, 2023						<u>160,000,000</u>	<u>160,000,000</u>	<u>11.17</u>	

8.3.1 These carry IRR at the rate of 22.34 - 22.49% per annum.

8.4 Commercial papers

Particulars	-----Face value-----				Value as at June 30, 2023		Market value as percentage of		
	As at March 03, 2022	Purchased	Sold/ matured	As at June 30, 2023	Carrying value	Market value	Total investments of the fund	Net assets of the fund	
Commercial paper									
Zarai Taraqiati Bank Limited	-	2,136	2,136	-	-	-	-	-	-
Pak Kuwait Investment Company Limited	-	409	409	-	-	-	-	-	-
Total cost as at June 30, 2023						<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>



JS Money Market Fund

		June 30, 2023
		-----Rupees-----
9	PROFIT RECEIVABLES ON BALANCES WITH BANKS AND INVESTMENTS	Note
	Accrued markup on government securities	17,776,523
	Accrued profit on bank balances	2,168,336
		<u>19,944,859</u>
10	DEFERRED FORMATION COST	
	Preliminary expenses and formation costs	10.1 730,525
	Less: Amortization during the period	(48,000)
		<u>682,525</u>
10.1	Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of the operations of the Fund and are being amortised over a period of five years commencing from March 03, 2023 as per the requirements set out in the Trust Deed of the Fund.	
		June 30, 2023
11	PREPAYMENTS AND OTHER RECEIVABLES	Note
	Mutual fund rating fee- PACRA	146,349
	Receivable against sales of securities	521,340,072
	Advance tax held on bank profits	2,119,385
		<u>523,605,806</u>
12	PAYABLE TO JS INVESTMENTS LIMITED - MANAGEMENT COMPANY	
	Remuneration payable to the Management Company	12.1 582,287
	Sindh Sales tax payable on remuneration of the Management Company	12.2 75,697
	Formation cost payable	730,525
	Allocated expenses payable	12.3 147,969
	Selling and marketing expense payable	12.4 565,000
	Printing fee payable	56,014
		<u>2,157,492</u>
12.1	As per regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration upto 0.55% per annum of average annual net assets of the Fund. During the period from March 03, 2023 to June 30, 2023. The remuneration is payable to the Management Company monthly in arrears.	
12.2	The Provincial Government of Sindh has levied Sindh Sales Tax at the rate of 13% on the remuneration of the Management Company through the Sindh Sales Tax on Services Act, 2011.	



JS Money Market Fund

- 12.3** In accordance with the provisions of the NBFC Regulations, 2008 (as amended vide S.R.O 1160(I) / 2015 dated November 25, 2015), the Management Company was entitled to charge expenses related to registrar services, accounting, operations and valuation services, related to a Collective Investment Scheme (CIS) at the rate of 0.1% of the average annual net assets of the scheme or actual whichever is less. Further, SECP, vide SRO no. 639 (I)/2019 dated June 20, 2019, has removed the maximum cap of 0.1%. However, The Management Company based on its discretion has fixed a maximum capping of 0.1 percent of the average annual net assets of the scheme for allocation of such expenses to the Fund.
- 12.4** The SECP vide Circular 11 dated July 5, 2019 has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds). The Management Company has charged selling and marketing expenses to the Fund to the extent as it has think expedient on its discretion subject to not being higher than actual expenses.

13 REMUNERATION TO THE DIGITAL CUSTODIAN COMPANY LIMITED

The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed as per the tariff structure specified therein, based on the net assets of the Fund.

Based on the Trust Deed, the tariff structure applicable to the Fund as at June 30, 2023 is as follows:

Net assets	Tariff
Flat rate	0.065% p.a of net assets

However, during the period the trustee has waived remuneration as this was the first year of the Fund, therefore no expense has been charged by the Fund.

14 ANNUAL FEE PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

In accordance with the NBFC Regulations, 2008, 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 the average annual net assets of the Fund.

	Note	June 30, 2023 -----Rupees-----
15 ACCRUED EXPENSES AND OTHER LIABILITIES		
Audit fee payable		300,000
Sales load payable		1,424,441
Capital gain tax payable		1,850,131
Withholding tax payable		2,514,259
Other payable		169,278
		6,258,109



16 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at June 30, 2023.

17 AUDITORS' REMUNERATION

**For the period from
March 31, 2023 to
June 30, 2023**

Note -----Rupees-----

Audit fee		200,000
Other certifications		25,000
Out of pocket expense		52,778
		277,778
Sindh sales tax		22,222
		300,000

18 TOTAL EXPENSE RATIO

The total expense ratio (TER) of the Fund for the period from March 03, 2023 to June 30, 2023 is 0.86% which includes 0.33% representing government levies on the Fund such as sales taxes, Sindh Workers' Welfare Fund, annual fee payable to the SECP, etc. This ratio is within the maximum limit of 2.00% (excluding government levies) prescribed under the NBFC Regulations for a collective investment scheme categorised as an "income" scheme.

19 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 period to the unit holders in the manner as explained above, no provision for taxation has been made in these financial statements.

The Fund is also 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.

20 NUMBER OF UNITS IN ISSUE

**June 30
2023**

---Numbers---

Issued during the period		51,061,774
Redemption during the period		(30,846,655)
Total outstanding units - closing		20,215,119

21 TRANSACTIONS WITH RELATED PARTIES/CONNECTED PERSONS

Related party / connected person include JS Investments Limited being the Management Company, CDC-Trustee being the Trustee, Jahangir Siddiqui and Co. Limited (holding 75.02% shares of JS Bank Ltd) being the holding company of JS Bank Limited (JSBL-which is the holding company of the Management Company - holding 84.56% shares of JS Investments Ltd), JS Global Capital Limited (which is a fellow subsidiary of JSBL- 92.90% shares held by JS Bank Ltd) and other associated companies of the Management Company and its subsidiaries, Key Management Personnel of the Management Company and other funds being managed by the Management Company and includes entities holding 10% or more in the units of the Fund as at June 30, 2023. It also includes the staff retirement benefits of the above related parties / connected persons.



JS Money Market Fund

Transactions with connected persons are carried out in normal course of business at contracted rates and thus determined in accordance with the market terms. Further, Remuneration of the Management Company is determined in accordance with the provisions of the Regulations and the Trust Deed.

Transactions and balances with related parties other than disclosed elsewhere in these financial statements are as follows:

	For the period from March 31, 2023 to June 30, 2023
	--- Rupees ---
21.1 Details of transactions with related parties / connected persons	
JS Investments Limited - Management Company	
Remuneration of the Management Company	1,284,565
Sindh Sales tax on Management Company	166,993
Accounting and operational charges	227,566
Selling and marketing expense	565,000
Printing & stationery	56,014
Formation cost	730,525
Jahangir Siddiqui & Co. Limited (Ultimate Parent Company - JSIL)	
Issue of units: 296,912 units	30,000,000
Refund of Capital units: 1,595 units	-
Dividend Paid	1,323,761
JS Infocom Limited (Fully owned by JSCL)	
Issue of units: 49,485 units	5,000,000
Refund of Capital units: 266 units	-
Redemption of units: 49,751 units	5,057,463
Dividend Paid	100,950
Energy Infrastructure Holding (Private) Limited-Fully owned by JSCL	
Issue of units: 148,456 units	15,000,000
Redemption of units: 149,254 units	15,179,105
Refund of Capital units: 798 units	-
Dividend Paid	302,851
JS Global Capital Limited - (Fellow subsidiary of JSBL)	
Brokerage for the period	6,222
Key management personnel of the Management Company	
Issue of units: 505,753	50,688,767
Refund of Capital units: 886 units	-
Dividend reinvest of Units : 23,729	2,384,757



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

21.1.2 Purchase and redemption of the Fund's units by related parties / connected persons are recorded at the applicable net asset value per unit. Other transactions are at agreed rates.

21.2 Details of balances with related parties / connected persons as at period end

**June 30,
2023**

-----Rupees-----

JS Investments Limited - Management Company

Remuneration payable to the Management Company	582,287
Sindh sales tax on management remuneration	75,697
Formation cost	730,525
Selling and marketing expense payable	565,000
Allocated expenses payable	147,969
Printing charges payable	56,014

Jahangir Siddiqui & Co. Limited (Ultimate Parent Company - JSIL)

Units held: 298,705	30,142,322
---------------------	-------------------

JS Global Capital Limited - Fellow subsidiary of JSBL

Brokerage Payable	3,264
-------------------	--------------

Key management personnel of the Management Company

Units held: 530,368 units	53,519,419
---------------------------	-------------------

Entity holding 10% or more than 10% of units of the Fund

Units held: 14,604,130 units	1,473,702,744
------------------------------	----------------------

22 RECONCILIATION OF LIABILITIES ARISING OUT OF FINANCING ACTIVITIES

	Receivable against issuance of units	Payable against redemption of units	Total
June 30, 2023	-----Rupees-----		
Receivable against issuance of units	5,167,893,000	-	5,167,893,000
Payable against redemption of units	-	(3,172,744,935)	(3,172,744,935)
	5,167,893,000	(3,172,744,935)	1,995,148,065
Amount received on issuance of units	(5,167,893,000)	-	(5,167,893,000)
Amount paid on redemption of units	-	3,172,744,935	3,172,744,935
	(5,167,893,000)	3,172,744,935	(1,995,148,065)
Balance as at June 30, 2023	-	-	-

23 FINANCIAL INSTRUMENTS - BY CATEGORY

Particulars	At amortised cost	Financial asset at 'fair value through profit or loss'	Total
-----Rupees-----			
Financial assets			
Balances with bank	71,761,395	-	71,761,395
Investments	-	1,432,465,745	1,432,465,745
Profit receivables on balances with banks and investments	19,944,859	-	19,944,859
Other receivables	523,459,457	-	523,459,457
	615,165,711	1,432,465,745	2,047,631,456
Financial liabilities			
Payable to the JS Investments Limited - Management Company	2,081,795	-	2,081,795
Annual fee payable to the SECP	65,674	-	65,674
Accrued expenses and other liabilities	1,893,719	-	1,893,719
	4,041,187	-	4,041,188

24 FINANCIAL RISK MANAGEMENT

The Fund's activities expose it to a variety of financial risks, market risk, credit risk and liquidity risk.

Risk management framework

The Fund's Board of Directors of the Management Company has an overall responsibility for the establishment and oversight of the Fund's risk management framework.

Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily set up to be performed based on limits established by the Management Company, the Fund's constitutive documents and the regulations and directives of the SECP. The policies are established to identify and analyze the risks faced by the Fund, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Fund's activities.

The audit committee oversees how management monitors compliance with the Fund's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Fund. The audit committee is assisted in its oversight role by the internal audit. The Internal audit undertakes regular reviews of risk management controls and procedures and the results of which are reported to the audit committee.

Asset purchases and sales are determined by the Fund's Investment Manager, who has been authorised to manage the distribution of the assets to achieve the Fund's investment objectives. Compliance with the target asset allocations and the composition of the portfolio is monitored by the Investment Committee. In instances where the portfolio has diverged from target asset allocations, the Fund's Investment Manager is obliged to take actions to rebalance the portfolio in line with the established targets within prescribed time limits.



24.1 Market risk

Market risk is the risk that the fair value or the future cash flows of a financial instrument may fluctuate as a result of changes in market prices.

The Management Company manages the market risk by monitoring exposure on marketable securities by following internal risk management policies and investment guidelines approved by the Investment Committee and the regulations laid down by SECP.

Market risk comprises of three types of risk: currency risk, profit rate risk and price risk.

24.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. At present, the Fund is not exposed to currency risk as all the transactions are carried out in Pakistani Rupees.

24.1.2 Profit rate risk

Yield / profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates.

a) Sensitivity analysis for variable rate instruments

Presently, the Fund does not hold any variable profit based investment except balances with banks in profit and loss (PLS) sharing account and Pakistan Investment Bonds exposing the Fund to cash flow profit rate risk. The Fund is also exposed to mark-up rate risk on bank deposits. In case of 100 basis points increase / decrease in KIBOR at year end, the net income for the year and the net assets would be higher / lower by Rs. 7.46 million.

b) Sensitivity analysis for fixed rate instruments

As at June 30, 2022, the Fund holds Market Treasury Bills, Commercial Papers and Sukuk Certificates, exposing the Fund to mark-up interest rate risk. In case of 100 basis points increase / decrease in rates on June 30, 2023, with all other variables held constant, net income for the year and net assets would be lower / higher by Rs. 8.30 million.

Interest rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off-balance sheet financial instruments is based on settlement date.



JS Money Market Fund

Particulars	June 30, 2023					
	Interest rate	Total	---Exposed to interest rate risk---			Not exposed to interest rate risk
			Upto three months	More than three months and upto one year	More than one year	
	%	(Rupees)				
On-balance sheet financial instruments						
Financial assets						
Balances with bank	15.00% - 19.50%	71,761,395	71,761,395	-	-	-
Investments	21.85% - 23.00%	1,432,465,745	1,272,465,745	160,000,000	-	-
Profit receivables on balances with banks and investments		19,944,859	19,944,859	-	-	-
Other receivables		523,459,457	523,459,457	-	-	-
		2,047,631,456	1,887,631,456	160,000,000	-	-
Financial liabilities						
Payable to the JS Investments Limited - Management Company		2,081,795	2,081,795.00	-	-	-
Annual fee payable to the SECP		65,674	65,674.00	-	-	-
Accrued expenses and other liabilities		1,893,719	1,893,719.00	-	-	-
		4,041,188	4,041,188.00	-	-	-
On-balance sheet gap (a)		2,043,590,268	1,883,590,268	160,000,000.00	-	-
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a+b)		2,043,590,268	1,883,590,268	160,000,000	-	-
Cumulative interest rate sensitivity gap			1,883,590,268	2,043,590,268	2,043,590,268	

24.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

24.2 Credit risk

Credit risk is the risk of financial loss to the Fund if a customer or counter party to a financial instrument fails to meet its contractual obligations. This mainly arises principally from bank balances, security deposits and The carrying amount of financial assets represent the maximum credit exposure.



	Balance as per statement of assets and liabilities	Maximum exposure
	----- Rupees -----	
June 30, 2023		
Balances with bank	71,761,395	71,761,395
Investments	1,432,465,745	1,432,465,745
Profit receivables on balances with banks and investments	19,944,859	19,944,859
Other receivables	523,459,457	523,459,457
	2,047,631,456	2,047,631,456

Difference in the balance as per the statement of assets and liabilities and maximum exposure is due to the fact that investments in equity securities are not exposed to credit risk.

Management of credit risk

The Fund's policy is to enter into financial contracts in accordance with the investment guidelines approved by the Investment Committee, its Trust Deed and the requirements of the NBFC Rules and the Regulations. Before making investment decisions, the credit rating and credit worthiness of the issuer is taken into account along with the financial background so as to minimise the risk of default.

Credit risk is managed and controlled by the Management Company of the Fund in the following manner:

- Where the investment committee makes an investment decision, the credit rating and credit worthiness of the issuer is taken into account along with the financial background so as to minimise the risk of default.
- Analyses of credit ratings and obtaining adequate collaterals wherever appropriate / relevant.
- The risk of counterparty exposure due to failed trades causing a loss to the Fund is mitigated by a periodic review of the credit ratings and financial statements of the counter party on a regular basis.
- Cash is held only with reputable banks with high quality external credit enhancements.
- Investment transactions are carried out with a large number of brokers, whose credit worthiness is taken into account so as to minimise the risk of default and transactions are settled or paid for only upon delivery.
- The Fund's policy is to enter into financial contracts in accordance with the internal risk management policies and investment guidelines approved by the Investment Committee. The Fund does not expect to incur material credit losses on its financial assets.

The analysis below summarises the credit quality of the Fund's financial assets:



JS Money Market Fund

24.2.1 Credit quality of balances held by the Fund's bank accounts

Name of the Bank	Rating agency	Latest available published rating	Percentage
Habib Bank Limited	JCR-VIS	AAA	0.09%
Bank Alfahah Limited	PACRA	AA+	99.90%
Allied Bank Limited	PACRA	AAA	0.01%

24.2.2 Concentration of credit risk

The concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial instruments is broadly diversified and transactions are entered into with diverse credit-worthy counterparties thereby mitigating any significant concentrations of credit risk.

24.3 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on the terms that are materially disadvantageous to the Fund.

The Fund is exposed to redemptions of its redeemable units on a regular basis. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is therefore to invest the majority of its assets in short-term instruments in order to maintain liquidity.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the period.

The table below indicates the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

Particulars	June 30, 2023			
	Total	Upto three months	Over three months and upto one year	Over one year
-----Rupees-----				
Financial Liabilities				
Payable to JS Investments Limited - Management Company	2,081,795	2,081,795	-	-
Annual fee payable to the SECP	65,674	65,674	-	-
Accrued expenses and other liabilities	1,893,719	1,893,719	-	-
	4,041,188	4,041,188	-	-



25 UNIT HOLDERS' FUND RISK MANAGEMENT

The Unit Holders' Fund is represented by redeemable units. These units are entitled to distributions and to payment of a proportionate share, based on the Fund's net asset value per unit as of the close of the business day less any back end load, provision for transaction cost and any provision for duty and charge, if applicable. The relevant movements are shown on the 'Statement of Movement in Unit holders' Fund'.

The Fund's objective when managing unit holder's funds are to safeguard its ability to continue as a going concern so that it can continue to provide returns to unit holders' and to maintain a strong base of assets under management.

The Fund has no restrictions on the subscription and redemption of units.

The Fund meets the requirements of sub-regulation 54(3a) which requires that the minimum size of an Open End Scheme shall be one hundred million rupees at all times during the life of the scheme.

In accordance with the risk management policies stated in note 24, the Fund endeavors to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by short-term borrowings or disposal of investments where necessary.

26 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. Consequently, differences can arise between carrying values and the fair value estimates.

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.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

26.1 Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' 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:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at June 30, 2023 the Fund held the following financial instruments measured at fair values:

JS Money Market Fund

Particulars	June 30, 2023			
	Level 1	Level 1	Level 1	Total
	-----Rupees-----			
Financial assets 'at fair value through profit or loss				
Investments				
Market Treasury Bills *	-	670,314,385	-	670,314,385
Pakistan Treasury Bonds *	-	602,151,360	-	602,151,360
Sukuk certificate **		160,000,000	-	160,000,000
Commercial paper **	-	-	-	-
	-	1,432,465,745	-	1,432,465,745

* The valuation has been done based on PKRV valuation technique taken by MUFAP.

** The valuation of commercial papers has been done based on amortisation of commercial papers to its face value as per the guidelines given in Circular 33 of 2012 as they are placed with counterparties which have high credit ratings.

As at June 30, 2023, the carrying value of all other financial assets and liabilities approximate their fair value since these are short term in nature and are placed with counterparties which have high credit rating.

27 SUPPLEMENTARY NON FINANCIAL INFORMATION

The information regarding units holding pattern, top ten brokers, particulars of members of the Investment Committee and fund manager, particulars of meetings of the Board of Directors of the Management Company, meetings of Audit Committee of the Management Company, meetings of the Human Resource and Remuneration Committee of the Management Company and rating of the Fund and the management company are as follows:

27.1 Details of the members of investment committee of the Fund are as follows:

S. No.	Name	Designation	Experience in years	Qualification
1	Ms. Iffat Zehra Mankani	Chief Executive Officer	22	MBA
2	Mr. Khawar Iqbal	Chief Operating Officer and Company Secretary	30	MBA
3	Mr. Syed Hussain Haider	Chief Investment officer / Fund Manager	21	CFA

27.2 Transactions with Brokers/Dealers
27.2.1 List of top 10 brokers by percentage of commission charged during the year ended June 30, 2023:

S. No.	Name	Percentage of Commission/ Brokerage
1	C & M Management (Private) Limited	50.66%
2	Continental Exchange Limited	12.30%
3	Magenta Capital (Private) Limited	9.15%
4	Alfalah CLSA Securities Pvt Limited	8.33%
5	JS Global Capital Limited	7.36%
6	Invest One Markets Limited	7.05%
7	Bright Capital Private Limited	1.67%
8	Vector Capital Limited	1.46%
9	Summit Capital (Private) Limited	0.86%
10	Currency Market Associates (Private) Limited	0.77%

27.3 Pattern of unit holding

Particulars	June 30, 2023			
	Number of unitholders	Number of units held	Net asset value of the amount invested (Rs in million)	% age of total investment
Individuals	46	18,586,830	1,875.60	92%
Directors	1	530,368	53.52	3%
Retirement Fund	3	284,525	28.71	1%
Corporate	1	514,889	51.96	3%
Associated Companies	1	298,507	30.12	1%
	52	20,215,119	2,039.91	100%

27.4 Attendance at the meeting of the Board of Directors of the Management Company

The 164th, 165th, 166th, 167th and 168th meetings of the Board of Directors were held on August 19, 2022, October 22, 2022, January 11, 2023, February 24, 2023 and April 18, 2023 respectively. Information in respect of attendance by the directors and other persons in the meetings is given below:

JS Money Market Fund



S. No	Name of Directors	Meetings held on					
		Meetings attended	19 August 2022	22 October 2022	11 January 2023	24 February 2023	18 April 2023
1	Mr. Suleman Lalani	4	✓	-	✓	✓	✓
2	Ms. Iffat Zehra Mankani	5	✓	✓	✓	✓	✓
3	Mr. Hasan Shahid	5	✓	✓	✓	✓	✓
4	Mr. Asif Reza Sana*	1	✓	-	-	-	-
5	Mr. Imran Haleem Shaikh*	2	✓	✓	-	-	-
6	Mr. Zahid Ullah Khan*	2	✓	✓	-	-	-
7	Ms. Aisha Fariel Salahuddin	2	✓	-	✓	-	-
8	Mr. Mirza M. Sadeed Hasan Barlas	4	✓	✓	✓	-	✓
9	Mr. Atif Salim Malik**	3	-	-	✓	✓	✓
10	Ms. Mediha Kamal Afsar**	2	-	-	✓	-	✓
11	Mr. Syed Abu Ahmed Akif**	-	-	-	-	-	-
12	Mr. Farooq Ahmed Malik***	2	-	-	-	✓	✓

*Mr. Asif Reza Sana, Mr. Imran Haleem Shaikh and Mr. Zahid Ullah Khan retired on December 28, 2022

**Mr. Atif Salim Malik, Mr. Syed Abu Ahmed Akif and Ms. Mediha Kamal Afsar were appointed in Election of Directors held on December 28, 2022

***Mr. Farooq Ahmed Malik were appointed in Election of Director held on February 22, 2023.

27.5 Meetings of the audit committee

S. No	Name of Directors	Meetings held on				
		Meetings attended	18 August 2022	20 October 2022	23 February 2023	18 April 2023
1	Mr. Hasan Shahid	4	✓	✓	✓	✓
2	Ms. Aisha Fariel Salahuddin	2	✓	✓	-	-
3	Ms. Mediha Kamal Afsar	2	-	-	✓	✓
4	Mr. Mirza M. Sadeed Hasan Barlas	1	-	-	-	✓

Audit Committee was re composed in the meeting held on January 11, 2023

27.6 Meetings of the Human Resource and Remuneration Committee

S. No	Name of Directors	Meetings held on	
		Meetings attended	August 18, 2022
1	Ms. Aisha Fariel Salahuddin	1	✓
2	Mr. Suleman Lalani	1	✓
3	Ms. Iffat Zehra Mankani	1	✓



28 GENERAL

28.1 Figures in the financial statements have been rounded off to nearest rupee.

28.2 Units have been rounded off to the nearest decimal place.

29 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by Board of Directors of the Management Company of the Fund on August 18, 2023.

For JS Investments Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

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JS Investments Limited

19th Floor, The Centre, Plot # 28,
SB-5 Abdullah Haroon Road, Saddar,
Karachi-75600

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Fax: (92-21)35165540
E-mail: info@jsil.com
Website: www.jsil.com



Unit Trust of Pakistan

Annual Report 2023



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VISION

To be the preferred choice of every investor, offering diverse and innovative investment solutions.

MISSION

To establish a leadership position in bringing more investable asset classes and innovative products, while managing them with prudence and excellence.

BROAD POLICY OBJECTIVES

- Value creation for clients on a sustainable basis.
- Maintain high standards of ethical behaviors and fiduciary responsibilities.
- 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
19th 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	Non-Executive Director / Chairman
Ms. Iffat Zehra Mankani	Chief Executive Officer
Mr. Hasan Shahid	Non-Executive Director
Mr. Mirza M. Sadeed H. Barlas	Non-Executive Director
Mr. Atif Salim Malik	Non-Executive Director
Ms. Aisha Fariel Salahuddin	Non-Executive Independent Director
Ms. Mediha Kamal Afsar	Non-Executive Independent Director
Mr. Farooq Ahmed Malik	Non-Executive Independent Director

Audit Committee

Ms. Mediha Kamal Afsar	Chairperson
Mr. Hasan Shahid	Member
Mr. Mirza M. Sadeed H. Barlas	Member

Chief Operating Officer & Company Secretary

Mr. Muhammad Khawar Iqbal

Chief Financial Officer

Mr. Umair Khatri

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

A.F Ferguson & Co.
Chartered Accountants

Legal Adviser

Bawaney & Partners
3rd & 4th Floor, 68-C, Lane-13
Bokhari Commercial Area
Phase-VI DHA, Karachi



Unit Trust of Pakistan

Directors' Report to the Unit Holders

The Board of Directors of JS Investments Limited, the Management Company of **Unit Trust of Pakistan** (the Fund), is pleased to present the Annual Report for the year ended June 30, 2023.

Economic Review:

During the fiscal year 2023, Pakistan encountered substantial challenges stemming from longstanding structural weaknesses. Delays in the IMF program, declining forex reserves, significant currency devaluation, persistent political uncertainty, and elevated inflation collectively presented formidable hurdles, resulting in a meager GDP growth of 0.29%, a marked decrease from the 6.10% achieved in the previous fiscal year, FY22.

The current account deficit (CAD) narrowed by 85% year-on-year to USD 2.6 billion in FY23, a notable improvement compared to USD 17.5 billion in FY22, primarily due to reduced trade deficit resulting from import restrictions. However, despite this situation, foreign exchange reserves held by the State Bank of Pakistan (SBP) declined to USD 4.47 billion by June 2023, down from USD 9.82 billion at the commencement of FY23.

The scarcity of forex reserves exerted significant pressure on the currency, leading to a 40% devaluation. Another persistent concern throughout FY23 was soaring inflation, averaging 29.04%, far surpassing the initial target of 11.5% and the FY22 rate of 12.15%. This surge was fueled by escalating food prices and higher energy and petroleum costs, compounded by global crisis and PKR depreciation. In response, the SBP maintained its contractionary stance, raising the policy rate to a record high of 22% from 13.75% in June 2022. Despite these challenges, the measures taken by the government, including raising energy and gas tariffs, implementing currency regime change, introducing additional taxes and tightening monetary policy, did not yield the desired outcomes.

However, as of June 2023, the Government of Pakistan successfully secured a crucial 9-month Stand by Arrangement (SBA) with the IMF, leading to substantial deposits from multilateral countries. This achievement offers a much-needed short-term respite from the looming risk of default. Additionally, the SBA provides an economic roadmap for the next nine months, encompassing the period leading up to elections and a caretaker government, with a strong emphasis on fiscal discipline, energy reforms, and consistent policy implementation. Nevertheless, it is important to recognize that the SBA offers only temporary relief, as a long-term program with the IMF will be necessary once the SBA concludes in March 2024, alongside the implementation of structural reforms and a consistent macroeconomic framework.

Equity Market Review:

In FY23, the KSE-100 index exhibited relatively subdued performance, registering a marginal decline of 0.21%, equivalent to 88.14 points, culminating in a closing value of 41,452.69 points. The equity market operated amidst amplified political noise and the central bank's resolute monetary tightening measures aimed at addressing inflationary pressures. Additionally, lingering uncertainties surrounding the IMF staff-level agreement further dampened investor sentiment, leading to diminished interest and constrained liquidity inflows into the equity markets.

During this period, certain sectors demonstrated resilience and emerged as outperformers, including Power Generation & Distribution, Fertilizer, Cements, and Technology & Communication, highlighting their robustness in the market. Conversely, the Pharmaceuticals, Automobile Assembler and Refinery sectors underperformed during the same period.

As we embark on FY24, it is essential to recognize that two critical factors will significantly shape the financial markets. Firstly, the inflow of foreign exchange (FX) will play a decisive role, exerting influence on market dynamics. Secondly, unwavering dedication to adhering to the IMF's guidelines within the Stand-By Arrangement (SBA) will lay the groundwork for forthcoming negotiations concerning a long-term program with the IMF after the SBA concludes early next year.

Moreover, amidst this ever-evolving environment, political stability will act as a linchpin, fostering investor confidence and channeling liquidity into the equity market. In essence, the dynamic interplay of FX inflows, adherence to IMF guidelines, and political stability will form the base upon which the performance of the economy as a whole will be built in the coming months. As we chart our course forward, strategic decisions anchored in these key factors will be pivotal in seizing opportunities and driving growth within the continuously changing investment landscape.

Income / Money Market Review:

Against a challenging macroeconomic landscape and mounting inflationary pressures, the Pakistani Rupee (PKR) experienced a significant depreciation of 40% during FY23. In response to the surging inflation, the State Bank of Pakistan (SBP) adopted a tight monetary policy stance, culminating in a cumulative 825 basis points increase in the policy rate, reaching an elevated 22% by June 2023.



Amidst heightened uncertainty, investors preferred shorter-tenor instruments along the yield curve. As a result, the government resorted to relying on the 3-month and 6-month treasury bills to fulfill its budgetary borrowing requirements, given the subdued market participation in one-year treasury bills. Notably, yields for 3-month treasury bills surged from 14.98% to 22.65%, while yields for 6-month treasury bills rose from 15.15% to 22.87%. The total amount borrowed through T-bills stood at PKR 24.62 trillion during the year. Furthermore, the government successfully borrowed PKR 1.28 trillion in fixed-rate Pakistan Investment Bonds (PIBs), slightly below the target of PKR 1.85 trillion. The yields on the 3-year, 5-year, and 10-year bonds experienced increments of 6.02%, 3.15%, and 2.40%, leading to final yields of 19.47%, 16.08%, and 15.32%, respectively.

Review of Fund Performance

The Fund return was 5.21% for the year ended June 30, 2023 against the benchmark return of 7.87%. Net Assets moved from PKR 937.29 million as at June 30, 2022, to PKR 913.84 million as at June 30, 2022. The total expense ratio (TER) of the Fund is 4.18%, which includes 0.34% of government levies on the Fund.

Dividend

The Fund paid an interim cash dividend of Rs 7.05 per unit during the year ended June 30, 2023.

Asset Manager Rating

Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of 'AM2+' with 'stable outlook' dated December 27, 2022 (June 30, 2022: 'AM2' with 'positive outlook' dated August 6, 2022) to the Management Company which is an improvement from the previous rating of AM2 with a positive outlook. The rating denotes high management quality.

Auditors

The external auditors of the Fund M/S. A.F Ferguson Chartered Accountant, retire and being eligible, offer themselves for reappointment. The Board of Directors, upon recommendation of the Audit Committee of the Board, has approved the appointment of M/S. A.F Ferguson Chartered Accountants, as the Fund's auditors for the ensuing year ending June 30, 2024.

Board of Directors

During the period, Mr. Atif Salim Malik, Mr. Farooq Ahmed Malik and Ms. Mediha Kamal Afsar were appointed as Director in place of Mr. Asif Reza Sana, Mr. Imran Haleem Shaikh and Mr. Zahid Ullah Khan.

Additional Matters

- a. Annexed to the Annual Report is the Fund Manager's Report giving a description of principal risks and uncertainties with a reasonable indication of future prospects of profit.
- b. The Pattern of Unit holding as at June 30, 2023, is annexed to this annual report.
- c. The system of internal control is sound in design and has been effectively implemented and monitored.
- d. A performance table / key financial data is annexed to this annual report.

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.

شراکت داروں کے لیے ڈائریکٹرز رپورٹ

جے ایس انویسٹمنٹس لمیٹڈ کے بورڈ آف ڈائریکٹرز، یونٹ ٹرسٹ آف پاکستان (دی فنڈ) کی میٹنگٹ کمپنی نے 30 جون 2023 کو ختم ہونے والے سال کے لیے سالانہ رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

معاشی جائزہ

مالی سال 2023 کے دوران، پاکستان کو دیرینہ ساختی کمزوریوں کی وجہ سے کافی چیلنجز کا سامنا کرنا پڑا۔ انٹرنیشنل مانیٹری فنڈ (IMF) پروگرام میں تاخیر، زرمبادلہ کے ذخائر میں کمی، کرنسی کی قدر میں نمایاں کمی، مسلسل سیاسی غیر یقینی صورتحال اور افراط زر میں اضافے نے مجموعی طور پر زبردست رکاوٹیں پیش کیں، جس کے نتیجے میں جی ڈی پی (GDP) کی شرح نمو % 0.29 رہی جو گزشتہ مالی سال 2022 کے % 6.10 کے مقابلے میں واضح طور پر کم ہے۔

مالی سال 2023 میں کرنٹ اکاؤنٹ خسارہ (CAD) سال بہ سال % 85 کم ہو کر 2.6 بلین امریکی ڈالر رہ گیا، جو مالی سال 2022 کے % 17.5 بلین امریکی ڈالر کے مقابلے میں نمایاں بہتری ہے، جس کی بنیادی وجہ درآمدی پابندیوں سے تجارتی خسارے میں کمی ہے۔ تاہم، اس صورتحال کے باوجود اسٹیٹ بینک آف پاکستان (SBP) کے پاس موجود غیر ملکی زرمبادلہ کے ذخائر جون 2023 تک کم ہو کر 4.47 بلین امریکی ڈالر رہ گئے جو مالی سال 2023 کے آغاز میں 9.82 بلین امریکی ڈالر سے کم تھے۔

غیر ملکی زرمبادلہ کے ذخائر کی کمی نے کرنسی پر کافی دباؤ ڈالا، جس کی وجہ سے % 40 کی قدر میں کمی واقع ہوئی۔ مالی سال 2023 کے دوران ایک اور مستقل تشویش بڑھتی ہوئی افراط زر تھی، جو اوسطاً % 29.04 تھی، جو اتھرائی ہدف % 11.5 اور مالی سال 2022 کی شرح % 12.15 سے تجاوز کر گئی۔ اس اضافے کی وجہ خوراک کی قیمتوں میں اضافہ اور توانائی اور پیٹرولیم کی بلند قیمتیں ہیں جو عالمی بحران اور پاکستانی روپے کی قدر میں کمی کی وجہ سے ہوا۔ اسکے جواب میں اسٹیٹ بینک آف پاکستان (SBP) نے اپنے تحفظی (contractionary) منوقف کو برقرار رکھتے ہوئے پالیسی کی شرح کو جون 2022 میں % 13.75 سے بڑھا کر % 22 کی ریکارڈ سطح پر پہنچا دیا۔ ان چیلنجز کے باوجود حکومت کی جانب سے اٹھائے گئے اقدامات بشمول توانائی اور گیس کے نرخوں میں اضافہ، کرنسی نظام کی تبدیلی کا نفاذ، اضافی ٹیکس متعارف کروانا اور مانیٹری پالیسی کو سخت کرنے سے مختلف نتائج برآمد ہوئے۔

تاہم، جون 2023 تک حکومت پاکستان نے آئی ایم ایف کے ساتھ 9 ماہ کا ایک اہم اسٹیٹ بانی ارتھمنٹ (SBA) حاصل کیا جس کے نتیجے میں کثیرالجہتی (multi lateral) ممالک سے خاطر خواہ ذخائر موصول ہوئے۔ یہ کامیابی ڈیفالٹ کے بڑھتے ہوئے خطرے سے ایک انتہائی ضروری قلیل مدتی راحت فراہم کرتی ہے۔ مزید برآں، اسٹیٹ بانی ارتھمنٹ (SBA) اگلے 9 ماہ کے لیے اقتصادی روڈ میپ فراہم کرتا ہے، جس میں انتخابات اور گراں حکومت تک کی مدت کا احاطہ کیا گیا ہے، جس میں مالی نظم و ضبط، توانائی اصلاحات اور مستقل پالیسی کے نفاذ پر زور دیا گیا ہے۔ اس کے باوجود، یہ تسلیم کرنا ضروری ہے کہ اسٹیٹ بانی ارتھمنٹ (SBA) عارضی ریلیف فراہم کرتا ہے، کیونکہ مارچ 2024 میں اسٹیٹ بانی ارتھمنٹ (SBA) کے اختتام کے بعد IMF کے ساتھ، ساختی اصلاحات اور مستقل میکرو اکنامک فریم ورک کے نفاذ کے ساتھ، ایک طویل مدتی پروگرام ضروری ہوگا۔

ایکیویٹی مارکیٹ کا جائزہ

مالی سال 2023 میں، KSE-100 انڈیکس نے نسبتاً کم کارکردگی کا مظاہرہ کیا، جس میں % 0.21 کی معمولی کمی ریکارڈ کی گئی، جو 88.14 پوائنٹس کے مساوی ہے، جس کے نتیجے میں اختتام 41,452.69 پوائنٹس کی سطح پر ہوا۔ ایکویٹی مارکیٹ بڑھتے ہوئے سیاسی شورش اور مرکزی بینک کے پر عزم مالیاتی سخت اقدامات کے درمیان کام کر رہی تھی، جس کا مقصد افراط زر کے دباؤ سے نمٹنا تھا۔ مزید برآں، IMF کے عملے کی سطح کے معاہدے کے بارے میں غیر یقینی صورتحال نے سرمایہ کاروں کے جذبات کو مزید متاثر کیا، جس کے نتیجے میں دلچسپی میں کمی آئی اور ایکویٹی مارکیٹوں میں محدود لیکویڈیٹی کا بہاؤ ہوا۔

اس مدت کے دوران، پاور جنریشن اور ڈسٹری بیوشن، فریڈلرز، سینٹ اور ٹیکنالوجی اور کیوٹیلیشن جیسے شعبوں نے چلک کا مظاہرہ کیا اور بہتر کارکردگی کا مظاہرہ کرنے والے شعبوں کے طور پر ابھرے، جس نے مارکیٹ میں ان کی مضبوطی کو اجاگر کیا۔ اس کے برعکس، فارماسیوٹیکل، آٹوموبائل اسمبلر اور ریفرنسری کے شعبوں نے یکساں مدت کے دوران ناقص کارکردگی کا مظاہرہ کیا۔

جب ہم مالی سال 2024 کی شروعات کرنے جا رہے ہیں، تو یہ تسلیم کرنا ضروری ہے کہ دو اہم عوامل مالیاتی مارکیٹوں کو نمایاں طور پر تشکیل دیں گے۔ سب سے پہلے، غیر ملکی زرمبادلہ (FX) کی آمد ایک فیصلہ کن کردار ادا کرے گی، جس سے مارکیٹ کی حرکیات پر اثر پڑے گا۔ دوسری بات یہ ہے کہ اسٹیٹ بانی ارتھمنٹ (SBA) کے اندر IMF کی ہدایات پر عمل کرنے کی غیر متزلزل لگن اگلے سال کے اوائل میں اسٹیٹ بانی ارتھمنٹ (SBA) کے اختتام کے بعد IMF کے ساتھ طویل مدتی پروگرام سے متعلق آئندہ مذاکرات کی بنیاد رکھے گی۔

مزید برآں، اس مسلسل بدلتے ہوئے ماحول کے درمیان، سیاسی استحکام ایک لٹچ پن کے طور پر کام کرے گا، سرمایہ کاروں کے اعتماد کو فروغ دے گا اور ایکویٹی مارکیٹ میں لیکویڈیٹی کو متحرک کرے گا۔ خلاصہ یہ ہے کہ غیر ملکی زرمبادلہ (FX) کی آمد کا متحرک باہمی تعامل، IMF کی ہدایات پر عمل پیرا ہونا اور سیاسی استحکام وہ بنیاد بنائیں گے جس پر آنے والے مہینوں میں مجموعی طور پر معیشت کی کارکردگی تعمیر کی جائے گی۔ جیسا کہ ہم مستقبل کی جانب گامزن ہیں، ان کلیدی عوامل سے منسلک اسٹریٹجک فیصلے مسلسل بدلتے ہوئے سرمایہ کاری کے منظر نامے میں مواقع سے فائدہ اٹھانے اور ترقی کو آگے بڑھانے میں اہم کردار ادا کریں گے۔

انکم / منی مارکیٹ کا جائزہ

چیلنجنگ میکرو اکنامک منظر نامے اور بڑھتے ہوئے افراط زر کے دباؤ کے باوجود، مالی سال 2023 کے دوران، پاکستانی روپے (PKR) کو % 40 کی نمایاں کمی کا سامنا کرنا پڑا۔ بڑھتی ہوئی افراط زر کے جواب میں اسٹیٹ بینک آف پاکستان (SBP) نے سخت مانیٹری پالیسی کا موقف اپنایا، جس کے نتیجے میں پالیسی کی شرح میں مجموعی طور پر 825 بیسیس پوائنٹس کا اضافہ ہوا، جو جون 2023 تک % 22 تک پہنچ گیا۔

بڑھتی ہوئی غیر یقینی صورتحال کے درمیان، سرمایہ کاروں نے نتائج کی منفی قوس کے ساتھ مختصر مدت کے آلات کو ترجیح دی۔ نتیجتاً، حکومت نے بجٹ قرضوں کی ضروریات کو پورا کرنے کے لیے 3 ماہ اور 6 ماہ کے ٹریڈیبلز (T - Bills) پر انحصار کیا کیونکہ ایک سال کے ٹریڈیبلز میں مارکیٹ کی کم شرکت تھی۔ قابل ذکر بات یہ ہے کہ، 3 ماہ کے ٹریڈیبلز کا منافع % 14.98 سے بڑھ کر % 22.65 ہو گیا، جبکہ 6 ماہ کے ٹریڈیبلز کا منافع % 15.15 سے بڑھ کر % 22.87 ہو گیا۔ سال کے دوران، ٹریڈیبلز کے ذریعے لینے گئے قرضوں کی مجموعی رقم 24.62 ٹریلین پاکستانی روپے رہی۔ مزید برآں، حکومت نے فلکسڈ ریٹ پاکستان انویسٹمنٹ بانڈز (PIBs) میں 1.28 ٹریلین پاکستانی روپے کا مابقی سے قرض لیا، جو 1.85 ٹریلین روپے کے ہدف سے تھوڑا سا کم ہے۔ 3 سال، 5 سال اور 10 سال کے بانڈز پر منافع میں بالترتیب % 6.02، % 3.15 اور % 2.40 کا اضافہ ہوا، جس کے نتیجے میں حتمی منافع بالترتیب % 19.47، % 16.08 اور % 15.32 رہا۔

فنانس کی کارکردگی کا جائزہ

30 جون 2023 کو ختم ہونے والے سال کے لیے فنانس کا منافع % 7.87 اپنے بیچ مارک منافع کے مقابلے میں % 5.21 رہا۔ 30 جون 2022 کو خالص اثاثہ جات 30 جون 2022 کے 913.84 ملین روپے سے 937.29 ملین روپے پر پہنچ گئے۔ فنانس کے کل اخراجات کا تناسب (TER) % 4.18 ہے، جس میں فنانس پر سرکاری محصولات کا % 0.34 بھی شامل ہے۔

ڈیویڈنڈ

30 جون 2023 کو ختم ہونے والے سال کے دوران فنانس نے 7.05 روپے فی یونٹ کا انٹیریم کیش ڈیویڈنڈ کی ادائیگی کی۔

ایسیٹ مینجمنٹ ریٹنگ

پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) نے مینجمنٹ کمپنی کو 27 دسمبر 2022 کو "AM2+" کی ایسیٹ مینجمنٹ ریٹنگ، مستحکم "stable" منظر نامے کے ساتھ تفویض کی ہے (30 جون 2022: 06 اگست 2022 کو "AM2" مثبت "positive" منظر نامے کے ساتھ) جو "AM2" مثبت "positive" منظر نامے کی گزشتہ ریٹنگ سے بہتر ہے۔ یہ ریٹنگ مینجمنٹ کے اعلیٰ معیار کی نشاندہی کرتی ہے۔

آڈیٹرز

ریٹائر ہونے والے بیرونی آڈیٹرز میسرز ایف فرگوسن چارٹرڈ اکاؤنٹنٹس نے اہلیت کی بنیاد پر خود دوبارہ تقرری کے لیے پیش کرتے ہیں۔ بورڈ آف ڈائریکٹرز نے، آڈٹ کمیٹی کی تجویز پر میسرز ایف فرگوسن چارٹرڈ اکاؤنٹنٹس کی 30 جون 2024 کو ختم ہونے والے سال کے لیے تقرری کی منظوری دی۔

بورڈ آف ڈائریکٹرز

مدت کے دوران، جناب عاطف سالم ملک، جناب فاروق احمد ملک اور محترمہ مدیحہ کمال افسر؛ جناب آصف رضا ثناء، جناب عمران حلیم شیخ اور جناب زاہد اللہ خان کی جگہ پر بطور ڈائریکٹر مقرر کیے گئے۔

اضافی معاملات

ا۔ سالانہ رپورٹ کے ساتھ فنانس مینجمنٹ رپورٹ منسلک ہے جس میں مرکزی خطرات اور منافع جات کے مستقبل کے امکانات کی مناسب علامت کے ساتھ ہجوان کی کیفیت کی وضاحت کی ہے۔
ب۔ 30 جون 2023 تک یونٹ ہولڈنگ کے نمونہ اس سالانہ رپورٹ کے ساتھ منسلک ہے۔
ج۔ اندرونی کنٹرول کا نظام ساخت کے اعتبار سے مضبوط ہے اور اس پر موثر اطلاق اور نگرانی کی جاتی ہے۔
د۔ کارکردگی کا ٹیبل / اہم مالیاتی معلومات اس سالانہ رپورٹ کے ضمیمہ میں دی گئی ہیں۔

اظہار تشکر

ڈائریکٹرز بیش قدر معاونت، مدد اور رہنمائی پر سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) اور سینٹرل ڈپازٹری کمیٹی آف پاکستان لمیٹڈ (CDCPL) سے اظہار تشکر کرتے ہیں۔ بورڈ لیگن اور محنت پر مینجمنٹ کمیٹی کے ملازمین اور انتظامیہ پر اعتماد پر یونٹ ہولڈرز کا بھی شکریہ ادا کرتا ہے۔



Unit Trust of Pakistan

Fund Manager Report Annual Report 2023

Unit Trust of Pakistan (UTP)

- **Description of the Collective Investment Scheme category and type**
Balanced Scheme / Open end
- **Statement of Collective Investment Scheme's 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.
- **Explanation as to whether the Collective Investment Scheme has achieved its stated objective**
The collective investment scheme achieved its stated objective.
- **Statement of benchmark(s) relevant to the Collective Investment Scheme**
Rate of return of KSE-30 Index and six (6) month KIBOR, for any period of return, on the basis of actual proportions of the portfolio.

- **Comparison of the Collective Investment Scheme's performance during the period compared with the said benchmarks**

	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	FY23
UTP	-1.66%	3.22%	-2.08%	0.70%	1.20%	-0.80%	0.28%	0.27%	1.00%	2.76%	-0.88%	1.21%	5.21%
Benchmark	-1.71%	3.73%	-1.67%	1.20%	2.72%	-2.48%	1.57%	0.53%	1.01%	2.90%	-0.49%	0.50%	7.87%
Diff.	0.05%	-0.51%	-0.41%	-0.50%	-1.52%	1.68%	-1.29%	-0.25%	-0.01%	-0.14%	-0.39%	0.71%	-2.66%

- **Description of the strategies and policies employed during the period under review in relation to the Collective Investment Scheme's performance**
While being consistent with a 'balanced' strategy, the fund kept a conservative investment stance during the year by maintaining a lower exposure in equities than the allowed limit. Within that, the fund maintained defensive positions with the most considerable level of undervaluation and kept limited exposure to cyclical sectors amid a highly challenging macroeconomic outlook. Similarly, the exposure to fixed income was largely maintained in the shorter end of the yield curve for the better half of the year.

Disclosure of the Collective Investment Scheme's asset allocation as at the date of the report and particulars of significant changes in asset allocation since the last report (if applicable)

	Jun-23	Jun-22
Cash	0.86%	30.03%
Equity	61.92%	54.94%
TFCs / Sukkuks	20.57%	12.96%
T Bills	14.69%	0.00%
Other including receivables	1.96%	2.07%
Total	100.00%	100.00%

- **Analysis of the Collective Investment Scheme's performance**



Fund Manager Report Annual Report 2023

	Fund		Fund	BM
Information Ratio	(0.13)	Beta	0.6	1.0
Correlation	0.91	Largest Month Gain	15.9%	19.3%
Standard Deviation*	15.0%	Largest Month Loss	-24.0%	-33.8%
Expense Ratio**	4.18%	% Positive Months	65.9%	61.7%

* Since inception

** This includes 0.34% Government levy & SECP fee; Selling & marketing expense is 1.19%.

- **Based on changes in total NAV and NAV per unit since the last review period or since commencement (in the case of newly established Collective Investment Scheme)**

	Net Assets Excluding JSIL FoFs (PKR mn)	NAV per Unit (PKR)
30-Jun-23	914	152.53
30-Jun-22	937	151.79

- **Disclosure of the markets that the Collective Investment Scheme has invested in:**

The fund has a balanced structure, implying that it invests in both equity and fixed-income instruments. Equity securities include those listed on the Pakistan Stock Exchange (PSX). At the same time, the fund invests in domestic government and corporate securities, spreads transactions, and bank accounts in the fixed-income space.

- **Disclosure on distribution (if any), comprising:-**

- Particulars of income distribution or other forms of distribution made and proposed during the period; and
- Statement on effects on the NAV before and after distribution is made

Distribution

The fund has paid a final distribution of Rs. 3.79 per unit of Rs. 100/- i.e. 3.79%. The cumulative distribution for FY23 is Rs. 7.05 per unit.

NAV per unit as on June 30, 2023	
Cum NAV (PKR)	152.53
Ex-NAV (PKR)	152.53

- **Description and explanation of any significant changes in the state of affairs of the Collective Investment Scheme during the period and up till the date of the manager's report, not otherwise disclosed in the financial statements**

There were no significant changes in the state of affairs during the year under review.

- **Breakdown of unit holdings by size**

Fund Name	Ranges			Number of Folios
Unit Trust of Pakistan	0.0001	to	9,999.9999	210
	10,000.0000	to	49,999.9999	20
	50,000.0000	to	99,999.9999	7
	100,000.0000	to	499,999.9999	4
	500,000.0000	&	above	1
			Total	242



Fund Manager Report Annual Report 2023

- **Disclosure on unit split (if any), comprising:-**
The Fund has not carried out any unit split exercise during the year.
- **Disclosure of circumstances that materially affect any interests of the unit holders**
Investment is subject to market risk.
- **Disclosure if the Asset Management Company or its delegate, if any, receives any soft commission (i.e. goods and services) from its broker(s) or dealer(s) by virtue of transactions conducted by the Collective Investment Scheme, disclosure of the following:-**

The Management Company and / or any of its delegates have not received any soft commission from its brokers / dealers by virtue of transactions conducted by the Fund.



PERFORMANCE TABLE 2023

	2023	2022	2021	2020	2019
Net assets - Rupees in "000"	913,837.00	937,288.00	1,100.86	950.89	1,040.88
Net income - Rupees in "000"	45,356.00	(137,257.00)	234.35	32.42	(189.92)
Total return of the Fund	5.21%	-12.65%	25.00%	4.05%	-14.12%
Annual dividend distribution	-	0.00%	-	0.05	0.00%
Capital Growth	5.21%	-12.65%	25.00%	-0.85%	-14.12%
Average annual return					
- One Year	5.21%	-12.65%	0.25	4.05%	-1412.00%
- Two Year	-3.72%	6.18%	14.53%	-5.04%	-13.32%
- Three Year	5.85%	5.47%	4.98%	-7.53%	-0.71%
Total dividend distribution	7.05	-	3.00	4.90	-
Net assets value - Rupees	152.53	151.79	173.77	141.40	140.66
Redemption Price	152.53	151.79	173.77	141.40	140.66
Offer Price	157.71	156.94	179.67	146.20	145.43
Highest issue price during the year - Rupees	166.30	182.33	189.20	164.67	165.55
Lowest issue price during the year - Rupees	153.03	155.18	148.16	132.68	138.39
Highest redemption price during the year - Rupees	160.84	176.35	182.99	165.56	169.86
Lowest redemption price during the year - Rupees	148.01	150.09	143.30	117.93	124.52

Notes

- Unit Trust of Pakistan was launched on October 27, 1997.
- Investment portfolio composition of the Fund is disclosed in note 5 of the financial statements.
- '- The income distribution have been shown against The year to which they relate although these were declared & distributed subsequently to the year end.

Disclaimer

- Past performance is not necessarily indicative of future performance and that unit prices and investment returns may go down, as well as go up.

CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED

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Karachi - 74400, Pakistan.
Tel: (92-21) 111-111-500
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TRUSTEE REPORT TO THE UNIT HOLDERS

UNIT TRUST OF PAKISTAN

Report of the Trustee pursuant to Regulation 41(h) and Clause 8 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of Unit Trust of Pakistan (the Fund) are of the opinion that JS Investments Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2023 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, September 28, 2023



A.F.FERGUSON & CO.

INDEPENDENT AUDITOR'S REPORT**To the Unit holders of Unit Trust of Pakistan****Report on the Audit of the Financial Statements****Opinion**

We have audited the financial statements of Unit Trust of Pakistan (the Fund), which comprise the statement of assets and liabilities as at June 30, 2023, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2023, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
1	Net Asset Value (Refer note 5 to the financial statements)	
	<p>The investments constitute the most significant component of the net asset value (NAV). The investments of the Fund as at June 30, 2023 amounted to Rs. 913.529 million.</p> <p>The existence and proper valuation of investments for the determination of NAV of the Fund as at June 30, 2023 was considered a high risk area and therefore we considered this as a key audit matter.</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> tested the design and operating effectiveness of the key controls for valuation of investments; obtained independent confirmations for verifying the existence of the investment portfolio as at June 30, 2023 and traced balances in these confirmations with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed; and re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies.

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
 State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
 Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>



Other Matter

The financial statements of the Fund for the year ended June 30, 2022 were audited by another firm of Chartered Accountants who had expressed an unmodified opinion thereon vide their report dated September 26, 2022.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors of the Management Company for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of directors of the Management Company is responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with board of directors of the Management Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

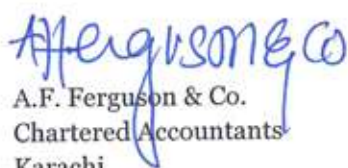
We also provide board of directors of the Management Company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with board of directors of the Management Company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is **Noman Abbas Sheikh**.


A.F. Ferguson & Co.
Chartered Accountants
Karachi

Dated: September 28, 2023
UDIN: AR2023100617fpOSb0ia



FINANCIAL STATEMENTS



**STATEMENT OF ASSETS AND LIABILITIES**

AS AT JUNE 30, 2023

	Note	2023	2022
-----Rupees-----			
ASSETS			
Bank balances	4	8,103,621	296,720,670
Investments	5	913,529,190	651,440,858
Profit receivables	6	6,794,859	7,132,085
Advances, deposits and prepayments	7	2,905,280	4,264,641
Receivable against sale of investment		8,734,936	-
Total assets		940,067,886	959,558,254
LIABILITIES			
Payable to JS Investments Limited - Management Company	8	19,908,177	19,923,777
Payable to Central Depository Company of Pakistan Limited - Trustee	9	170,720	174,620
Payable to the Securities and Exchange Commission of Pakistan	10	186,072	205,045
Accrued expenses and other liabilities	11	4,523,244	894,248
Payable against purchase of investments		-	144,155
Dividend payable		1,443,069	928,218
Total liabilities		26,231,282	22,270,063
NET ASSETS		913,836,604	937,288,191
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		913,836,604	937,288,191
Contingencies and commitments			
	12	----- Number of units -----	
Number of units in issue	13	5,991,265	6,174,768
Net asset value per unit			
		152.53	151.79

The annexed notes from 1 to 32 form an integral part of these financial statements.

For JS Investments Limited
(Management Company)_____
Chief Executive Officer_____
Chief Financial Officer_____
Director



Unit Trust of Pakistan

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023	2022
-----Rupees-----			
INCOME			
Profit earned	14	68,356,361	38,614,991
Dividend income		60,755,217	48,458,490
Other income	15	10,941,949	15,928,843
Net loss on sale of investments		(7,278,467)	(67,706,103)
Net unrealised diminution on re-measurement of investment classified at 'fair value through profit or loss'	5.8	(48,569,763)	(131,895,726)
Total income / (loss)		84,205,297	(96,599,505)
EXPENSES			
Remuneration of JS Investments Limited - Management Company	8.1	17,701,885	20,679,928
Sindh Sales Tax on remuneration of the Management Company	8.2	2,301,245	2,688,391
Allocated expenses	8.4	930,863	1,025,543
Selling and marketing expenses	8.5	11,100,953	10,973,461
Remuneration of Central Depository Company of Pakistan Limited - Trustee	9.1	1,856,280	2,016,470
Sindh Sales Tax on remuneration of the Trustee	9.2	241,316	262,142
Annual fee to the Securities and Exchange Commission of Pakistan	10	186,097	205,069
Securities transaction cost		2,445,333	1,334,171
Auditor's remuneration	16	563,626	522,720
Legal and professional charges		365,000	214,250
Printing and stationery		101,468	76,500
Bank and settlement charges		1,055,232	659,104
Total expenses		38,849,298	40,657,749
Net income / (loss) for the year before taxation		45,355,999	(137,257,254)
Taxation	18	-	-
Net income / (loss) for the year after taxation		45,355,999	(137,257,254)
Allocation of net income for the year			
Net income for the year after taxation		45,355,999	-
Income already paid on units redeemed		(439,304)	-
		44,916,695	-
Accounting income available for distribution:			
- Relating to capital gains		-	-
- Excluding capital gains		44,916,695	-
		44,916,695	-

The annexed notes from 1 to 32 form an integral part of these financial statements.

For JS Investments Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023**

	Note	2023	2022
		-----Rupees-----	
Net income / (loss) for the year after taxation		45,355,999	(137,257,254)
Other comprehensive income		-	-
Total comprehensive income / (loss) for the year		<u>45,355,999</u>	<u>(137,257,254)</u>

The annexed notes from 1 to 32 form an integral part of these financial statements.

For JS Investments Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



Unit Trust of Pakistan

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023	2022
		-----Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income / (loss) for the year before taxation		45,355,999	(137,257,254)
Adjustments for:			
Profit earned		(68,356,361)	(38,614,991)
Net loss on sale of investments		7,278,467	67,706,103
Net unrealised diminution on re-measurement of investment classified at 'fair value through profit or loss'		48,569,763	131,895,726
		<u>32,847,868</u>	<u>23,729,584</u>
(Increase) / decrease in assets			
Investments - net		(179,847,541)	130,279,904
Advances, deposits and prepayments		1,359,361	20,041,169
Receivable against sale of investment		(8,734,936)	-
		<u>(187,223,116)</u>	<u>150,321,073</u>
Increase / (decrease) in liabilities			
Payable to JS Investments Limited - Management Company		(15,600)	(500,791)
Payable to Central Depository Company of Pakistan Limited - Trustee		(3,900)	(23,967)
Payable to the Securities and Exchange Commission of Pakistan		(18,973)	(12,334)
Payable against purchase of securities		(144,155)	(119,118)
Accrued expenses and other liabilities		3,628,996	(25,769,541)
		<u>3,446,368</u>	<u>(26,425,751)</u>
Profit received		68,693,587	33,436,555
Net cash (used in) / generated from operating activities		<u>(82,235,293)</u>	<u>181,061,461</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(40,567,369)	-
Amount received on issuance of units		261,615,921	2,339,952
Amount paid on redemption of units		(289,341,287)	(28,654,316)
Net cash used in financing activities		<u>(68,292,735)</u>	<u>(26,314,364)</u>
Net (decrease) / increase in cash and cash equivalents during the year		<u>(150,528,028)</u>	<u>154,747,097</u>
Cash and cash equivalents at the beginning of the year		296,720,670	141,973,573
Cash and cash equivalents at the end of the year	17	<u><u>146,192,642</u></u>	<u><u>296,720,670</u></u>

The annexed notes from 1 to 32 form an integral part of these financial statements.

For JS Investments Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND

FOR THE YEAR ENDED JUNE 30, 2023

Note	2023			2022		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
----- Rupees -----						
Net assets at the beginning of the year	909,936,613	27,351,578	937,288,191	936,250,977	164,608,832	1,100,859,809
Issuance of 1,707,877 (2022: 14,222) units						
- Capital value	259,244,225	-	259,244,225	2,471,305	-	2,471,305
- Element of income / (loss)	2,371,696	-	2,371,696	(131,353)	-	(131,353)
Total proceeds on issuance of units	261,615,921	-	261,615,921	2,339,952	-	2,339,952
Redemption of 1,891,380 (2022: 174,674) units						
- Capital value	(287,098,744)		(287,098,744)	(30,352,710)	-	(30,352,710)
- Element of (loss) / income	(1,803,239)	(439,304)	(2,242,543)	1,698,394	-	1,698,394
Total payments on redemption of units	(288,901,983)	(439,304)	(289,341,287)	(28,654,316)	-	(28,654,316)
Total comprehensive income / (loss) for the year	-	45,355,999	45,355,999	-	(137,257,254)	(137,257,254)
Total distributions during the year	30	(41,082,220)	(41,082,220)	-	-	-
Net assets at end of the year	882,650,551	31,186,053	913,836,604	909,936,613	27,351,578	937,288,191
Undistributed income brought forward						
- Realised income		159,247,304			58,915,402	
- Unrealised (loss) / income		(131,895,726)			105,693,430	
		27,351,578			164,608,832	
Accounting income available for distribution						
- Relating to capital gain		-			-	
- Excluding capital gains		44,916,695			-	
		44,916,695			-	
Total comprehensive loss during the year		-			(137,257,254)	
Total distributions during the year		(41,082,220)			-	
Undistributed income carried forward		31,186,053			27,351,578	
Undistributed income carried forward:						
- Realised income		79,755,816			159,247,304	
- Unrealised loss		(48,569,763)			(131,895,726)	
		31,186,053			27,351,578	

(Rupees)

Net assets value per unit at the beginning of the year	151.79	173.77
Net assets value per unit at the end of the year	152.53	151.79

The annexed notes from 1 to 32 form an integral part of these financial statements.

For JS Investments Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Unit Trust of Pakistan (the Fund) was established under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the 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 the Trust Deed, dated April 26, 1997 between JS Investments Limited as its Management Company, a company incorporated under the Companies Ordinance, 1984 (Now Companies Act, 2017) and Central Depository Company of Pakistan as its Trustee. The Central Depository Company of Pakistan Limited was appointed as Trustee of the Fund on June 11, 2005 after voluntary resignation of Digital Custodian Company Limited.
- 1.2** During the year ended June 30, 2021, The Trust Act, 1882 has been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on September 3, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.
- 1.3** The Fund is an open end mutual fund categorised as "Balanced Scheme" and is listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription on continuous basis and are transferrable and can be redeemed by surrendering them to the Fund. As per offering document, the Fund shall invest in equity securities as well as debt securities including government securities, commercial papers and various other money market instruments.
- 1.4** The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at The Centre, 19th Floor, Plot No.28 SB-5, Abdullah Haroon Road, Saddar, Karachi, Pakistan.
- 1.5** The title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as a Trustee of the Fund.
- 1.6** Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of 'AM2+' with 'stable outlook' dated December 27, 2022 (June 30, 2022: 'AM2' with 'positive outlook' dated August 10, 2022) to the Management Company which is an improvement from the previous rating. The rating denotes high management quality.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act);
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- The Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the 'Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.



Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ from the requirements of IFRSs, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

2.2 Standards, interpretations and amendments to the published accounting and reporting standards that are effective in the current year

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's accounting period beginning on July 1, 2022. However, these do not have any significant impact on the Fund's operations, and therefore have not been detailed in these financial statements.

2.3 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after July 1, 2023. However, these do not have any significant impact on the Fund's operations and therefore, have not been detailed in these financial statements.

2.4 Critical accounting estimates and judgments

The preparation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan requires the management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates, judgments and associated assumptions are based on historical experience and various other factors including expectations of future events that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

The estimates and judgements that have a significant effect on the financial statements of the Fund relate to classification, valuation and impairment of financial assets (notes 3.2 and 5).

2.5 Accounting convention

These financial statements have been prepared under the historical cost convention except for investments which have been classified as 'at fair value through profit or loss' and which are measured at fair value.

2.6 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistani Rupees which is the Fund's functional and presentation currency.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all the years presented.



Unit Trust of Pakistan

3.1 Cash and cash equivalents

These comprise of balances with banks in savings and current accounts and other short-term highly liquid investments with original maturities of three months or less.

3.2 Financial assets

3.2.1 Initial recognition and measurement

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the Income Statement.

3.2.2 Classification and subsequent measurement

3.2.2.1 Debt instruments

IFRS 9 has provided a criteria for debt securities whereby these debt securities are either classified as:

- amortised cost
- at fair value through other comprehensive income (FVOCI)
- at fair value through profit or loss (FVTPL)

based on the business model of the entity.

However, IFRS 9 also provides an option whereby securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis, to be recognised at FVPL. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Therefore, the management considers its investment in debt securities as being managed as a group of assets and hence has classified them as FVPL.

3.2.2.2 Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective and are instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All equity investments are required to be measured in the 'Statement of Assets and Liabilities' at fair value, with gains and losses recognised in the Income Statement, except where an irrevocable election has been made at the time of initial recognition to measure the investment at FVOCI. The management considers its investment in equity securities being managed as a group of assets and hence has classified them as FVPL. Accordingly, the irrevocable option has not been considered.

The dividend income for equity securities classified under FVPL is recognised in the Income Statement.

Since all investments in equity instruments have been designated as FVPL, the subsequent movement in the fair value of equity securities is routed through the Income Statement.



3.2.3 Impairment

The Fund assesses on a forward looking basis the expected credit loss (ECL) associated with its financial assets (other than debt instruments) carried at amortised cost and FVOCI. The Fund recognises loss allowances for such losses at each reporting date. The measurement of ECL reflects:

- an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

3.2.4 Impairment loss on debt securities

Provision for non-performing debt securities is made on the basis of time-based criteria as prescribed by the SECP and based on management's assessment made in line with its provisioning policy approved by the Board of Directors of the Management Company in accordance with the guidelines issued by the SECP. Impairment losses recognised on debt securities can be reversed through the Income Statement.

As allowed by the SECP, the Management Company may make provision against debt securities over and above the minimum provision requirement prescribed by the SECP, considering the specific credit and financial conditions of the debt security issuer and in accordance with the provisioning policy duly approved by the Board of Directors of the Management Company.

3.2.5 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset. Regular way purchases / sales of assets require delivery of securities within two days from the transaction date as per the Pakistan Stock Exchange Regulations.

3.2.6 Derecognition

Financial assets are derecognised when the right to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. Any gain or loss on derecognition of financial assets is taken to the Income Statement.

3.3 Financial liabilities

3.3.1 Classification and subsequent measurement

Financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair values and subsequently stated at amortised cost.

3.3.2 Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Any gain or loss arising on derecognition of financial liabilities is taken to the Income Statement.



Unit Trust of Pakistan

3.4 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the 'Statement of Assets and Liabilities' when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3.5 Provisions

Provisions are recognised when the Fund has a present, legal or constructive, obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

3.6 Taxation

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst to the unit holders. Furthermore, for the purpose of determining distribution of at least ninety percent of the accounting income, the income distributed through bonus units shall not be taken into account.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

3.7 Net asset value per unit

The Net Asset Value (NAV) per unit as disclosed in the Statement of Assets and Liabilities, is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

3.8 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the application received by the Management Company / distributors during business hours on that day. The offer price represents the Net Asset Value (NAV) per unit as of the close of the business day, plus the allowable sales load and provision of any duties and charges if applicable. The sales load is payable to the Management Company / distributors.

Units redeemed are recorded at the redemption price applicable to units for which the Management Company / distributors receive redemption application during business hours of that day. The redemption price is equal to NAV as of the close of the business day, less an amount as the Management Company may consider to be an appropriate provision of duties and charges.

3.9 Distributions to unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes portion of income already paid on units redeemed during the year.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the year in which such distributions are declared and approved by the Board of Directors of the Management Company.



3.10 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

Element of income represents the difference between Net Asset Value (NAV) per unit on the issuance or redemption date, as the case may be, of units and the Net Assets Value (NAV) per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend Net Asset Value (NAV) of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders' fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

3.11 Revenue recognition

- Realised gains / (losses) arising on sale of investments are included in the Income Statement and are recognised when the transaction takes place.
- Unrealised appreciation / (diminution) arising on remeasurement of investments classified as financial assets 'at fair value through profit or loss' are included in the Income Statement in the year in which they arise.
- Dividend income is recognised when the Fund's right to receive the same is established i.e. on the commencement of date of book closure of the investee company / institution declaring the dividend.
- Interest income on savings accounts with banks is recognised on a time proportion basis using the effective yield method.

3.12 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company and the Trustee and annual fee of the SECP are recognised in the Income Statement on an accrual basis.

3.13 Earnings per unit

Earnings per unit is calculated by dividing the income of the year after taxation of the Fund by the weighted average number of units outstanding during the year.

Earnings per unit (EPU) has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating EPU is not practicable.

3.14 Foreign currency translation

Transactions denominated in foreign currencies are accounted for in Pakistan Rupees at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

	Note	2023	2022
-----Rupees-----			
4 BANK BALANCES			
Savings accounts	4.1	8,103,621	296,720,670
		8,103,621	296,720,670

Unit Trust of Pakistan

- 4.1 These include a bank balance of Rs. 2.80 million (2022: Rs. 15.70 million) with JS Bank Limited (a related party) and carries profit rate at 19.60% (2022: 12.25%) per annum. Other saving accounts of the Fund carry profit rates ranging from 15.50% to 20.50% (2022: 8.50% to 16.90%) per annum.

Note 2023 2022
-----Rupees-----

5 INVESTMENTS

At fair value through profit or loss

Listed equity securities	5.1	582,091,311	527,142,585
Listed equity securities (spread transactions)	5.2	-	-
Sukuk certificates / term finance certificates - listed	5.3	193,348,858	124,298,273
Sukuk certificates / term finance certificates - unlisted and non performing	5.4	-	-
Commercial paper	5.5	-	-
Market Treasury Bills	5.6	138,089,021	-
		913,529,190	651,440,858

5.1 Listed equity securities

Ordinary shares have a face value of Rs. 10 each unless stated otherwise.

Name of the Investee Company	As at July 1, 2022	Purchased during the year	Bonus / right shares received during the year	Sold during the year	As at June 30, 2023	Balance as at June 30, 2023			Market value as a percentage of		Paid-up value of shares held as a percentage of total paid-up capital of the investee company
						Carrying value	Market value	Unrealised (diminution) / appreciation	Net assets of the Fund	Total investments of the Fund	
	-----Number of shares-----					-----Rupees-----			-----%-----		
COMMERCIAL BANKS											
Habib Bank Limited	398,500	232,500	-	150,000	481,000	41,297,570	35,223,630	(6,073,940)	3.85	3.86	0.03
United Bank Limited	366,400	22,000	-	66,600	321,800	36,295,120	37,824,372	1,529,252	4.14	4.14	0.03
Habib Metropolitan Bank Limited	260,000	-	-	260,000	-	-	-	-	-	-	-
Faysal Bank Limited	-	1,041,500	-	1,041,500	-	-	-	-	-	-	-
BankIslami Pakistan Limited (a related party)	-	1,443,504	-	500,000	943,504	14,531,902	16,756,631	2,224,729	1.83	1.83	0.09
Bank Al Habib Limited *	288,034	-	-	286,251	1,783	103,520	77,061	(26,459)	0.01	0.01	-
Bank Alfalah Limited	547,800	70,000	-	-	617,800	19,783,599	18,805,832	(977,767)	2.06	2.06	0.04
						112,011,711	108,687,526	(3,324,185)	11.89	11.90	0.19
TEXTILE COMPOSITE											
Gul Ahmed Textile Mills Limited *	34,404	-	-	34,400	4	135	71	(64)	-	-	-
Interloop Limited *	207,845	-	12,469	207,845	12,469	487,591	439,657	(47,934)	0.05	0.05	-
						487,726	439,728	(47,998)	0.05	0.05	-
SUGAR & ALLIED INDUSTRIES											
Shahtaj Sugar Mills Limited	1,600	-	-	-	1,600	84,784	79,760	(5,024)	0.01	0.01	0.01
						84,784	79,760	(5,024)	0.01	0.01	0.01
CEMENT											
Lucky Cement Limited	64,650	62,000	-	95,500	31,150	14,266,596	16,263,104	1,996,508	1.78	1.78	0.01
Cherat Cement Company Limited	30,000	207,500	-	119,000	118,500	13,541,454	14,253,180	711,726	1.56	1.56	0.06
Pioneer Cement Limited	-	150,000	-	150,000	-	-	-	-	-	-	-
D.G. Khan Cement Company Limited	-	485,000	-	235,000	250,000	12,213,951	12,825,000	611,049	1.40	1.40	0.06
Fauji Cement Company Limited	-	490,000	-	490,000	-	-	-	-	-	-	-
Maple Leaf Cement Factory Limited	190,000	2,950,000	-	1,880,000	1,260,000	33,639,135	35,695,800	2,056,665	3.91	3.91	0.12
						73,661,136	79,037,084	5,375,948	8.65	8.65	0.25
REFINERY											
National Refinery Limited	-	85,000	-	85,000	-	-	-	-	-	-	-
Attock Refinery Limited	-	163,000	-	88,000	75,000	13,323,579	12,872,250	(451,329)	1.41	1.41	0.07
						13,323,579	12,872,250	(451,329)	1.41	1.41	0.07
POWER GENERATION & DISTRIBUTION											
The Hub Power Company Limited	298,321	275,000	-	212,500	360,821	25,029,436	25,105,925	76,489	2.75	2.75	0.03
Kot Addu Power Company	386,000	-	-	386,000	-	-	-	-	-	-	-
Nishat Chunian Power Limited	-	100,000	-	100,000	-	-	-	-	-	-	-
						25,029,436	25,105,925	76,489	2.75	2.75	0.03

Name of the Investee Company	As at July 1, 2022	Purchased during the year	Bonus / right shares received during the year	Sold during the year	As at June 30, 2023	Balance as at June 30, 2023			Market value as a percentage of		Paid-up value of shares held as a percentage of total paid-up capital of the investee company
						Carrying value	Market value	Unrealised (diminution) / appreciation	Net assets of the Fund	Total investments of the Fund	
						----- Number of shares -----			----- Rupees -----		----- % -----
OIL & GAS MARKETING COMPANIES											
Sui Northern Gas Pipelines Limited	277,500	616,000	-	458,000	435,500	19,234,836	17,145,635	(2,089,201)	1.88	1.88	0.07
Pakistan State Oil Company Limited	155,500	225,000	-	191,500	189,000	25,733,837	20,980,890	(4,752,947)	2.30	2.30	0.04
						44,968,673	38,126,525	(6,842,148)	4.18	4.18	0.11
OIL & GAS EXPLORATION COMPANIES											
Pakistan Oilfields Limited	65,000	18,000	-	53,500	29,500	12,342,581	11,852,215	(490,366)	1.30	1.30	0.01
Mari Petroleum Company Limited	19,260	6,000	-	-	25,260	42,613,624	38,259,806	(4,353,818)	4.19	4.19	0.02
Oil and Gas Development Company Limited	442,100	835,000	-	889,600	387,500	34,061,844	30,225,000	(3,836,844)	3.31	3.31	0.01
Pakistan Petroleum Limited	457,000	870,000	-	827,000	500,000	33,453,042	29,570,000	(3,883,042)	3.24	3.24	0.02
						122,471,091	109,907,021	(12,564,070)	12.04	12.04	0.06
ENGINEERING											
Aisha Steel Mills Limited	913,000	-	-	381,500	531,500	5,873,075	2,870,100	(3,002,975)	0.31	0.31	0.06
Amreli Steels Limited	341,500	-	-	341,500	-	-	-	-	-	-	-
						5,873,075	2,870,100	(3,002,975)	0.31	0.31	0.06
TECHNOLOGY & COMMUNICATION											
Air Link Communication Limited	180,581	75,000	-	-	255,581	10,024,917	5,068,171	(4,956,746)	0.55	0.55	0.06
Octopus Digital Limited	-	95,000	14,250	-	109,250	6,620,405	4,084,858	(2,535,548)	0.45	0.45	0.07
Systems Limited	-	181,000	-	61,500	119,500	55,606,202	48,197,935	(7,408,267)	5.27	5.28	0.04
TRG Pakistan Limited (a related party)	-	265,000	-	265,000	-	-	-	-	-	-	-
Avanceon Limited	-	275,000	32,740	56,732	251,008	15,525,195	11,054,392	(4,470,803)	1.21	1.21	0.07
						87,776,719	68,405,356	(19,371,364)	7.48	7.49	0.24
FERTILIZER											
Engro Corporation Limited	150,593	30,000	-	117,750	62,843	16,903,607	16,332,267	(571,340)	1.79	1.79	0.01
Fauji Fertilizer Company Limited	66,222	349,000	-	-	415,222	43,064,597	40,874,454	(2,190,143)	4.47	4.47	0.03
Engro Fertilizers Limited	279,000	97,000	-	80,000	296,000	25,578,947	24,428,880	(1,150,067)	2.67	2.67	0.02
						85,547,151	81,635,601	(3,911,550)	8.93	8.93	0.06
PHARMACEUTICALS											
Hightnoon Laboratories Limited	28,036	5,600	8,912	-	42,548	17,893,855	14,303,361	(3,590,494)	1.57	1.57	0.08
AGP Limited	130,000	-	-	-	130,000	11,390,600	7,342,400	(4,048,200)	0.80	0.80	0.05
						29,284,455	21,645,761	(7,638,694)	2.37	2.37	0.13
CHEMICAL											
Lucky Core Industries Limited (Formerly: ICI Pakistan Limited)	14,750	-	-	14,750	-	-	-	-	-	-	-
Agritech Limited	772,253	-	-	-	772,253	5,135,482	3,351,578	(1,783,904)	0.37	0.37	0.20
Engro Polymer and Chemicals Limited	-	290,000	-	-	290,000	13,331,682	12,252,500	(1,079,182)	1.34	1.34	0.03
Lotte Chemical Pakistan Limited	-	500,000	-	500,000	-	-	-	-	-	-	-
Descon Oxychem Limited	-	725,000	-	-	725,000	16,312,500	17,559,500	1,247,000	1.92	1.92	0.41
						34,779,664	33,163,578	(1,616,086)	3.63	3.63	0.64
LEATHER AND TANNERIES											
Service Industries Limited	34,600	-	-	34,600	-	-	-	-	-	-	-
						-	-	-	-	-	-
GLASS AND CERAMICS											
Shabbir Tiles and Ceramics Limited	242,000	-	-	242,000	-	-	-	-	-	-	-
						-	-	-	-	-	-
Property											
TPL Properties Limited	-	1,085,000	-	1,085,000	-	-	-	-	-	-	-
						-	-	-	-	-	-
PAPER & BOARD											
Cherat Packaging Limited *	37,800	-	3,782	41,526	56	5,543	5,454	(89)	-	-	-
						5,543	5,454	(89)	-	-	-
FOOD AND PERSONAL CARE PRODUCTS											
Al Shaheer Corporation Limited *	3,758	-	-	-	3,758	33,972	27,170	(6,802)	-	-	-
						33,972	27,170	(6,802)	-	-	-
MISCELLANEOUS											
Tri-Pack Films Limited	13,577	-	-	13,577	-	-	-	-	-	-	-
Synthetic Products Limited * (Face value of Rs. 5 each)	7,930	-	-	-	7,930	111,734	82,472	(29,262)	0.01	0.01	-
						111,734	82,472	(29,262)	0.01	0.01	-
Total value as at June 30, 2023						635,450,449	582,091,311	(53,359,137)			
Total value as at June 30, 2022						656,556,530	527,142,585	(129,413,945)			

* nil figures due to rounding off



Unit Trust of Pakistan

- 5.1.1** Following shares have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular No. 11 dated October 23, 2007 issued by the SECP.

	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	----- Number of shares -----		----- Rupees -----	
CEMENT				
Cherat Cement Company Limited	-	26,000	-	2,419,040
COMMERCIAL BANK				
Habib Bank Limited	130,000	-	9,519,900	-
POWER GENERATION & DISTRIBUTION				
The Hub Power Company Limited	240,000	264,000	16,699,200	17,996,880
	<u>370,000</u>	<u>290,000</u>	<u>26,219,100</u>	<u>20,415,920</u>

- 5.1.2** The Finance Act, 2014 introduced amendments to the Income Tax Ordinance, 2001 as a result of which companies were liable to withhold five percent of the bonus shares to be issued. The shares so withheld were only to be released if the Fund deposits tax equivalent to five percent of the value of the bonus shares issued to the Fund including bonus shares withheld, determined on the basis of day-end price on the first day of closure of books of the issuing company.

In this regard, a constitutional petition had been filed by Collective Investment Schemes (CISs) through their Trustees in the High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs. The petition was based on the fact that because CISs are exempt from deduction of income tax under Clause 99 Part I to the Second Schedule of the Income Tax Ordinance 2001, the withholding tax provision should also not be applicable on bonus shares received by CISs. A stay order had been granted by the Honourable High Court of Sindh in favour of CISs.

On June 27, 2018, the Supreme Court of Pakistan passed a judgement whereby the suits which are already pending or shall be filed in future must only be continued / entertained on the condition that a minimum of 50 percent of the tax calculated by the tax authorities is deposited with the authorities. Accordingly, the CISs were required to pay minimum 50% of the tax calculated by the tax authorities for the case to remain continued. The CISs failed to deposit the minimum 50% of the tax liability and accordingly the stay got vacated automatically. The CISs have filed a fresh constitutional petition via CP 4653 dated July 11, 2019 and on July 15, 2019, the Honourable High Court of Sindh has issued notices to the relevant parties and has ordered that no third party interest on bonus shares issued to the Funds in lieu of their investments be created in the meantime. The matter is still pending adjudication and the Fund has included these shares in its portfolio, as the management is confident that the decision of the constitutional petition will be in favour of the CISs.

Further, the Finance Act, 2018 effective from July 1, 2018 has omitted Section 236M of Income Tax Ordinance, 2001 requiring every company quoted on stock exchange issuing bonus shares to the shareholders of the company, to withhold five percent of the bonus shares to be issued. Therefore, bonus shares issued to the Fund since July 1, 2018 were not withheld by the investee companies.

As at June 30, 2023, the following bonus shares of the Fund were withheld by certain companies at the time of declaration of the bonus shares.



Name of the Company	June 30, 2023		June 30, 2022	
	Bonus Shares			
	Number of shares	Market value (Rupees)	Number of shares	Market value (Rupees)
Synthetic Products Enterprises Limited	7,930	82,472	7,930	111,734
Al Shaheer Corporation Limited	3,758	27,170	3,758	33,972
	<u>11,688</u>	<u>109,642</u>	<u>11,688</u>	<u>145,706</u>

5.2 Listed equity securities (spread transactions)

Ordinary shares have a face value of Rs. 10 each unless stated otherwise.

Name of the Investee Company	As at July 01, 2022	Purchases during the year	Bonus / right issue during the year	Sold during the year	As at June 30, 2023	Carrying value	Market value	Market value as a percentage of		Percentage of investee capital
								net asset	total investments	
----- Number of shares ----- Rupees ----- % -----										

Technology & Communication

Avanceon Limited	-	500	-	500	-	-	-	-	-	-
Systems Limited	-	3,500	-	3,500	-	-	-	-	-	-

Cement

D.G. Khan Cement Company Limited	-	165,000	-	165,000	-	-	-	-	-	-
Fauji Cement Company Limited	-	3,000	-	3,000	-	-	-	-	-	-
Pioneer Cement Limited	-	18,000	-	18,000	-	-	-	-	-	-
Maple Leaf Cement Factory Limited	-	16,000	-	16,000	-	-	-	-	-	-

Power Generation & Distribution

Kot Addu Power Company	-	50,000	-	50,000	-	-	-	-	-	-
The Hub Power Company Limited	-	122,000	-	122,000	-	-	-	-	-	-
Nishat Chunian Power Limited	-	500	-	500	-	-	-	-	-	-

Pharmaceuticals

Citi Pharma Limited	-	5,500	-	5,500	-	-	-	-	-	-
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Fertilizer

Engro Fertilizers Limited	-	18,000	-	18,000	-	-	-	-	-	-
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Textile Composite

Nishat Chunian Limited	-	10,000	-	10,000	-	-	-	-	-	-
Nishat Mills Limited	-	41,500	-	41,500	-	-	-	-	-	-

Chemical

Lucky Core Industries Limited (Formerly: ICI Pakistan Limited)	-	1,500	-	1,500	-	-	-	-	-	-
Engro Polymer and Chemicals Limited	-	62,500	-	62,500	-	-	-	-	-	-



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Name of the Investee Company	As at July 01, 2022	Purchases during the year	Bonus / right issue during the year	Sold during the year	As at June 30, 2023	Carrying value	Market value	Market value as a percentage of		Percentage of investee capital
								net asset	total investments	
		Number of shares			Rupees		%			
Refinery										
Cnergyico Pakistan Limited	-	474,500	-	474,500	-	-	-	-	-	-
National Refinery Limited	-	7,000	-	7,000	-	-	-	-	-	-
Pakistan Refinery Limited	-	5,500	-	5,500	-	-	-	-	-	-
Oil & Gas Exploration Companies										
Oil and Gas Development Company Limited	-	211,000	-	211,000	-	-	-	-	-	-
Pakistan Petroleum Limited	-	195,000	-	195,000	-	-	-	-	-	-
Oil & Gas Marketing Companies										
Pakistan State Oil Company Limited	-	142,000	-	142,000	-	-	-	-	-	-
Sui Southern Gas Company Limited	-	15,000	-	15,000	-	-	-	-	-	-
Shell Pakistan Limited	-	12,500	-	12,500	-	-	-	-	-	-
Cable & Electrical Goods										
Pak Elektron Limited	-	10,000	-	10,000	-	-	-	-	-	-
Telecommunication										
Pakistan Telecommunication Limited	-	1,000	-	1,000	-	-	-	-	-	-
Food & Personal Care Products										
Treet Corporation Limited	-	500	-	500	-	-	-	-	-	-
Miscellaneous										
TPL Properties Limited	-	1,500	-	1,500	-	-	-	-	-	-
Total value as at June 30, 2023					-	-	-			
Total value as at June 30, 2022					-	-	-			



5.3 Sukuk certificates / term finance certificates - listed

Name of security	Profit rate	Maturity date	As at July 01, 2022	Purchased during the year	Sold / matured during the year	As at June 30, 2023	Balance as at June 30, 2023			Market value as a percentage of	
							Carrying value	Market value	Unrealised appreciation / (diminution)	net assets	total investment
						Number of certificates	Rupees			%	
Term Finance Certificate											
Commercial banks											
Bank Alfalah TFC Series - A (AAA, PACRA)	9.03%	January 15, 2024	6,000	-	-	6,000	27,518,220	28,350,750	832,530	3.10	3.10
Corporate sukuk certificates											
Power generation & distribution											
Hub Power Holding Limited (AA+, PACRA)	18.34%	November 12, 2025	1,000	-	-	1,000	100,000,000	102,630,000	2,630,000	11.23	11.23
K-Electric (AA, PACRA)	17.45%	November 1, 2029	-	12,200	-	12,200	61,000,000	62,368,108	1,368,108	6.82	6.83
Total value as at June 30, 2023							188,518,220	193,348,858	4,830,638		
Total value as at June 30, 2022							126,780,053	124,298,273	(2,481,780)		

5.4 Sukuk certificates / term finance certificates - unlisted and non performing

Name of the Investee Company	Note	As at July 01, 2022	Purchases during the year	Sold during the year	As at June 30, 2023	Balance as at June 30, 2023			Market value as a percentage of		
						Carrying value	Market value	Unrealised appreciation / (diminution)	net asset	total investment	
						Number of certificates	Rupees			%	
Unlisted sukuk certificates											
Chemicals											
Agritech Limited	5.4.1	25,700	-	-	25,700	107,857,993	-	-	-	-	-
Less: provision against financial asset						(107,857,993)	-	-	-	-	-
Unlisted Term Finance Certificates											
Privately Placed Term Finance Certificates											
Textile composite											
Azgard Nine Limited (related party)	5.4.2	4,750	-	-	4,750	23,750,000	-	-	-	-	-
Less: provision against financial asset						(23,750,000)	-	-	-	-	-
Azgard Nine Limited (related party)	5.4.3	9,897	-	-	9,897	49,485,000	-	-	-	-	-
Less: provision against financial asset						(49,485,000)	-	-	-	-	-
Chemicals											
Agritech Limited	5.4.4	3,733	-	-	3,733	18,665,000	-	-	-	-	-
Less: provision against financial asset						(18,665,000)	-	-	-	-	-
Total value as at June 30, 2023							-	-	-		
Total value as at June 30, 2022							-	-	-		

5.4.1 These sukuk certificates have face value of Rs. 5,000 per certificate, and carry a mark-up equal to six months offered rate of KIBOR plus 200 basis points receivable semi-annually in arrears and were due to mature in August 2015. These are secured by way of hypothecation charge over the entire legal ownership and the beneficial interest of the issuer from time to time in and to all present and future fixed assets (excluding land and building) of the issuer in favor of the Trustee for the benefit of certificate holders. These sukuks were classified as non performing asset by Mutual Fund Association of Pakistan (MUFAP) as on August 21, 2010, on account of non payment of the coupon due in August 2010. Therefore, the Fund had made provision of 100% of principal outstanding in 2011 and accordingly, no accrual for profit have been made by the Fund.

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In respect of Agritech Limited, the Petitioner and its management held various meetings with the creditors for the purpose of formulating a plan to discharge the Company's liability towards the creditor and finally agreed in principle on the terms and conditions which are enumerated in the Scheme of Arrangement. The Honorable High Court of Lahore has approved the said "Scheme of Arrangement"(SOA) on July 5, 2022. Scheme of arrangement has two options for the settlement of liabilities and fund has elected for "Option 2" as mentioned in 'schedule F' of the Scheme for the settlement of fund outstanding liability. As per "Option 2" of the SOA, the outstanding principal against above sukuk certificates and zero coupon PPTFCs will be converted into preference shares as reduced by application of unutilized CFADs. The overdue / outstanding markup amounting to Rs 40,659,871 shall be converted into Zero coupon PPTFCs which shall be payable at the end of FY 2026 as bullet payment. The instruments have not yet been issued by Agritech as at June 30, 2023. In this regard, the Fund has received three tranches of CFADs of Rs. 9,743,490 on September 28, 2022, December 26, 2022 and June 26, 2023 and written back to income in accordance with the requirement of circular 1 of 2009 and circular 33 of 2012 issued by SECP.

5.4.2 The Honorable Lahore High Court, on July 31, 2019, approved a scheme of arrangement (the "Approved Scheme") for the settlement / restructuring of Azgard Nine Limited's liabilities. As per the Approved Scheme the Fund was classified as an Option C creditor. The Approved Scheme stated that the principal repayment of Rs. 31.980 million of the Option C creditor, will be paid over a period of 10 years starting from Time Zero Date i.e. April 29, 2021 through some partial cash payments (of which Rs. 1.41 and Rs. 1.19 million have already been received at time zero and Rs. 6.82 million will be received within 2 years from time zero) and remaining amount by issuance of 4,750 PPTFCs (Sub PPTFCs) of Rs. 23.75 million against 10,000 PPTFCs which was restructured during the year ended June 30, 2022. In this regard, the fund has received four tranches of interest income of Rs. 1,187,500 on July 29, 2022, October 27, 2022, January 27, 2023 and April 28, 2023 and written back to income in accordance with the requirement of circular 1 of 2009 and circular 33 of 2012 issued by SECP.

5.4.3 The Honorable Lahore High Court, on July 31, 2019, approved a scheme of arrangement (the "Approved Scheme") for the settlement / restructuring of Azgard Nine Limited's liabilities. A fresh issue of 9,897 zero coupon 10 years PPTFCs was issued of Rs. 49.485 million against the interest accrued on TFCs and PPTFCs till the date of restructuring on the existing PPTFC of 3,853 Sukuk certificates of Agritech Limited which were issued against the interest receivable on 10,000 PPTFCs of Azgard Nine Limited and was restructured during the year ended June 30, 2022. Since these TFCs are non-performing and have been reclassified as a non-performing asset by MUFAP, these have been fully provided.

5.4.4 These zero coupon TFCs were issued on January 11, 2012 against outstanding mark-up due on 3,853 PPTFCs of Agritech Limited which was restructured during the year ended June 30, 2022. The principal amounting to Rs. 18.67 million outstanding against these TFCs was redeemable in six equal semi-annual instalments starting from July 01, 2012 and was matured on January 01, 2015. However no principal repayment has been received by the Fund. Therefore, these TFCs were classified as Non Performing Asset by MUFAP on January 17, 2012.

5.5 Commercial paper

Name of the investee company	Profit rate	Maturity date	Face value				Balance as at June 30, 2023			Market value as a percentage of	
			As at July 1, 2022	Purchased during the year	Sold / matured during the year	As at June 30, 2023	Carrying Value	Market Value	Unrealised appreciation / (diminution)	net assets of the Fund	total investments of the Fund
						(Rupees)			(%)		
Power generation and distribution											
Rousche Pakistan Power Limited (AA-, VIS)	18.05%	June 1, 2023	-	60,000,000	60,000,000	-	-	-	-	-	-
Total as at June 30, 2023						-			-		
Total as at June 30, 2022						-			-		

5.6 Market Treasury Bills

Name of security	Issue date	Face value			Balance as at June 30, 2023			Market value as a percentage of		
		As at July 1, 2022	Purchased during the year	Sold / matured during the year	As at June 30, 2023	Carrying value	Market value	Unrealised diminution	net assets	total investment
----- Rupees ----- % -----										
Market treasury bills										
- 3 months	June 30, 2022	-	1,260,000,000	1,260,000,000	-	-	-	-	-	-
- 3 months	July 14, 2022	-	727,000,000	727,000,000	-	-	-	-	-	-
- 3 months	July 28, 2022	-	3,320,000,000	3,320,000,000	-	-	-	-	-	-
- 3 months	September 8, 2022	-	200,000,000	200,000,000	-	-	-	-	-	-
- 3 months	October 6, 2022	-	390,000,000	390,000,000	-	-	-	-	-	-
- 3 months	November 3, 2022	-	200,000,000	200,000,000	-	-	-	-	-	-
- 3 months	December 15, 2022	-	100,000,000	100,000,000	-	-	-	-	-	-
- 3 months	December 29, 2022	-	3,900,000	3,900,000	-	-	-	-	-	-
- 3 months	January 26, 2023	-	185,000,000	185,000,000	-	-	-	-	-	-
- 3 months	February 9, 2023	-	120,000,000	120,000,000	-	-	-	-	-	-
- 3 months	February 23, 2023	-	110,000,000	110,000,000	-	-	-	-	-	-
- 3 months	August 11, 2022	-	200,000,000	200,000,000	-	-	-	-	-	-
- 3 months	November 17, 2022	-	100,000,000	100,000,000	-	-	-	-	-	-
- 3 months	April 6, 2023	-	115,000,000	115,000,000	-	-	-	-	-	-
- 3 months	April 20, 2023	-	139,100,000	-	139,100,000	138,130,284	138,089,021	(41,263)	15.11	15.12
Market treasury bills										
- 6 months	April 7, 2022	-	200,000,000	200,000,000	-	-	-	-	-	-
- 6 months	July 14, 2022	-	200,000,000	200,000,000	-	-	-	-	-	-
Total value as at June 30, 2023						<u>138,130,284</u>	<u>138,089,021</u>	<u>(41,263)</u>		
Total value as at June 30, 2022						<u>-</u>	<u>-</u>	<u>-</u>		

5.7 Details of non-compliant Investment

The Securities and Exchange Commission of Pakistan (SECP), vide its circular No. 16 dated July 07, 2010, has prescribed certain disclosures for non-compliances, either with the minimum investment criteria specified for the category assigned to the Collective Investment Schemes or with the investment requirements of their constitutive documents.

Following are the details of non-compliant investments:

Name of non-compliant investments	Type of investments	Value of investment before provision	Provision held if any	Value of investment after provision	Market value as a percentage of	
					net assets	total investments
----- (Rupees) -----						
Agritech Limited	Sukuk	107,857,993	(107,857,993)	-	-	-
Agritech Limited	TFC	18,665,000	(18,665,000)	-	-	-
Azgard Nine Limited (related party)	TFC	23,750,000	(23,750,000)	-	-	-
Azgard Nine Limited (related party)	PPTFC	49,485,000	(49,485,000)	-	-	-
Hub Power Holding Limited	Sukuk	102,630,000	-	102,630,000	11.23	11.23



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	Note	2023	2022
		-----Rupees-----	
5.8	Net unrealised diminution on re-measurement of investments at 'fair value through profit or loss'		
	Market value of investments	913,529,190	651,440,858
	Less: carrying value of investments	962,098,953	783,336,584
		<u>(48,569,763)</u>	<u>(131,895,726)</u>
6	PROFIT RECEIVABLES		
	Mark-up / return receivable on:		
	- Bank balances	550,568	3,946,801
	- Sukuk certificates	6,244,291	3,185,284
		<u>6,794,859</u>	<u>7,132,085</u>

6.1 This includes profit receivable of Rs. 0.355 million (2022: Rs. 0.130 million) from JS Bank Limited (a related party).

	Note	2023	2022
		-----Rupees-----	
7	ADVANCES, DEPOSITS AND PREPAYMENTS		
	Security deposit with National Clearing Company of Pakistan Limited (NCCPL)	1,750,000	2,750,000
	Security deposit with Central Depository Company of Pakistan Limited	100,000	100,000
	Advance tax	930,280	913,671
	Prepaid annual fee - NCCPL	125,000	135,970
	Prepaid legal and professional expense	-	365,000
		<u>2,905,280</u>	<u>4,264,641</u>

7.1 As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 151 and 150. However, withholding tax on dividend and profit on bank deposits paid to the Fund was deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated May 12, 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced by the withholder. The tax withheld on dividends and profit on bank deposits amounted to Rs. 0.930 million (2022: 0.914 million).

For this purpose, Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. A petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgment of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on dividends and profit received by the Fund on bank deposits has been shown as advance tax (receivable) as at June 30, 2023 as, in the opinion of the management, the amount of tax deducted at source will be refunded to the Fund.



8	PAYABLE TO JS INVESTMENTS LIMITED - MANAGEMENT COMPANY	Note	2023	2022
			-----Rupees-----	
	Remuneration Payable	8.1	1,510,686	1,716,218
	Sindh Sales Tax payable on remuneration of the Management Company	8.2	2,176,155	2,203,950
	Federal Excise Duty payable on remuneration of the Management Company	8.3	13,262,475	13,262,475
	Allocated expenses payable	8.4	75,539	77,262
	Selling and marketing expense payable	8.5	2,761,368	2,587,372
	Printing and stationery charges payable		121,954	76,500
			19,908,177	19,923,777

8.1 As per Regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 2% (June 30, 2022: 2%) per annum of the average annual net assets of the Fund during the year ended June 30, 2023. The remuneration is payable to the Management Company in arrears.

8.2 During the year, an amount of Rs. 2.301 million (2022: Rs. 2.688 million) was charged on account of sales tax on the remuneration of the Management Company levied through the Sindh Sales Tax on Services Act, 2011.

8.3 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration made was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Honourable Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

During the year ended June 30, 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company and sales load with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 13.262 million is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision not been made, the Net Asset Value (NAV) per unit of the Fund would have been higher by Rs. 2.214 (June 30, 2022: Rs. 2.148) per unit.

8.4 In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

The Management Company, based on its discretion has charged such expenses at the rate of 0.1% (June 30, 2022: 0.1%) of the average annual net assets of the Fund during the year.



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8.5 In accordance with Circular 11 dated July 5, 2019 with respect to charging selling and marketing expenses, the Management Company based on its own discretion has charged selling and marketing expenses at 1.07% (June 30, 2022: 1.07%) of the average annual net assets of the Fund during the year subject to not being higher than the actual expense.

9 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note	2023	2022
		-----Rupees-----	
Remuneration payable	9.1	151,079	154,531
Sindh Sales Tax payable on remuneration of the Trustee	9.2	19,641	20,089
		<u>170,720</u>	<u>174,620</u>

9.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed as follows:

Net Assets (Rs.)	Tariff
- Up to 1 billion	- 0.20% per annum of the daily net assets
- Over 1 billion	- Rs. 2,000,000 plus 0.10% per annum of the daily net assets on amount exceeding Rs. 1 billion

9.2 During the year, an amount of Rs 1.856 million (2022: Rs 2.016 million) was charged on account of Sindh sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 at the rate of 13% (2022: 13%).

10 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	2023	2022
		----- (Rupees) -----	
Annual fee payable	10.1	<u>186,072</u>	<u>205,045</u>

10.1 Under the provisions of the NBFC Regulations, a collective investment scheme is required to pay as annual fee to the SECP, an amount equal to 0.02% (2022: 0.02%) of the average annual net assets of the Fund.

11 ACCRUED EXPENSES AND OTHER LIABILITIES	2023	2022
	-----Rupees-----	
Auditors' remuneration payable	604,125	399,869
Brokerage fee payable	28,378	-
Zakat payable	117,974	-
Withholding tax payable	3,407,352	381,291
Other payable	365,415	113,088
	<u>4,523,244</u>	<u>894,248</u>

12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2023 and June 30, 2022.

13 NUMBER OF UNITS IN ISSUE	2023	2022
	-----Number of units-----	
Total units in issue at the beginning of the year	6,174,768	6,335,220
Units issued during the year	1,707,877	14,222
Less: Units redeemed during the year	1,891,380	174,674
Total units in issue at the end of the year	<u>5,991,265</u>	<u>6,174,768</u>



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14	PROFIT EARNED	2023	2022
		-----Number of units-----	
	Profit earned on:		
	- Bank balances	12,415,813	14,257,419
	- Sukuk certificates	29,555,501	13,036,884
	- Commercial paper	4,954,268	2,829,530
	- Market treasury bills	21,430,779	8,491,158
		<u>68,356,361</u>	<u>38,614,991</u>

14.1 This includes interest income of Rs. 7.018 million (2022: Rs. 2.86 million) with JS Bank Limited (a related party).

15	OTHER INCOME	2023	2022
		-----Rupees-----	
	Income received on fully provided TFC	10,930,990	1,187,500
	Reversal of provision of SWWF	-	14,741,343
	Markup from NCCPL on deposit of initial margin	10,959	-
		<u>10,941,949</u>	<u>15,928,843</u>

15.1 This includes income of Rs. 1.188 million (2022: Rs. 1.188 million) from Azgard Nine Limited (a related party).

16	AUDITORS' REMUNERATION	Note	2023	2022
			-----Rupees-----	
	Annual audit fee		359,358	326,700
	Half yearly review		155,928	148,500
	Other certification		32,400	-
	Out of pocket expense		15,940	47,520
			<u>563,626</u>	<u>522,720</u>

17 CASH AND CASH EQUIVALENTS

Bank balances	4	8,103,621	296,720,670
Government securities - Market Treasury Bills		138,089,021	-
		<u>146,192,642</u>	<u>296,720,670</u>

18 TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the Management Company has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2023 to the unit holders in a manner as explained above, no provision for taxation has been made in these financial statements during the year.



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The Fund is also exempt from the provisions of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

19 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund for the year ended June 30, 2023 is 4.18% (2022: 3.99%) which includes 0.34% (2022: 0.38%) representing government levies on the Fund such as Sales Taxes, Federal Excise Duties, annual fee to the SECP, etc. This ratio is within the maximum limit of 4.50% prescribed under the NBFC Regulations for a collective investment scheme categorised as a "Balanced scheme".

20 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons / related parties include JS Investments Limited (JSIL) being the Management Company of the Fund, Digital Custodian Company Limited being the Trustee of the Fund, JS Bank Limited (JSBL - which is the holding company of the Management Company - holding 84.56% shares of JS Investments Limited), Jahangir Siddiqui and Company Limited (JSCL holding 75.02% shares of JS Bank Limited) being the Holding Company of JSBL, JS Global Capital Limited (JSGCL which is a fellow subsidiary of JSBL - 92.90% shares held by JS Bank Limited) being the fellow subsidiary of JSBL and other associated companies of JSBL, JSGCL, JSIL and its subsidiaries, key management personnel, directors and their close family members 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 June 30, 2023. It also includes staff retirement benefit Funds of the above related parties / connected persons.

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons. The transactions with connected persons are also in the normal course of business, at contracted rates and at terms determined in accordance with market rates. The management considers that the transactions between the related parties / connected persons are executed in accordance with the parameters defined in the Offering Document, Trust Deed and NBFC Regulations which are publicly available documents and hence, the transactions are considered to be on an arm's length basis.

Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the Trust Deed.

Accounting and operational charges and selling and marketing expenses are charged to the Fund by the Management Company subject to the maximum prescribed Total Expense Ratio.

The details of transactions during the year and balances at year end with the connected persons / related parties are as follows:

20.1 Details of transactions with related parties / connected persons during the year are as follows:

	2023	2022
	----- Rupees -----	
JS Investments Limited - Management Company		
Remuneration to the Management Company	17,701,885	20,679,928
Sindh Sales Tax on remuneration of the Management Company	2,301,245	2,688,391
Accounting and operational charges	930,863	1,025,543
Selling and marketing expense	11,100,953	10,973,461
Printing and stationery	101,468	76,500



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	2023	2022
	----- Rupees -----	
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	1,856,280	2,016,470
Sindh Sales Tax on remuneration of the Trustee	241,316	262,142
Annual, transaction, custodian, CDS connection fee	82,131	41,755
JS Global Capital Limited (Fellow subsidiary of JSBL)		
Purchase of commercial paper	-	47,170,470
Income from commercial paper	-	2,829,530
Brokerage fee	359,498	85,376
JS Bank Limited (Parent Company of JSIL)		
Markup on bank balances	7,017,666	2,860,827
Azgard Nine Limited (Associate of JSCL)		
Markup receipt (ANL PPTFC)	1,187,500	1,187,500
JS Fund of Funds (Fund under JSIL Management)		
Issuance of units: 1,493,213 units (2022: Nil units)	229,000,000	-
Redemption of units: 1,493,213 units (2022: Nil units)	228,576,308	-
Unit holders holding more than 10% of units		
Dividend reinvested: 138,917 units (2022: Nil units)	21,103,881	-
Key Management Personnel of the Management Company		
Issuance of units: 2,236 units (2022: 1,593 units)	350,000	250,000
Redemption of units: Nil units (2022: 6,161 units)	-	1,007,327
Refund of capital: 34 units (2022: Nil units) *	-	-
Dividend reinvested: 758 units (2022: Nil units)	115,152	-

* Issued at nil value as refund of capital



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20.2 Details of balances with related parties / connected persons as at year end	2023	2022
	----- Rupees -----	
JS Investments Limited - Management Company		
Remuneration payable to the Management Company	1,510,686	1,716,218
Sindh sales tax payable on remuneration of the Management Company	2,176,155	2,203,950
Federal Excise Duty payable on remuneration of the Management Company	13,262,475	13,262,475
Accounting and operational charges payable	75,539	77,262
Selling and marketing expense payable	2,761,368	2,587,372
Printing and stationary charges payable	121,954	76,500
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable to the Trustee	151,079	154,531
Sindh sales tax payable on remuneration of the Trustee	19,641	20,089
Annual, transaction, trustee, CDS connection fee payable	2,611	3,495
Security deposit	100,000	100,000
JS Bank Limited (Parent Company of JSIL)		
Bank balance	2,799,811	15,704,243
Accrued return on bank balance	355,379	130,752
JS Global Capital Limited (Fellow subsidiary of JSBL)		
Brokerage fee payable	10,860	-
Unit holders holding more than 10% of units **		
Units outstanding: 3,940,091 (June 30, 2022: 3,801,174) units	600,982,034	576,980,148
Key Management Personnel of the Management Company **		
Units outstanding: 20,536 units (June 30, 2022: 17,508 units)	3,132,340	2,657,510

** This reflects the position of related party / connected persons status as at year end.



21 FINANCIAL INSTRUMENTS BY CATEGORY

----- As at June 30, 2023 -----		
At amortised cost	At 'fair value through profit or loss'	Total
----- Rupees -----		
Bank balances	-	8,103,621
Investments	913,529,190	913,529,190
Profit receivable	-	6,794,859
Advances and deposits	-	1,850,000
Receivable against sale of investment	-	8,734,936
25,483,416	913,529,190	939,012,606
Financial liabilities		
Payable to JS Investments Limited - Management Company	-	6,645,702
Payable to Central Depository Company of Pakistan Limited - Trustee	-	170,720
Accrued expenses and other liabilities	-	997,918
Dividend payable	-	1,443,069
9,257,409	-	9,257,409

----- As at June 30, 2022 -----		
At amortised cost	At 'fair value through profit or loss'	Total
----- Rupees -----		
Bank balances	-	296,720,670
Investments	651,440,858	651,440,858
Profit receivable	-	7,132,085
Advances and deposits	-	2,850,000
306,702,755	651,440,858	958,143,613
Financial liabilities		
Payable to JS Investments Limited - Management Company	-	6,661,302
Payable to Central Depository Company of Pakistan Limited - Trustee	-	174,620
Accrued expenses and other liabilities	-	512,957
Payable against purchase of investments	-	144,155
Dividend payable	-	928,218
8,421,252	-	8,421,252

22 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund's activities expose it to a variety of financial risks such as market risk, credit risk and liquidity risk.

Risk management framework

The Board of Directors of the Management Company has an overall responsibility for the establishment and oversight of the Fund's risk management framework.



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Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily set up to be performed based on limits established by the Management Company, the Fund's constitutive documents and the Regulations and directives of the SECP. The policies are established to identify and analyse the risks faced by the Fund, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Fund's activities.

The Audit Committee oversees how management monitors compliance with the Fund's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Fund. The Audit Committee is assisted in its oversight role by internal audit. Internal audit undertakes regular reviews of risk management controls and procedures and the results of which are reported to the Audit Committee.

Asset purchases and sales are determined by the Fund's Investment Manager, who has been authorised to manage the distribution of the assets to achieve the Fund's investment objectives. Compliance with the target asset allocations and the composition of the portfolio is monitored by the Investment Committee. In instances where the portfolio has diverged from target asset allocations, the Fund's Investment Manager is obliged to take actions to rebalance the portfolio in line with the established targets, within prescribed time limits.

22.1 Market risk

Market risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate as a result of changes in market prices.

The Management Company manages the market risk by monitoring exposure on marketable securities by following internal risk management policies and investment guidelines approved by the Investment Committee and the Regulations laid down by the SECP.

Market risk comprises of three types of risk: currency risk, interest / profit rate risk and other price risk.

22.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. At present, the Fund does not have any financial instruments in foreign currencies and hence it is not exposed to such risk.

22.1.2 Interest / profit rate risk

Interest / profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. As of June 30, 2023, the Fund is mainly exposed to interest rate risk on balances held with banks, market treasury bills and term finance certificates. The Investment Committee of the Fund reviews the portfolio on a regular basis to ensure that the risk is managed within the acceptable limits.

(a) Sensitivity analysis for variable rate instruments

As at June 30, 2023, the Fund holds balances with banks and sukuk certificates amounting Rs 173.100 million (2022: Rs 393.500 million) exposing the fund to cash flow interest rate risk. In case of 100 basis points increase / (decrease) in interest rates at the reporting date, the net assets of the Fund and net income for the year would have been higher / lower by Rs 1.731 million (2022: Rs 3.395 million). The analysis assumes that all other variables remain constant.



(b) Sensitivity analysis for fixed rate instruments

As at June 30, 2023, the Fund holds market treasury bills and term finance certificates which are classified 'at fair value through profit or loss' exposing the Fund to fair value interest rate risk. In case of 100 basis points increase / decrease in KIBOR at year end announced by the Financial Markets Association of Pakistan (FMAP) on June 30, 2023 with all other variables held constant, net income for the year and net assets of the Fund would have been higher / lower by Rs 1.664 million (2022: Rs 0.275 million).

The composition of the Fund's investment portfolio, profit rates and the rates announced by the Financial Markets Association of Pakistan (FMAP) are expected to change overtime. Accordingly, the sensitivity analysis prepared as of June 30, 2023 is not necessarily indicative of the impact on the Fund's net assets of future movements in profit rates.

Interest rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off-balance sheet financial instruments is based on settlement date.

The Fund's interest rate sensitivity related to financial assets and financial liabilities as at June 30, 2023 and June 30, 2022 can be determined as follows:

----- June 30, 2023 -----					
Effective interest rate	---Exposed to interest rate risk---			Not exposed to interest rate risk	Total
	Up to three months	More than three months and up to one year	More than one year		
-----%-----	-----Rupees-----				
Financial assets					
Bank balances	15.50 - 20.50	8,103,621	-	-	8,103,621
Investments	9.03 - 24.58	200,457,129	102,630,000	610,442,061	913,529,190
Profit receivable		-	-	6,794,859	6,794,859
Advances and deposits		-	-	1,850,000	1,850,000
Receivable against sale of investment		-	-	8,734,936	8,734,936
		208,560,750	102,630,000	627,821,856	939,012,606
Financial liabilities					
Payable to JS Investments Limited - Management Company		-	-	6,645,702	6,645,702
Payable to Central Depository Company of Pakistan Limited - the Trustee		-	-	170,720	170,720
Accrued expenses and other liabilities		-	-	997,918	997,918
Dividend payable		-	-	1,443,069	1,443,069
		-	-	9,257,409	9,257,409
On-balance sheet gap (a)		208,560,750	102,630,000	618,564,447	929,755,197
Off-balance sheet financial instruments		-	-	-	-
Off-balance sheet gap (b)		-	-	-	-
Total interest rate sensitivity gap (a+b)		208,560,750	102,630,000	-	
Cumulative interest rate sensitivity gap		208,560,750	311,190,750	311,190,750	



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----- June 30, 2022 -----					
Effective interest rate	---Exposed to interest rate risk---			Not exposed to interest rate risk	Total
	Up to three months	More than three months and up to one year	More than one year		
-----%-----	----- Rupees -----				
Financial assets					
Bank balances	8.50 -16.90	296,720,670	-	-	296,720,670
Investments	9.03 - 18.34	-	96,780,053	554,660,805	651,440,858
Profit receivable		-	-	7,132,085	7,132,085
Advances, deposits and prepayments		-	-	2,850,000	2,850,000
		296,720,670	96,780,053	564,642,890	958,143,613
Financial liabilities					
Payable to JS Investments Limited - Management Company		-	-	6,661,302	6,661,302
Payable to Central Depository Company of Pakistan Limited - the Trustee		-	-	174,620	174,620
Accrued expenses and other liabilities		-	-	512,957	512,957
Payable against purchase of investments		-	-	144,155	144,155
Dividend payable		-	-	928,218	928,218
		-	-	8,421,252	8,421,252
On-balance sheet gap (a)		296,720,670	96,780,053	556,221,638	949,722,361
Off-balance sheet financial instruments		-	-	-	-
Off-balance sheet gap (b)		-	-	-	-
Total interest rate sensitivity gap (a+b)		296,720,670	96,780,053	-	
Cumulative interest rate sensitivity gap		296,720,670	393,500,723	393,500,723	

22.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

22.2 Credit risk

Credit risk represents the risk of a loss that would be recognised at the reporting date if the counter parties fail to perform as contracted. The Fund is exposed to counter party credit risks on investments (other than treasury bills), balances with banks and other receivables. The credit risk on the Fund is limited because the counterparties are financial institutions with reasonably high credit ratings. Investments in Treasury bills are government backed and hence considered as secured.



Exposure to credit risk

The Fund's maximum exposure to credit risk is as follows:

	2023		2022	
	Balance as per statement of assets and liabilities	Maximum exposure	Balance as per statement of assets and liabilities	Maximum exposure
	----- Rupees -----		----- Rupees -----	
Bank balances	8,103,621	8,103,621	296,720,670	296,720,670
Investments	913,529,190	193,348,858	651,440,858	124,298,273
Profit receivables	6,794,859	6,794,859	7,132,085	7,132,085
Advances, deposits and prepayments	1,850,000	1,850,000	2,850,000	2,850,000
Receivable against sale of investment	8,734,936	8,734,936	-	-
	<u>939,012,606</u>	<u>218,832,274</u>	<u>958,143,613</u>	<u>431,001,028</u>

The maximum exposure to credit risk before any credit enhancement as at June 30, 2023 is the carrying amount of the financial assets. Difference in the balance as per statement of assets and liabilities and maximum exposure is due to the fact that investments in Government securities and equity securities amounting to Rs. 138.09 million and Rs. 582.09 million respectively is not exposed to credit risk.

Management of credit risk

The Fund's policy is to enter into financial contracts in accordance with the investment guidelines approved by the Investment Committee, its Trust Deed and the requirements of the NBFC Rules and Regulations. Before making investment decisions, the credit rating and credit worthiness of the issuer is taken into account along with the financial background so as to minimise the risk of default.

Credit risk is managed and controlled by the Management Company of the Fund in the following manner:

- Where the Investment Committee makes an investment decision, the credit rating and credit worthiness of the issuer is taken into account along with the financial background so as to minimise the risk of default.
- Analyses of credit ratings.
- The risk of counterparty exposure due to failed trades causing a loss to the Fund is mitigated by a periodic review of the credit ratings and financial statements of the counter party on a regular basis.
- Cash is held only with reputable banks with high quality external credit ratings.
- Investment transactions are carried out with a large number of brokers, whose credit worthiness is taken into account so as to minimise the risk of default and transactions are settled or paid for only upon delivery.

The Fund's policy is to enter into financial contracts in accordance with the internal risk management policies and investment guidelines approved by the Investment Committee. The Fund does not expect to incur material credit losses on its financial assets.

The analysis below summarises the credit quality of the Fund's financial assets:



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22.2.1 Credit quality of financial assets

Name of Bank	-----June 30, 2023-----		
	Rating Agency	Latest available published rating	Percentage
Allied Bank Limited	PACRA	AAA	1.71%
Bank Alfalah Limited	PACRA	AA+	54.72%
Habib Metropolitan Bank Limited	PACRA	AA+	1.68%
Faysal Bank Limited	PACRA	AA	6.22%
Dubai Islami Bank Limited	VIS	AA	1.02%
Samba Bank Limited	PACRA	AA	0.10%
JS Bank Limited	PACRA	AA-	34.55%
Sindh Bank Limited*	VIS	A+	-

Name of Bank	-----June 30, 2022-----		
	Rating Agency	Latest available published rating	Percentage
Allied Bank Limited	PACRA	AAA	93.92%
Bank Alfalah Limited	PACRA	AA+	0.56%
Habib Metropolitan Bank Limited	PACRA	AA+	0.01%
Faysal Bank Limited	PACRA	AA	0.18%
Dubai Islami Bank Limited	VIS	AA	0.04%
Samba Bank Limited*	PACRA	AA	-
JS Bank Limited	PACRA	AA-	5.29%
Sindh Bank Limited*	VIS	A+	-

*nil due to rounding off

Ratings of investments have been disclosed in related notes to these financial statements. Since, the assets of the Fund are held with credit worthy counterparties, therefore any significant credit risk is mitigated.

22.2.2 Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure.

As transactions are entered with credit worthy parties and are within the regulatory limits, therefore any significant concentration of credit risk is mitigated.

All financial assets of the Fund as at June 30, 2023 and June 30, 2022 are not impaired.



22.2.3 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on the terms that are materially disadvantageous to the Fund.

The Fund is exposed to daily cash redemptions, if any, at the option of unit holders. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is therefore to invest the majority of its assets in investments that are traded in an active market and can be readily disposed and are considered readily realisable.

As per NBFC Regulations, 2008, the Fund can borrow in the short term to ensure settlement the maximum limit of which is fifteen percent of net assets upto 90 days and would be secured by the assets of the Fund.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the year ended June 30, 2023.

The table below indicates the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

----- As at June 30, 2023 -----			
Upto three months	Over three months and	Over one year	Total
----- Rupees -----			
Financial liabilities			
Payable to JS Investments Limited - Management Company	6,645,702	-	6,645,702
Payable to Digital Custodian Company Limited - Trustee	170,720	-	170,720
Accrued expenses and other liabilities	997,918	-	997,918
Dividend payable	1,443,069	-	1,443,069
	<u>9,257,409</u>	<u>-</u>	<u>9,257,409</u>

----- As at June 30, 2022 -----			
Upto three months	Over three months and	Over one year	Total
----- Rupees -----			
Financial liabilities			
Payable to JS Investments Limited - Management Company	6,661,302	-	6,661,302
Payable to Digital Custodian Company Limited - Trustee	174,620	-	174,620
Accrued expenses and other liabilities	512,957	-	512,957
Payable against purchase of investments	144,155	-	144,155
Dividend payable	928,218	-	928,218
	<u>8,421,252</u>	<u>-</u>	<u>8,421,252</u>



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23 UNIT HOLDERS' FUND RISK MANAGEMENT

The unit holders' fund is represented by redeemable units. These units are entitled to distributions and to payment of a proportionate share, based on the Fund's Net Asset Value per unit on the redemption date. The relevant movements are shown in the 'Statement of Movement in Unit Holders' Fund'.

The Fund's objectives when managing unit holder's funds are to safeguard its ability to continue as a going concern so that it can continue to provide returns to unit holders' and to maintain a strong base of assets to meet unexpected losses or opportunity management.

The Fund has no restrictions on the subscription and redemption of units. As required under the NBFC regulations, 2008, every open end scheme shall maintain fund size (i.e. net assets of the Fund) of Rs. 100 million at all times during the life of the scheme. The Fund has historically maintained and complied with the requirement of minimum fund size at all times.

In accordance with the risk management policies stated in note 21, the Fund endeavours to invest the subscriptions received in appropriate investments avenues while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by short-term borrowings or disposal of investments, where necessary.

24 FAIR VALUE MEASUREMENT

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. Consequently, differences can arise between carrying values and the fair value estimates.

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.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

25 Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets 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:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at June 30, 2023 and June 30, 2022, the Fund held the following financial instruments measured at fair value.



----- 2023 -----				
	Level 1	Level 2	Level 3	Total
----- Rupees -----				
Financial assets 'at fair value through profit or loss'				
Investments				
Listed equity securities	582,091,311	-	-	582,091,311
Sukuk certificates / term finance certificates - listed	-	193,348,858	-	193,348,858
Market Treasury Bills	-	138,089,021	-	138,089,021
	<u>582,091,311</u>	<u>331,437,879</u>	<u>-</u>	<u>913,529,190</u>

----- 2022 -----				
	Level 1	Level 2	Level 3	Total
----- Rupees -----				
Financial assets 'at fair value through profit or loss'				
Investments				
Listed equity securities	527,142,585	-	-	527,142,585
Sukuk certificates / term finance certificates - listed	-	124,298,273	-	124,298,273
	<u>527,142,585</u>	<u>124,298,273</u>	<u>-</u>	<u>651,440,858</u>

26 DETAILS OF MEMBERS OF INVESTMENT COMMITTEE AND FUND MANAGER

Details of the members of Investment Committee of the Fund are as follows:

S.No.	Name	Designation	Experience in years	Qualification
1	Ms. Iffat Zehra Mankani	Chief Executive Officer	22	MBA
2	Mr. Khawar Iqbal	Chief Operating Officer & Company Secretary	30	MBA
3	Mr. Syed Hussain Haider	Chief Investment Officer	21	CFA
4	Mr. Asim Ilyas	Head of Fixed Income / Fund Manager	27	MAS
5	Mr. Waqas Mustafa	Head of Equity / Fund Manager	8	CFA

26.1 Name and qualification of the Fund Manager

Name	Designation	Qualification	Other funds managed by the Fund Manager
Mr. Waqas Mustafa	Fund Manager	Chartered Financial Analyst	Unit Trust of Pakistan, JS Fund of Funds, JS Growth Fund, JS Large Cap. Fund, JS Islamic Hybrid Fund of Funds 3, JS Islamic Hybrid Fund of Funds, JS Islamic Fund, JS Islamic Dedicated Equity Fund, JS Pension Savings Funds and JS Islamic Pension Savings Funds



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27 PATTERN OF UNIT HOLDING

Category	----- As at June 30, 2023 -----			
	Number of unit holders	Number of units held	Investment amount (Rupees)	Percentage of total investment
Individuals	225	718,483	109,588,887	11.99%
Insurance Companies	1	3,940,091	600,974,816	65.76%
Retirement Funds	9	955,461	145,734,705	15.95%
Others	7	377,230	57,538,196	6.30%
	<u>242</u>	<u>5,991,265</u>	<u>913,836,604</u>	<u>100.00%</u>

Category	----- As at June 30, 2022 -----			
	Number of unit holders	Number of units held	Investment amount (Rupees)	Percentage of total investment
Individuals	240	778,931	118,236,479	12.62%
Insurance Company	1	3,801,174	576,992,610	61.56%
Retirement Funds	12	958,653	145,517,068	15.52%
Others	9	636,010	96,542,034	10.30%
	<u>262</u>	<u>6,174,768</u>	<u>937,288,191</u>	<u>100.00%</u>

28 LIST OF TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

Name of broker	2023	Name of broker	2022
	Percentage of commission paid		Percentage of commission paid
Multiline Securities (Private) Limited	17.26%	Optimus Capital Management (Private) Limited	17.80%
Intermarket Securities (Private) Limited	15.13%	KASB Securities Limited	14.89%
JS Global Capital Limited	14.87%	JS Global Capital Limited	7.56%
Optimus Capital Management (Private) Limited	13.53%	Habib Metropolitan Financial Services Limited	7.39%
D.J.M Securities (Pvt.) Limited	12.68%	D.J.M Securities (Pvt.) Limited	5.42%
Topline Securities (Private) Limited	7.14%	Next Capital Limited	5.20%
Adam Securities Limited	6.24%	Alfalah CLSA Securities (Private) Limited	4.83%
Akik Capital (Private) Limited	3.84%	BMA Capital Management Limited	4.78%
Habib Metropolitan Financial Services Limited	3.58%	Cedar Capital (Pvt) Limited	4.49%
Spectrum Securities Limited	3.07%	Adam Securities Limited	4.46%

29 MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

The 164th, 165th, 166th, 167th and 168th meetings of the Board of Directors were held on August 19, 2022, October 22, 2022, January 11, 2023, February 24, 2023 and April 18, 2023 respectively. Information in respect of attendance by the directors and other persons in the meetings is given below:



Unit Trust of Pakistan

S.no.	Name of Directors	Date		Meetings attended	Meetings held on				
		Elected / Joined during the year	Resigned during the year		August 19, 2022	October 22, 2022	January 11, 2023	February 24, 2022	April 18, 2023
1	Mr. Suleman Lalani	N/A	N/A	4	✓	-	✓	✓	✓
2	Ms. Iffat Zehra Mankani	N/A	N/A	5	✓	✓	✓	✓	✓
3	Mr. Hasan Shahid	N/A	N/A	5	✓	✓	✓	✓	✓
4	Mr. Asif Reza Sana	N/A	28-Dec-22	1	✓	-	-	-	-
5	Mr. Imran Haleem Shaikh	N/A	28-Dec-22	2	✓	✓	-	-	-
6	Mr. Zahid Ullah Khan	N/A	28-Dec-22	2	✓	✓	-	-	-
7	Ms. Aisha Fariel Salahuddin	N/A	N/A	2	✓	-	✓	-	-
8	Mr. Mirza M. Sadeed Hasan Barlas	N/A	N/A	4	✓	✓	✓	-	✓
9	Mr. Atif Salim Malik	28-Dec-22	N/A	3	-	-	✓	✓	✓
10	Ms. Mediha Kamal Afsar	28-Dec-22	N/A	2	-	-	✓	-	✓
11	Syed Abu Ahmed Akif	28-Dec-22	22-Jan-23	-	-	-	-	-	-
12	Mr. Farooq Ahmed Malik	22-Feb-23	N/A	2	-	-	-	✓	✓
					8	5	7	5	7

30 DISTRIBUTIONS DURING THE YEAR

June 30, 2023			June 30, 2022		
Rate per unit	Declaration date	Total distribution	Rate per unit	Declaration date	Total distribution
For the period ended June 30, 2023	3.26	June 23, 2023	18,835,598	-	-
For the period ended June 30, 2023	3.79	June 27, 2023	22,246,622	-	-
			<u>41,082,220</u>		<u>-</u>

31 GENERAL

32.1 Figures have been rounded off to the nearest rupee unless otherwise stated.

32.2 Corresponding figures have been reclassified and rearranged in these financial statements, wherever necessary, for the purpose of better presentation. No significant rearrangements or reclassifications were made in these financial statements.

32 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on August 18, 2023 .

For JS Investments Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



Unit Trust of Pakistan

SUPPLEMENTARY NON FINANCIAL INFORMATION AS REQUIRED UNDER CLAUSE 38A (g) OF THE NBFC & NE REGULATION

SUMMARY OF ACTUAL PROXY VOTED BY UNIT TRUST OF PAKISTAN

	Resolutions	For	Against	Abstain
Number	3	3	Nil	N/A
(% ages)	100	100	-	-

Note:

The Proxy voting policy of the Collective Investment Scheme (CIS) is available on the website of JS Investments Limited, the Company and detailed information regarding actual proxies voted by the Company in respect of the CIS is also available without charge, upon request, to all unit holders.

We did not participate in any shareholders' meetings on behalf of CIS during the year.

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JS Investments Limited

19th Floor, The Centre, Plot # 28,
SB-5 Abdullah Haroon Road, Saddar,
Karachi-75600

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E-mail: info@jsil.com
Website: www.jsil.com



JS Islamic Hybrid Fund of Funds

Annual Report 2023



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VISION

To be the preferred choice of every investor, offering diverse and innovative investment solutions.

MISSION

To establish a leadership position in bringing more investable asset classes and innovative products, while managing them with prudence and excellence.

BROAD POLICY OBJECTIVES

- Value creation for clients on a sustainable basis.
- Maintain high standards of ethical behaviors and fiduciary responsibilities.
- 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
19th 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	Non-Executive Director / Chairman
Ms. Iffat Zehra Mankani	Chief Executive Officer
Mr. Hasan Shahid	Non-Executive Director
Mr. Mirza M. Sadeed H. Barlas	Non-Executive Director
Mr. Atif Salim Malik	Non-Executive Director
Ms. Aisha Fariel Salahuddin	Non-Executive Independent Director
Ms. Mediha Kamal Afsar	Non-Executive Independent Director
Mr. Farooq Ahmed Malik	Non-Executive Independent Director

Audit Committee

Ms. Mediha Kamal Afsar	Chairperson
Mr. Hasan Shahid	Member
Mr. Mirza M. Sadeed H. Barlas	Member

Chief Operating Officer & Company Secretary

Mr. Muhammad Khawar Iqbal

Chief Financial Officer

Mr. Umair Khatri

Trustee

Digital Custodian Company Limited
4th Floor, Perdesi House
2/1, R-Y-16, Old Queens Road,
Karachi - 75530

Auditors

EY Ford Rhodes
Chartered Accountants

Legal Adviser

Bawaney & Partners

Shariah Advisors

AI – Halal Shariah Advisors (Pvt) Limited



JS Islamic Hybrid Fund of Funds

Directors' Report to the Unit Holders

The Board of Directors of JS Investments Limited, the Management Company of JS Islamic Hybrid Fund of Funds (the Fund), is pleased to present the Annual Report for the year ended June 30, 2023.

Economy Review:

During the fiscal year 2023, Pakistan encountered substantial challenges stemming from longstanding structural weaknesses. Delays in the IMF program, declining forex reserves, significant currency devaluation, persistent political uncertainty, and elevated inflation collectively presented formidable hurdles, resulting in a meager GDP growth of 0.29%, a marked decrease from the 6.10% achieved in the previous fiscal year, FY22.

The current account deficit (CAD) narrowed by 85% year-on-year to USD 2.6 billion in FY23, a notable improvement compared to USD 17.5 billion in FY22, primarily due to reduced trade deficit from import restrictions. However, despite this situation, foreign exchange reserves held by the State Bank of Pakistan (SBP) declined to USD 4.47 billion by June 2023, down from USD 9.82 billion at the commencement of FY23.

The scarcity of forex reserves exerted significant pressure on the currency, leading to a 40% devaluation. Another persistent concern throughout FY23 was soaring inflation, averaging 29.04%, surpassing the initial target of 11.5% and the FY22 rate of 12.15%. This surge was fueled by escalating food prices and higher energy and petroleum costs, compounded by the global crisis and PKR depreciation. In response, the SBP maintained its contractionary stance, raising the policy rate to a record high of 22% from 13.75% in June 2022. Despite these challenges, the measures taken by the government, including raising energy and gas tariffs, implementing currency regime change, introducing additional taxes and tightening monetary policy, yielded different outcomes.

However, as of June 2023, the Government of Pakistan secured a crucial 9-month Stand by Arrangement (SBA) with the IMF, leading to substantial deposits from multilateral countries. This achievement offers a much-needed short-term respite from the looming risk of default. Additionally, the SBA provides an economic roadmap for the next nine months, encompassing the period leading up to elections and a caretaker government, with a strong emphasis on fiscal discipline, energy reforms, and consistent policy implementation. Nevertheless, it is important to recognize that the SBA offers only temporary relief, as a long-term program with the IMF will be necessary once the SBA concludes in March 2024, alongside the implementation of structural reforms and a consistent macroeconomic framework.

Equity Market Review:

In FY23, the KSE-100 index exhibited relatively subdued performance, registering a marginal decline of 0.21%, equivalent to 88.14 points, culminating in a closing value of 41,452.69 points. The equity market operated amidst amplified political noise and the central bank's resolute monetary tightening measures aimed at addressing inflationary pressures. Additionally, lingering uncertainties surrounding the IMF staff-level agreement further dampened investor sentiment, leading to diminished interest and constrained liquidity inflows into the equity markets.

During this period, certain sectors demonstrated resilience and emerged as outperformers, including Power Generation & Distribution, Fertilizer, Cements, and Technology & Communication, highlighting their robustness in the market. Conversely, the Pharmaceuticals, Automobile Assembler and Refinery sectors underperformed during the same period.

As we embark on FY24, it is essential to recognize that two critical factors will significantly shape the financial markets. Firstly, the inflow of foreign exchange (FX) will play a decisive role, exerting influence on market dynamics. Secondly, unwavering dedication to adhering to the IMF's guidelines within the Stand-By Arrangement (SBA) will lay the groundwork for forthcoming negotiations concerning a long-term program with the IMF after the SBA concludes early next year.



JS Islamic Hybrid Fund of Funds

Moreover, amidst this ever-evolving environment, political stability will act as a linchpin, fostering investor confidence and channeling liquidity into the equity market. In essence, the dynamic interplay of FX inflows, adherence to IMF guidelines, and political stability will form the base upon which the performance of the economy as a whole will be built in the coming months. As we chart our course forward, strategic decisions anchored in these key factors will be pivotal in seizing opportunities and driving growth within the continuously changing investment landscape.

Income / Money Market Review:

Against a challenging macroeconomic landscape and mounting inflationary pressures, the Pakistani Rupee (PKR) experienced a significant depreciation of 40% during FY23. In response to the surging inflation, the State Bank of Pakistan (SBP) adopted a tight monetary policy stance, culminating in a cumulative 825 basis points increase in the policy rate, reaching an elevated 22% by June 2023.

Amidst heightened uncertainty, investors preferred shorter-tenor instruments along the yield curve. As a result, the government resorted to relying on the 3-month and 6-month treasury bills to fulfill its budgetary borrowing requirements, given the subdued market participation in one-year treasury bills. Notably, yields for 3-month treasury bills surged from 14.98% to 22.65%, while yields for 6-month treasury bills rose from 15.15% to 22.87%. The total amount borrowed through T-bills stood at PKR 24.62 trillion during the year. Furthermore, the government successfully borrowed PKR 1.28 trillion in fixed-rate Pakistan Investment Bonds (PIBs), slightly below the target of PKR 1.85 trillion. The yields on the 3-year, 5-year, and 10-year bonds experienced increments of 6.02%, 3.15%, and 2.40%, leading to final yields of 19.47%, 16.08%, and 15.32%, respectively.

Review of Fund Performance

The performance of the three Allocation Schemes of the Fund for the year ended June 30, 2023, is tabulated below. The total net assets of the Fund moved from PKR 258.01 as at June 30, 2022, to million to PKR 139.44 million as at June 30, 2023.

Allocation Schemes	Net Assets (PKR. in millions)	Return	Benchmark Return
JS Islamic Hybrid Fund of Funds - Mutanasib	1.77	-9.79%	3.00%
JS Islamic Hybrid Fund of Funds - JSICPAP-8	137.67	13.09%	6.33%

Dividend

The Fund paid interim cash dividend of Rs 11.04 per unit during the year ended June 30, 2023.

JS Islamic Hybrid Fund of Funds - JSICPAP-8

The Plan was of two years' maturity from the clearance of all outstanding proceeds from Pre-(initial Offering Period (Pre-IOP) and Initial Offering Period (IOP) i.e. from 15 October 2019 to 20 December 2019. The Management Company (Wakeel) has further extended the maturity period for two years with the approval of the Securities & Exchange Commission of Pakistan, due on December 26, 2021, which shall close on December 26, 2023. After the end of this period, the Management Company (Wakeel) may announce a subsequent maturity for a certain period where the Management Company (Wakeel) feels appropriate in the interest of unit holders.

Asset Manager Rating

Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of 'AM2+' with 'stable outlook' dated December 27, 2022 (June 30, 2022: 'AM2' with 'positive outlook' dated August 6, 2022) to the Management Company which is an improvement from the previous rating of AM2 with a positive outlook. The rating denotes high management quality.



JS Islamic Hybrid Fund of Funds

Auditors

The external auditors of the Fund Messrs EY Ford Rhodes Chartered Accountants have retired from office. The Board of Directors, upon recommendation of the Audit Committee of the Board has approved the appointment of Messrs A.F Ferguson, Chartered Accountants as the Fund's auditors for the ensuing year ending June 30, 2024.

Board of Directors

During the period Mr. Atif Salim Malik, Mr. Farooq Ahmed Malik and Ms. Mediha Kamal Afsar were appointed as Director in place of Mr. Asif Reza Sana, Mr. Imran Haleem Shaikh and Mr. Zahid Ullah Khan.

Shariah Advisors

Messrs Al-Hilal Shariah Advisors (Pvt.) Limited completed its tenure. The Board of Directors of JS Investment Limited, the Management Company of the Fund, upon recommendation of the Audit Committee, has approved the appointment of Al-Hilal Shariah Advisors for the ensuing year ending June 30, 2024.

Additional Matters

- a. Annexed to the Annual Report is the Fund Manager's Report giving a description of principal risks and uncertainties with a reasonable indication of future prospects of profit.
- b. The Pattern of Unit holding as at June 30, 2023, is disclosed in Annexure 1 of the published financial statements.
- c. The system of internal control is sound in design and has been effectively implemented and monitored.
- d. A performance table / key financial data is annexed to this annual report.

Acknowledgment

The directors express their gratitude to the Securities and Exchange Commission of Pakistan and Digital Custodian Company 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: August 18, 2023

Director

Chief Executive Officer

شراکت داروں کے لیے ڈائریکٹرز رپورٹ

جے ایس انویسٹمنٹس لمیٹڈ کے بورڈ آف ڈائریکٹرز، JS اسلامک ہائبرڈ فنڈ آف فنڈز (دی فنڈ) کی مینجمنٹ کمپنی نے 30 جون 2023 کو ختم ہونے والے سال کے لیے سالانہ رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

معاشی جائزہ

مالی سال 2023 کے دوران، پاکستان کو دیرینہ ساختی کمزوریوں کی وجہ سے کافی چیلنجز کا سامنا کرنا پڑا۔ انٹرنیشنل مانیٹری فنڈ (IMF) پروگرام میں تاخیر، زرمبادلہ کے ذخائر میں کمی، کرنسی کی قدر میں نمایاں کمی، مسلسل سیاسی غیر یقینی صورتحال اور افراط زر میں اضافے نے مجموعی طور پر زبردست رکاوٹیں پیش کیں، جس کے نتیجے میں جی ڈی پی (GDP) کی شرح نمو % 0.29 رہی جو گزشتہ مالی سال 2022 کے % 6.10 کے مقابلے میں واضح طور پر کم ہے۔

مالی سال 2023 میں کرنٹ اکاؤنٹ خسارہ (CAD) سال بہ سال % 85 کم ہو کر 2.6 بلین امریکی ڈالر رہ گیا، جو مالی سال 2022 کے 17.5 بلین امریکی ڈالر کے مقابلے میں نمایاں بہتری ہے، جس کی بنیادی وجہ درآمدی پابندیوں سے تجارتی خسارے میں کمی ہے۔ تاہم، اس صورتحال کے باوجود اسٹیٹ بینک آف پاکستان (SBP) کے پاس موجود غیر ملکی زرمبادلہ کے ذخائر جون 2023 تک کم ہو کر 4.47 بلین امریکی ڈالر رہ گئے جو مالی سال 2023 کے آغاز میں 9.82 بلین امریکی ڈالر سے کم تھے۔ غیر ملکی زرمبادلہ کے ذخائر کی کمی نے کرنسی پر کافی دباؤ ڈالا، جس کی وجہ سے % 40 کی قدر میں کمی واقع ہوئی۔ مالی سال 2023 کے دوران ایک اور مستقل تشویش بڑھتی ہوئی افراط زر تھی، جو اوسطاً % 29.04 تھی، جو ابتدائی ہدف % 11.5 اور مالی سال 2022 کی شرح % 12.15 سے تجاوز کر گئی۔ اس اضافے کی وجہ خوراک کی قیمتوں میں اضافہ اور توانائی اور پیٹرولیم کی بلند قیمتیں ہیں جو عالمی بحران اور پاکستانی روپے کی قدر میں کمی کی وجہ سے ہوا۔ اسکے جواب میں اسٹیٹ بینک آف پاکستان (SBP) نے اپنے تخفیفی (contractionary) منوقف کو برقرار رکھتے ہوئے پالیسی کی شرح کو جون 2022 میں % 13.75 سے بڑھا کر % 22 کی ریکارڈ سطح پر پہنچا دیا۔ ان چیلنجز کے باوجود حکومت کی جانب سے اٹھائے گئے اقدامات بشمول توانائی اور گیس کے نرخوں میں اضافہ، کرنسی نظام کی تبدیلی کا نفاذ، اضافی ٹیکس متعارف کروانا اور مانیٹری پالیسی کو سخت کرنے سے مختلف نتائج برآمد ہوئے۔

تاہم، جون 2023 تک حکومت پاکستان نے آئی ایم ایف کے ساتھ 9 ماہ کا ایک اہم اسٹینڈ بائی آرٹیمینٹ (SBA) حاصل کیا جس کے نتیجے میں کثیر الجہتی (multi lateral) ممالک سے خاطر خواہ ذخائر موصول ہوئے۔ یہ کامیابی ڈیفالٹ کے بڑھتے ہوئے خطرے سے ایک انتہائی ضروری قلیل مدتی فراہم کرتی ہے۔ مزید برآں، اسٹینڈ بائی آرٹیمینٹ (SBA) اگلے 9 ماہ کے لیے اقتصادی روڈ میپ فراہم کرتا ہے، جس میں انتخابات اور نگران حکومت تک کی مدت کا احاطہ کیا گیا ہے، جس میں مالی نظم و ضبط، توانائی اصلاحات اور مستقل پالیسی کے نفاذ پر زور دیا گیا ہے۔ اس کے باوجود، یہ تسلیم کرنا ضروری ہے کہ اسٹینڈ بائی آرٹیمینٹ (SBA) عارضی ریلیف فراہم کرتا ہے، کیونکہ مارچ 2024 میں اسٹینڈ بائی آرٹیمینٹ (SBA) کے اختتام کے بعد IMF کے ساتھ، ساختی اصلاحات اور مستقل میکرو اکنامک فریم ورک کے نفاذ کے ساتھ، ایک طویل مدتی پروگرام ضروری ہوگا۔

ایکیویٹی مارکیٹ کا جائزہ

مالی سال 2023 میں، KSE - 100 انڈیکس نے نسبتاً کم کارکردگی کا مظاہرہ کیا، جس میں % 0.21 کی معمولی کمی ریکارڈ کی گئی، جو 88.14 پوائنٹس کے مساوی ہے، جس کے نتیجے میں اختتام 41,452.69 پوائنٹس کی سطح پر ہوا۔ ایکویٹی مارکیٹ بڑھتے ہوئے سیاسی شورش راہے اور مرکزی بینک کے پر عزم مالیاتی سخت اقدامات کے درمیان کام کر رہی تھی، جس کا مقصد افراط زر کے دباؤ سے نمٹنا تھا۔ مزید برآں، IMF کے عملے کی سطح کے معاہدے کے بارے میں غیر یقینی صورتحال نے سرمایہ کاروں کے جذبات کو مزید متاثر کیا، جس کے نتیجے میں دلچسپی میں کمی آئی اور ایکویٹی مارکیٹوں میں محدود لیکویڈیٹی کا بہاؤ ہوا۔

اس مدت کے دوران، پاور جزیبیشن اور ڈسٹر بیوشن، فرٹیلائزرز، سینٹ اور نیکنالوجی اور کمیونیکیشن جیسے شعبوں نے چمک کا مظاہرہ کیا اور بہتر کارکردگی کا مظاہرہ کرنے والے شعبوں کے طور پر ابھرے، جس نے مارکیٹ میں ان کی مضبوطی کو اجاگر کیا۔ اس کے برعکس، فارماسیوٹیکل، آٹوموبائل اسمبلر اور ریفرنسز کی شعبوں نے یکساں مدت کے دوران نقص کارکردگی کا مظاہرہ کیا۔

جب ہم مالی سال 2024 کی شروعات کرنے جا رہے ہیں، تو یہ تسلیم کرنا ضروری ہے کہ دو اہم عوامل مالیاتی مارکیٹوں کو نمایاں طور پر تشکیل دیں گے۔ سب سے پہلے، غیر ملکی زرمبادلہ



JS Islamic Hybrid Fund of Funds

(FX) کی آمدی فیصلہ کن کردار ادا کرے گی، جس سے مارکیٹ کی حرکیات پر اثر پڑے گا۔ دوسری بات یہ ہے کہ اسٹینڈ بائی آرٹنمنٹ (SBA) کے اندر IMF کی ہدایات پر عمل کرنے کی غیر متوازن لگن اگلے سال کے اوائل میں اسٹینڈ بائی آرٹنمنٹ (SBA) کے اختتام کے بعد IMF کے ساتھ طویل مدتی پروگرام سے متعلق آئندہ مذاکرات کی بنیاد رکھے گی۔ مزید برآں، اس مسلسل بدلتے ہوئے ماحول کے درمیان، سیاسی استحکام ایک لچ پن کے طور پر کام کرے گا، سرمایہ کاروں کے اعتماد کو فروغ دے گا اور اکیویٹی مارکیٹ میں لیکویڈیٹی کو متحرک کرے گا۔ خلاصہ یہ ہے کہ غیر ملکی زرمبادلہ (FX) کی آمد کا متحرک باہمی تعامل، IMF کی ہدایات پر عمل پیرا ہونا اور سیاسی استحکام وہ بنیاد بنائیں گے جس پر آنے والے مہینوں میں مجموعی طور پر معیشت کی کارکردگی تعمیر کی جائے گی۔ جیسا کہ ہم مستقبل کی جانب گامزن ہیں، ان کلیدی عوامل سے منسلک اسٹریٹجک فیصلے مسلسل بدلتے ہوئے سرمایہ کاری کے منظر نامے میں مواقع سے فائدہ اٹھانے اور ترقی کو آگے بڑھانے میں اہم کردار ادا کریں گے۔

انکم / منی مارکیٹ کا جائزہ

چیلنجنگ میکرو اکنامک منظر نامے اور بڑھتے ہوئے افراط زر کے دباؤ کے باوجود، مالی سال 2023 کے دوران، پاکستانی روپے (PKR) کو 40 % کی نمایاں کمی کا سامنا کرنا پڑا۔ بڑھتی ہوئی افراط زر کے جواب میں اسٹیٹ بینک آف پاکستان (SBP) نے سخت مانیٹری پالیسی کا موقف اپنایا، جس کے نتیجے میں پالیسی کی شرح میں مجموعی طور پر 825 بیس پوائنٹس کا اضافہ ہوا، جو جون 2023 تک 22 % تک پہنچ گیا۔

بڑھتی ہوئی غیر یقینی صورتحال کے درمیان، سرمایہ کاروں نے نتائج کی متھی قوس کے ساتھ مختصر مدت کے آلات کو ترجیح دی۔ نتیجتاً، حکومت نے بجٹ قرضوں کی ضروریات کو پورا کرنے کے لیے 3 ماہ اور 6 ماہ کے ٹریژری بلز (T - Bills) پر انحصار کیا کیونکہ ایک سال کے ٹریژری بلز میں مارکیٹ کی کم شرکت تھی۔ قابل ذکر بات یہ ہے کہ، 3 ماہ کے ٹریژری بلز کا منافع 14.98 % سے بڑھ کر 22.65 % ہو گیا، جبکہ 6 ماہ کے ٹریژری بلز کا منافع 15.15 % سے بڑھ کر 22.87 % ہو گیا۔ سال کے دوران، ٹریژری بلز کے ذریعے لیے گئے قرضوں کی مجموعی رقم 24.62 ٹریلین پاکستانی روپے رہی۔ مزید برآں، حکومت نے فیکسڈ ریٹ پاکستان انویسٹمنٹ بانڈز (PIBs) میں 1.28 ٹریلین پاکستانی روپے کا کامیابی سے قرض لیا، جو 1.85 ٹریلین روپے کے ہدف سے تھوڑا سا کم ہے۔ 3 سال، 5 سال اور 10 سال کے بانڈز پر منافع میں بالترتیب 6.02 %، 3.15 % اور 2.40 % کا اضافہ ہوا، جس کے نتیجے میں حتمی منافع بالترتیب 19.47 %، 16.08 % اور 15.32 % رہا۔

فنڈ کی کارکردگی کا جائزہ

30 جون 2023 کو ختم ہونے والے سال کے لیے فنڈ کی تین ایلوکیشن اسکیموں کی کارکردگی درج ذیل ہے۔ 30 جون 2023 کو فنڈ کے خالص اثاثہ جات 30 جون 2022 258.01 ملین روپے سے 139.44 ملین روپے پر پہنچ گئے۔

خارجہ منافع	منافع	خالص اثاثہ جات (ملین پاکستانی روپے میں)	ایلوکیشن اسکیمز
3.00 %	-9.79 %	1.77	JS اسلامک ہابریڈ فنڈ آف فنڈز مناسب
6.33 %	13.09 %	137.67	JS اسلامک ہابریڈ فنڈ آف فنڈز JSIAAP-8

ڈیویڈنڈ

30 جون 2023 کو ختم ہونے والے سال کے دوران فنڈ نے 11.04 روپے فی یونٹ کا انٹیرم کیش ڈیویڈنڈ کی ادائیگی کی۔

JS اسلامک ہابریڈ فنڈ آف فنڈز - JSICPAP-8

یہ پلان ابتدائی پیشکش سے قبل کی مدت (Pre - IOP) اور ابتدائی پیشکش کی مدت (IOP) یعنی 15 اکتوبر 2019 اور 20 دسمبر 2019 سے حاصل ہونے والی تمام بقایا آمدنی کی کلیئرنس سے دو سال کی میچوریٹی کا ہے۔ مینجمنٹ کمپنی (وکیل) نے سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کی منظوری سے میچوریٹی کی مدت میں مزید دو سال کی توسیع کر دی ہے جس کو 26 دسمبر 2021 کو اختتام پذیر ہونا تھا جو اب 26 دسمبر 2023 کو اختتام پذیر ہوگی۔ اس مدت کے اختتام کے بعد، مینجمنٹ کمپنی (وکیل) مخصوص مدت کے لیے بعد کی میچوریٹی کا اعلان کر سکتی ہے جہاں مینجمنٹ کمپنی (وکیل) یونٹ ہولڈرز کے حق میں بہتر محسوس کریں۔

ایسیٹ مینجر ریٹنگ

پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) نے مینجمنٹ کمپنی کو 27 دسمبر 2022 کو "AM2+" کی ایسیٹ مینجر ریٹنگ، مستحکم "stable" منظر نامے کے ساتھ تفویض کی ہے (30 جون 2022 : 06 اگست 2022 کو "AM2" مثبت "positive" منظر نامے کے ساتھ) جو "AM2" مثبت "positive" منظر نامے کی گزشتہ ریٹنگ سے بہتر ہے۔ یہ ریٹنگ مینجمنٹ کے اعلیٰ معیار کی نشاندہی کرتی ہے۔

آڈیٹرز

فنڈ کے بیرونی آڈیٹرز میسرز ای وائے فورڈ ر ہورڈز چارٹرڈ اکاؤنٹنٹس اپنے عہدے سے مستعفی ہو چکے ہیں۔ بورڈ کی آڈٹ کمیٹی کی سفارش پر بورڈ آف ڈائریکٹرز نے 30 جون 2024 کو ختم ہونے والی مدت کے لیے میسرز ای ایف فرگوسن چارٹرڈ اکاؤنٹنٹس کو بطور فنڈ کے آڈیٹر کے تقرر کی منظوری دی۔

بورڈ آف ڈائریکٹرز

مدت کے دوران، جناب عاطف سالم ملک، جناب فاروق احمد ملک اور محترمہ مدیحہ کمال افسر؛ جناب آصف رضا ثناء، جناب عمران حلیم شیخ اور جناب زاہد اللہ خان کی جگہ پر بطور ڈائریکٹر مقرر کیے گئے۔

شریعیہ ایڈوائزرز

میسرز ال۔ ہلال شریعیہ ایڈوائزرز (پرائیوٹ) لمیٹڈ نے اپنی مدت مکمل کی۔ JS انویسٹمنٹس لمیٹڈ کے بورڈ آف ڈائریکٹرز، فنڈ کی مینجمنٹ کمپنی نے، آڈٹ کمیٹی کی تجویز پر ال۔ ہلال شریعیہ ایڈوائزرز کو 30 جون 2024 کو ختم ہونے والے اگلے سال کے لیے تقرر کی منظوری دی۔

اضافی معاملات

- ا۔ سالانہ رپورٹ کے ساتھ فنڈ مینجر رپورٹ منسلک ہے جس میں مرکزی خطرات اور منافع جات کے مستقبل کے امکانات کی مناسب علامت کے ساتھ ہجیان کی کیفیت کی وضاحت کی ہے۔
- ب۔ 30 جون 2023 تک یونٹ ہولڈنگ کے نمونہ اس سالانہ رپورٹ کے ساتھ منسلک ہے۔
- ج۔ اندرونی کنٹرول کا نظام ساخت کے اعتبار سے مضبوط ہے اور اس پر موثر اطلاق اور نگرانی کی جاتی ہے۔
- د۔ کارکردگی کا ٹیبل / اہم مالیاتی معلومات اس سالانہ رپورٹ کے ضمیمہ میں دی گئی ہیں۔

اظہار تشکر

ڈائریکٹرز پیش قدر معاونت، مدد اور رہنمائی پر سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) اور ڈیجیٹل سٹوڈین کمپنی لمیٹڈ (DCCL) سے اظہار تشکر کرتے ہیں۔ بورڈ لگن اور محنت پر مینجمنٹ کمپنی کے ملازمین اور انتظامیہ پر اعتماد پر یونٹ ہولڈرز کا بھی شکریہ ادا کرتا ہے۔

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JS Islamic Hybrid Fund of Funds (JSIHFOF)

- **Description of the Collective Investment Scheme category and type**

Shariah Compliant Fund of Funds and Shariah Compliant Fund of Funds Scheme - Allocation Plan

- **Statement of Collective Investment Scheme's investment objective**

JS Islamic Hybrid Fund of Funds aims to generate need based returns for its clients by offering several Allocation Baskets/Plans with varying mix of exposures to low / high risk asset classes via underlying mutual funds. Investment Objectives of the Allocation Baskets/Plans initially offered under JSIHFOF are Mustanad, Mustahkem, Mutanasib & Mufeed.

JS Islamic Capital Preservation Allocation Plan – 8 (JSICPAP-8) is a limited-term (2 Years) Constant Proportion Portfolio Insurance (CPPI) based allocation plan offered under "JS Islamic Hybrid Fund of Funds". The Plan aims to earn a potentially high return through dynamic asset allocation between Shariah Compliant Equities, Shariah Compliant Sovereign Income/Money Market based Collective Investment Schemes and Shariah Compliant bank saving accounts/term deposits, while providing principal preservation of the Initial Investment Value at completion of the life of the Plan.

- **Explanation as to whether the Collective Investment Scheme has achieved its stated objective**

The collective investment scheme achieved its stated objective.

- **Statement of benchmark(s) relevant to the Collective Investment Scheme**

Weighted average daily return of KMI 30 index, six (6)/ three (3) month average deposit rates of three (3) 'A' rated scheduled Islamic Banks or Islamic Banking windows of scheduled Commercial Banks, as selected by MUFAP based on actual proportion of the Equity Portion consisting of Shariah Compliant Equity Funds, Income Portion consisting of Shariah Compliant Income and Money Market Funds, and any Cash or Near cash instruments in each of the Allocation Baskets".

BM JSICPAP_8

The Benchmark of each Allocation Plan in the Fund will be the weighted average daily return of i) KMI 30 index; ii) six (6) month average deposit rates of three (3) 'A' rated scheduled Islamic Banks or Islamic Banking windows of scheduled Commercial Banks; iii) six months PKISRV Rates and iv) three (3) month average deposit rates of three (3) 'AA' rated scheduled Islamic Banks or Islamic Banking windows of scheduled Commercial Banks, as selected by MUFAP - based on actual proportion of i) Equity Portion consisting of Shariah Compliant Equity Funds; ii) Shariah Compliant Income Funds within Income Portion; iii) Shariah Compliant Sovereign Income Funds within Income Portion; and iv) Money Market Funds and Cash or Near cash instruments; in each of the Allocation Plans as approved by SECP.

Comparison of the Collective Investment Scheme's performance during the period compared with the said benchmarks

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	JSIHFOF Mutasasib	BM	JSIHFOF JS ICPAP_8	BM
Jul-22	-3.14%	-4.63%	-0.05%	-0.75%
Aug-22	1.82%	7.36%	1.50%	2.07%
Sep-22	0.74%	-3.49%	0.45%	-0.58%
Oct-22	-1.67%	2.44%	1.04%	1.39%
Nov-22	-1.78%	3.41%	1.05%	0.66%
Dec-22	-5.57%	-4.30%	0.81%	0.25%
Jan-23	-6.02%	1.50%	0.95%	0.60%
Feb-23	-1.28%	-0.87%	1.12%	0.40%
Mar-23	2.69%	0.53%	1.36%	0.54%
Apr-23	0.78%	0.51%	1.22%	0.62%
May-23	2.12%	0.56%	1.56%	0.47%
Jun-23	1.53%	0.57%	1.35%	0.51%
FY23	-9.79%	3.00%	13.09%	6.33%

- **Description of the strategies and policies employed during the period under review in relation to the Collective Investment Scheme's performance**

Mutasasib (Active Allocation Plan): The plan made a strategic shift towards Shariah Compliant money market funds and cash or near cash instruments with Islamic banks for limiting any downside risk in light of the heightened macroeconomic challenges.

JS Islamic Capital Preservation Plan 8: The plan made a strategic shift towards Shariah Compliant money market funds and cash or near cash instruments with Islamic banks for limiting any downside risk in light of the heightened macroeconomic challenges.

- **Disclosure of the Collective Investment Scheme's asset allocation as at the date of the report and particulars of significant changes in asset allocation since the last report (if applicable)**

	JSIHFOF Mutasasib		JSIHFOF JS ICPAP_8	
	Jun-23	Jun-22	Jun-23	Jun-22
Cash	5.59%	1.60%	1.81%	0.10%
Open End Funds	88.64%	96.00%	98.18%	99.83%
Other including receivables	5.77%	2.41%	0.01%	0.07%
Total	100.00%	100.00%	100.00%	100.00%

- **Based on changes in total NAV and NAV per unit since the last review period or since commencement (in the case of newly established Collective Investment Scheme)**

	30-Jun-23		30-Jun-22	
	Net Assets Excluding JSIL FoFs (PKR mn)	NAV per Unit (PKR)	Net Assets Excluding JSIL FoFs (PKR mn)	NAV per Unit (PKR)
JSIHFOF Mutasasib	2	43.03	8	47.70
JSIHFOF - JS ICPAP_8	138	86.97	250	86.69

- **Disclosure of the markets that the Collective Investment Scheme has invested in:**

The plans invest in Shariah-compliant equity, Islamic fixed income, and Islamic money market Collective Investment Schemes, Deposits with Islamic Banks, and Islamic windows of conventional commercial banks.



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- **Disclosure on distribution (if any), comprising:-**
 - Particulars of income distribution or other forms of distribution made and proposed during the period; and
 - Statement on effects on the NAV before and after distribution is made

Distribution

Mutanasib: NIL; JSIHFOF - JS ICPAP_8: 11.04%

NAVs per unit as on June 30, 2023

	Cum NAV (PKR)	Ex-NAV (PKR)
JSIHFOF Mutanasib	43.03	43.03
JSIHFOF - JS ICPAP_8	86.97	86.69

- **Description and explanation of any significant changes in the state of affairs of the Collective Investment Scheme during the period and up till the date of the manager's report, not otherwise disclosed in the financial statements**

There were no significant changes in the state of affairs during the year under review.

- **Breakdown of unit holdings by size**

Fund Name	Ranges			Number of Folios
JS IHFOF-JSICPAP-8	0.0001	to	9,999.9999	30
	10,000.0000	to	49,999.9999	12
	50,000.0000	to	99,999.9999	-
	100,000.0000	to	499,999.9999	1
	500,000.0000	&	above	1
			Total	44

Fund Name	Ranges			Number of Folios
JS IHFOF-Mutanasib	0.0001	to	9,999.9999	19
	10,000.0000	to	49,999.9999	1
	50,000.0000	to	99,999.9999	-
	100,000.0000	to	499,999.9999	-
	500,000.0000	&	above	-
			Total	20

- **Disclosure on unit split (if any), comprising:-**

The Fund has not carried out any unit split exercise during the year.



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- **Disclosure of circumstances that materially affect any interests of the unit holders**
Investment is subject to market risk.
- **Disclosure if the Asset Management Company or its delegate, if any, receives any soft commission (i.e. goods and services) from its broker(s) or dealer(s) by virtue of transactions conducted by the Collective Investment Scheme, disclosure of the following:-**

The Management Company and / or any of its delegates have not received any soft commission from its brokers / dealers by virtue of transactions conducted by the Fund.



JS Islamic Hybrid Fund of Funds

Performance Table

		JS ISLAMIC HYBRID FUND OF FUNDS									
		Mutanasib					JSICPAP-8				
		2023	2022	2021	2020	2019	2023	2022	2021	2020	
Net assets	Rs.	1,766,517	8,237,216	10,870,131	10,125,242	13,586,752	137,671,580	249,767,511	436,975,088	443,520,783	
Net income / loss	Rs.	(293,150)	(2,515,887)	2,904,440	(2,321,105)	308,630	22,313,012	8,559,866	26,750,689	(96,035,378)	
Total return of the Fund	%	(9.79)	(23.41)	30.45	(23.90)	1.74	13.09	2.70	6.26	(13.32)	
Dividend distribution	%	-	-	18.40	-	1.38	11.04	2.49	5.41	-	
Capital Growth	%	(9.79)	(23.41)	12.05	(23.90)	0.36	2.05	0.21	0.85	(13.32)	
Average annual return											
- One Year (Since launch date)*	%	(9.79)	(23.41)	30.45	(23.90)	1.74	13.09	2.70	6.26	(13.32)	
- Two Year (Since launch date)*	%	(16.60)	3.52	3.28	(11.08)	(7.74)	7.90	4.48	(2.35)	-	
- Three Year (Since launch date)*	%	(0.92)	(5.62)	2.76	(13.12)	(5.70)	7.35	(1.45)	-	-	
NAV per unit	Rs.	43.03	47.70	62.28	62.01	81.49	86.97	86.69	86.69	86.68	
Year-end offer price per unit	Rs.	44.49	49.32	64.44	64.12	84.26	89.63	89.63	89.63	89.62	
Highest offer price per unit	Rs.	58.82	69.57	85.93	97.27	86.42	101.10	92.49	95.20	106.67	
Lowest offer price per unit	Rs.	41.44	47.68	64.12	57.31	79.39	48.89	88.46	89.62	87.72	
Year-end repurchase price per unit	Rs.	43.03	47.70	62.28	62.01	81.49	86.97	86.69	86.69	86.68	
Highest repurchase price per unit	Rs.	56.89	67.28	83.11	94.08	100.77	97.78	92.50	92.07	102.13	
Lowest repurchase price per unit	Rs.	40.08	46.11	62.01	55.43	77.33	47.28	85.55	86.68	83.99	
interim distribution	Rs.	-	-	18.40	-	1.38	11.04	2.49	5.41	-	
Final distribution	Rs.	-	-	-	-	-	-	-	-	-	
Total distribution as % of par value	Rs.	-	-	18.40	-	1.38	11.04	2.49	5.41	-	

Notes

- *JS Islamic Hybrid Fund of Funds was launched on June 07, 2017.
- Investment portfolio composition of the Fund is disclosed in note 6 of the financial statements.
- The income distribution have been shown against The year to which they relate although these were declared & distributed subsequently to the year end.

Disclaimer

Past performance is not necessarily indicative of future performance and that unit prices and investment returns may go down, as well as up.

September 21, 2023



الحمد لله رب العالمين، والصلاة والسلام على سيد الأنبياء والمرسلين، وعلى آله وصحبه أجمعين، وبعد

The purpose of this report is to provide an opinion on the Shariah Compliance of the Fund's investment and operational activities with respect to Shariah guidelines provided.

It is the core responsibility of the Management Company to operate the Fund and invest the amount of money in such a manner which is in compliance with the Shariah principles as laid out in the Shariah guidelines. In the capacity of the Shariah Advisor, our responsibility lies in providing Shariah guidelines and ensuring compliance with the same by review of activities of the fund. We express our opinion based on the review of the information, provided by the management company, to an extent where compliance with the Shariah guidelines can be objectively verified.

Our review of Fund's activities is limited to enquiries of the personnel of Management Company and various documents prepared and provided by the management company.

Keeping in view the above; we certify that:

We have reviewed all the investment and operational activities of the fund including all transactions and found them to comply with the Shariah guidelines. On the basis of information provided by the management company, all operations of the fund for the year ended June 30, 2023 comply with the provided Shariah guidelines. Therefore, it is resolved that investments in JS Islamic Hybrid Fund Of Fund (JS-IHFOF) managed by JS Investment Limited are halal and in accordance with Shariah principles.

May Allah (SWT) bless us and forgive our mistakes and accept our sincere efforts in accomplishment of cherished tasks and keep us away from sinful acts.

والله أعلم بالصواب، وصلى الله على نبينا محمد وعلى آله وصحبه وبارك وسلم

For and on behalf of Al-Hilal Shariah Advisors (Pvt.) Limited.


Mufti Irshad Ahmad Aijaz
Member Shariah Council




Faraz Younus Bahdukda, CFA
Chief Executive



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STATEMENT OF COMPLIANCE WITH SHARIAH PRINCIPLES

JS Islamic Hybrid Fund of Funds (the Fund) has fully complied with Shariah Principles specified in the Trust Deed and in the guidelines issued by the Shariah Advisors for its operations, investments, bank accounts and placements made during the year ended June 30, 2023. The Shariah Advisors has also confirmed that the transactions were observed to be compliant with the guidelines laid down by Shariah Advisors.

Iffat Zehra Mankani
Chief Executive Officer

Karachi: September 20, 2023



EY Ford Rhodes
Chartered Accountants
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Independent Reasonable Assurance Report to the Unit Holders in respect of Shariah Compliance

1. Introduction

We were engaged by the Board of Directors of JS Investments Limited (the Management Company) to report on the Shariah compliance of **JS Islamic Hybrid Fund of Funds** (the Fund), as set out in the Shariah guidelines duly approved by Shariah advisor in respect of Fund's investments for the year ended **30 June 2023**, in the form of an independent reasonable assurance conclusion. Our engagement was carried out as required under clause 3.14.7 of offering documents of the Fund.

2. Applicable Criteria

The criteria against which the Shariah Compliance of the Fund is assessed is the Shariah guidelines duly approved by Shariah advisor in respect of Fund's investments.

3. Responsibilities of the Management Company

It is the responsibility of the Management Company to ensure Shariah compliance with Shariah guidelines duly approved by Shariah advisor in respect of Fund's investments. This responsibility includes designing, implementing and maintaining appropriate internal controls to ensure that operations of the Fund and its investments and placements have been made in compliance with respect to Shariah guidelines duly approved by Shariah advisor in respect of Fund's investments.

4. Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the *Code of Ethics for Chartered Accountants* issued by the Institute of Chartered Accountants of Pakistan, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies International Standard on Quality Control 1 "Quality Control for firms that perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements" and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

This engagement was conducted by a multidisciplinary team including assurance practitioners and internal Shariah experts.

5. Our Responsibility and Summary of Work Performed

Our responsibility is to carry out an independent reasonable assurance engagement to express a conclusion on Shariah Compliance of the Fund, based on our work performed and the evidences obtained.

We conducted our engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), 'Assurance Engagements other than audits or reviews of historical financial statements' (ISAE 3000) (Revised) issued by the International Auditing and Assurance Standards Board. ISAE 3000 (Revised) requires that we plan and perform this engagement to obtain reasonable level of assurance about whether the Fund is Shariah Compliant in accordance with its Shariah guidelines duly approved by Shariah advisor in respect of Fund's investments, in all material respects.



-: 2 :-

The procedures selected by us for the engagement depended on our judgment, including the assessment of the risks of material non-compliance with the Shariah guidelines duly approved by Shariah advisor in respect of Fund's investments, whether due to fraud or error. In making those risk assessments, we considered internal control relevant to the Fund's compliance with the Shariah guidelines duly approved by Shariah advisor in respect of Fund's investments, in order to design assurance procedures that are appropriate in the circumstances but not for the purpose of expressing a conclusion as to the effectiveness of the Management Company's internal control over the Fund's compliance with the Shariah guidelines duly approved by Shariah advisor in respect of Fund's investments. A system of internal control, because of its nature, may not prevent or detect all instances of non-compliance with the Shariah guidelines duly approved by Shariah advisor in respect of Fund's investments, and consequently cannot provide absolute assurance that the objective of compliance with the Shariah guidelines duly approved by Shariah advisor in respect of Fund's investments will be met. Further, projection of any evaluation of effectiveness to future periods is subject to the risk that the controls may become inadequate or fail.

Amongst others, our scope included procedures to:

- Check compliance of Shariah guidelines duly approved by Shariah advisor in respect of Fund's investments.
- Check that the Shariah Advisor has certified that all the provisions of the scheme and investments made by the Fund for the year ended 30 June 2023 are in compliance with the Shariah principles.

In performing our audit procedures necessary guidance on Shariah matters was provided by the internal Shariah experts.

We believe that the evidence we have obtained through performing our procedures on a sample basis were sufficient and appropriate to provide a basis for our opinion.

6. Conclusion

In our opinion, the Fund was, in all material respects, in compliance with the Shariah guidelines duly approved by Shariah advisor in respect of Fund's investments during the year ended 30 June 2023.

Date: 28 September 2023
Karachi

Signature
Chartered Accountants

Shaikh Ahmed Salman
Assurance Engagement Partner



REPORT OF THE TRUSTEE TO THE UNIT HOLDERS

JS ISLAMIC HYBRID FUND OF FUNDS

Report of the Trustee Pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

JS Islamic Hybrid Fund of Funds, an open-end scheme established under a trust deed executed between JS Investments Limited as the Management Company and Digital Custodian Company Limited as the Trustee on 28th October 2016.

- I. JS Investments Limited, the Management Company of JS Islamic Hybrid Fund of Funds has, in all material respects, managed JS Islamic Hybrid Fund of Funds during the year ended June 30, 2023 in accordance with the provisions of the following:
 - (i) Investment limitations imposed on the Asset Management Company and the Trustee under the trust deed and other applicable laws;
 - (ii) the valuation or pricing is carried out in accordance with the deed and any regulatory requirement;
 - (iii) the creation and cancellation of units are carried out in accordance with the deed;
 - (iv) and any regulatory requirement

Dabeer Khan
Manager Compliance
Digital Custodian Company Limited

Karachi: August 31, 2023

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INDEPENDENT AUDITORS' REPORT

To the Unit holders of JS Islamic Hybrid Fund of Funds

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **JS Islamic Hybrid Fund of Funds** (the Fund), which comprise the statement of assets and liabilities as at **30 June 2023**, and the income statement, statement of comprehensive income, statement of cash flows and statement of movement in unit holders' fund for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, (or give a true and fair view of) the financial position of the Fund as at 30 June 2023, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the key audit matters:

Key audit matter	How our audit addressed the key audit matter
Existence and valuation of bank balances and investments	
As disclosed in notes 5 and 6 to the accompanying financial statements of the Fund for the year ended 30 June 2023, the bank balances and investments (comprised of open end mutual funds) held by the Fund represent 99.92% of the total assets of the Fund as at the year end.	<p>We performed a combination of audit procedures focusing on the existence and valuation of investments. Our key procedures included the following:</p> <ul style="list-style-type: none"> - We obtained independent confirmations for verifying the existence of the bank balances as at 30 June 2023 and reconciled it with the books and records of the Fund.



-: 2 :-

Key audit matter	How our audit addressed the key audit matter
Existence and valuation of bank balances and investments	
In view of the significance of bank balances and investment in relation to the total assets and the Net Asset Value (NAV) of the Fund, we have considered the existence and valuation of such bank balances and investments as a key audit matter.	<ul style="list-style-type: none"> - We tested controls over acquisition, disposals and periodic valuation of investments portfolio. - We performed substantive audit procedures on year-end balance of portfolio including review of custodian's statement and related reconciliations and valuations on such investments in accordance with the accounting policy of the Fund as mentioned in note 4. - We evaluated the appropriateness of the classification of the investments in accordance with the requirements of IFRS 9 and the valuations in accordance with the requirements of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations). - We assessed the Fund's compliance with the requirements of the Regulations in relation to the concentration of investments and exposure limits prescribed in such Regulations and the applicability of disclosures in this regard. - We also evaluated the adequacy of the overall disclosures in the financial statements in respect of the investment portfolio in accordance with the requirements of the Regulations and applicable financial reporting standards.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material

misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



-: 3 :-

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



-: 4 :-

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and the Non-Banking Finance Companies and Notified Entities Regulation, 2008.

The engagement partner on the audit resulting in this independent auditor's report is Shaikh Ahmed Salman.

Chartered Accountants

Date: 28 September 2023

Place: Karachi

UDIN Number: AR202310076gzjnf91W





FINANCIAL STATEMENTS



JS Islamic Hybrid Fund of Funds

STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2023

		June 30, 2023			
		JS Islamic Capital Preservation Allocation			
		Mutasanib	Plan 8	Total	
Note		(Rupees)			
Assets					
	Balance with Banks	5	102,483	2,831,676	2,934,159
	Investments	6	1,625,227	139,239,900	140,865,127
	Deferred formation cost	7	-	-	-
	Advances and other receivables	8	105,750	7,641	113,391
	Total assets		1,833,460	142,079,217	143,912,677
Liabilities					
	Payable to the Management Company (Wakeel)	9	61,232	1,014,869	1,076,101
	Payable to Digital Custodian Company Limited - Trustee	10	518	41,276	41,794
	Annual fee payable to the Securities and Exchange Commission of Pakistan	11	487	38,857	39,344
	Accrued expenses and other liabilities	12	4,706	3,312,635	3,317,341
	Total liabilities		66,943	4,407,637	4,474,580
	Contingency and commitment	13			
	Net assets		1,766,517	137,671,580	139,438,097
	Unit Holders Funds		1,766,517	137,671,580	139,438,097
	Number of units in issue	17	41,054	1,583,009	
	Net asset value per unit		43.03	86.97	

The annexed notes from 1 to 24 and annexure form an integral part of these financial statements.

For JS Investments Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2022

	Note	June 30, 2022		
		Mutanasib	JS Islamic Capital Preservation Allocation Plan 8 (Rupees)	Total
Assets				
Bank balances	5	142,533	259,384	401,917
Investments	6	7,964,764	252,248,063	260,212,827
Deferred formation cost	7	-	213,690	213,690
Advances and other receivables	8	189,670	4,032	193,702
Total assets		<u>8,296,967</u>	<u>252,725,169</u>	<u>261,022,136</u>
Liabilities				
Payable to the Management Company (Wakeel)	9	1,250	964,716	965,966
Remuneration payable to the Trustee	10	1,224	40,574	41,798
Annual fee payable to the Securities and Exchange Commission of Pakistan	11	1,820	71,990	73,810
Accrued expenses and other liabilities	12	55,457	1,880,378	1,935,835
Total liabilities		<u>59,751</u>	<u>2,957,658</u>	<u>3,017,409</u>
Contingency and commitment	13			
Net assets		<u>8,237,216</u>	<u>249,767,511</u>	<u>258,004,727</u>
Unit Holders Funds		<u>8,237,216</u>	<u>249,767,511</u>	<u>258,004,727</u>
Number of units in issue	17	<u>172,693</u>	<u>2,881,056</u>	
Net asset value per unit		<u>47.70</u>	<u>86.69</u>	

The annexed notes from 1 to 24 and annexure form an integral part of these financial statements.

For JS Investments Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



INCOME STATEMENT FOR THE YEAR ENDED JUNE 30, 2023

		June 30, 2023				
		Mufeed (Matured)	Mustahkem (Matured)	Mutasasib	JS Islamic Capital Preservation Allocation Plan 8	Total
Note		----- (Rupees) -----				
Income						
		-	-	22,806	61,872	84,678
		-	-	-	(1,511,873)	(1,511,873)
	6.1.2	-	-	(395,231)	(1,144,132)	(1,539,363)
		-	-	95,694	26,485,962	26,581,656
		-	-	69,616	-	69,616
		-	-	(207,115)	23,891,829	23,684,714
Expenses						
	9.1	-	-	-	5,010	5,010
		-	-	-	652	652
	10.1	-	-	5,663	444,335	449,998
	10.2	-	-	736	57,766	58,502
	9.2	-	-	2,558	-	2,558
	11	-	-	512	38,881	39,393
	15	-	-	7,602	579,257	586,859
		-	-	2,218	168,810	171,028
	7	-	-	-	213,690	213,690
		-	-	12,500	12,500	25,000
		-	-	1,250	1,250	2,500
		-	-	2,262	5,932	8,194
		-	-	50,734	50,734	101,468
		-	-	-	-	-
		-	-	86,035	1,578,817	1,664,852
	16	-	-	-	-	-
		-	-	(293,150)	22,313,012	22,019,862
Allocation of net income for the year						
		-	-	-	22,313,012	22,313,012
		-	-	-	(5,823,500)	(5,823,500)
		-	-	-	16,489,512	16,489,512
		-	-	-	-	-
		-	-	-	16,489,512	16,489,512
		-	-	-	16,489,512	16,489,512

The annexed notes from 1 to 24 and annexure form an integral part of these financial statements.

For JS Investments Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2022

	June 30, 2022				
	Mufeed For the period ended July 01, 2021 to September 02, 2021	Mustahkem For the period ended July 01, 2021 to December 30, 2021	Mutanasib	JS Islamic Capital Preservation Allocation Plan 8	Total
Note	(Rupees)				
Income					
Mark-up on bank balances	1,950	7,357	16,500	736,892	762,699
Unrealised diminution on revaluation of investments at fair value through profit or loss - net	-	(211)	(2,508,524)	(4,921,417)	(7,430,152)
(Loss) / gain on sale of investments at fair value through profit or loss - net	(515)	3,914	(36,348)	(11,257,616)	(11,290,565)
Dividend income	-	-	-	25,928,896	25,928,896
Other income	122,012	17,323	219,499	545,955	904,789
Total income	123,447	28,383	(2,308,873)	11,032,710	8,875,667
Expenses					
Remuneration of the Management Company (Wakeel)	9.1	-	-	121,173	121,173
Sindh sales tax on Management Company's remuneration		-	-	15,752	15,752
Remuneration to the Trustee	10.1	749	195	11,274	449,998
Sales tax on remuneration to the Trustee	10.2	97	33	1,466	58,688
Accounting and operational charges allocated to the Fund	9.2	726	179	9,212	10,117
Annual fee to Securities and Exchange Commission of Pakistan	11	145	61	1,844	74,064
Auditors remuneration	15	1,138	167	24,542	665,280
Shariah advisory fee		286	81	5,353	212,406
Amortization of deferred formation cost	7	-	-	433,317	433,317
Listing fee		1,058	-	12,499	26,056
SECP supervisory fee		106	-	1,250	2,606
Bank charges		37	1,695	1,987	5,418
Legal and professional charges		-	-	99,625	199,250
Printing charges	0.0	-	-	38,250	76,500
Other expenses		29,864	231,780	335,986	597,630
Total expenses		34,206	234,191	207,014	2,948,255
Taxation	16	-	-	-	-
Net income / (loss) for the year		89,241	(205,808)	(2,515,887)	8,559,866
Allocation of net income for the year					
Net income / (loss) for the year		-	-	-	8,559,866
Income already paid on units redeemed		-	-	-	(209,803)
Accounting income available for distribution		-	-	-	8,350,063
- Relating to capital loss - net		-	-	-	(4,921,417)
- Excluding capital loss		-	-	-	13,271,480
		-	-	-	8,350,063

The annexed notes from 1 to 24 and annexure form an integral part of these financial statements.

For JS Investments Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023

	June 30, 2023				
	Mufeed (Matured)	Mustahkem (Matured)	Mutanasib	JS Islamic Capital Preservation Allocation Plan 8	Total
	(Rupees)				
Net (loss) / income for the year	-	-	(293,150)	22,313,012	22,019,862
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive (loss) / income for the year	-	-	(293,150)	22,313,012	22,019,862

The annexed notes from 1 to 24 and annexure form an integral part of these financial statements.

For JS Investments Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2022

	June 30, 2022				
	Mufeed For the period ended July 01, 2021 to September 02, 2021	Mustahkem For the period ended July 01, 2021 to December 30, 2021	Mutasasib	JS Islamic Capital Preservation Allocation Plan 8	Total
	(Rupees)				
Net (loss) / income for the year	89,241	(205,808)	(2,515,887)	8,559,866	5,927,412
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive (loss) / income for the year	<u>89,241</u>	<u>(205,808)</u>	<u>(2,515,887)</u>	<u>8,559,866</u>	<u>5,927,412</u>

The annexed notes from 1 to 24 and annexure form an integral part of these financial statements.

For JS Investments Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2023

	June 30, 2023				
	Mufeed (Matured)	Mustahkem (Matured)	Mutanasib	JS Islamic Capital Preservation Allocation Plan 8	Total
	----- (Rupees) -----				
Cash Flows from Operating Activities					
Net (loss) / income for the year	-	-	(293,150)	22,313,012	22,019,862
Adjustments for:					
Loss on sale of investments at fair value through profit or loss - net	-	-	395,231	1,144,132	1,539,363
Mark-up / interest income on bank balances	-	-	(22,806)	(61,872)	(84,678)
Unrealised diminution on revaluation of investments at fair value through profit or loss - net	-	-	-	1,511,873	1,511,873
Dividend Income	-	-	(95,694)	(26,485,962)	(26,581,656)
	-	-	(16,419)	(1,578,817)	(1,595,236)
Decrease in assets					
Formation cost	-	-	-	213,690	213,690
Advances and other receivables	-	-	84,306	-	84,306
	-	-	84,306	213,690	297,996
Increase in liabilities					
Remuneration payable to Management Company (Wakeel)	-	-	59,982	50,153	110,135
Remuneration payable to Trustee	-	-	(706)	702	(4)
Annual fee payable to Securities and Exchange Commission of Pakistan	-	-	(1,333)	(33,133)	(34,466)
Other accrued expenses and liabilities	-	-	(50,751)	1,432,257	1,381,506
	-	-	7,192	1,449,979	1,457,171
Mark-up received on bank balances	-	-	22,420	58,264	80,684
Purchase of investments - net	-	-	5,944,306	110,352,158	116,296,464
Dividend received	-	-	95,694	26,485,962	26,581,656
Net Cash flows generated from operating activities	-	-	6,137,499	136,981,236	143,118,735
Cash Flows from Financing Activities					
Cash received on issue of units	-	-	-	13,232,015	13,232,015
Cash paid on redemption of units	-	-	(6,177,549)	(131,772,974)	(137,950,523)
Dividend paid	-	-	-	(15,867,985)	(15,867,985)
Net cash flows (used in) / generated from financing activities	-	-	(6,177,549)	(134,408,944)	(140,586,493)
Net (decrease) / increase in cash and cash equivalents	-	-	(40,050)	2,572,292	2,532,242
Cash and cash equivalents at beginning of the year	-	-	142,533	259,384	401,917
Cash and cash equivalents at end of the year	-	-	102,483	2,831,676	2,934,159

The annexed notes from 1 to 24 and annexure form an integral part of these financial statements.

For JS Investments Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



JS Islamic Hybrid Fund of Funds

CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2022

	June 30, 2022				
	Mufeed For the period ended July 01, 2021 to September 02, 2021	Mustahkem For the period ended July 01, 2021 to December 30, 2021	Mutanاسب	JS Islamic Capital Preservation Allocation Plan 8	Total
----- (Rupees) -----					
Cash Flows from Operating Activities					
Net income / (loss) for the year	89,241	(205,808)	(2,515,887)	8,559,866	5,927,412
Adjustments for:					
Loss on sale of investments at fair value through profit or loss - net	515	(3,914)	36,348	11,257,616	11,290,565
Mark-up / interest income on bank balances	(1,950)	(7,357)	(16,500)	(736,892)	(762,699)
Unrealised diminution on revaluation of investments at fair value through profit or loss - net	-	211	2,508,524	4,921,417	7,430,152
Dividend Income	-	-	-	(25,928,896)	(25,928,896)
Other Income	(122,012)	(14,141)	(219,499)	(545,955)	(901,607)
	(34,206)	(231,009)	(207,014)	(2,472,844)	(2,945,073)
Decrease in assets					
Formation cost	-	-	-	433,317	433,317
Advances and other receivables	171,333	252,947	(154,288)	-	269,992
	171,333	252,947	(154,288)	433,317	703,309
(Decrease) / Increase in liabilities					
Remuneration payable to Management Company (Wakeel)	(500)	(221,343)	(56)	5,689	(216,210)
Remuneration payable to Trustee	(393)	(32)	190	233	(2)
Annual fee payable to Securities and Exchange Commission of Pakistan	146	(39)	(337)	(16,163)	(16,393)
Other accrued expenses and liabilities	(307,428)	(34,214)	(81,078)	(3,901,535)	(4,324,255)
	(308,175)	(255,628)	(81,281)	(3,911,776)	(4,556,860)
Mark-up received on bank balances	3,679	8,349	15,817	737,606	765,451
Purchase of investments - net	4,001,917	130,289	450,001	174,059,479	178,641,686
Dividend received	-	-	-	25,928,896	25,928,896
Net Cash flows from operating activities	3,834,549	(95,051)	23,235	194,774,678	198,537,409
Cash Flows from Financing Activities - net					
Cash received on issue of units	-	1,000,000	-	5,868,160	6,868,160
Cash paid on redemption of units	(4,144,050)	(1,081,204)	(117,028)	(194,620,795)	(199,963,077)
Dividend paid	-	-	-	(7,014,807)	(7,014,807)
Net cash flows from financing activities	(4,144,050)	(81,204)	(117,028)	(195,767,442)	(200,109,724)
Decrease in cash and cash equivalents - net					
	(309,501)	(176,255)	(93,793)	(992,764)	(1,572,313)
Cash and cash equivalents at beginning of the year	309,501	176,255	236,326	1,252,148	1,974,230
Cash and cash equivalents at end of the year	-	-	142,533	259,384	401,917

The annexed notes from 1 to 24 and annexure form an integral part of these financial statements.

For JS Investments Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND FOR THE YEAR ENDED JUNE 30, 2023

Note	Mufeed (Matured)			Mustahkem (Matured)			Mutasabib			JSICPAP-8			Total		
	Capital Value	Income	Total	Capital Value	Income	Total	Capital Value	Income	Total	Capital Value	Income	Total	Capital Value	Income	Total
	Rupees														
Net assets at beginning of the period	-	-	-	-	-	-	25,946,902	(17,709,686)	8,237,216	344,197,980	(94,430,468)	249,767,512	370,144,882	(112,140,154)	258,004,728
Issue of units	17														
- Capital value	-	-	-	-	-	-	-	-	-	13,218,293	-	13,218,293	13,218,293	-	13,218,293
- Element of income	-	-	-	-	-	-	-	-	-	13,722	-	13,722	13,722	-	13,722
- Total proceeds on issuance of units	-	-	-	-	-	-	-	-	-	13,232,015	-	13,232,015	13,232,015	-	13,232,015
Redemption of units	17														
- Capital value	-	-	-	-	-	-	(6,279,176)	-	(6,279,176)	(119,922,454)	-	(119,922,454)	(126,201,630)	-	(126,201,630)
- Element of income	-	-	-	-	-	-	-	-	-	(6,027,020)	-	(6,027,020)	(6,027,020)	-	(6,027,020)
- Income paid on units redeemed	-	-	-	-	-	-	101,627	-	101,627	-	(5,823,500)	(5,823,500)	101,627	(5,823,500)	(5,721,873)
Total payments on redemption of units	-	-	-	-	-	-	(6,177,549)	-	(6,177,549)	(131,772,974)	(5,823,500)	(131,772,974)	(132,127,023)	(5,823,500)	(137,950,523)
Total comprehensive income / (loss) for the period	-	-	-	-	-	-	-	(293,150)	(293,150)	-	22,313,012	22,313,012	-	22,019,862	22,019,862
Distribution during the period	-	-	-	-	-	-	-	-	-	-	(15,867,985)	(15,867,985)	-	(15,867,985)	(15,867,985)
Net income / (loss) for the period less distribution	-	-	-	-	-	-	-	(293,150)	(293,150)	-	6,445,027	6,445,027	-	6,151,877	6,151,877
Net assets at end of the period	-	-	-	-	-	-	19,769,353	(18,002,836)	1,766,517	225,657,021	(93,808,941)	137,671,580	251,249,874	(111,811,777)	139,438,097
Undistributed (loss) / income brought forward															
- realized loss	-	-	-	-	-	-	-	-	(15,201,162)	-	-	(89,509,051)	-	-	(104,710,213)
- Unrealized (loss) / income	-	-	-	-	-	-	-	-	(2,508,524)	-	-	(4,921,417)	-	-	(7,429,941)
	-	-	-	-	-	-	-	-	(17,709,686)	-	-	(94,430,468)	-	-	(112,140,154)
Income already paid on units redeemed	-	-	-	-	-	-	-	-	-	-	(5,823,500)	-	-	(5,823,500)	-
Accounting income available for distribution															
- Relating to capital gains	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Excluding capital gains	-	-	-	-	-	-	-	-	-	-	16,489,512	-	-	16,489,512	-
Net (loss) / income for the period after taxation	-	-	-	-	-	-	-	-	(293,150)	-	16,489,512	16,489,512	-	16,489,512	16,489,512
Distribution during the period	-	-	-	-	-	-	-	-	-	-	(15,867,985)	(15,867,985)	-	(15,867,985)	(15,867,985)
Undistributed loss carried forward	-	-	-	-	-	-	-	-	(18,002,836)	-	(93,808,941)	(93,808,941)	-	(111,811,777)	(111,811,777)
Undistributed loss carried forward															
- realized (loss) / income	-	-	-	-	-	-	-	-	(18,002,836)	-	(92,297,068)	(92,297,068)	-	(110,299,904)	(110,299,904)
- Unrealized income / (loss)	-	-	-	-	-	-	-	-	-	-	(1,511,873)	(1,511,873)	-	(1,511,873)	(1,511,873)
	-	-	-	-	-	-	-	-	(18,002,836)	-	(93,808,941)	(93,808,941)	-	(111,811,777)	(111,811,777)
Net assets value per unit at beginning of the period	(Rupees)			(Rupees)			(Rupees)			(Rupees)					
	-			-			47.70			86.69					
Net assets value per unit at end of the period	-			-			43.03			86.97					

The annexed notes from 1 to 24 and annexure form an integral part of these financial statements.

For JS Investments Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND

FOR THE YEAR ENDED JUNE 30, 2022

	Mufeed (For the period ended July 01, 2021 to September 02, 2021)			Mustahkem (For the period ended July 01, 2021 to December 31, 2021)			Mutanasib			JSICPAP-8			Total			
	Capital Value	Income	Total	Capital Value	Income	Total	Capital Value	Income	Total	Capital Value	Income	Total	Capital Value	Income	Total	
Note																
-Rupees-																
Net assets at beginning of the period	17,851,204	(13,796,396)	4,054,809	7,653,689	(7,366,678)	287,011	26,063,930	(15,193,799)	10,870,131	532,950,615	(95,975,527)	436,975,088	584,519,438	(132,332,400)	452,187,038	
Issue of units	17															
- Capital value	-	-	-	1,000,000	-	1,000,000	-	-	-	5,868,160	-	5,868,160	6,868,160	-	6,868,160	
- Element of income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
- Total proceeds on issuance of units	-	-	-	1,000,000	-	1,000,000	-	-	-	5,868,160	-	5,868,160	6,868,160	-	6,868,160	
Redemption of units	17															
- Capital value	(4,054,704)	-	(4,054,704)	(1,214,806)	-	(1,214,806)	(114,491)	-	(114,491)	(193,065,751)	-	(193,065,751)	(198,449,752)	-	(198,449,752)	
- Refund / adjustment on units as element of income	(89,345)	-	(89,345)	133,602	-	133,602	(2,537)	-	(2,537)	(1,555,044)	-	(1,555,044)	(1,513,324)	-	(1,513,324)	
Total payments on redemption of units	(4,144,049)	-	(4,144,049)	(1,081,204)	-	(1,081,204)	(117,028)	-	(117,028)	(194,620,795)	-	(194,620,795)	(199,963,076)	-	(199,963,076)	
Total comprehensive income / (loss) for the period	-	89,241	89,241	-	(205,807)	(205,807)	-	(2,515,887)	(2,515,887)	-	8,559,866	8,559,866	-	5,927,413	5,927,413	
Distribution during the period	-	-	-	-	-	-	-	-	-	-	(7,014,807)	(7,014,807)	-	(7,014,807)	(7,014,807)	
Net income / (loss) for the period less distribution	-	89,241	89,241	-	(205,807)	(205,807)	-	(2,515,887)	(2,515,887)	-	1,545,059	1,545,059	-	(1,087,394)	(1,087,394)	
Net assets at end of the period	13,707,155	(13,707,155)	-	7,572,485	(7,572,485)	-	25,946,902	(17,709,686)	8,237,216	344,197,980	(94,430,468)	249,767,511	391,424,522	(133,419,794)	258,004,728	
Undistributed (loss) / income brought forward																
- realized income	(14,742,687)				(7,366,728)				(17,784,976)				(96,290,727)			
- Unrealized (loss) / income	946,291				50				2,591,177				315,200			
	(13,796,396)				(7,366,677)				(15,193,799)				(95,975,527)			
Income already paid on units redeemed	-				-				-				(209,803)			
Accounting income available for distribution																
- Relating to capital gains	-				-				-				(4,921,417)			
- Excluding capital gains	-				-				-				13,271,480			
	-				-				-				8,350,063			
Net (loss) / income for the period after taxation	89,241				(205,808)				(2,515,887)				8,559,866			
Distribution during the period	-				-				-				(7,014,807)			
Undistributed loss carried forward	(13,707,155)				(7,572,485)				(17,709,686)				(94,430,468)			
Undistributed loss carried forward																
- realized (loss) / income	(13,707,155)				(7,572,274)				(15,201,162)				(89,509,051)			
- Unrealized income / (loss)	-				(211)				(2,508,524)				(4,921,417)			
	(13,707,155)				(7,572,485)				(17,709,686)				(94,430,468)			
Net assets value per unit at beginning of the period	(Rupees)			(Rupees)			(Rupees)			(Rupees)			(Rupees)			
	39.94			63.49			62.28			86.69			86.69			
Net assets value per unit at end of the period	-			-			47.70			86.69			86.69			

The annexed notes from 1 to 24 and annexure form an integral part of these financial statements.

For JS Investments Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** JS Islamic Hybrid Fund of Funds was established in Karachi, Pakistan as an open-end Fund under a Trust Deed, dated October 28, 2016 registered under the Trust Act, 1882 by and between JS Investments Limited, as the Management Company (Wakeel) and Digital Custodian Company Limited, as the Trustee, and registered by Securities and Exchange Commission of Pakistan (SECP) as a notified entity under the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the "Regulations").

The Management Company of the Fund has obtained license to act as an Asset Management Company under the Rules from Securities & Exchange Commission of Pakistan (SECP). Registered office of JS Investment Limited is situated at The Centre, 19th Floor, Plot No. 28 SB-5, Haroon Road, Saddar Karachi, Pakistan.

Title to the assets of the Fund is held in the name of Digital Custodian Company as a Trustee of the Fund.

- 1.2** JS Islamic Hybrid Fund of Funds is a 'Shariah Compliant Unit Trust Scheme' in the Fund of Funds category as per the criteria for categorization of open-end collective investment schemes specified by SECP, as amended from time to time. It invests in Collective Investment Schemes and is a perpetual Fund.
- 1.3** JS Islamic Hybrid Fund of Funds currently offers two different Allocation Baskets/Plans with varying mix of exposure of low / high risk asset classes via underlying mutual funds. Three existing baskets/plans i.e. Munafa, JS Islamic Active Allocation Plan 1 and Mustanad have ceased to exist with effect from 10 October 2019, 20 September 2019 and 08 November 20 respectively. Further, on 27th December 2019, the Fund launched an other Basket / Plan namely, JS Islamic Capital Preservation and Allocation Plan - 8 with limited term of 2 years.

JS Islamic Hybrid Fund of Funds Comprises of the following allocation basket / plan:

1.3.1 Mutanasib

Mutanasib is an Active Allocation Basket and follows an active asset allocation strategy between Shariah Compliant Equity Funds and Shariah Compliant Sovereign Income and Money Market Funds, to achieve high risk-adjusted returns. Under the offering document, the Basket can invest / maintain balances up to 100% of Net Assets based on rolling 90 days average under Income and Equity Portion and up to 10% of net assets based on rolling 90 days average in Cash or near cash instruments.

1.3.2 JS Islamic Capital Preservation Allocation Plan 8

JS Islamic Capital Preservation Allocation Plan – 8" aims to earn a potentially high return through dynamic asset allocation between Shariah Compliant Equities, Shariah Compliant Sovereign Income/Money Market based Collective Investment Schemes and Shariah Compliant bank saving accounts / term deposits, while providing principal preservation of the Initial Investment Value at completion of the life of the Plan. This basket was launched during the year. The Plan is of two years maturity from the clearance of all outstanding proceeds from Pre-Initial Offering Period (Pre-IOP) and Initial Offering Period (IOP) i.e. from 15 October 2019 to 20 December 2019. The Management Company (Wakeel) has further extended the maturity period for two years, which shall



close on 26 December 2023. After the end of this period, the Management Company (Wakeel) may announce a subsequent maturity for certain period where Management Company (Wakeel) feels appropriate in the interest of unit holders. During the extended period, unit holders shall have the option to either remain invested in the allocation plan or exit the allocation plan without any applicable Back End Load / Contingent Load.

- 1.4** As per the offering document, the aim of JS Islamic Hybrid Fund of Funds is to generate need based returns for its clients by offering several Allocation Plans with varying mix of exposures to low / high risk asset classes via underlying mutual funds, while providing principal preservation of the Initial Investment Value on the completion of the life of the Plan. Principal Preservation is provided through the use of Constant Proportion Portfolio Insurance (CPPI) methodology and the Investment structure of the Plan, and not through an undertaking by the Asset Management Company or Trustee. There is no undertaking or representation by either JSIL or the Trustee that the capital preservation will be ensured by them through all means. Further, the offering document also mentions that the unit holders are not being offered guaranteed returns and that the unit price is neither guaranteed nor administered / managed; it is based on the NAV that may go up or down depending upon the factors and forces affecting the capital markets and interest rates.
- 1.5** The Management Company has been assigned a quality rating of 'AM2+' by Pakistan Credit Rating Agency (PACRA) dated December 27, 2022.
- 1.6** During the year ended June 30, 2021, The Trust Act, 1882 has been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on August 23, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

2 BASIS OF PREPARATION

The transactions undertaken by the Fund are in accordance with the Shariah guidelines issued by the Shariah advisor and are accounted for on substance rather than the form. This practice is being followed to comply with the requirements of approved accounting standards as applicable in Pakistan.

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) 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 along with part VIIIA of the repealed Companies Ordinance, 1984; 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).

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules and the NBFC Regulations have been followed.



JS Islamic Hybrid Fund of Funds

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except that investments are measured at fair values.

2.3 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is the fund's functional and presentation currency. All amount have been rounded off to the nearest of rupees, unless otherwise indicated.

2.4 Accounting estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making judgments about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis.

3 CHANGES IN ACCOUNTING STANDARDS, INTERPRETATION AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS

3.1 Initial application of standards, amendments and improvements to the approved accounting and reporting standards

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year except as described below:

3.2 Amendments and improvements to the approved accounting and reporting standards that became effective during the year

The Fund has adopted the following amendments and improvements to the approved accounting and reporting standards which became effective for the current year:

Amendments to approved accounting standards

IFRS 3	Reference to the Conceptual Framework (Amendments)
IAS 16	Property, Plant and Equipment: Proceeds before Intended Use (Amendments)
IAS 37	Onerous Contracts – Costs of Fulfilling a Contract (Amendments)

Improvements to Accounting Standards Issued by the IASB (2018-2020 cycle)

IFRS 9	Fees in the '10 percent' test for the derecognition of financial liabilities
IFRS 16	Leases: Lease incentives
IAS 41	Agriculture - Taxation in fair value measurement

The adoption of the above amendments and improvements to the approved accounting and reporting standards did not have any material effect on these financial statements.



Standard or Interpretation	Effective date (annual periods beginning on or after)
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	January 01, 2023
Definition of Accounting Estimates - Amendments to IAS 8	January 01, 2023
Deferred Tax related to Assets and Liabilities arising - from a Single Transaction - Amendments to IAS 12	January 01, 2023
Classification of Liabilities as Current or Non-Current and - Non-Current Liabilities with Covenants - Amendments to IAS 1	January 01, 2024
Sale or Contribution of Assets between an Investor and its - Associate or Joint Venture - Amendments to IFRS 10 and IAS 28	Not yet finalised
Disclosures: Supplier Finance Agreements - Amendments of IAS 7 - and IFRS 7	January 01, 2024
International Tax Reform - Pillar Two Model Rules - Amendments to IAS 12	Not yet finalised
Further, following new standards have been issued by IASB which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP) for the purpose of applicability in Pakistan:	
	IASB Effective date (annual periods beginning on or after)
Standards	
IFRS 1 First time adoption of IFRS	January 01, 2004
IFRS 17 Insurance Contracts	January 01, 2023

The Fund expects that above standards, amendments and improvements to approved accounting standards will not have any material impact on the fund's financial statements in the period of initial application.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Financial assets

4.1.1 Classification

On initial recognition, a financial asset is classified as measured at: amortised cost or FVTPL.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:





JS Islamic Hybrid Fund of Funds

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. On initial recognition, the Fund may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Business model assessment

The Fund makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Fund's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how those risks are managed;
- how managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Fund's stated objective for managing the financial assets is achieved and how cash flows are realised.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

Assessment of whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment on debt securities, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are SPPI, the Fund considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Fund considers:



- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Fund’s claim to cash flows from specified assets (e.g. non-recourse loans); and
- features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

The Fund has determined that it has two business models.

- *Held-to-collect business model: this includes cash and cash equivalents and debt securities.*

These financial assets are held to collect contractual cash flow.

- *Other business model: this includes debt securities*

These financial assets are managed and their performances is evaluated, on a fair value basis, with frequent sales taking place.

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Fund changes its business model for managing financial assets.

4.1.2 Regular way contracts

Regular purchases and sales of financial assets are recognised on the trade date - the date on which the Fund commits to purchase or sell the asset.

4.1.3 Initial recognition and measurement

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs associated with these financial assets are charged to the Income Statement.

4.1.4 Subsequent measurement

The following accounting policies apply to the subsequent measurement of financial assets:

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest / markup or dividend income, are recognised in income statement.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses, if any. Interest / markup income and impairment are recognised in the income statement.



The fair value of financial assets are determined as follows:

Basis of valuation of Open ended Mutual funds

The open ended mutual funds are valued on the basis of closing quoted market prices available at the MUFAP website.

4.1.5 Impairment of financial assets

Financial assets at amortised cost

The Fund assesses at each reporting date whether there is an objective evidence that the financial asset or a group of financial assets is impaired. If such an indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

4.1.6 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership.

4.1.7 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the Statement of Assets and Liabilities when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

4.1.8 Cash and cash equivalents

Cash and cash equivalents comprise of deposits and current accounts maintained with banks. Cash equivalents are short term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short term cash commitments rather than for investments and other purposes.

4.1.9 Trade date accounting

All regular way purchases and sales of investments are recognised on the trade date, i.e. the date on which commitment to purchase / sale is made by the Fund. Regular way purchases or sales of investment require delivery of securities within two days after transaction date as required by stock exchange regulations.



4.2 Financial liabilities

Financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair values and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired.

4.3 Basis of valuation of investments in Collective Investment Schemes

The fair value of the investments in Open Ended Collective Investment Schemes is determined by reference to the NAV quotations obtained from the MUFAP website.

4.4 Deferred formation cost

This represents expenses incurred in connection with the incorporation, establishment and registration of the Fund as per NBFC Regulations. As per offering document, these expenses are being amortised to the income statement over a period of not less than five years or maturity of relevant Allocation Plan, whichever is earlier.

4.5 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company (Wakeel) for the applications received by the distributors / Management Company (Wakeel) during business hours on the date on which the funds are actually realized against application. The offer price represents the net assets value per unit as of the close of the business day plus the allowable sales load, provision for transaction costs and any provision for duties and charges, if applicable. The sales load is payable to the investment facilitators, distributors and the Management Company (Wakeel). Transaction costs are recorded as the income of the Fund.

Units redeemed are recorded at the redemption price, applicable to the units for which the distributors / Management Company (Wakeel) receive redemption applications during business hours of that day. The redemption price represents the net assets value per unit as of the close of the business day less any back-end load, any duties, taxes, charges on redemption and any provision for transaction costs, if applicable.

4.6 Net asset value per unit

The net assets value per unit disclosed in the statement of assets and liabilities is calculated by dividing the net assets of the Fund by the number of units in issue at the year end.

As per the offering document, Net assets value (NAV) of the Allocation Basket / Plan means the per unit value of the relevant Basket / Plan being offered under the Fund and the NAV of each Allocation Basket / Plan shall be announced. Accordingly the individual elements of the financial statements of each of the above Allocation Basket and NAV are being separately disclosed in these financial statements.

4.7 Revenue recognition

- Realised gains / (losses) arising on sale of investments are included in the Income Statement on the date at which transactions take place.



JS Islamic Hybrid Fund of Funds

- Unrealised appreciation / (diminution) arising on re-measurement of investments classified as financial assets 'at fair value through profit or loss' are included in the income statement in the period in which they arise.
- Profit on bank deposits, term deposit receipts, mark-up / return on investments in debt securities and income from government securities is recognised using the effective yield method.
- Dividend income is recognized when the right to receive the dividend is established.

4.8 Element of income / loss and capital gains / losses in prices of units sold less those in units redeemed

Element of Income represents the difference between net assets value on the issuance or redemption date, as the case may be, of units and the Net asset Value (NAV) at the beginning of the relevant accounting period.

Element of Income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund; however, to maintain same ex-dividend net asset value of all units outstanding on accounting date, net element of income contributed on the issue of units lying in unit holders fund is refunded on units (refund of capital) in the same proportion as dividend bears to accounting income available for distribution. As per the guidelines provided by MUFAP (MUFAP Guidelines consented upon by SECP) the refund of capital is made in the form of additional units at zero price. Income already paid on redemption of units during the year are taken separately in the statement of movement in unitholders' fund.

MUFAP, in consultation with the SECP, has specified methodology for determination of income paid on units redeemed (income already paid) during the year under which such income is paid on gross element received and is calculated from the latest date at which the Fund achieved net profitability during the year. The income already paid (Element of Income) on redemption of units during the year are taken separately in statement of movement in unitholders' fund.

4.9 Taxation

The Fund is exempt from taxation under clause 99 of the Part I of the 2nd Schedule of the Income Tax Ordinance, 2001, subject to the condition that not less than 90% of its accounting income for the year as reduced by capital gains whether realized or unrealized is distributed amongst the unit holders, provided that for the purpose of determining distribution of not less than 90% of its accounting income for the year, the income distributed through bonus units shall not be taken into account.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

4.10 Provisions

Provisions are recognised when the Fund has a legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and reliable estimate of the amount can be made. Provision are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.



4.11 Dividend distribution

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the period in which such distributions are declared. Based on MUFAP's guidelines (duly consented upon by SECP) distributions for the year is deemed to comprise of the portion of amount of income already paid on units redeemed and the amount of cash distribution for the year.

The distribution per unit is announced based on units that were held for the entire period. The rate of distribution is adjusted for the effect of refund of capital if any based on the period of investment made during the year. Resultantly, the rate of distribution per unit may vary depending on the period of investment.

4.12 Other assets

Other assets are stated at cost less impairment losses, if any.

4.13 Earnings per unit (EPU)

Earnings Per Unit (EPU) has not been disclosed as in the opinion of the management, determination of weighted average units for calculating EPU is not practicable.

		June 30, 2023		
		Mutasib	JS Islamic Capital Preservation Allocation Plan 8	Total
		Note ----- (Rupees) -----		
5	BALANCE WITH BANKS			
	In profit and loss sharing (PLS) accounts	5.1 92,483	2,831,676	2,924,159
	In current account	5.2 10,000	-	10,000
		102,483	2,831,676	2,934,159
		June 30, 2022		
		Mutasib	JS Islamic Capital Preservation Allocation Plan 8	Total
		Note ----- (Rupees) -----		
	In profit and loss sharing (PLS) accounts	5.1 132,533	259,384	391,917
	In current account	5.2 10,000	-	10,000
		142,533	259,384	401,917



JS Islamic Hybrid Fund of Funds

- 5.1** These include balance of Rs.0.042 million (2022: Rs.0.036 million) held by the above respective Baskets / plans with Bank Islami Pakistan Limited (a related party) carry profit of 19.75% (2022: 14%) per annum. Other PLS accounts of the Fund carry profit at the rates of 14.50% to 19.00%(June 30, 2022: 5.75% to 14.50%).
- 5.2** This represent balance held with JS Bank Limited (a related party).

		June 30, 2023		
		Mutanasib	JS Islamic Capital Preservation Allocation Plan 8	Total
		(Note 6.1.1)	(Note 6.1.2)	
		----- (Rupees) -----		
6	INVESTMENTS			
	Held at fair value through profit or loss			
	Investments in Collective Investments Schemes (Open end mutual funds)	<u>1,625,227</u>	<u>139,239,900</u>	<u>140,865,127</u>
		June 30, 2022		
		Mutanasib	JS Islamic Capital Preservation Allocation Plan 8	Total
		----- (Rupees) -----		
	Investments in Collective Investments Schemes (Open end mutual funds)	<u>7,964,764</u>	<u>252,248,063</u>	<u>260,212,827</u>



6.1 INVESTMENTS IN OPEN END FUNDS (COLLECTIVE INVESTMENT SCHEMES) - AT FAIR VALUE THROUGH PROFIT OR LOSS

	Par value (Rupees)	Holding at beginning of the year	Acquired during the year	Disposed during the year	Holding at end of the year	Carrying value before revaluation as at June 30, 2023	Market value as at June 30, 2023	Unrealized appreciation / (diminution)	Market value as percentage % of net assets	Market value as percentage % of investee net assets
		----- (Number of units) -----				----- (Rupees) -----				
6.1.1 Investment in Open End Collective Investment Scheme by Mutasab Allocation Basket										
Managed by JS Investments Limited - Related Party										
JS Islamic Dedicated Equity Fund (Related Party)	100	134,722	4,266	138,988	-	-	-	-	0.00%	0.00%
JS Islamic Daily Dividend Fund (Related Party)	100	-	16,252	-	16,252	1,625,227	1,625,227	-	92.00%	0.05%
Investments as at June 30, 2023						1,625,227	1,625,227	-		
Investment held on June 30, 2022						10,473,288	7,964,764	(2,508,524)		
6.1.2 Investment in Open End Collective Investment Scheme by JS Islamic Capital Preservation Plan 8										
Managed by JS Investments Limited - Related Party										
JS Islamic Dedicated Equity Fund (Related Party)	100	977,566	-	845,640	131,926	7,799,471	6,287,598	(1,511,873)	4.57%	100.00%
JS Islamic Daily Dividend Fund (Related Party)	100	1,944,543	753,360	1,368,380	1,329,523	132,952,302	132,952,302	-	96.57%	4.31%
Investments as at June 30, 2023						140,751,773	139,239,900	(1,511,873)		
Investment held on June 30, 2022						257,169,480	252,248,063	(4,921,417)		



JS Islamic Hybrid Fund of Funds

	June 30, 2023	June 30, 2022
JS Islamic Capital Preservation Allocation Plan 8		
----- (Rupees) -----		
Unamortised cost at beginning of the year (2022: allocated to the Fund at the year end)	1,302,324	1,302,324
Amortised to the income statement during the year	(1,302,324)	(1,088,634)
Unamortised cost at end of the year	-	213,690

		June 30, 2023		
		Mutasib	JS Islamic Capital Preservation Allocation Plan 8	Total
----- (Rupees) -----				
8 ADVANCES AND OTHER RECEIVABLES	Note			
Advance tax	8.1	34,454	-	34,454
Accrued mark-up on bank balances		1,680	7,641	9,321
Receivable from the Management Company (Wakeel)	8.2	69,616	-	69,616
		<u>105,750</u>	<u>7,641</u>	<u>113,391</u>

		June 30, 2022		
		Mutasib	JS Islamic Capital Preservation Allocation Plan 8	Total
----- (Rupees) -----				
Advance tax		34,454	-	34,454
Accrued mark-up on bank balances		1,294	4,032	5,326
Receivable from the Management Company (Wakeel)		153,922	-	153,922
		<u>189,670</u>	<u>4,032</u>	<u>193,702</u>

8.1 This represents withholding tax deducted by certain investee companies on dividends and profit on bank balances. The management is in the process of recovering this amount from the tax authorities.

8.2 Under the SECP's direction No. 23 of 2016, dated July 28, 2016, the Asset Management Company (AMC) shall adjust the NAV of the collective investment scheme (CIS) on the basis of Total Expense Ratio (TER) at the end of each quarter during the financial year for the amount of expenses in excess of TER limit prescribed in regulation 60(5) of the Regulations for that collective investment scheme (CIS) by booking liability against (AMC). Moreover, the reimbursement (if any) by an AMC to CIS shall be made on the basis of annual TER calculated at the end of each financial year and NAV shall be adjusted accordingly.

	June 30, 2023	
	Mutasib	Total
----- (Rupees) -----		
Details of the movement during the year was as follows:		
Balance as at July 01	153,922	153,922
Amount recorded during the year	69,616	69,616
Balance received during the year	(153,922)	(153,922)
Balance as at June 30	<u>69,616</u>	<u>69,616</u>

JS Islamic Hybrid Fund of Funds

	June 30, 2022	
	Mutasanib	Total
	----- (Rupees) -----	
Details of the movement during the year was as follows:		
Balance as at July 01	-	-
Amount recorded during the year	339,945	339,945
Balance received during the year	(186,023)	(186,023)
Balance as at June 30	<u>153,922</u>	<u>153,922</u>

9 PAYABLE TO THE MANAGEMENT COMPANY (WAKEEL)

Details of the balance due to the Management Company (Wakeel) are as follows:

	Note	June 30, 2023		
		Mutasanib	JS Islamic Capital Preservation Allocation Plan 8	Total
		----- (Rupees) -----		
Remuneration for the year	9.1	-	555	555
Deferred formation cost		-	944,302	944,302
Allocated Expenses	9.2	144	-	144
Printing Charges Payable		60,979	60,977	121,956
Others reimbursements		109	9,035	9,144
		<u>61,232</u>	<u>1,014,869</u>	<u>1,076,101</u>
		June 30, 2022		
		Mutasanib	JS Islamic Capital Preservation Allocation Plan 8	Total
		----- (Rupees) -----		
Remuneration for the year		-	1,392	1,392
Deferred formation cost		-	944,302	944,302
Accounting and operational charges		669	-	669
Others reimbursements		581	19,022	19,603
		<u>1,250</u>	<u>964,716</u>	<u>965,966</u>

- 9.1** Under the provision of the Non-Banking Finance Companies and Notified Entities Regulations 2008, the Management Company (Wakeel) is entitled to a remuneration for services rendered to the Fund up to a maximum of 1% per annum based on the average monthly net assets of the allocation baskets / plans under the Fund on the daily basis during the year. However, no management fee will be charged on the portion which is invested in schemes managed by JS Investments. The management has decided not to charge any remuneration to any of the baskets / plans.



JS Islamic Hybrid Fund of Funds

- 9.2** Under clause 60(s) of the NBFC Regulations, 2008 the Management Company (Wakeel) is allowed to charge fees and expenses relating to registrar services, accounting, operation and valuation services related to the CIS up to the actual expenses. The management has decided not to charge any accounting and operational charges for JS Islamic Capital Preservation Allocation Plan 8 effective from September 01, 2020 and onward.

		June 30, 2023		
		JS Islamic Capital Preservation Allocation Plan 8		
		Mutanasib	Total	Total
		----- (Rupees) -----		
10	REMUNERATION PAYABLE TO THE TRUSTEE	Note		
	Trustee remuneration	10.1	458	36,985
	Sindh Sales Tax on remuneration of trustee	10.2	60	4,809
			518	41,794
		June 30, 2022		
		JS Islamic Capital Preservation Allocation Plan 8		
		Mutanasib	Total	Total
		----- (Rupees) -----		
	Trustee remuneration		1,083	35,906
	Sindh Sales Tax on remuneration of trustee		141	4,809
			1,224	40,574

The Trustee remuneration is charged as per Trust Deed and is charged as follows:

10.1 Net Assets

- up to rupees one billion Rs. 450,000 or 0.0875% per annum of the daily average net assets, whichever is higher.
- exceeding rupees one billion Rs. 875,000 plus 0.0645% per annum of the daily average net assets.

- 10.2** The Provincial Government of Sindh has levied Sindh sales tax at the rate of 13% on the remuneration of the Management Company through the Sindh Sales Tax on Services Act, 2011.

11 ANNUAL FEE PAYABLE TO THE 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.



12 ACCRUED EXPENSES AND OTHER LIABILITIES

Zakat payable
Withholding tax payable
Audit fee payable
Capital gain tax payable

June 30, 2023		
Mutasib	JS Islamic Capital Preservation Allocation Plan 8	Total
----- (Rupees) -----		
-	33,084	33,084
451	2,612,963	2,613,414
4,237	666,588	670,825
18	-	18
4,706	3,312,635	3,317,341

ACCRUED EXPENSES AND OTHER LIABILITIES

Zakat payable
Withholding tax payable
Audit fee payable
Printing and stationery expenses payable
Capital gain tax payable
Payable against transactions

June 30, 2022		
Mutasib	JS Islamic Capital Preservation Allocation Plan 8	Total
----- (Rupees) -----		
-	28,290	28,290
829	1,126,983	1,127,812
16,356	641,699	658,055
38,251	38,250	76,501
21	-	21
-	45,156	45,156
55,457	1,880,378	1,935,835

13 CONTINGENCY AND COMMITMENT

There were no contingencies as at June 30, 2023 and June 30, 2022

14 TOTAL EXPENSE RATIO



JS Islamic Hybrid Fund of Funds

June 30, 2023					
	Mufeed (Matured)	Mustahkem (Matured)	Mutasasib	JS Islamic Capital Preservation Allocation Plan 8	Total
----- (Rupees) -----					
15 AUDITORS' REMUNERATION					
Annual audit fee	-	-	5,297	364,898	370,195
Half yearly review	-	-	1,545	156,434	157,979
Out of pocket expenses including government levy	-	-	760	57,925	58,685
	-	-	7,602	579,257	586,859

June 30, 2022					
	Mufeed For the period ended July 01, 2021 to September 02, 2021	Mustahkem For the period ended July 01, 2021 to December 30, 2021	Mutasasib	JS Islamic Capital Preservation Allocation Plan 8	Total
----- (Rupees) -----					
Annual audit fee	-	-	13,427	326,573	340,000
Half yearly review	964	142	6,921	211,973	220,000
Out of pocket expenses including government levy	174	25	4,194	100,887	105,280
	1,138	167	24,542	639,433	665,280

16 TAXATION

The Fund's income is exempt from Income Tax as per Clause 99 of Part I of the Second Schedule of the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders, provided that for the purpose of determining distribution of not less than 90% of its accounting income for the year, the income distributed through bonus units shall not be taken into account. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than capital gains to the unit holders. The management has distributed at least 90% of income earned from JS Islamic Capital Preservation Allocation Plan 8 during the current year as reduced by capital gains, whether realised or unrealised, to its unit holders, therefore, no provision for taxation has been recorded in these financial statements. However, as the Mutasasib plan has incurred loss during the year, no distribution is made out of it.



	June 30, 2023		
	Mutanasib	JS Islamic Capital Preservation Allocation Plan 8	Total
	----- (Units) -----		
17 NUMBER OF UNITS IN ISSUE			
Total units outstanding at beginning of the year	172,693	2,881,056	3,053,749
Units issued during the year	-	152,477	152,477
Units redeemed during the year	(131,639)	(1,450,524)	(1,582,163)
Total units in issue at the end of the year	41,054	1,583,009	1,624,063
	June 30, 2022		
	Mutanasib	JS Islamic Capital Preservation Allocation Plan 8	Total
	----- (Units) -----		
Total units outstanding at beginning of the year	174,531	5,040,446	5,214,977
Units issued during the year	-	67,692	67,692
Units redeemed during the year	(1,838)	(2,227,082)	(2,228,920)
Total units in issue at the end of the year	172,693	2,881,056	3,053,749

18 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

Connected persons / related parties include JS Investments Limited (JSIL) being the Management Company of the Fund, MCB Financial service Limited 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) (92.90% 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 30 June 2023. 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:



18.1 Balances of the Fund held with related parties / connected persons as at year end are as follows:

		June 30, 2023		
		Mutasabib	JS Islamic Capital Preservation Allocation Plan 8	Total
		(Rupees)		
JS Investments Limited (Management Company - Wakeel)				
		-	494	494
		-	61	61
Accounting and operational charges and other expenses relating to the Fund payable to the Management Company (Wakeel)	9.2	144	-	144
Unit held as at year end		-	-	-
Amount of investment as at year end		-	-	-
Formation cost payable	7	-	944,302	944,302
Other reimbursement		109	9,035	9,144
Printing & stationery		60,979	60,977	121,956
Receivable from the Management Company (Wakeel)	8.2	69,616	-	69,616
Digital Custodian Company - Trustee				
Remuneration payable to the Trustee		458	36,527	36,985
Sales tax payable on Trustee remuneration **		60	4,749	4,809
JS Bank Limited - Parent Company of JSIL				
Bank balance		10,000	-	10,000
Bank Islami Pakistan Limited (Group Company) (Associate of Ultimate Parent Company - JSCL)				
Bank balance		42,406	-	42,406
Profit receivable		450	-	450
JS Islamic Dedicated Equity Fund (Fund Under the management of JSIL)				
Units held as at year end		-	131,926	131,926
Amount of investment as at year end		-	6,287,598	6,287,598
JS Islamic Daily Dividend Fund (Fund Under the Management of JSIL)				
Units held as at year end		16,252	1,329,523	1,345,775
Amount of investment as at year end		1,625,227	132,952,302	134,577,529
Unit holder holding 10% or more of units in issue				
Units held as at year end		32,636	1,157,042	1,189,678
Amount of investment as at year end		1,404,338	100,627,944	102,032,282

* Paid / payable to the Management Company (Wakeel) for onward payment to the Government.

** Paid / payable to the Trustee for onwards payment to the Government.



		June 30, 2022		
		Mutasabib	JS Islamic Capital Preservation Allocation Plan 8	Total
		(Rupees)		
JS Investments Limited (Management Company - Wakeel)				
Payable to Management Company		-	1,232	1,233
Sales tax payable on Management remuneration *		-	160	160
Accounting and operational charges and other expenses relating to the Fund payable to the Management Company (Wakeel)		669	-	669
Unit held as at year end	Units	61,443	-	61,443
	Amount	2,930,852	-	2,930,852
Formation cost payable		-	944,302	944,302
Other reimbursement		581	19,022	19,603
Printing & stationery		38,250	38,250	76,500
Receivable from the Management Company (Wakeel)		-	-	-
Digital Custodian Company - Trustee				
Remuneration payable to the Trustee		1,082	35,906	36,988
Sales tax payable on Trustee remuneration **		141	4,668	4,809
JS Bank Limited (Parent Company of JSIL)				
Bank balance		10,000	-	10,000
Bank Islami Pakistan Limited (Group Company) (Associate of Ultimate Parent Company - JSCL)				
Bank balance		36,358	-	36,358
Profit receivable		-	-	-
JS Islamic Dedicated Equity Fund (Fund Under the management of JSIL)				
Units held as at year end	Units	134,722	977,566	1,112,288
Amount of investment as at year end	Amount	7,964,764	57,793,722	65,758,486
JS Islamic Daily Dividend Fund (Fund Under the Management of JSIL)				
Units held as at year end	Units	-	1,944,543	1,944,543
Amount of investment as at year end	Amount	-	194,454,341	194,454,341
Unit holder holding 10% or more of units in issue				
Units held as at year end	Units	65,102	1,361,950	1,427,052
Amount of investment as at year end	Amount	3,105,376	118,067,406	121,172,782

* Paid / payable to the Management Company (Wakeel) for onward payment to the Government.

** Paid / payable to the Trustee for onwards payment to the Government.



18.2 Details of transactions with related parties / connected persons during the year:

		June 30, 2023				
		Mufeed (Matured)	Mustahkem (Matured)	Mutasabib	JS Islamic Capital Preservation Allocation Plan 8	Total
		(Rupees)				
JS Investments Limited (Management Company - Wakeel)						
	Note					
Investment by the Allocation Baskets of JS Islamic Hybrid Fund of Funds		Units	-	-	-	52,916
		Amount	-	-	-	-
Disposals by the Allocation Baskets of JS Islamic Hybrid Fund of Funds		Units	-	-	61,443	52,916
		Amount	-	-	2,951,129	4,803,062
Remuneration of the Management Company (Wakeel)			-	-	-	5,010
Sindh sales tax on Management Company's (Wakeel) *			-	-	-	652
Allocated expenses by the Management Company			-	-	2,558	-
Expense incurred			-	-	52,952	219,544
Formation cost expenses	7		-	-	-	213,690
Digital Custodian Company - Trustee						
Remuneration to the Trustee	10 & 19.4		-	-	5,663	444,335
Sales tax on Trustee remuneration **			-	-	736	57,766
Bank Islami Pakistan Limited						
Return on bank balances			-	-	6,484	-
JS Islamic Daily Dividend Fund (Fund under JSIL Management)						
Investment by the Allocation Baskets of JS Islamic Hybrid Fund of Funds		Units	-	-	15,295	488,500
		Amount	-	-	1,529,534	48,850,000
Reinvest in lieu of Dividend paid:		Units	-	-	957	264,860
		Amount	-	-	95,694	26,485,962
Disposals by the Allocation Baskets of JS Islamic Hybrid Fund of Funds		Units	-	-	-	1,368,380
		Amount	-	-	-	136,838,000
JS Islamic Dedicated Equity Fund (Fund under JSIL Management)						
Investment by the Allocation Baskets of JS Islamic Hybrid Fund of Funds		Units	-	-	4,266	-
		Amount	-	-	235,000	-
Disposal by Allocation Basket of JS Islamic Hybrid Fund of Funds		Units	-	-	138,988	845,640
		Amount	-	-	7,804,534	48,850,000

* Paid / payable to the Management Company (Wakeel) for onward payment to the Government.

** Paid / payable to the Trustee for onwards payment to the Government.



June 30, 2022

	Mufeed (For the period ended July 1, 2021 to Sep 2, 2021)	Mustahkem (For the period ended July 1, 2021 to Dec 30, 2021)	Mutanasib	JS Islamic Capital Preservation Allocation Plan 8	Total
----- (Rupees) -----					
JS Investments Limited (Management Company - Wakeel)					
Investment by the Allocation Baskets of JS Islamic Hybrid Fund of Funds	Units -	14,613	-	-	14,613
	Amount -	1,000,000	-	-	1,000,000
Disposals by the Allocation Baskets of JS Islamic Hybrid Fund of Funds	Units 101,122	19,121	-	-	120,243
	Amount 4,127,816	1,080,359	-	-	5,208,174
Remuneration of the Management Company (Wakeel)	-	-	-	121,173	121,173
Sindh sales tax on Management Company's (Wakeel) *	-	-	-	15,752	15,752
Accounting and Operational charges	726	179	9,212	-	10,117
Expense incurred	286	81	143,229	344,561	488,157
Formation cost expenses	-	-	-	433,317	433,317
Digital Custodian Company - Trustee					
Remuneration to the Trustee	749	195	11,274	437,780	449,998
Sales tax on Trustee remuneration **	97	33	1,466	57,092	58,688
Bank Islami Pakistan Limited					
Return on bank balances	194	28	4,589	-	4,811
JS Islamic Daily Dividend Fund (Fund under JSIL Management)					
Investment by the Allocation Baskets of JS Islamic Hybrid Fund of Funds	Units -	-	-	4,497,824	4,497,825
	Amount -	-	-	449,782,400	449,782,401
Reinvest in lieu of Dividend paid:	Units -	-	-	252,979	252,980
	Amount -	-	-	25,297,941	25,297,942
Disposals by the Allocation Baskets of JS Islamic Hybrid Fund of Funds	Units -	80	-	2,806,260	2,806,341
	Amount -	8,199	-	280,626,000	280,634,200
JS Islamic Hybrid Fund of Funds	Units -	-	-	2,613,369	2,613,369
	Amount -	-	-	185,326,148	185,326,148
Disposal by Allocation Basket of JS Islamic Hybrid Fund of Funds	Units 51,485	-	6,256	1,635,803	1,693,544
	Amount 4,001,888	-	450,000	110,880,000	115,331,888

* Paid / payable to the Management Company (Wakeel) for onward payment to the Government.

** Paid / payable to the Trustee for onwards payment to the Government.



- 18.3** Details of related party transactions and balances in respect of investments made by the Fund have been disclosed in note 6 of these financial statements.
- 18.4** Remuneration payable to the trustee has been determined in accordance with the provisions of NBFC Regulations and the Trust Deed respectively.
- 18.5** Purchase and redemption of the Fund's unit by the related parties / connected persons (as investment by the Fund in the units of its related parties) are recorded at the applicable net asset value per unit. Other transactions are at agreed rates.

19 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

Introduction and overview

The Fund has exposure to the following risks from financial instruments:

- credit risk (refer note 19.1)
- liquidity risk (refer note 19.2)
- market risk (refer note 19.3)

Risk management framework

The Fund's board of directors has the overall responsibility for the establishment and oversight of the Fund's risk management framework.

Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily setup to be performed based on limits established by the management company, Fund's constitutive documents and the regulations and directives of the SECP. The policies are established to identify and analyse the risks faced by the Fund, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Fund's activities.

The audit committee oversees how management monitors compliance with the Fund's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Fund. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes regular reviews of risk management controls and procedures, the results of which are reported to the audit committee.

Asset purchases and sales are determined by the Fund's Investment Manager, who has been authorised to manage the distribution of the assets to achieve the Fund's investment objectives. Compliance with the target asset allocations and the composition of the portfolio is monitored by the Investment Committee. In instances where the portfolio has diverged from target asset allocations, the Fund's Investment Manager is obliged to take actions to rebalance the portfolio in line with the established targets, within prescribed time limits.

19.1 Credit risk

Credit risk is the risk of financial loss to the Fund if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from bank balances and investments in open end mutual funds.

The carrying amount of financial assets represents the maximum credit exposure.

JS Islamic Hybrid Fund of Funds

Management of credit risk

The Fund's policy is to enter into financial contracts in accordance with the investment guidelines approved by the Investment Committee, its Trust Deed and the requirements of NBFC rules and regulations. Before making investment decisions, the credit rating and credit worthiness of the issuer is taken into account along with the financial background so as to minimise the risk of default.

Credit risk is managed and controlled by the Management Company (Wakeel) of the Fund in the following manner:

- Where the investment committee makes an investment decision, the rating and credit worthiness of the issuer is taken into account along with the financial background so as to minimise the risk of default.
- Analysing credit ratings and obtaining adequate collaterals wherever appropriate / relevant.
- The risk of counterparty exposure due to failed trades causing a loss to the Fund is mitigated by a periodic review of the credit ratings and financial statements on a regular basis.
- Cash is held only with reputable banks with high quality external credit enhancements.
- Investment transactions are carried out with a large number of brokers, whose credit worthiness is taken into account so as to minimise the risk of default and transactions are settled or paid for only upon delivery.

Exposure to credit risk

The maximum exposure to credit risk as at June 30, 2023 was as follows:

	June 30, 2023					
	Mutanasisib		JS Islamic Capital Preservation Allocation Plan 8		Total	
	Balance as per the Statement of Asset and Liabilities	Maximum Exposure	Balance as per the Statement of Asset and Liabilities	Maximum Exposure	Balance as per the Statement of Asset and Liabilities	Maximum Exposure
	(Rupees)					
Bank balances (including profit due)	104,163	104,163	2,839,317	2,839,317	2,943,480	2,943,480
Investments	1,625,227	1,625,227	139,239,900	139,239,900	140,865,127	140,865,127
Receivable from the Management Company (Wakeel)	69,616	69,616	-	-	69,616	69,616
	1,799,006	1,799,006	142,079,217	142,079,217	143,878,223	143,878,223



JS Islamic Hybrid Fund of Funds

Ratings

The Fund held cash and cash equivalents at 30 June 2023 with banks having following credit ratings:

June 30, 2023						
Rating	Mutasanib		JS Islamic Capital Preservation Allocation Plan 8		Total	
	(Rupees)	(%)	(Rupees)	(%)	(Rupees)	(%)
	AA	50,077	48.864	2,831,676	100.00	2,881,753
AA-	52,406	51.136	-	-	52,406	1.79
	102,483	100	2,831,676	100	2,934,159	100

Above rates are on the basis of available ratings assigned by PACRA and JCR-VIS.

June 30, 2022						
	Mutasanib		JS Islamic Capital Preservation Allocation Plan 8		Total	
	Balance as per the Statement of Asset and Liabilities	Maximum Exposure	Balance as per the Statement of Asset and Liabilities	Maximum Exposure	Balance as per the Statement of Asset and Liabilities	Maximum Exposure
	(Rupees)					
Bank balances (including profit due)	143,827	143,827	263,416	263,416	407,243	407,243
Investments	7,964,764	7,964,764	252,248,063	252,248,063	260,212,827	260,212,827
Receivable from the Management Company (Wakeel)	153,922	153,922	-	-	153,922	153,922
	8,262,513	8,262,513	252,511,479	252,511,479	260,773,992	260,773,992

Ratings

The Fund held cash and cash equivalents at 30 June 2022 with banks having following credit ratings:

June 30, 2022						
Rating	Mutasanib		JS Islamic Capital Preservation Allocation Plan 8		Total	
	(Rupees)	(%)	(Rupees)	(%)	(Rupees)	(%)
	A+	36,358	25.508	-	-	36,358
AA	96,175	67.476	259,384	100.00	355,559	88.47
AA-	10,000	7.016	-	-	10,000	2.49
	142,533	100	259,384	100	401,917	100

Above rates are on the basis of available ratings assigned by PACRA and JCR-VIS.

JS Islamic Hybrid Fund of Funds

Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors affect the group of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio exposed to credit risk primarily consists of bank deposits and a related mutual fund.

Details of Fund's concentration of credit risk of financial instruments by economic sectors are as follows:

	June 30, 2023					
	Mutanasib		JS Islamic Capital Preservation Allocation Plan 8		Total	
	(Rupees)	(%)	(Rupees)	(%)	(Rupees)	(%)
Commercial banks (including profit due)	104,163	5.79	2,839,317	2.00	2,943,480	2.05
Mutual funds (open end)*	1,625,227	90.34	139,239,900	98.00	140,865,127	97.91
Receivable from the Management Company (Wakeel)	69,616	3.87	-	-	69,616	0.05
	1,799,006	100	142,079,217	100	143,878,223	100

Details of Fund's concentration of credit risk of financial instruments by economic sectors are as follows:

	June 30, 2022					
	Mutanasib		JS Islamic Capital Preservation Allocation Plan 8		Total	
	(Rupees)	(%)	(Rupees)	(%)	(Rupees)	(%)
Commercial banks (including profit due)	143,827	1.74	263,416	0.10	407,243	0.16
Mutual funds (open end)*	7,964,764	96.40	252,248,063	99.90	260,212,827	99.78
Receivable from the Management Company (Wakeel)	153,922	1.86	-	-	153,922	-
	8,262,513	100	252,511,479	100	260,773,992	100

* For details see note 6

Past due and impaired assets and collaterals held

None of the financial assets of the Fund are past due or impaired as at June 30, 2022. All financial assets of the Fund as at June 30, 2023 are unsecured.



Settlement risk

The Fund's activities may give rise to risk at the time of settlement of transactions. Settlement risk is the risk of loss due to the failure of an entity to honour its obligations to deliver cash, securities or other assets as contractually agreed on sale.

For the vast majority of transactions the Fund mitigates this risk by conducting settlements through a reliable entity to ensure that a trade is settled only when both parties have fulfilled their contractual settlement obligations.

19.2 Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Fund's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation.

The Fund aims to maintain the level of cash and cash equivalents and other highly marketable securities at an amount in excess of expected cash outflows on financial liabilities. The Fund is exposed to cash redemptions of its units on a regular basis. Units are redeemable at the holder's option based on the Fund's net asset value per unit at the time of redemption calculated in accordance with the Fund's constitutive document and guidelines laid down by Securities and Exchange Commission of Pakistan (SECP).

Management of liquidity risk

The Fund's policy is to manage this risk by investing majority of its assets in investments that can be readily disposed. The Fund invests primarily in open end mutual funds, which under normal market conditions are readily convertible to cash. As a result, the Fund may be able to liquidate quickly its investments in these instruments at an amount close to their fair value to meet its liquidity requirement.

The Fund has the ability to borrow, with prior approval of Trustee, for meeting redemption. No such borrowings were made during the year. The maximum amount available to the Fund from borrowings is limited to the extent of 15% of net assets at the time of borrowing with repayment within 90 days of such borrowings.

In order to manage the Fund's overall liquidity, the Fund can also withhold daily redemption request in excess of ten percent of the units in issue and such requests would be treated as redemption request qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue.

Maturity analysis for financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

JS Islamic Hybrid Fund of Funds

	June 30, 2023					
	Mutasib		JS Islamic Capital Preservation Allocation Plan 8		Total	
	Carrying amount	Less than 1 month	Carrying amount	Less than 1 month	Carrying amount	Less than 1 month
	(Rupees)					
Non-derivative financial liabilities						
(excluding unit holders' fund)						
Payable to the Management Company (Wakeel)	61,232	61,232	1,014,869	1,014,869	1,076,101	1,076,101
Remuneration payable to the Trustee	518	518	41,276	41,276	41,794	41,794
Accrued expenses and other liabilities *	4,237	4,237	666,588	666,588	670,825	670,825
	<u>65,987</u>	<u>65,987</u>	<u>1,722,733</u>	<u>1,722,733</u>	<u>1,788,720</u>	<u>1,788,720</u>
Unit holders' fund	<u>1,766,517</u>	<u>1,766,517</u>	<u>137,671,580</u>	<u>137,671,580</u>	<u>139,438,097</u>	<u>139,438,097</u>
	June 30, 2022					
	Mutasib		JS Islamic Capital Preservation Allocation Plan 8		Total	
	Carrying amount	Less than 1 month	Carrying amount	Less than 1 month	Carrying amount	Less than 1 month
	(Rupees)					
Non-derivative financial liabilities						
(excluding unit holders' fund)						
Payable to the Management Company (Wakeel)	1,250	1,250	964,716	964,716	965,966	965,966
Remuneration payable to the Trustee	1,224	1,224	40,574	40,574	41,798	41,798
Accrued expenses and other liabilities *	54,607	54,607	725,105	725,105	779,712	779,712
	<u>57,081</u>	<u>57,081</u>	<u>1,730,394</u>	<u>1,730,394</u>	<u>1,787,476</u>	<u>1,787,476</u>
Unit holders' fund	<u>8,237,216</u>	<u>8,237,216</u>	<u>249,767,511</u>	<u>249,767,511</u>	<u>258,004,727</u>	<u>258,004,727</u>

* excluding provision for Sindh workers' welfare fund, Sindh sales tax payable on Management Company's (Wakeel) remuneration, Sindh sales tax payable on Trustee's remuneration, withholding tax payable and zakat payable.

Above financial liabilities do not carry any mark-up and are unsecured.



19.3 Market risks

Market risk is the risk that changes in market prices - such as foreign exchange rates, interest rates and equity prices - will affect the Fund's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Management of market risks

The Fund manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee and regulations laid down by the Securities and Exchange Commission of Pakistan. The maximum risk resulting from financial instruments equals their fair values.

The Fund is exposed to interest rate risk and equity price risk.

19.3.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates. Risk management procedures are the same as those mentioned in the credit risk management.

Exposure to interest rate risk

The interest rate profile of the Fund's interest-bearing financial instruments as reported to the management of the Fund is as follows:

	June 30, 2023		
	Mutanasib	JS Islamic Capital Preservation Allocation Plan 8	Total
	----- (Rupees) -----		
Variable-rate instrument			
Financial assets (bank balances)	102,483	2,831,676	2,934,159
	June 30, 2022		
	Mutanasib	JS Islamic Capital Preservation Allocation Plan 8	Total
	----- (Rupees) -----		
Variable-rate instrument			
Financial assets (bank balances)	142,533	259,384	401,917

Cash flow sensitivity analysis for variable rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / decreased the total unit holders fund and the income statement by Rs. 1,025 (2022: Rs. 1424), Rs. 28,317 (2022: Rs. 2,594) for Mutanasib and JS Islamic Capital Preservation Allocation Plan 8 respectively.





JS Islamic Hybrid Fund of Funds

Bank balances are repriced by the bank after changes in the State Bank of Pakistan's policy rate and do not have any contractual maturity.

None of the Fund's liabilities are subject to interest rate risk.

19.3.2 Other market price risk

The Fund is exposed to price risk i.e. the risk of unfavourable changes in the fair value of securities as a result changes in the value of individual net assets value of open end funds, which arises from investments measured at fair value through income statement. The price risk exposure of the Fund arises from investments in mutual funds only. The Fund's policy is to manage price risk through diversification and selection of securities within specified limits set by internal risk management guidelines or the requirements of NBFC Regulations.

The Fund also manages its exposure to price risk by reviewing portfolio allocation as frequently as necessary and at least once a quarter from the aspect of allocation within industry and individual script within that allocation. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the Investment Committee. The primary goal of the Fund's investment strategy is to maximise investment returns.

In case of investments classified as at fair value through income statement, a 5% increase or decrease in the fair values of the investments, would have increased or decreased the income statement and the unit holders fund by Rs. 0.08 million (June 30, 2022: Rs. 0.40 million) and Rs. 6.96 million (June 30, 2022: Rs. 12.61 million) of Mutanasib and JS Capital Preservation Allocation Plan 8 respectively.

19.4 Unit holder's fund risk management

The Fund's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to continue as a going concern so that it can continue to provide returns to its unit holders. Management monitors the return on capital as well as the level of dividends to unit holders and makes adjustments to it in the light of changes in markets' conditions.

Under the NBFC regulations 2008, the minimum size of an open end scheme shall be one hundred million rupees at all the times during the life of the scheme. The Fund size depends on the issuance and redemption of units.

20 FAIR VALUE OF FINANCIAL INSTRUMENTS

IFRS 13 - 'Fair Value Measurement' establishes a single source of guidance under IFRS for all fair value measurements and disclosures about fair value measurement where such measurements are required as permitted by other IFRSs. It defines fair value as 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 (i.e. an exit price).

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and financial liabilities is considered not significantly different from book value.

The following table shows financial instruments recognised at fair value, analysed between those whose fair value is based on:

- Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).



JS Islamic Hybrid Fund of Funds

As at June 30, 2023 and June 30, 2022, the Fund held the following instruments measured at fair values:

	June 30, 2023		
	Mutanasib	JSICPAP-8 Level 2	Total
June 30, 2023			
At fair value through Profit & Loss -	1,625,227	139,239,900	140,865,127
	1,625,227	139,239,900	140,865,127
	June 30, 2022		
	Mutanasib	JSICPAP-8 Level 2	Total
June 30, 2022			
At fair value through Profit & Loss -	7,964,764	252,248,063	260,212,827
	7,964,764	252,248,063	260,212,827

21 PARTICULARS OF INVESTMENT COMMITTEE AND FUND MANAGER

Following are the members of Investment Committee of the Fund:

Ms. Iffat Zehra Mankani – Chief Executive Officer
 Mr. Muhammad Khawar Iqbal – Chief Operating Officer & Company Secretary
 Syed Hussain Haider – Chief Investment Officer
 Mr. Waqas Mustafa - Head of Equities
 Mr. Asim Ilyas – Head Of Fixed Income

MS. IFFAT ZEHRA MANKANI – CHIEF EXECUTIVE OFFICER

Ms. Iffat Mankani has joined JS Investments Limited in April 2021. She brings with her over 21 years of global experience in both public and private markets across multiple asset classes. During her 11 years working in capital markets in Pakistan, she held various senior strategy and research roles, both on the buy and sell-side of the industry, including the National Investment Trust, JS Investments Limited and BMA Asset Management Company Limited amongst others.

Working as a sell side analyst, Iffat was frequently quoted in the financial press, and was well-known for her accuracy as a strategist. In her buy-side roles as Chief Investment Officer at JS Investments (2005-2007) and BMA Asset Management (2007-2011), she led the successful implementation of a disciplined asset and risk allocation process, resulting in consistent top quartile performance for funds under management. These included some pioneering products in the industry, such as the asset allocation fund, capital protected fund, index fund, an offshore fund and separately managed accounts.

In her most recent role, Iffat was working in the Deals Advisory team at PwC Canada, where she made significant contributions in the space of complex financial instruments and private debt valuations amongst others, helping to steer the business toward sustainable growth. Moreover, she also held diversified roles in the risk management groups of leading Canadian Banks (Bank of Montreal and CIBC) associated with their quants and trading risk oversight teams. In addition to making numerous value additions in her role as a Risk Manager of equity, fixed income and structured product desk, she also spearheaded bank wide regulatory and infrastructure projects and initiatives. Iffat holds a Master of Finance from Rotman School of Management (University of Toronto) and Master of Business Administration from the Institute of Business Administration, Karachi.

JS Islamic Hybrid Fund of Funds

MR. MUHAMMAD KHAWAR IQBAL - CHIEF OPERATING OFFICER & COMPANY SECRETARY

With over more than 30 years of diversified experience, Mr. Muhammad Khawar Iqbal is currently serving as "Chief Operating Officer & Company Secretary" in JS Investments Limited, where he joined in May 2005 as Manager Finance.

He also served as Chief Financial Officer of the Company from 2012 to 2019 and as Director Finance & Company Secretary from May 2019 to February 2022..

Throughout his career Mr. Iqbal has implemented a system of continuous review and introduced changes to bring in efficiencies, simplifications and improvement in the overall quality of his departmental deliverables.

His role encompasses a wide range of matters ranging from financial management, reporting, internal control, compliance with laws applicable to the Company and other secretarial matters.

SYED HUSSAIN HAIDER – CHIEF INVESTMENT OFFICER

Hussain possesses two decades of global experience in investment management, equity advisory & private banking for clients spread across three continents. Having worked across financial markets, private & public sector institutions and family offices in both buy & sell-side roles, he is adept at delivering the best thinking and actionable portfolio allocation ideas for a diverse set of clients. Although Hussain assumed his responsibilities as CIO in February 2022, he has been associated with JS Investments in the past and was part of the team that spearheaded the launch of new products such as capital protected, asset allocation and index funds. During this time, he was managing some of the top performing funds. He was also an integral member of the team when the company went public in 2007. Moreover, while in Canada, he worked in private wealth management at Raymond James and Canadian Imperial Bank of Commerce (CIBC) focusing on operational and strategy engagements across wealth channels. In that, he worked alongside senior financial planners advising global clients on investment plans covering equities, mutual funds, segregated funds & fixed income products of renowned North American Investment Managers like BlackRock, Fidelity & State Street, to name a few.

More recently, he was associated with JS Global Capital as their Chief Strategist & won various CFA Excellence Awards for the firm and was voted as Pakistan's Best Economist & Strategist in the Asia Money Broker Polls, 2020. An IBA graduate, a CFA Charterholder & a CIPM Certificate, Hussain has also served as Director & Chair, Public Awareness on the Board of a local CFA Society in Canada.

MR. ASIM ILYAS – HEAD OF FIXED INCOME

Mr. Asim Ilyas is currently serving as Senior Vice President in the Investments Department as the Head of Fixed Income. He has more than 27 years of working experience in the capital markets. Previously Mr. Ilyas was a Fixed Income Fund Manager at National Fullerton Asset Management Limited for two years. He also served as the AGM / Head of Treasury & Resource Mobilization at Security Leasing Corporation Limited, for nine years. He was also a senior member of the Fixed Income desk at BMA Capital Management for 4 years and at the start of his career had worked very closely with the Ministry of Finance as a Research Officer. Mr. Ilyas has earned his MAS (Applied Economics) from Applied Economics Research Centre, an Institute of National Capability in Applied Economics in 1993 and MSc. Economics from University of Karachi in 1991.

MR. WAQAS MUSTAFA – HEAD OF EQUITIES

Mr. Waqas has 8+ years of Diversified Experience in Tech, Insurance, Telecom and Investment Management sectors. He brings along core Investment skills that include Acquisition Due Diligence, Valuation, Financial and Management Reporting, Equity Research and Risk Management. His experience is backed by a strong educational background holding an MBA (Finance) & CFA Charter. Prior to JSIL, he has worked with HBL AMC, Pakistan Takaful, ESW Capital & IBEX Digital.

22. MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Following is the analysis of the attendance in the meetings of the Board of Directors of the Management Company during the year:

S. No	Name of Directors	Meetings held on					
		Meetings attended	19 August 2022	22 October 2022	11 January 2023	24 February 2023	18 April 2023
1	Mr. Suleman Lalani	4	✓	-	✓	✓	✓
2	Ms. Iffat Zehra Mankani	5	✓	✓	✓	✓	✓
3	Mr. Hasan Shahid	5	✓	✓	✓	✓	✓
4	Mr. Asif Reza Sana*	1	✓	-	-	-	-
5	Mr. Imran Haleem Shaikh*	2	✓	✓	-	-	-
6	Mr. Zahid Ullah Khan*	2	✓	✓	-	-	-
7	Ms. Aisha Fariel Salahuddin	2	✓	-	✓	-	-
8	Mr. Mirza M. Sadeed Hasan Barlas	4	✓	✓	✓	-	✓
9	Mr. Atif Salim Malik**	3	-	-	✓	✓	✓
10	Ms. Mediha Kamal Afsar**	2	-	-	✓	-	✓
11	Mr. Syed Abu Ahmed Akif**	-	-	-	-	-	-
12	Mr. Farooq Ahmed Malik***	2	-	-	-	✓	✓

*Mr. Asif Reza Sana, Mr. Imran Haleem Shaikh and Mr. Zahid Ullah Khan retired on December 28, 2022

**Mr. Atif Salim Malik, Mr. Syed Abu Ahmed Akif and Ms. Mediha Kamal Afsar were appointed in Election of Directors held on December 28, 2022

***Mr. Farooq Ahmed Malik were appointed in Election of Director held on February 22, 2023.

22.1 Meetings of the audit committee

S. No	Name of Directors	Meetings held on				
		Meetings attended	18 August 2022	20 October 2022	23 February 2023	18 April 2023
1	Mr. Hasan Shahid	4	✓	✓	✓	✓
2	Ms. Aisha Fariel Salahuddin	2	✓	✓	-	-
3	Ms. Mediha Kamal Afsar	2	-	-	✓	✓
4	Mr. Mirza M. Sadeed Hasan Barlas	1	-	-	-	✓

Audit Committee was re composed in the meeting held on January 11, 2023

22.2 MEETINGS OF HUMAN RESOURCE AND REMUNERATION COMMITTEE

Name of Members	Meetings held on	
	Meetings attended	24 February 2023
Ms. Aisha Fariel Salahuddin	1	✓
Mr. Suleman Lalani	1	✓
Ms. Iffat Zehra Mankani	1	✓
		3

JS Islamic Hybrid Fund of Funds

23 UNIT HOLDING PATTERN OF THE FUND

Categories	June 30, 2023					
	Mutasib			JSICPAP-8		
	No. of unit holders	No. of units held	Amount Rupees	No. of unit holders	No. of units held	Amount Rupees
Individuals	18	35,110	1,510,752	40	1,389,647	120,855,218
Associated companies/ director	-	-	-	-	-	-
Retirement funds	1	5,943	255,722	1	11,916	1,036,314
Others	1	1	43	3	181,446	15,780,048
	20	41,054	1,766,517	44	1,583,009	137,671,580

Categories	June 30, 2022					
	Mutasib			JSICPAP-8		
	unit	units held	Rupees	unit	units held	Rupees
Individuals	20	40,203	1,917,683	74	1,693,753	146,840,301
Associated companies/ director	1	1	48	-	-	-
Retirement funds	3	71,045.00	3,388,654	1	10,571	916,400
Others	1	61,443.00	2,930,831	7	1,176,731	102,010,810
	25	172,692	8,237,216	82	2,881,055	249,767,511

24 GENERAL

24.1 Figures have been rounded off to the nearest Rupee and have been reclassified where ever necessary.

24.2 Corresponding figures have been rearranged, wherever necessary.

24.3 Date Of Authorisation For Issue

These financial statements were authorised for issue by Board of Directors of management company (Wakeel) on August 18, 2023.

For JS Investments Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

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JS Investments Limited

19th Floor, The Centre, Plot # 28,
SB-5 Abdullah Haroon Road, Saddar,
Karachi-75600

Tel: (92-21) 111-222-626
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E-mail: info@jsil.com
Website: www.jsil.com



JS Islamic Hybrid Fund of Funds 3

Annual Report 2023



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VISION

To be the preferred choice of every investor, offering diverse and innovative investment solutions.

MISSION

To establish a leadership position in bringing more investable asset classes and innovative products, while managing them with prudence and excellence.

BROAD POLICY OBJECTIVES

- Value creation for clients on a sustainable basis.
- Maintain high standards of ethical behaviors and fiduciary responsibilities.
- 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
19th 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	Non-Executive Director / Chairman
Ms. Iffat Zehra Mankani	Chief Executive Officer
Mr. Hasan Shahid	Non-Executive Director
Mr. Mirza M. Sadeed H. Barlas	Non-Executive Director
Mr. Atif Salim Malik	Non-Executive Director
Ms. Aisha Fariel Salahuddin	Non-Executive Independent Director
Ms. Mediha Kamal Afsar	Non-Executive Independent Director
Mr. Farooq Ahmed Malik	Non-Executive Independent Director

Audit Committee

Ms. Mediha Kamal Afsar	Chairperson
Mr. Hasan Shahid	Member
Mr. Mirza M. Sadeed H. Barlas	Member

Chief Operating Officer & Company Secretary

Mr. Muhammad Khawar Iqbal

Chief Financial Officer

Mr. Umair Khatri

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

A.F. Ferguson & Co.
Chartered Accountants

Legal Adviser

Bawaney & Partners
3rd & 4th Floor, 68-C, Lane-13
Bokhari Commercial Area
Phase-VI DHA, Karachi

Shariah Advisors

AI – Hilal Shariah Advisors (Pvt) Limited



JS Islamic Hybrid Fund of Funds 3

Directors' Report to the Unit Holders

The Board of Directors of JS Investments Limited, the Management Company of JS Islamic Hybrid Fund of Fund - 3 (the Fund), is pleased to present the Annual Report for the year ending June 30, 2023.

Economy Review:

During the fiscal year 2023, Pakistan encountered substantial challenges stemming from longstanding structural weaknesses. Delays in the IMF program, declining forex reserves, significant currency devaluation, persistent political uncertainty, and elevated inflation collectively presented formidable hurdles, resulting in a meager GDP growth of 0.29%, a marked decrease from the 6.10% achieved in the previous fiscal year, FY22.

The current account deficit (CAD) narrowed by 85% year-on-year to USD 2.6 billion in FY23, a notable improvement compared to USD 17.5 billion in FY22, primarily due to reduced trade deficit from import restrictions. However, despite this situation, foreign exchange reserves held by the State Bank of Pakistan (SBP) declined to USD 4.47 billion by June 2023, down from USD 9.82 billion at the commencement of FY23.

The scarcity of forex reserves exerted significant pressure on the currency, leading to a 40% devaluation. Another persistent concern throughout FY23 was soaring inflation, averaging 29.04%, surpassing the initial target of 11.5% and the FY22 rate of 12.15%. This surge was fueled by escalating food prices and higher energy and petroleum costs, compounded by the global crisis and PKR depreciation. In response, the SBP maintained its contractionary stance, raising the policy rate to a record high of 22% from 13.75% in June 2022. Despite these challenges, the measures taken by the government, including raising energy and gas tariffs, implementing currency regime change, introducing additional taxes and tightening monetary policy, yielded different outcomes.

However, as of June 2023, the Government of Pakistan secured a crucial 9-month Stand by Arrangement (SBA) with the IMF, leading to substantial deposits from multilateral countries. This achievement offers a much-needed short-term respite from the looming risk of default. Additionally, the SBA provides an economic roadmap for the next nine months, encompassing the period leading up to elections and a caretaker government, with a strong emphasis on fiscal discipline, energy reforms, and consistent policy implementation. Nevertheless, it is important to recognize that the SBA offers only temporary relief, as a long-term program with the IMF will be necessary once the SBA concludes in March 2024, alongside the implementation of structural reforms and a consistent macroeconomic framework.

Equity Market Review:

In FY23, the KSE-100 index exhibited relatively subdued performance, registering a marginal decline of 0.21%, equivalent to 88.14 points, culminating in a closing value of 41,452.69 points. The equity market operated amidst amplified political noise and the central bank's resolute monetary tightening measures aimed at addressing inflationary pressures. Additionally, lingering uncertainties surrounding the IMF staff-level agreement further dampened investor sentiment, leading to diminished interest and constrained liquidity inflows into the equity markets.

During this period, certain sectors demonstrated resilience and emerged as outperformers, including Power Generation & Distribution, Fertilizer, Cements, and Technology & Communication, highlighting their robustness in the market. Conversely, the Pharmaceuticals, Automobile Assembler and Refinery sectors underperformed during the same period.

As we embark on FY24, it is essential to recognize that two critical factors will significantly shape the financial markets. Firstly, the inflow of foreign exchange (FX) will play a decisive role, exerting influence on market dynamics. Secondly, unwavering dedication to adhering to the IMF's guidelines within the Stand-By Arrangement (SBA) will lay the groundwork for forthcoming negotiations concerning a long-term program with the IMF after the SBA concludes early next year.

Moreover, amidst this ever-evolving environment, political stability will act as a linchpin, fostering investor confidence and channeling liquidity into the equity market. In essence, the dynamic interplay of FX inflows, adherence to IMF guidelines, and political stability will form the bedrock upon which the performance of the economy as a whole will be built in the coming months. As we chart our course forward, strategic decisions anchored in these key factors will be pivotal in seizing opportunities and driving growth within the continuously changing investment landscape.



Income / Money Market Review:

Against a challenging macroeconomic landscape and mounting inflationary pressures, the Pakistani Rupee (PKR) experienced a significant depreciation of 40% during FY23. In response to the surging inflation, the State Bank of Pakistan (SBP) adopted a tight monetary policy stance, culminating in a cumulative 825 basis points increase in the policy rate, reaching an elevated 22% by June 2023.

Amidst heightened uncertainty, investors preferred shorter-tenor instruments along the yield curve. As a result, the government resorted to relying on the 3-month and 6-month treasury bills to fulfill its budgetary borrowing requirements, given the subdued market participation in one-year treasury bills. Notably, yields for 3-month treasury bills surged from 14.98% to 22.65%, while yields for 6-month treasury bills rose from 15.15% to 22.87%. The total amount borrowed through T-bills stood at PKR 24.62 trillion during the year. Furthermore, the government successfully borrowed PKR 1.28 trillion in fixed-rate Pakistan Investment Bonds (PIBs), slightly below the target of PKR 1.85 trillion. The yields on the 3-year, 5-year, and 10-year bonds experienced increments of 6.02%, 3.15%, and 2.40%, leading to final yields of 19.47%, 16.08%, and 15.32%, respectively.

Review of Fund Performance

The performance of the Allocation Scheme of the Fund for the year ended June 30, 2023, is tabulated below. The total net assets of the Fund moved from PKR 84.40 million as at June 30, 2022, to PKR 50.22 million as at June 30, 2023.

Allocation Schemes	Net Assets (PKR. In millions)	Return	Benchmark Return
JS Islamic Hybrid Fund of Funds 3 - JSICPAP-7	50.22	11.52%	5.69%

Dividend

The Fund paid an interim cash dividend of Rs 10.88 per unit during the year ended June 30, 2023.

JS Islamic Hybrid Fund of Funds 3 - JSICPAP-7

The Plan is of two years maturity from the clearance of all outstanding proceeds from the Pre-Initial Offering Period (Pre-IOP) and Initial Offering Period (IOP), i.e. from 15 July 2019 and 05 September 2019. The Management Company (Wakeel) has further extended the maturity period for two years with the approval of the Securities & Exchange Commission of Pakistan, which shall close on September 16, 2023. After the end of this period, the Management Company (Wakeel) may announce a subsequent Maturity for a certain period where the Management Company (Wakeel) feels appropriate in the interest of unit holders.

Asset Manager Rating

Pakistan Credit Rating Agency Limited (PACRA) has assigned JS Investments Management Quality Rating of AM2+ with a stable outlook, which is an improvement from the previous rating of AM2 with a positive outlook. The rating denotes High Management Quality.

Auditors

The external auditors of the Fund Messrs A.F Ferguson Chartered Accountants retire and being eligible, offer themselves for reappointment. The Board of Directors, upon recommendation of the Audit Committee of the Board, has approved the appointment of Messrs A.F Ferguson Chartered Accountants as the Fund's auditors for the ensuing year ending June 30, 2024.



JS Islamic Hybrid Fund of Funds 3

Board of Directors

During the period, Mr. Atif Salim Malik, Mr. Farooq Ahmed Malik and Ms. Mediha Kamal Afsar were appointed as Director in place of Mr. Asif Reza Sana, Mr. Imran Haleem Shaikh and Mr. Zahid Ullah Khan.

Shariah Advisors

Messrs Al-Hilal Shariah Advisors (Pvt.) Limited completed its tenure. The Board of Directors of JS Investment Limited, the Management Company of the Fund, upon recommendation of the Audit Committee has approved the appointment of Al-Hilal Shariah Advisors for the ensuing year ending June 30, 2024.

Additional Matters

- a. Annexed to the Annual Report is Fund Manager's Report giving description of principal risks and uncertainties with reasonable indication of future prospects of profit.
- b. The Pattern of Unit holding as at June 30, 2023 is annexed to this annual report.
- c. The system of internal control is sound in design and has been effectively implemented and monitored.
- d. A performance table / key financial data is annexed to this annual report.

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: August 18, 2023

Director

Chief Executive Officer

شراکت داروں کے لیے ڈائریکٹرز رپورٹ

جے ایس انویسٹمنٹس لمیٹڈ کے بورڈ آف ڈائریکٹرز، JS اسلامک ہائبرڈ فنڈ آف فنڈز 3 (دی فنڈ) کی مینجمنٹ کمپنی نے 30 جون 2023 کو ختم ہونے والے سال کے لیے سالانہ رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

معاشی جائزہ

مالی سال 2023 کے دوران، پاکستان کو دیرینہ ساختی کمزوریوں کی وجہ سے کافی چیلنجز کا سامنا کرنا پڑا۔ انٹرنیشنل مانیٹری فنڈ (IMF) پروگرام میں تاخیر، زرمبادلہ کے ذخائر میں کمی، کرنسی کی قدر میں نمایاں کمی، مسلسل سیاسی غیر یقینی کی صورتحال اور افراط زر میں اضافے نے مجموعی طور پر زبردست رکاوٹیں پیش کیں، جس کے نتیجے میں جی ڈی پی (GDP) کی شرح نمو % 0.29 رہی جو گزشتہ مالی سال 2022 کے % 6.10 کے مقابلے میں واضح طور پر کم ہے۔

مالی سال 2023 میں کرنٹ اکاؤنٹ خسارہ (CAD) سال بہ سال % 85 کم ہو کر 2.6 بلین امریکی ڈالر رہ گیا، جو مالی سال 2022 کے 17.5 بلین امریکی ڈالر کے مقابلے میں نمایاں بہتری ہے، جس کی بنیادی وجہ درآمدی پابندیوں سے تجارتی خسارے میں کمی ہے۔ تاہم، اس صورتحال کے باوجود اسٹیٹ بینک آف پاکستان (SBP) کے پاس موجود غیر ملکی زرمبادلہ کے ذخائر جون 2023 تک کم ہو کر 4.47 بلین امریکی ڈالر رہ گئے جو مالی سال 2023 کے آغاز میں 9.82 بلین امریکی ڈالر سے کم تھے۔

غیر ملکی زرمبادلہ کے ذخائر کی کمی نے کرنسی پر کافی دباؤ ڈالا، جس کی وجہ سے % 40 کی قدر میں کمی واقع ہوئی۔ مالی سال 2023 کے دوران ایک اور مستقل تشویش بڑھتی ہوئی افراط زر تھی، جو اوسطاً % 29.04 تھی، جو ابتدائی ہدف % 11.5 اور مالی سال 2022 کی شرح % 12.15 سے تجاوز کر گئی۔ اس اضافے کی وجہ خوراک کی قیمتوں میں اضافہ اور توانائی اور پیٹرولیم کی بلند قیمتیں ہیں جو عالمی بحران اور پاکستانی روپے کی قدر میں کمی کی وجہ سے ہوا۔ اسکے جواب میں اسٹیٹ بینک آف پاکستان (SBP) نے اپنے تخفیفی (contractionary) منوقف کو برقرار رکھتے ہوئے پالیسی کی شرح کو جون 2022 میں % 13.75 سے بڑھا کر % 22 کی ریکارڈ سطح پر پہنچا دیا۔ ان چیلنجز کے باوجود حکومت کی جانب سے اٹھائے گئے اقدامات بشمول توانائی اور گیس کے نرخوں میں اضافہ، کرنسی نظام کی تبدیلی کا نفاذ، اضافی ٹیکس متعارف کروانا اور مانیٹری پالیسی کو سخت کرنے سے مختلف نتائج برآمد ہوئے۔

تاہم، جون 2023 تک حکومت پاکستان نے آئی ایم ایف کے ساتھ 9 ماہ کا ایک اہم اسٹینڈ بائی آرٹیمینٹ (SBA) حاصل کیا جس کے نتیجے میں کثیرالجہتی (multi lateral) ممالک سے خاطر خواہ ذخائر موصول ہوئے۔ یہ کامیابی ڈیفالٹ کے بڑھتے ہوئے خطرے سے ایک انتہائی ضروری قلیل مدتی راحت فراہم کرتی ہے۔ مزید برآں، اسٹینڈ بائی آرٹیمینٹ (SBA) اگلے 9 ماہ کے لیے اقتصادی روڈ میپ فراہم کرتا ہے، جس میں انتخابات اور گمراہ حکومت تک کی مدت کا احاطہ کیا گیا ہے، جس میں مالی نظم و ضبط، توانائی اصلاحات اور مستقل پالیسی کے نفاذ پر زور دیا گیا ہے۔ اس کے باوجود، یہ تسلیم کرنا ضروری ہے کہ اسٹینڈ بائی آرٹیمینٹ (SBA) عارضی ریلیف فراہم کرتا ہے، کیونکہ مارچ 2024 میں اسٹینڈ بائی آرٹیمینٹ (SBA) کے اختتام کے بعد IMF کے ساتھ، ساختی اصلاحات اور مستقل میکرو اکنامک فریم ورک کے نفاذ کے ساتھ، ایک طویل مدتی پروگرام ضروری ہوگا۔

ایکیویٹی مارکیٹ کا جائزہ

مالی سال 2023 میں، KSE - 100 انڈیکس نے نسبتاً کم کارکردگی کا مظاہرہ کیا، جس میں % 0.21 کی معمولی ریکارڈ کی گئی، جو 88.14 پوائنٹس کے مساوی ہے، جس کے نتیجے میں اختتام 41,452.69 پوائنٹس کی سطح پر ہوا۔ ایکویٹی مارکیٹ بڑھتے ہوئے سیاسی شور شرابے اور مرکزی بینک کے پر عزم مالیاتی سخت اقدامات کے درمیان کام کر رہی تھی، جس کا مقصد افراط زر کے دباؤ سے نمٹنا تھا۔ مزید برآں، IMF کے عملے کی سطح کے معاہدے کے بارے میں غیر یقینی صورتحال نے سرمایہ کاروں کے جذبات کو مزید متاثر کیا، جس کے نتیجے میں دلچسپی میں کمی آئی اور ایکویٹی مارکیٹوں میں محدود لیکویڈیٹی کا بہاؤ ہوا۔

اس مدت کے دوران، پاور جزیشن اور ڈسٹر بیوشن، فریڈلائزرز، سینٹ اور ٹیکنالوجی اور کمیونیکیشن جیسے شعبوں نے لچک کا مظاہرہ کیا اور بہتر کارکردگی کا مظاہرہ کرنے والے شعبوں کے طور پر ابھرے، جس نے مارکیٹ میں ان کی مضبوطی کو اجاگر کیا۔ اس کے برعکس، فارماسیوٹیکل، آٹوموبائل اسمبلر اور ریفرنسری کے شعبوں نے یکساں مدت کے دوران ناقص کارکردگی کا مظاہرہ کیا۔

جب ہم مالی سال 2024 کی شروعات کرنے جا رہے ہیں، تو یہ تسلیم کرنا ضروری ہے کہ دو اہم عوامل مالیاتی مارکیٹوں کو نمایاں طور پر تشکیل دیں گے۔ سب سے پہلے، غیر ملکی زرمبادلہ



JS Islamic Hybrid Fund of Funds 3

(FX) کی آمد ایک فیصلہ کن کردار ادا کرے گی، جس سے مارکیٹ کی حرکیات پر اثر پڑے گا۔ دوسری بات یہ ہے کہ اسٹینڈ بائی اریٹجمنٹ (SBA) کے اندر IMF کی ہدایات پر عمل کرنے کی غیر متزلزل لگن اگلے سال کے اوائل میں اسٹینڈ بائی اریٹجمنٹ (SBA) کے اختتام کے بعد IMF کے ساتھ طویل مدتی پروگرام سے متعلق آئندہ مذاکرات کی بنیاد رکھے گی۔ مزید برآں، اس مسلسل بدلتے ہوئے ماحول کے درمیان، سیاسی استحکام ایک لنچ پین کے طور پر کام کرے گا، سرمایہ کاروں کے اعتماد کو فروغ دے گا اور ایکویٹی مارکیٹ میں لیکویڈیٹی کو متحرک کرے گا۔ خلاصہ یہ ہے کہ غیر ملکی زرمبادلہ (FX) کی آمد کا متحرک باہمی تعامل، IMF کی ہدایات پر عمل پیرا ہونا اور سیاسی استحکام وہ بنیاد بنائیں گے جس پر آنے والے مہینوں میں مجموعی طور پر معیشت کی کارکردگی تعمیر کی جائے گی۔ جیسا کہ ہم مستقبل کی جانب گامزن ہیں، ان کلیدی عوامل سے منسلک اسٹریٹجک فیصلے مسلسل بدلتے ہوئے سرمایہ کاری کے منظر نامے میں مواقع سے فائدہ اٹھانے اور ترقی کو آگے بڑھانے میں اہم کردار ادا کریں گے۔

انکم / منی مارکیٹ کا جائزہ

چیلنجنگ میکرو اکنامک منظر نامے اور بڑھتے ہوئے افراط زر کے دباؤ کے باوجود، مالی سال 2023 کے دوران، پاکستانی روپے (PKR) کو 40 % کی نمایاں کمی کا سامنا کرنا پڑا۔ بڑھتی ہوئی افراط زر کے جواب میں اسٹیٹ بینک آف پاکستان (SBP) نے سخت مانیٹری پالیسی کا موقف اپنایا، جسکے نتیجے میں پالیسی کی شرح میں مجموعی طور پر 825 بیس پوائنٹس کا اضافہ ہوا، جو جون 2023 تک 22 % تک پہنچ گیا۔

بڑھتی ہوئی غیر یقینی صورتحال کے درمیان، سرمایہ کاروں نے نتائج کی منفی قوس کے ساتھ مختصر مدت کے آلات کو ترجیح دی۔ نتیجاً، حکومت نے بجٹ قرضوں کی ضروریات کو پورا کرنے کے لیے 3 ماہ اور 6 ماہ کے ٹریژری بلز (T - Bills) پر انحصار کیا کیونکہ ایک سال کے ٹریژری بلز میں مارکیٹ کی کم شرکت تھی۔ قابل ذکر بات یہ ہے کہ، 3 ماہ کے ٹریژری بلز کا منافع % 14.98 سے بڑھ کر % 22.65 ہو گیا، جبکہ 6 ماہ کے ٹریژری بلز کا منافع % 15.15 سے بڑھ کر % 22.87 ہو گیا۔ سال کے دوران، ٹریژری بلز کے ذریعے لیئے گئے قرضوں کی مجموعی رقم 24.62 ٹریلین پاکستانی روپے رہی۔ مزید برآں، حکومت نے فلکسڈ ریٹ پاکستان انویسٹمنٹ بانڈز (PIBs) میں 1.28 ٹریلین پاکستانی روپے کا کامیابی سے قرض لیا، جو 1.85 ٹریلین روپے کے ہدف سے تھوڑا سا کم ہے۔ 3 سال، 5 سال اور 10 سال کے بانڈز پر منافع میں بالترتیب % 6.02، % 3.15 اور % 2.40 کا اضافہ ہوا، جس کے نتیجے میں حتمی منافع بالترتیب % 19.47، % 16.08 اور % 15.32 رہا۔

فنڈ کی کارکردگی کا جائزہ

30 جون 2023 کو ختم ہونے والے سال کے لیے فنڈ کی ایلوکیشن اسکیم کی کارکردگی درج ذیل ہے۔ 30 جون 2023 کو فنڈ کے خالص اثاثہ جات 30 جون 2022 84.40 ملین روپے سے 50.22 ملین روپے پر پہنچ گئے۔

ایلوکیشن اسکیم	خالص اثاثہ جات (ملین پاکستانی روپے میں)	منافع	بیچ مارک منافع
جے ایس اسلامک ہابیرڈ فنڈ آف فنڈز -3 JSICPAP-7	50.22	11.52 %	5.69 %

ڈیویڈنڈ

30 جون 2023 کو ختم ہونے والے سال کے دوران فنڈ نے 10.88 روپے فی یونٹ کا انٹیرم کیش ڈیویڈنڈ کی ادائیگی کی۔

جے ایس اسلامک ہابیرڈ فنڈ آف فنڈز -3 JSICPAP-7

یہ پلان ابتدائی پیشکش سے قبل کی مدت (Pre - IOP) اور ابتدائی پیشکش کی مدت (IOP) یعنی 15 جولائی 2019 اور 05 ستمبر 2019 سے حاصل ہونے والی تمام بقایا آمدنی کی کلیئرنس سے دو سال کی میچورٹی کا ہے۔ مینجمنٹ کمپنی (وکیل) نے سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی منظوری سے میچورٹی کی مدت میں مزید دو سال کی توسیع کر دی ہے جو 16 ستمبر 2023 کو اختتام پذیر ہوگی۔ اس مدت کے اختتام کے بعد، مینجمنٹ کمپنی (وکیل) مخصوص مدت کے لیے بعد کی میچورٹی کا اعلان کر سکتی ہے جہاں مینجمنٹ کمپنی (وکیل) یونٹ ہولڈرز کے حق میں بہتر محسوس کریں۔

ایسیٹ مینجر ریٹنگ

پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) نے مینجمنٹ کمپنی کو 27 دسمبر 2022 کو "AM2+" کی ایسیٹ مینجر ریٹنگ، مستحکم "stable" منظر نامے کے ساتھ تفویض کی ہے (30 جون 2022 : 06 اگست 2022 کو "AM2" مثبت "positive" منظر نامے کے ساتھ) جو "AM2" مثبت "positive" منظر نامے کی گزشتہ ریٹنگ سے بہتر ہے۔ یہ ریٹنگ مینجمنٹ کے اعلیٰ معیار کی نشاندہی کرتی ہے۔

آڈیٹرز

ریٹائر ہونے والے بیرونی آڈیٹرز میسرز اے ایف فرگوسن، چارٹرڈ اکاؤنٹنٹس نے اہلیت کی بنیاد پر خود کو دوبارہ تقرری کے لیے پیش کرتے ہیں۔ بورڈ آف ڈائریکٹرز نے، آڈٹ کمیٹی کی تجویز پر میسرز اے ایف فرگوسن، چارٹرڈ اکاؤنٹنٹس کی 30 جون 2024 کو ختم ہونے والے سال کے لیے تقرری کی منظوری دی۔

بورڈ آف ڈائریکٹرز

مدت کے دوران، جناب عاطف سالم ملک، جناب فاروق احمد ملک اور محترمہ مدیحہ کمال افسر؛ جناب آصف رضاشاہ، جناب عمران حلیم شیخ اور جناب زاہد اللہ خان کی جگہ پر بطور ڈائریکٹر مقرر کیے گئے۔

شریعہ ایڈوائزرز

میسرزال۔ ہلال شریعہ ایڈوائزرز (پرائیوٹ) لمیٹڈ نے اپنی مدت مکمل کی۔ JS انویسٹمنٹس لمیٹڈ کے بورڈ آف ڈائریکٹرز، فنڈ کی مینجمنٹ کمپنی نے، آڈٹ کمیٹی کی تجویز پر ال۔ ہلال شریعہ ایڈوائزرز کو 30 جون 2024 کو ختم ہونے والے سال کے لیے تقرری کی منظوری دی۔

اضافی معاملات

- 1۔ سالانہ رپورٹ کے ساتھ فنڈ مینجر رپورٹ منسلک ہے جس میں مرکزی خطرات اور منافع جات کے مستقبل کے امکانات کی مناسب علامت کے ساتھ ہیجان کی کیفیت کی وضاحت کی ہے۔
- ب۔ 30 جون 2023 تک یونٹ ہولڈنگ کے نمونہ اس سالانہ رپورٹ کے ساتھ منسلک ہے۔
- ج۔ اندرونی کنٹرول کا نظام ساخت کے اعتبار سے مضبوط ہے اور اس پر موثر اطلاق اور نگرانی کی جاتی ہے۔
- د۔ کارکردگی کا ٹیبل / اہم مالیاتی معلومات اس سالانہ رپورٹ کے ضمیمہ میں دی گئی ہیں۔

اظہار تشکر

ڈائریکٹرز پیش قدر معاونت، مدد اور ہنمائی پر سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) اور سینٹرل ڈپازٹری کمپنی آف پاکستان لمیٹڈ (CDCPL) سے اظہار تشکر کرتے ہیں۔ بورڈ ممبران اور مینجمنٹ کمپنی کے ملازمین اور انتظامیہ پر اعتماد پر یونٹ ہولڈرز کا بھی شکریہ ادا کرتا ہے۔

چیف ایگزیکٹو آفیسر

ڈائریکٹر

کراچی: 18 اگست 2023



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JS Islamic Hybrid Fund of Funds (JSIHFoF)

- **Description of the Collective Investment Scheme category and type**
Shariah Compliant Fund of Funds and Shariah Compliant Fund of Funds Scheme - Allocation Plan

- **Statement of Collective Investment Scheme's investment objective**

JS Islamic Hybrid Fund of Funds aims to generate need based returns for its clients by offering several Allocation Baskets/Plans with varying mix of exposures to low / high risk asset classes via underlying mutual funds. Investment Objectives of the Allocation Baskets/Plans initially offered under JSIHFOF are Mustanad, Mustahkem, Mutanasib & Mufeed.

JS Islamic Capital Preservation Allocation Plan – 8 (JSICPAP-8) is a limited-term (2 Years) Constant Proportion Portfolio Insurance (CPPI) based allocation plan offered under "JS Islamic Hybrid Fund of Funds". The Plan aims to earn a potentially high return through dynamic asset allocation between Shariah Compliant Equities, Shariah Compliant Sovereign Income/Money Market based Collective Investment Schemes and Shariah Compliant bank saving accounts/term deposits, while providing principal preservation of the Initial Investment Value at completion of the life of the Plan.

- **Explanation as to whether the Collective Investment Scheme has achieved its stated objective**
The collective investment scheme achieved its stated objective.
- **Statement of benchmark(s) relevant to the Collective Investment Scheme**

Weighted average daily return of KMI 30 index, six (6)/ three (3) month average deposit rates of three (3) 'A' rated scheduled Islamic Banks or Islamic Banking windows of scheduled Commercial Banks, as selected by MUFAP based on actual proportion of the Equity Portion consisting of Shariah Compliant Equity Funds, Income Portion consisting of Shariah Compliant Income and Money Market Funds, and any Cash or Near cash instruments in each of the Allocation Baskets".

BM JSICPAP_8

The Benchmark of each Allocation Plan in the Fund will be the weighted average daily return of i) KMI 30 index; ii) six (6) month average deposit rates of three (3) 'A' rated scheduled Islamic Banks or Islamic Banking windows of scheduled Commercial Banks; iii) six months PKISRV Rates and iv) three (3) month average deposit rates of three (3) 'AA' rated scheduled Islamic Banks or Islamic Banking windows of scheduled Commercial Banks, as selected by MUFAP - based on actual proportion of i) Equity Portion consisting of Shariah Compliant Equity Funds; ii) Shariah Compliant Income Funds within Income Portion; iii) Shariah Compliant Sovereign Income Funds within Income Portion; and iv) Money Market Funds and Cash or Near cash instruments; in each of the Allocation Plans as approved by SECP.

Comparison of the Collective Investment Scheme's performance during the period compared with the said benchmarks

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	JSIHFOF Mutasib	BM	JSIHFOF JS ICPAP_8	BM
Jul-22	-3.14%	-4.63%	-0.05%	-0.75%
Aug-22	1.82%	7.36%	1.50%	2.07%
Sep-22	0.74%	-3.49%	0.45%	-0.58%
Oct-22	-1.67%	2.44%	1.04%	1.39%
Nov-22	-1.78%	3.41%	1.05%	0.66%
Dec-22	-5.57%	-4.30%	0.81%	0.25%
Jan-23	-6.02%	1.50%	0.95%	0.60%
Feb-23	-1.28%	-0.87%	1.12%	0.40%
Mar-23	2.69%	0.53%	1.36%	0.54%
Apr-23	0.78%	0.51%	1.22%	0.62%
May-23	2.12%	0.56%	1.56%	0.47%
Jun-23	1.53%	0.57%	1.35%	0.51%
FY23	-9.79%	3.00%	13.09%	6.33%

- **Description of the strategies and policies employed during the period under review in relation to the Collective Investment Scheme's performance**

Mutasib (Active Allocation Plan): The plan made a strategic shift towards Shariah Compliant money market funds and cash or near cash instruments with Islamic banks for limiting any downside risk in light of the heightened macroeconomic challenges.

JS Islamic Capital Preservation Plan 8: The plan made a strategic shift towards Shariah Compliant money market funds and cash or near cash instruments with Islamic banks for limiting any downside risk in light of the heightened macroeconomic challenges.

- **Disclosure of the Collective Investment Scheme's asset allocation as at the date of the report and particulars of significant changes in asset allocation since the last report (if applicable)**

	JSIHFOF Mutasib		JSIHFOF JS ICPAP_8	
	Jun-23	Jun-22	Jun-23	Jun-22
Cash	5.59%	1.60%	1.81%	0.10%
Open End Funds	88.64%	96.00%	98.18%	99.83%
Other including receivables	5.77%	2.41%	0.01%	0.07%
Total	100.00%	100.00%	100.00%	100.00%

- **Based on changes in total NAV and NAV per unit since the last review period or since commencement (in the case of newly established Collective Investment Scheme)**

	30-Jun-23		30-Jun-22	
	Net Assets Excluding JSIL FoFs (PKR mn)	NAV per Unit (PKR)	Net Assets Excluding JSIL FoFs (PKR mn)	NAV per Unit (PKR)
JSIHFOF Mutasib	2	43.03	8	47.70
JSIHFOF - JS ICPAP_8	138	86.97	250	86.69

- **Disclosure of the markets that the Collective Investment Scheme has invested in:**

The plans invest in Shariah-compliant equity, Islamic fixed income, and Islamic money market Collective Investment Schemes, Deposits with Islamic Banks, and Islamic windows of conventional commercial banks.



JS Islamic Hybrid Fund of Funds 3

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- **Disclosure on distribution (if any), comprising:-**
 - Particulars of income distribution or other forms of distribution made and proposed during the period; and
 - Statement on effects on the NAV before and after distribution is made

Distribution

Mutasab: NIL; JSIHFOF - JS ICPAP_8: 11.04%

NAVs per unit as on June 30, 2023

	Cum NAV (PKR)	Ex-NAV (PKR)
JSIHFOF Mutasab	43.03	43.03
JSIHFOF - JS ICPAP_8	86.97	86.69

- **Description and explanation of any significant changes in the state of affairs of the Collective Investment Scheme during the period and up till the date of the manager's report, not otherwise disclosed in the financial statements**

There were no significant changes in the state of affairs during the year under review.

- **Breakdown of unit holdings by size**

Fund Name	Ranges			Number of Folios
JS IHFOF-JSICPAP-8	0.0001	to	9,999.9999	30
	10,000.0000	to	49,999.9999	12
	50,000.0000	to	99,999.9999	-
	100,000.0000	to	499,999.9999	1
	500,000.0000	&	above	1
			Total	44

Fund Name	Ranges			Number of Folios
JS IHFOF-Mutasab	0.0001	to	9,999.9999	19
	10,000.0000	to	49,999.9999	1
	50,000.0000	to	99,999.9999	-
	100,000.0000	to	499,999.9999	-
	500,000.0000	&	above	-
			Total	20

- **Disclosure on unit split (if any), comprising:-**
The Fund has not carried out any unit split exercise during the year.
- **Disclosure of circumstances that materially affect any interests of the unit holders**
Investment is subject to market risk.
- **Disclosure if the Asset Management Company or its delegate, if any, receives any soft commission (i.e. goods and services) from its broker(s) or dealer(s) by virtue of transactions conducted by the Collective Investment Scheme, disclosure of the following:-**

The Management Company and / or any of its delegates have not received any soft commission from its brokers / dealers by virtue of transactions conducted by the Fund.



JS Islamic Hybrid Fund of Funds 3

Performance Table

		Year 2023		Year 2022		Year 2021			Year 2020			Year 2019
		JS ISLAMIC HYBRID FUND OF FUNDS - 3		JS ISLAMIC HYBRID FUND OF FUNDS - 3		JS ISLAMIC HYBRID FUND OF FUNDS - 3			JS ISLAMIC HYBRID FUND OF FUNDS - 3			JS ISLAMIC HYBRID FUND OF FUNDS - 3
		JS ICPAP 7		JS ICPAP 6	JS ICPAP 7	JS ICPAP 6	JS ICPAP 7	JS ICPAP 9	JS ICPAP 6	JS ICPAP 7	JS ICPAP 9	JS ICPAP 6
Net assets	Rs.	50,215,144		92,833,500	84,406,508	415,352,411	347,611,864	105,087,546	564,624,879	409,807,564	230,585,192	823,637,610
Net income / loss	Rs.	6,428,256		(2,563,358)	(5,075,793)	30,195,152	22,725,684	13,454,733	(45,692,604)	(38,881,318)	4,194,018	2,636,354
Total return of the Fund	%	11.52		3.03	1.31	6.32	6.18	9.03	-8.33	-8.4	1.87	0.32
Dividend distribution per unit	%	10.88		-	-	5.77	5.64	9.02	-	-	-	0.32
Capital Growth	%	0.64		3.03	1.31	0.55	0.54	0.01	(8.33)	(8.40)	1.87	-
Average annual return												
- One Year	%	11.52		3.03	1.31	6.32	6.18	9.03	(8.33)	(8.40)	1.87	0.32
- Two Years	%	12.83		9.35	7.49	(2.01)	(2.22)	10.90	(8.01)	-	-	-
- Three Years	%	19.01		1.02	(0.91)	(1.69)	-	-	-	-	-	-
NAV per unit	Rs.	92.60		94.47	92.82	91.69	91.62	102.02	91.67	91.60	101.87	100.00
Year-end offer price per unit	Rs.	95.74		97.68	95.97	94.80	94.73	105.48	94.78	94.71	105.33	103.39
Highest offer price per unit	Rs.	106.60		97.98	96.30	100.74	100.53	115.85	114.71	112.78	105.33	103.64
Lowest offer price per unit	Rs.	95.45		91.54	90.65	94.78	94.71	105.33	93.46	93.16	103.59	103.34
Year-end repurchase price per unit	Rs.	92.60		94.47	92.82	91.69	91.62	102.02	91.67	91.60	101.87	99.00
Highest repurchase price per unit	Rs.	103.10		94.76	93.14	97.43	97.23	112.05	110.94	109.08	101.87	99.23
Lowest repurchase price per unit	Rs.	92.32		88.53	87.67	91.67	91.60	101.87	90.39	90.1	100.19	98.95
First Interim Distribution per unit	Rs.	7.02		-	-	5.77	5.64	9.02	-	-	-	0.32
Announcement date		23-Jun-23		-	-	29-Jun-21	29-Jun-21	29-Jun-21	-	-	-	27-Jun-19
Final distribution	Rs.	3.86		-	-	-	-	-	-	-	-	-
Announcement date		27-Jun-23		-	-	-	-	-	-	-	-	-

Notes

- JS Islamic Hybrid Fund of Funds 3 (JSICPAP-6) was launched on June 21, 2019 and was matured on June 26, 2023.
- JS Islamic Hybrid Fund of Funds 3 (JSICPAP-7) was launched on September 05, 2019.
- JS Islamic Hybrid Fund of Funds 3 (JSICPAP-9) was launched on April 01, 2020 and was matured on April 01, 2022.
- Investment portfolio composition of the Fund is disclosed in note 5 of the financial statements.
- The income distribution have been shown against the year to which they relate although these were declared & distributed subsequently to the year end.

Disclaimer

Past performance is not necessarily indicative of future performance and that unit prices and investment returns may go down, as well as up.

September 25, 2023



الحمد لله رب العالمين، والصلاة والسلام على سيد الأنبياء والمرسلين، وعلى آله وصحبه أجمعين، وبعد

The purpose of this report is to provide an opinion on the Shariah Compliance of the Fund's investment and operational activities with respect to Shariah guidelines provided.

It is the core responsibility of the Management Company to operate the Fund and invest the amount of money in such a manner which is in compliance with the Shariah principles as laid out in the Shariah guidelines. In the capacity of the Shariah Advisor, our responsibility lies in providing Shariah guidelines and ensuring compliance with the same by review of activities of the fund. We express our opinion based on the review of the information, provided by the management company, to an extent where compliance with the Shariah guidelines can be objectively verified.

Our review of Fund's activities is limited to enquiries of the personnel of Management Company and various documents prepared and provided by the management company.

Keeping in view the above; we certify that:

We have reviewed all the investment and operational activities of the fund including all transactions and found them to comply with the Shariah guidelines. On the basis of information provided by the management company, all operations of the fund for the year ended June 30, 2023 comply with the provided Shariah guidelines. Therefore, it is resolved that investments in JS Islamic Hybrid Fund Of Fund-3 (JS-IHFOF-3) managed by JS Investment Limited are halal and in accordance with Shariah principles.

May Allah (SWT) bless us and forgive our mistakes and accept our sincere efforts in accomplishment of cherished tasks and keep us away from sinful acts.

والله أعلم بالصواب، وصلى الله على نبيينا محمد وعلى آله وصحبه وبارك وسلم

For and on behalf of Al-Hilal Shariah Advisors (Pvt.) Limited.

Mufti Irshad Ahmad Aijaz
Member Shariah Council



Faraz Younus Bandukda, CFA
Chief Executive



JS Investments Limited
The Centre, 19th Floor,
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Saddar Karachi-74400,
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STATEMENT OF COMPLIANCE WITH SHARIAH PRINCIPLES

JS Islamic Hybrid Fund of Funds – 3 (the Fund) has fully complied with Shariah Principles specified in the Trust Deed and in the guidelines issued by the Shariah Advisors for its operations, investments, bank accounts and placements made during the year ended June 30, 2023. The Shariah Advisors has also confirmed that the transactions were observed to be compliant with the guidelines laid down by Shariah Advisors.

Karachi: September 20, 2023

Iffat Zehra Mankani
Chief Executive Officer



INDEPENDENT REASONABLE ASSURANCE REPORT TO THE UNIT HOLDERS OF JS ISLAMIC HYBRID FUND OF FUNDS - 3 ON THE STATEMENT OF COMPLIANCE WITH THE SHARIAH PRINCIPLES

Introduction

We were engaged by the Board of Directors of **JS Investments Limited** (the Management Company) to report on the Management Company's assessment of compliance with the Shariah Principles of **JS Islamic Hybrid Fund of Funds - 3** (the Fund), as set out in the annexed Statement of Compliance with the Shariah Principles (the Statement) prepared by the Management Company for the year ended June 30, 2023, in the form of an independent reasonable assurance conclusion about whether the annexed statement reflects, in all material respects the status of compliance of the Fund with the Shariah Principles as specified in the Trust Deed and the guidelines issued by the Shariah Advisor (here-in-after referred to as "the Shariah Guidelines") in respect of investments made by the Fund. Our engagement was conducted by a team of assurance practitioners.

Applicable Criteria

The criteria for the assurance engagement against which the annexed Statement has been assessed comprises of the Shariah Principles as specified in the Trust Deed and the guidelines issued by the Shariah Advisor in respect of investments made by the Fund.

Management's Responsibility for Shariah Compliance

The Management Company of the Fund is responsible for preparation of the annexed Statement that is free from material misstatement. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation of the annexed Statement that is free from material misstatement, whether due to fraud or error. It also includes ensuring the overall compliance of the Fund with the Shariah Guidelines.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Chartered Accountants issued by the Institute of Chartered Accountants of Pakistan, which is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The Firm applies International Standard on Quality Control (ISQC) 1, "Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements" and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our responsibility and summary of work performed

Our responsibility is to examine the annexed Statement and to report thereon in the form of an independent reasonable assurance conclusion based on the evidence obtained. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000, "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" issued by the International Auditing and Assurance Standards Board. That Standard requires that we plan and perform our procedures to obtain reasonable assurance about whether the annexed statement reflects the status of compliance of the Fund with the Shariah Guidelines as specified in the Trust Deed and the guidelines issued by the Shariah Advisor, in all material respects.

AB

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A.F. FERGUSON & Co.

The procedures selected depend on our judgment, including the assessment of the risks of material non-compliances with the Shariah Guidelines, whether due to fraud or error. In making those risk assessments, we have considered internal control relevant to the Fund's compliance with the Shariah Guidelines, in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing a conclusion as to the effectiveness of the Management Company's internal control over the Fund's compliance with the Shariah Guidelines. A system of internal control, because of its nature, may not prevent or detect all instances of non-compliance with Shariah Guidelines, and consequently cannot provide absolute assurance that the objective of compliance with the Shariah Guidelines, will be met. Also, projection of any evaluation of effectiveness to future periods is subject to the risk that the controls may become inadequate or fail.

The procedures performed primarily comprised the following:

- checking compliance with respect to making investments of the Fund in accordance with Shariah Guidelines; and
- checking that the Shariah Advisor has certified that the operations of the Fund and investments made during the year ended June 30, 2023 are in compliance with the Shariah Guidelines.

We believe that the evidences we have obtained through performing our procedures were sufficient and appropriate to provide a basis for our conclusion.

Conclusion

Based on the procedures performed during our reasonable assurance engagement, we report that in our opinion, the annexed Statement presents fairly, in all material respects, the status of the Fund's compliance with the Shariah Guidelines specified in the Trust Deed and in the guidelines issued by the Shariah Advisor for the year ended June 30, 2023.

A.F. Ferguson & Co.

Chartered Accountants

Dated: September 28, 2023

Karachi

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shahra-e-Faisal
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TRUSTEE REPORT TO THE UNIT HOLDERS

JS ISLAMIC HYBRID FUND OF FUNDS – 3

Report of the Trustee pursuant to Regulation 41(h) and Clause 8 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of JS Islamic Hybrid Fund of Funds – 3 (the Fund) are of the opinion that JS Investments Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2023 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, September 25, 2023



INDEPENDENT AUDITOR'S REPORT

To the Unit holders of JS Islamic Hybrid Fund of Fund 3

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of JS Islamic Hybrid Fund of Fund 3 (the Fund), which comprise the statement of assets and liabilities as at June 30, 2023, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2023, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
1	Net Asset Value (Refer note 5 to the financial statements)	
	<p>The investments constitute the most significant component of the net asset value (NAV). The investments of the Fund as at June 30, 2023 amounted to Rs. 50.723 million.</p> <p>The existence and proper valuation of investments for the determination of NAV of the Fund as at June 30, 2023 was considered a high risk area and therefore we considered this as a key audit matter.</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> tested the design and operating effectiveness of the key controls for valuation of investments; obtained independent confirmations for verifying the existence of the investment portfolio as at June 30, 2023 and traced the balances in these confirmations with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed; and re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies.

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Emphasis of Matter

We draw attention to note 1.6 of the financial statements, which indicates that JS Islamic Capital Preservation Allocation Plan 6 of the Fund matured during the year ended June 30, 2023, while the other plan shall mature on September 16, 2023. After the end of the of this period, the Management Company may announce an extended maturity for certain period if it feels appropriate in the interest of the unit holders. This event or condition, indicate that a material uncertainty exists that may cast significant doubt on the Fund's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors of the Management Company for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of directors of the Management Company is responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with board of directors of the Management Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.


We also provide board of directors of the Management Company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with board of directors of the Management Company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is **Noman Abbas Sheikh**.


 A.F. Ferguson & Co.
 Chartered Accountants
 Karachi
 Dated: September 28, 2023
 UDIN: AR202310061e2UT1sKx



FINANCIAL STATEMENTS



JS Islamic Hybrid Fund of Funds 3

STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2023

	Note	June 30, 2023	June 30, 2022		
		JS Islamic Capital Preservation Allocation Plan 7	JS Islamic Capital Preservation Allocation Plan 6	JS Islamic Capital Preservation Allocation Plan 7	Total
----- (Rupees) -----					
ASSETS					
Bank balances	4	917,275	2,056,221	735,439	2,791,660
Investments	5	50,722,842	91,117,362	84,942,243	176,059,605
Profit receivable on bank balances		6,346	20,387	29,412	49,799
Total assets		<u>51,646,463</u>	<u>93,193,970</u>	<u>85,707,094</u>	<u>178,901,064</u>
LIABILITIES					
Payable to JS Investments Limited - Management Company	7	51,809	40,740	40,335	81,075
Payable to Central Depository Company of Pakistan Limited - Trustee	8	9,569	17,622	16,466	34,088
Payable to the Securities and Exchange Commission of Pakistan (SECP)	9	12,568	45,431	39,626	85,057
Payable against redemption of units		-	-	942,694	942,694
Accrued expenses and other liabilities	10	1,357,373	256,677	261,465	518,142
Total liabilities		<u>1,431,319</u>	<u>360,470</u>	<u>1,300,586</u>	<u>1,661,056</u>
NET ASSETS		<u>50,215,144</u>	<u>92,833,500</u>	<u>84,406,508</u>	<u>177,240,008</u>
Unit holders' funds (as per statement attached)		<u>50,215,144</u>	<u>92,833,500</u>	<u>84,406,508</u>	<u>177,240,008</u>
Contingencies and commitments	13				
NUMBER OF UNITS IN ISSUE		<u>542,274</u>	<u>982,676</u>	<u>909,401</u>	
Net asset value per unit		<u>92.60</u>	<u>94.47</u>	<u>92.82</u>	

The annexed notes from 1 to 26 form an integral part of these financial statements.

For JS Investments Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2023 AND PERIOD ENDED JUNE 26, 2023

	June 30, 2023	For the period from July 1, 2022 to June 26,	June 30, 2022			
	JS Islamic Capital Preservation Allocation Plan 7	JS Islamic Capital Preservation Allocation Plan 6	JS Islamic Capital Preservation Allocation Plan 6	JS Islamic Capital Preservation Allocation Plan 7	Total	
Note	(Rupees)		(Rupees)			
INCOME						
Net realised loss on sale of investments	(1,564,417)	(783,770)	(17,312,282)	(16,430,645)	(33,742,927)	
Dividend income	8,458,161	12,456,736	13,534,897	12,002,489	25,537,386	
Profit on savings accounts with banks	106,445	343,398	951,363	786,683	1,738,046	
Other income	-	-	4,604,088	3,050,394	7,654,482	
Net unrealised diminution on re-measurement of investments classified as 'at fair value through profit or loss'	5.2	-	(2,429,219)	(2,869,700)	(5,298,919)	
Total income / (loss)	7,000,189	12,016,364	(651,153)	(3,460,779)	(4,111,932)	
EXPENSES						
Remuneration of JS Investments Limited - Management Company	7.1	5,685	19,458	146,115	115,671	261,786
Sindh Sales Tax on remuneration of the Management Company	7.2	739	2,530	18,995	15,037	34,032
Shariah advisory fees		52,931	70,953	116,759	103,744	220,503
Printing and stationery charges		50,745	50,744	25,539	25,540	51,079
Legal and professional charges		-	-	1,441,797	988,388	2,430,185
Remuneration of Central Depository Company of Pakistan Limited - Trustee	8.1	125,810	176,206	454,286	396,277	850,563
Sindh Sales Tax on remuneration of the Trustee	8.2	16,355	22,907	59,057	51,516	110,573
Annual fee to the Securities and Exchange Commission of Pakistan (SECP)		12,618	17,672	45,456	39,651	85,107
Bank and settlement charges		1,700	1,977	3,901	4,353	8,254
Annual listing fees		12,500	12,500	8,334	8,333	16,667
SECP supervisory fee on listing fee		1,250	1,250	834	833	1,667
Amortisation of preliminary expenses and floatation costs	6	-	-	-	86,914	86,914
Auditors' remuneration	12	291,600	291,592	261,206	242,546	503,752
Total operating expenses		571,933	667,789	2,582,279	2,078,803	4,661,082
Net income / (loss) from operating activities		6,428,256	11,348,575	(3,233,432)	(5,539,582)	(8,773,014)
Reversal of provision for Sindh Workers' Welfare Fund		-	-	670,074	463,789	1,133,863
Net income / (loss) for the year / period before taxation		6,428,256	11,348,575	(2,563,358)	(5,075,793)	(7,639,151)
Taxation	11	-	-	-	-	-
Net income / (loss) for the year / period after taxation		6,428,256	11,348,575	(2,563,358)	(5,075,793)	(7,639,151)
Allocation of net income for the year / period						
Net income for the year after taxation		6,428,256	11,348,575	-	-	-
Income already paid on units redeemed		(1,118,409)	(619,893)	-	-	-
		5,309,847	10,728,682	-	-	-
Accounting income available for distribution						
- Relating to capital gains		-	-	-	-	-
- Excluding capital gains		5,309,847	10,728,682	-	-	-
		5,309,847	10,728,682	-	-	-

The annexed notes from 1 to 26 form an integral part of these financial statements.

For JS Investments Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2023 AND PERIOD ENDED JUNE 26, 2023

	June 30, 2023	For the period from July 1, 2022 to June 26,	June 30, 2022		
	JS Islamic Capital Preservation Allocation Plan 7	JS Islamic Capital Preservation Allocation Plan 6	JS Islamic Capital Preservation Allocation Plan 6	JS Islamic Capital Preservation Allocation Plan 7	Total
	(Rupees)		(Rupees)		
Net income / (loss) for the year / period after taxation	6,428,256	11,348,575	(2,563,358)	(5,075,793)	(7,639,151)
Other comprehensive income for the year / period	-	-	-	-	-
Total comprehensive income / (loss) for the year / period	<u>6,428,256</u>	<u>11,348,575</u>	<u>(2,563,358)</u>	<u>(5,075,793)</u>	<u>(7,639,151)</u>

The annexed notes from 1 to 26 form an integral part of these financial statements.

For JS Investments Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

STATEMENT OF CASH FLOW

FOR THE YEAR ENDED JUNE 30, 2023 AND PERIOD ENDED JUNE 26, 2023

Note	June 30, 2023	For the period from July 1, 2022 to June 26, 2023	June 30, 2022		
	JS Islamic Capital Preservation Allocation Plan 7	JS Islamic Capital Preservation Allocation Plan 6	JS Islamic Capital Preservation Allocation Plan 6	JS Islamic Capital Preservation Allocation Plan 7	Total
	(Rupees)		(Rupees)		
CASH FLOWS FROM OPERATING ACTIVITIES					
Net income / (loss) for the year / period	6,428,256	11,348,575	(2,563,358)	(5,075,793)	(7,639,151)
Adjustments for:					
Net realised loss on sale of investments	1,564,417	783,770	17,312,282	16,430,645	33,742,927
Net unrealised diminution on re-measurement of investments classified as 'at fair value through profit or loss'	5.2	-	2,429,219	2,869,700	5,298,919
Amortisation of preliminary expenses and floatation costs	6.1	-	-	86,914	86,914
Reversal of provision for Sindh Workers' Welfare Fund	-	-	(670,074)	(463,789)	(1,133,863)
	7,992,673	12,132,345	16,508,069	13,847,677	30,355,746
Decrease / (increase) in assets					
Investments	32,654,984	90,333,592	310,590,135	248,241,473	558,831,608
Profit receivable on bank balances	23,066	20,387	2,239	(22,001)	(19,762)
	32,678,050	90,353,979	310,592,374	248,219,472	558,811,846
Increase / (decrease) in liabilities					
Payable to JS Investments Limited - Management Company	11,474	(40,740)	(171,584)	(261,718)	(433,302)
Payable to Central Depository Company of Pakistan Limited - Trustee	(6,897)	(17,622)	(62,986)	(49,515)	(112,501)
Annual fee payable to the Securities and Exchange Commission of Pakistan	(27,058)	(45,431)	(53,488)	(36,319)	(89,807)
Payable against redemption of Units	(942,694)	-	-	-	-
Accrued expenses and other liabilities	1,095,908	(256,677)	(4,351,658)	(3,983,274)	(8,334,932)
	130,733	(360,470)	(4,639,716)	(4,330,826)	(8,970,542)
Net cash generated from operating activities	40,801,456	102,125,854	322,460,727	257,736,323	580,197,050
CASH FLOWS FROM FINANCING ACTIVITIES					
Amount received on issuance of units	4,442,942	8,753,001	-	-	-
Amount paid on redemption of units	(39,671,883)	(102,210,905)	(321,298,070)	(257,186,869)	(578,484,939)
Dividend paid	(5,390,679)	(10,724,171)	-	-	-
Net cash used in financing activities	(40,619,620)	(104,182,075)	(321,298,070)	(257,186,869)	(578,484,939)
Net increase / (decrease) in cash and cash equivalents during the year / period	181,836	(2,056,221)	1,162,657	549,454	1,712,111
Cash and cash equivalents at beginning of the year / period	735,439	2,056,221	893,564	185,985	1,079,549
Cash and cash equivalents at end of the year / period	4	917,275	2,056,221	735,439	2,791,660

The annexed notes from 1 to 26 form an integral part of these financial statements.

For JS Investments Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

JS Islamic Hybrid Fund of Funds 3

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND

FOR THE YEAR ENDED JUNE 30, 2023 AND PERIOD ENDED JUNE 26, 2023

Note	June 30, 2023			For the period from July 1, 2022 to June 26, 2023		
	JS Islamic Capital Preservation Allocation Plan 7			JS Islamic Capital Preservation Allocation Plan 6		
	Capital value	Accumulated losses	Total	Capital value	Accumulated losses	Total
	(Rupees)					
Net assets at the beginning of the year / period	128,283,034	(43,876,526)	84,406,508	140,858,175	(48,024,675)	92,833,500
Issuance of units:						
JS ICPAP 7: 48,050 (2022: nil)						
JS ICPAP 6: 92,654 (2022: nil)						
- Capital value	4,460,001	-	4,460,001	8,753,023	-	8,753,023
- Element of loss	(17,059)	-	(17,059)	(22)	-	(22)
Total proceeds on issuance of units	4,442,942	-	4,442,942	8,753,001	-	8,753,001
Redemption of units:						
JS ICPAP 7: 415,177 (2022: 2,884,736)						
JS ICPAP 6: 1,075,330 (2022: 3,547,209)						
- Capital value	(38,536,729)	-	(38,536,729)	(101,586,425)	-	(101,586,425)
- Element of loss	(16,745)	(1,118,409)	(1,135,154)	(4,587)	(619,893)	(624,480)
Total payments on redemption of units	(38,553,474)	(1,118,409)	(39,671,883)	(101,591,012)	(619,893)	(102,210,905)
Total comprehensive income for the year / period	-	6,428,256	6,428,256	-	11,348,575	11,348,575
First interim distribution JSICPAP-6	24	-	-	-	(10,724,171)	(10,724,171)
First interim distribution JSICPAP-7	24	-	(3,477,122)	-	-	-
Second interim distribution JSICPAP-7	24	-	(1,913,557)	-	-	-
Net assets at the end of the year / period	94,172,502	(43,957,358)	50,215,144	48,020,164	(48,020,164)	-
Undistributed loss brought forward comprising of:						
- Realised loss		(41,006,826)			(45,595,456)	
- Unrealised loss		(2,869,700)			(2,429,219)	
		(43,876,526)			(48,024,675)	
Accounting income available for distribution:						
- Relating to capital gains		-			-	
- Excluding capital gains		5,309,847			10,728,682	
		5,309,847			10,728,682	
Total distribution during the year		(5,390,679)			(10,724,171)	
Undistributed loss carried forward		(43,957,358)			(48,020,164)	
Undistributed loss carried forward comprising of:						
- Realised loss		(43,957,358)			(48,020,164)	
- Unrealised loss		-			-	
		(43,957,358)			(48,020,164)	
		(Rupees)			(Rupees)	
Net asset value per unit at the beginning of the year / period		92.82			94.47	
Net assets value per unit at the end of the year / period		92.60			-	

The annexed notes from 1 to 26 form an integral part of these financial statements.

For JS Investments Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



JS Islamic Hybrid Fund of Funds 3

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND

FOR THE YEAR ENDED JUNE 30, 2023 AND PERIOD ENDED JUNE 26, 2023

June 30, 2022								
JS Islamic Capital Preservation Allocation Plan 6			JS Islamic Capital Preservation Allocation Plan 7			Total		
Capital value	Accumulated losses	Total	Capital value	Accumulated losses	Total	Capital value	Accumulated losses	Total

(Rupees)

Net assets at the beginning of the period

460,813,728 (45,461,317) 415,352,411 386,412,597 (38,800,733) 347,611,864 847,226,325 (84,262,050) 762,964,275

Issuance of units:

JS ICPAP 6: nil (2021: 224,236)

JS ICPAP 7: nil (2021: 178,938)

- Capital value

-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-

- Element of income

Total proceeds on issuance of units

-	-	-	-	-	-	-	-	-
---	---	---	---	---	---	---	---	---

Redemption of units:

JS ICPAP 6: 3,547,209 (2021: 1,395,223)

JS ICPAP 7: 2,884,736 (2021: 479,190)

- Capital value

(325,243,593)	-	(325,243,593)	(264,299,512)	-	(264,299,512)	(589,543,105)	-	(589,543,105)
5,288,040	-	5,288,040	6,169,949	-	6,169,949	11,457,989	-	11,457,989

- Element of income

Total payments on redemption of units

(319,955,553)	-	(319,955,553)	(258,129,563)	-	(258,129,563)	(578,085,116)	-	(578,085,116)
---------------	---	---------------	---------------	---	---------------	---------------	---	---------------

Total comprehensive loss for the period

-	(2,563,358)	(2,563,358)	-	(5,075,793)	(5,075,793)	-	(7,639,151)	(7,639,151)
---	-------------	-------------	---	-------------	-------------	---	-------------	-------------

Net assets at the end of the period

140,858,175	(48,024,675)	92,833,500	128,283,034	(43,876,526)	84,406,508	269,141,209	(91,901,201)	177,240,008
-------------	--------------	------------	-------------	--------------	------------	-------------	--------------	-------------

Undistributed (loss) / income

brought forward comprising of:

- Realised loss

(46,105,638)

(39,142,155)

(85,247,793)

- Unrealised income

644,321

341,422

985,743

(45,461,317)

(38,800,733)

(84,262,050)

Accounting income available

for distribution

- Relating to capital gains

-

-

-

- Excluding capital gains

-

-

-

Total comprehensive loss for the period

(2,563,358)	(5,075,793)	(7,639,151)
-------------	-------------	-------------

Undistributed loss carried forward

(48,024,675)	(43,876,526)	(91,901,201)
--------------	--------------	--------------

Undistributed loss carried forward

comprising of:

- Realised loss

(45,595,456)

(41,006,826)

(86,602,282)

- Unrealised loss

(2,429,219)

(2,869,700)

(5,298,919)

(48,024,675)

(43,876,526)

(91,901,201)

(Rupees)

(Rupees)

Net asset value per unit at the beginning of the period

91.69

91.62

Net assets value per unit at the end of the period

94.47

92.82

The annexed notes from 1 to 26 form an integral part of these financial statements.

For JS Investments Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



JS Islamic Hybrid Fund of Funds 3

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023 AND PERIOD ENDED JUNE 26, 2023

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 JS Islamic Hybrid Fund of Funds - 3 (the Fund) was established under a Trust Deed executed between JS Investments Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on February 27, 2020 and was approved by Securities and Exchange Commission of Pakistan (the SECP) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations). The Management Company has been licensed by the Securities and Exchange Commission of Pakistan (SECP) to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of JS Investment Limited is situated at 19th Floor, The Centre, Plot No. 28 SB-5, Abdullah Haroon Road, Saddar, Karachi.

During the year ended June 30, 2021, The Trust Act, 1882 has been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on August 23, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

1.2 The Fund is an open-end Shariah Compliant Fund of Funds Scheme. Units are offered for public subscription on a continuous basis till the end of subscription period. However, the subscription in units may be reopened for fresh issuance by the Management Company with prior approval of the Commission after intimation to the Trustee and by providing notice to investors in order to protect the interest of the unit holder. The units of the plan are transferable and can be redeemed by surrendering them to the Fund.

1.3 The Fund has been formed to enable the unit holders to participate in a diversified portfolio of Equity Schemes and Fixed Income / Money Market Schemes, which are Shariah Compliant. Under the Trust Deed, all the conducts and acts of the Fund are based on Shariah guidelines. The Management Company has appointed AL-Hilal Shariah Advisors (Private) Limited as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of shariah.

1.4 Pakistan Credit Rating Agency Limited (PACRA) has assigned JS Investments Management Quality rating of 'AM2+' with 'stable outlook' dated December 27, 2022 (June 30, 2022: 'AM2' with 'positive outlook' dated August 10, 2022). The rating denotes high management quality.

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

1.6 Investment plans offered under JS Islamic Hybrid Fund of Funds - 3 are JS Islamic Capital Preservation Allocation Plan 6 (JS ICPAP 6) and JS Islamic Capital Preservation Allocation Plan 7 (JS ICPAP 7). The Fund operates following two baskets:

1.6.1 JS Islamic Capital Preservation Allocation Plan 6

JS Islamic Capital Preservation Allocation Plan 6 aims to earn a potentially high return through dynamic asset allocation between Shariah compliant equity and Shariah compliant sovereign income / money market based Collective Investment Schemes (CISs) and Shariah compliant bank savings accounts and term deposits.



The Plan was of two years maturity from the clearance of all outstanding proceeds from Pre-Initial Offering Period (Pre-IOP) and Initial Offering Period (IOP) i.e. from April 25, 2019 and June 21, 2019. The Management Company, with the approval of the Securities and Exchange Commission of Pakistan in its, letter No. SCD/AMCW/JSIHFOF/271/2021 dated June 16, 2021 has approved extension, the plan shall mature on June 25, 2023. After the end of this period, the Management Company may announce an extended subsequent maturity for certain period if it feels appropriate in the interest of unit holders. During the extended period, unit holders shall have the option to either remain invested in the allocation plan or exit the allocation plan without any applicable back end load / contingent load.

1.6.2 JS Islamic Capital Preservation Allocation Plan 7

JS Islamic Capital Preservation Allocation Plan 7 aims to earn a potentially high return through dynamic asset allocation between shariah compliant equities and shariah compliant sovereign income / money market based Collective Investment Schemes (CISs) and shariah compliant bank saving accounts and term deposits.

The Plan was of two years maturity from the clearance of all outstanding proceeds from Pre-Initial Offering Period (Pre-IOP) and Initial Offering Period (IOP) i.e. from July 15, 2019 and September 5, 2019. The Management Company, with the approval of the Securities and Exchange Commission of Pakistan in its, letter No. SCD/AMCW/JSIHFOF/271/2021 dated June 16, 2021 has approved extension, the plan shall mature on September 16, 2023. After the end of this period, the Management Company may announce an extended subsequent maturity for certain period if it feels appropriate in the interest of unit holders. During the extended period, unit holders shall have the option to either remain invested in the allocation plan or exit the allocation plan without any applicable back end load / contingent load.

1.7 During the current year, JS Islamic Capital Preservation Allocation Plan 6 matured on June 26, 2023 as per the provisions of the offering document.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act);
- Provisions of and directives issued under the Companies Act, 2017 along with part VIII A of the repealed Companies Ordinance, 1984; and
- The Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the 'Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ from the requirements of IFRSs, the provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.



JS Islamic Hybrid Fund of Funds 3

2.2 Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current year

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2022. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these financial statements.

2.3 Standards, interpretations and amendments to published accounting and reporting standards that are not yet

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after July 1, 2023. However, these do not have any significant impact on the Fund's operations and therefore, have not been detailed in these financial statements.

2.4 Critical accounting estimates and judgements

The preparation of the financial statements in conformity with the accounting and reporting standards requires the management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities and income and expenses. The estimates, judgements and associated assumptions are based on historical experience and various other factors including expectations of future events that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

The estimates and judgements that have a significant effect on the financial statements of the Fund relate to classification, valuation and impairment of financial asset. (notes 3.1 and 5).

2.5 Accounting convention

These financial statements have been prepared under the historical cost convention except for investments which have been classified as 'at fair value through profit or loss' and which are measured at fair value.

2.6 Functional and presentation currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistani Rupees which is the Fund's functional and presentation currency.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all the years presented.

3.1 Financial assets

3.1.1 Initial recognition and measurement

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the Income Statement.



3.1.2 Classification and subsequent measurement

3.1.2.1 Debt instruments

IFRS 9 has provided a criteria for debt securities whereby these debt securities are either classified as:

- amortised cost;
- at fair value through other comprehensive income “(FVOCI)”;
- and at fair value through profit or loss (FVPL)

based on the business model of the entity.

However, IFRS 9 also provides an option whereby securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis, to be recognised at FVPL. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Therefore the management considers its investment in debt securities as being managed as a group of assets and hence has classified them as FVPL.

3.1.3 Impairment

The Fund assesses on a forward-looking basis the expected credit loss (ECL) associated with its financial assets (other than debt instruments) carried at amortised cost and FVOCI. The Fund recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

3.1.4 Impairment loss on debt securities

Provision for non-performing debt securities is made on the basis of time-based criteria as prescribed by the SECP and based on management's assessment made in line with its provisioning policy approved by the Board of Directors of the Management Company in accordance with the guidelines issued by the SECP. Impairment losses recognised on debt securities can be reversed through the Income Statement.

As allowed by the SECP, the Management Company may make provision against debt securities over and above the minimum provision requirement prescribed by the SECP, considering the specific credit and financial conditions of the debt security issue and in accordance with the provisioning policy duly approved by the Board of Directors of the Management Company.

3.1.5 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset.

3.1.6 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. Any gain or loss arising on derecognition of financial assets is taken to the Income Statement.



JS Islamic Hybrid Fund of Funds 3

3.2 Financial liabilities

3.2.1 Classification and subsequent measurement

Financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value and subsequently stated at amortised cost.

3.2.2 Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Any gain or loss arising on derecognition of financial liabilities is taken to the Income Statement.

3.3 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the "Statement of Assets and Liabilities" when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3.4 Cash and cash equivalents

These comprise of balances with banks in savings and current accounts and other short-term highly liquid investments with original maturities of three months or less.

3.5 Provisions

Provisions are recognised when the Fund has a present, legal or constructive, obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

3.6 Taxation

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. Furthermore, for the purpose of determining distribution of at least ninety percent of the accounting income, the income distributed through bonus units shall

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of part IV of the Second Schedule to the Income Tax Ordinance, 2001.

3.7 Issue and redemption of units

Units Issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors / Management Company during business hours on the date on which the funds are actually realized against application. The offer price represents the net assets value per unit as of the close of the business day plus the allowable sales load, provision for transaction costs and any provision for duties and charges, if applicable. The sales load is payable to the investment facilitators, distributors and the Management Company. Transaction costs are recorded as the income of the Fund.

Units redeemed are recorded at the redemption price, applicable to the units for which the distributors / Management Company receive redemption applications during business hours of that day. The redemption price represents the net assets value per unit as of the close of the business day less any back-end, any duties, taxes, charges on redemption and any provision for transaction costs, if applicable.



3.8 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

Element of income represents the difference between Net Assets Value (NAV) per unit on the issuance or redemption date, as the case may be, of units and the Net Assets Value (NAV) per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend Net Asset Value (NAV) of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

3.9 Distribution to unit holders

Distribution to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on the Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes portion of income already paid on units redeemed during the year.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the year in which such distributions are declared and approved by the Board of Directors of the Management Company.

3.10 Revenue recognition

- Realised gains / (losses) arising on sale of investments are included in the Income Statement and are recognised when the transaction takes place.
- Profit on savings account with banks is recognised on a time proportion basis using the effective yield method.
- Unrealised appreciation / (diminution) arising on re-measurement of investments classified as 'financial assets at fair value through profit or loss' are included in the Income Statement in the year in which they arise.
- Dividend income is recognised when the Fund's right to receive the same is established i.e. on the commencement of date of book closure of the investee fund declaring the dividend.

3.11 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company and Trustee and annual fee of the SECP are recognised in the Income Statement on an accrual basis.

3.12 Preliminary expenses and floatation costs

Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of the operations of the Fund. These costs are being amortised over a period of 2 years in accordance with the requirements set out in the Trust Deed of the Fund.

3.13 Net asset value per unit

The Net Asset Value (NAV) per unit, as disclosed in the Statement of Assets and Liabilities, is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

3.14 Earnings per unit

Earnings / (loss) per unit is calculated by dividing the net income / (loss) of the year after taxation of the Fund by the weighted average number of units outstanding during the year.



JS Islamic Hybrid Fund of Funds 3

Earnings per unit (EPU) has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating EPU is not practicable.

3.15 Foreign currency translation

Transactions denominated in foreign currencies are accounted for in Pakistani Rupees at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

	Note	June 30, 2023	June 30, 2022		
		JS ICPAP 7	JS ICPAP 6	JS ICPAP 7	Total
------(Rupees)-----					

4 BANK BALANCES

In savings accounts 4.1 917,275 2,056,221 735,439 2,791,660

4.1 These accounts carry profit rates ranging from 14.50% to 20.50% (June 30, 2022: 6.60% to 14.50%) per annum.

5 INVESTMENTS

	Note	June 30, 2023	June 30, 2022		
		JS ICPAP 7	JS ICPAP 6	JS ICPAP 7	Total
------(Rupees)-----					

Financial assets 'at fair value through profit or loss'

Units of open-end mutual funds 5.1 50,722,842 91,117,362 84,942,243 176,059,605

5.1 Mutual funds - 'at fair value through profit or loss'

JS Islamic Capital Preservation Allocation Plan 6

Name of the investee funds	As at July 1, 2022	Purchased during the year	Sold during the year	As at June 30, 2023	Balance as at June 30, 2023			Market value as a percentage of	
					Carrying value	Market value	Unrealised appreciation / (diminution)	net assets of the Fund	total investments
------(Number of units)-----					------(Rupees)-----			------(%)-----	
JS Islamic Daily Dividend Fund*	703,257	324,621	1,027,878	-	-	-	-	-	-
JS Islamic Dedicated Equity Fund*	351,685	-	351,685	-	-	-	-	-	-
Total value as at June 30, 2023									
Total value as at June 30, 2022					<u>93,546,581</u>	<u>91,117,362</u>	<u>(2,429,219)</u>		

*These represent investments held in related parties i.e funds under common management.

JS Islamic Capital Preservation Allocation Plan 7

Name of the investee funds	As at July 1, 2022	Purchased during the year	Sold during the year	As at June 30, 2023	Balance as at June 30, 2023			Market value as a percentage of	
					Carrying value	Market value	Unrealised appreciation / (diminution)	net assets of the Fund	total investments
------(Number of units)-----					------(Rupees)-----			------(%)-----	
JS Islamic Daily Dividend Fund*	637,383	280,955	411,110	507,228	50,722,842	50,722,842	-	100.00%	100.00%
JS Islamic Dedicated Equity Fund*	358,658	-	358,658	-	-	-	-	-	-
Total value as at June 30, 2023					<u>50,722,842</u>	<u>50,722,842</u>	<u>-</u>		
Total value as at June 30, 2022					<u>87,811,943</u>	<u>84,942,243</u>	<u>(2,869,700)</u>		

*These represent investments held in related parties i.e funds under common management.

JS Islamic Hybrid Fund of Funds 3

	Note	June 30, 2023	June 30, 2022		
		JS ICPAP 7	JS ICPAP 6	JS ICPAP 7	Total
5.2 Net unrealised diminution on re-measurement of investments classified as at fair value through profit or loss'			------(Rupees)-----		
Market value of investments	5.1	50,722,842	91,117,362	84,942,243	176,059,605
Less: Carrying value of investments	5.1	(50,722,842)	(93,546,581)	(87,811,943)	(181,358,524)
		<u>-</u>	<u>(2,429,219)</u>	<u>(2,869,700)</u>	<u>(5,298,919)</u>

6 PRELIMINARY EXPENSES AND FLOATATION COSTS

At the start of the year		-	-	86,914	86,914
Less: amortisation during the year	6.1	-	-	(86,914)	(86,914)
At the end of the year		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

6.1 Preliminary expenses and floatation costs represents expenditure incurred prior to the commencement of operations of the Fund. These costs are amortised over a period of not less than five years or maturity of relevant Allocation plan, whichever is earlier, in accordance with the requirements set out in the Trust Deed of the Fund and the Non-Banking Finance Companies and Notified Entities Regulations, 2008. The total expenses have been amortised over a period of 2 years.

	Note	June 30, 2023	June 30, 2022		
		JS ICPAP 7	JS ICPAP 6	JS ICPAP 7	Total
7 PAYABLE TO JS INVESTMENTS LIMITED - MANAGEMENT COMPANY			------(Rupees)-----		
Remuneration payable	7.1	346	1,326	1,294	2,620
Sindh Sales Tax on remuneration payable to the Management Company	7.2	45	177	168	345
Shariah advisory fee payable		3,139	13,657	13,333	26,990
Printing and stationery charges payable		48,279	25,580	25,540	51,120
		<u>51,809</u>	<u>40,740</u>	<u>40,335</u>	<u>81,075</u>

7.1 As per Regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 1% (June 30, 2022: 1%) per annum for JS ICPAP 7 for the year and 1% (June 30, 2022: 1%) per annum for JS ICAP 6 from July 1, 2022 till June 26, 2023 of average daily net assets of the allocation baskets.

7.2 During the year, an amount of Rs. 3,269 (2022: Rs. 34,032) was charged on account of sales tax on the remuneration of the Management Company levied through the Sindh Sales Tax on Services Act, 2011.

	Note	June 30, 2023	June 30, 2022		
		JS ICPAP 7	JS ICPAP 6	JS ICPAP 7	Total
8 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE			------(Rupees)-----		
Remuneration payable	8.1	8,468	15,595	14,572	30,167
Sindh Sales Tax payable on remuneration of t	8.2	1,101	2,027	1,894	3,921
		<u>9,569</u>	<u>17,622</u>	<u>16,466</u>	<u>34,088</u>



JS Islamic Hybrid Fund of Funds 3

- 8.1** The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed. Remuneration was charged at the following rates during the year ended June 30, 2023:

0.070% per annum of Net assets if the Fund has the objective to invest in the scheme being managed by the same Asset Management Company.

However, if the Fund invest in the scheme not being managed by the same Asset Management Company then the following tariff applies :

Net Assets (Rs.)	Fee
- Up to rupees one billion	0.20% per annum of net assets.
- Exceeding rupees one billion	Rs. 2 million plus 0.10% per annum of net assets on amount exceeding Rs. 1 billion.

- 8.2** During the year, an amount of Rs. 39,262 (2022: Rs. 110,573) was charged on account of sales tax on remuneration of the Trustee levied through Sindh Sales Tax on Services Act, 2011 at the rate of 13% (2022: 13%).

	Note	June 30, 2023	June 30, 2022		
		JS ICPAP 7	JS ICPAP 6	JS ICPAP 7	Total
9 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)			------(Rupees)-----		
Annual fee payable	9.1	12,568	45,431	39,626	85,057

- 9.1** In accordance with the NBFC Regulations, 2008, 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% (2022: 0.02%) of the average annual net assets of the Fund.

	June 30, 2023	June 30, 2022		
	JS ICPAP 7	JS ICPAP 6	JS ICPAP 7	Total
10 ACCRUED EXPENSES AND OTHER LIABILITIES		------(Rupees)-----		
Auditors' remuneration	340,472	209,732	196,569	406,301
Withholding tax payable	898,458	23,046	17,783	40,829
Zakat payable	118,443	23,899	47,113	71,012
	<u>1,357,373</u>	<u>256,677</u>	<u>261,465</u>	<u>518,142</u>

11 TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. The Fund is also exempt from the provision of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Since the Management Company has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2023 to the unit holders in a manner as explained above, no provision for taxation has been made in these financial statements during the year / period.

	June 30, 2023	For the period from July 1, 2022 to June 26, 2022	June 30, 2022		
	JS ICPAP 7	JS ICPAP 6	JS ICPAP 6	JS ICPAP 7	Total
12 AUDITORS' REMUNERATION	----- (Rupees) -----				
Annual audit fee	161,698	159,627	145,115	134,748	279,863
Fee for half yearly review of condensed interim financial statements	77,480	79,813	72,557	67,374	139,931
Fee for other certifications	25,000	25,000	21,767	20,212	41,979
Out of pocket expenses	27,422	27,152	21,767	20,212	41,979
	<u>291,600</u>	<u>291,592</u>	<u>261,206</u>	<u>242,546</u>	<u>503,752</u>

13 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2023 and June 30, 2022

	June 30, 2023	June 30, 2022		
	JS ICPAP 7	JS ICPAP 6	JS ICPAP 7	Total
14 NUMBER OF UNITS IN ISSUE				
Units in issue at the beginning of the year	909,401	4,529,885	3,794,137	8,324,022
Units issued during the year / period	48,050	-	-	-
Units redeemed during the year / period	(415,177)	(3,547,209)	(2,884,736)	(6,431,945)
Total units in issue at end of the year	<u>542,274</u>	<u>982,676</u>	<u>909,401</u>	<u>1,892,077</u>

15 TOTAL EXPENSE RATIO

The total expense ratio (TER) of the Fund based on the current year results 0.91% which includes 0.11% representing government levy and SECP fee for JS ICPAP 7. The ratio is within the maximum limit of 2.5% if management remuneration is charged and up to 0.5% if no management remuneration is charged.

16 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons / related parties include JS Investments Limited (JSIL) being the Management Company of the Fund, Central Depository Company of Pakistan Limited being the Trustee of the Fund, JS Bank Limited (JSBL - which is the holding company of the Management Company - holding 84.56% shares of JS Investments Limited), Jahangir Siddiqui and Company Limited (JSCL which is holding 75.02% shares of JS Bank Limited) being the Holding Company of JSBL, JS Global Capital Limited (JSGCL which is a fellow subsidiary of JSBL - 92.90% shares held by JS Bank Limited) being the fellow subsidiary of JSBL, and other associated companies of JSBL, JSGCL, 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 June 30, 2023. It also includes staff retirement benefit funds of the above related parties / connected persons.

Transactions with connected persons are executed on an arms' length basis, and essentially comprise of sale and redemption of units, fee on account of managing the affairs of the Fund, other charges, sale and purchase of investments and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with the market rates.

Remuneration of the Management Company and the Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed. Allocated expenses are charged to the Fund by the Management Company, subject to maximum prescribed total expense ratio.



JS Islamic Hybrid Fund of Funds 3

The details of transactions during the year / period and balances at year end with the related parties / connected persons are as follows:

16.1 Details of transactions with connected persons / related parties during the year / period:

	June 30, 2023	For the period from July 1, 2022 to June 26, 2023	June 30, 2022		
	JS ICPAP 7	JS ICPAP 6	JS ICPAP 6	JS ICPAP 7	Total
	----- (Rupees) -----		----- (Rupees) -----		
JS Investments Limited - Management Company					
Remuneration of JS Investments the Management Company	5,685	19,458	146,115	115,671	261,786
Sindh sales tax on remuneration of the Management Company	739	2,530	18,995	15,037	34,032
Shariah advisory fee	52,931	70,953	116,759	103,744	220,503
Printing and stationery charges	50,745	50,744	25,539	25,540	51,079
Legal and Professional Charges	-	-	1,441,797	988,388	2,430,185
Investment by the Management Company	-	-	40,502,315	9,722,048	50,224,363
Transfer of unit (Number of units)	71,248	-	445,814	109,798	555,612
Disposal by the Management Company	6,825,580	996,347	39,442,955	9,739,607	49,182,562
Redemption of units (Number of units)	71,248	10,380	435,434	109,798	545,233
Central Depository Company of Pakistan Limited -Trustee					
Remuneration of the Trustee	125,810	176,206	454,286	396,277	850,563
Sindh sales tax on remuneration of the Trustee	16,355	22,907	59,057	51,516	110,573
JS Islamic Dedicated Equity Fund (Fund Under JS Investment Limited Management)					
Investment	-	-	179,890,599	153,010,460	332,901,059
Issuance of units (Number of units)	-	-	2,323,425	1,963,652	4,287,077
Disposal	19,639,451	20,007,887	138,525,000	111,993,000	250,518,000
Redemption of units (Number of units)	358,658	351,686	1,971,740	1,604,994	3,576,734
JS Islamic Daily Dividend Fund (Fund Under JS Investment Limited Management)					
Investment	28,095,469	32,462,089	407,164,300	348,599,800	755,764,100
Issuance of units (Number of units)	280,955	324,621	4,071,643	3,485,998	7,557,641
Disposal	41,111,000	102,787,795	336,838,600	284,861,500	621,700,100
Redemption of units (Number of units)	411,110	1,027,878	3,368,386	2,848,615	6,217,001



JS Islamic Hybrid Fund of Funds 3

June 30, 2023	For the period from July 1, 2022 to June 26, 2023	June 30, 2022		
		JS ICPAP 6	JS ICPAP 7	Total

----- (Rupees) -----

BankIslami Pakistan Limited (Associate of JSCL)

Interest income	-	1,873	1,083	-	1,083
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Key management personnel of the Management Company

Disposal	-	-	1,495,270	-	1,495,270
Redemption of units (Number of units)	-	-	16,020	-	16,020

16.2 Details of balances with connected persons / related parties as at year end:

June 30, 2023	June 30, 2022		
	JS ICPAP 6	JS ICPAP 7	Total

----- (Rupees) -----

JS Investments Limited - Management Company

Remuneration payable to the Management Company	346	1,326	1,294	2,620
Sindh sales tax payable on remuneration to the Management Company	45	177	168	345
Shariah advisory fee	3,139	13,657	13,333	26,990
Printing and stationery charges payable	48,279	25,580	25,540	51,120
Amount invested	-	980,599	-	980,599
Units outstanding (Number of units)	-	10,380	-	10,380

Central Depository Company of Pakistan Limited - Trustee

Remuneration payable to the Trustee	8,468	15,595	14,572	30,167
Sindh sales tax payable on remuneration to the Trustee	1,101	2,027	1,894	3,921

BankIslami Pakistan Limited (Associate of JSCL)

Bank balance	-	12,165	-	12,165
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JS Islamic Dedicated Equity Fund (Fund Under JS Investments Limited Management Company)

Amount invested	-	20,791,657	21,203,868	41,995,525
Units held (Number of units)	-	351,685	358,658	710,343

JS Islamic Daily Dividend Fund (Fund Under JS Investments Limited Management Company)

Amount invested	50,722,842	70,325,705	63,738,371	134,064,077
Units held (Number of units)	507,228	703,257	637,383	1,340,640

Unit holders holding 10% or more

Amount held	21,158,690	33,834,922	27,597,301	61,432,223
Units held (Number of units)	228,496	358,155	297,321	655,476



JS Islamic Hybrid Fund of Funds 3

17 FINANCIAL INSTRUMENTS BY CATEGORY

	As at June 30, 2023			As at June 30, 2022		
	At amortised cost	At 'fair value through profit or loss'	Total	At amortised cost	At 'fair value through profit or loss'	Total
	(Rupees)			(Rupees)		
Financial assets						
Bank balances	917,275	-	917,275	2,791,660	-	2,791,660
Investments	-	50,722,842	50,722,842	-	176,059,605	176,059,605
Profit receivable on bank balances	6,346	-	6,346	49,799	-	49,799
	<u>923,621</u>	<u>50,722,842</u>	<u>51,646,463</u>	<u>2,841,459</u>	<u>176,059,605</u>	<u>178,901,064</u>
	As at June 30, 2023			As at June 30, 2022		
	At amortised cost	At 'fair value through profit or loss'	Total	At amortised cost	At 'fair value through profit or loss'	Total
	(Rupees)			(Rupees)		
Financial liabilities						
Payable to JS Investments Limited - Management Company	51,809	-	51,809	81,075	-	81,075
Payable to Central Depository Company of Pakistan Limited - Trustee	9,569	-	9,569	34,088	-	34,088
Payable against redemption of units	-	-	-	942,694	-	942,694
Accrued expenses and other liabilities	340,472	-	340,472	406,301	-	406,301
	<u>401,850</u>	<u>-</u>	<u>401,850</u>	<u>1,464,158</u>	<u>-</u>	<u>1,464,158</u>

18 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund's activities expose it to a variety of financial risks such as market risk, credit risk and liquidity risk.

Risk management framework

The Board of Directors of the Management Company has an overall responsibility for the establishment and oversight of the Fund's risk management framework.

Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily set up to be performed based on limits established by the Management Company, the Fund's constitutive documents and the regulations and directives of the SECP. The policies are established to identify and analyse the risks faced by the Fund, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Fund's activities.

The Audit Committee oversees how management monitors compliance with the Fund's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Fund. The Audit Committee is assisted in its oversight role by internal audit. Internal audit undertakes regular reviews of risk management controls and procedures and the results of which are reported to the audit committee.

Asset purchases and sales are determined by the Fund's Investment Manager, who has been authorised to manage the distribution of the assets to achieve the Fund's investment objectives. Compliance with the target asset allocations and the composition of the portfolio is monitored by the Investment Committee. In instances where the portfolio has diverged from target asset allocations, the Fund's Investment Manager is obliged to take actions to rebalance the portfolio in line with the established targets, within prescribed time limits.



18.1 Market risk

Market risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate as a result of changes in market prices.

The Management Company manages the market risk by monitoring exposure on marketable securities by following internal risk management policies and investment guidelines approved by the Investment Committee and the regulations laid down by the SECP.

Market risk comprises of three types of risk: currency risk, interest / profit rate risk and other price risk.

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. At present, the Fund does not have any financial instruments in foreign currencies and hence is not exposed to such risk.

(ii) Interest / profit rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. As of June 30, 2023, the Fund is mainly exposed to interest rate risk on balances held with banks. The Investment Committee of the Fund reviews the portfolio on a regular basis to ensure that the risk is managed within the acceptable limits.

a) Sensitivity analysis for variable rate instruments

As at June 30, 2023, the Fund holds balances in savings accounts amounting Rs. 0.917 million (2022: Rs. 0.735 million) exposing the fund to cash flow interest rate risk. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the impact would not have been material.

b) Sensitivity analysis for fixed rate instruments

As at June 30, 2023, the Fund does not hold any fixed profit rate instrument. Therefore, the Fund is not exposed to this risk.

The Fund's interest rate sensitivity related to financial assets and financial liabilities as at June 30, 2023 and June 30, 2022 can be determined as follows:



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June 30, 2023						
Effective interest rate	Exposed to interest rate risk			Not exposed to interest rate risk	Total	
	Upto three months	More than three months and upto one	More than one year			
-----%	----- (Rupees) -----					
Financial assets						
Bank balances	14.50 - 20.50	917,275	-	-	-	917,275
Investments		-	-	-	50,722,842	50,722,842
Profit receivable on bank balances		-	-	-	6,346	6,346
		917,275	-	-	50,729,188	51,646,463
Financial liabilities						
Payable to JS Investments Limited - Management Company		-	-	-	51,809	51,809
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	9,569	9,569
Accrued expenses and other liabilities		-	-	-	340,472	340,472
		-	-	-	401,850	401,850
On-balance sheet gap (a)		917,275	-	-	50,327,338	51,244,613
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a+b)		917,275	-	-		
Cumulative interest rate sensitivity gap		917,275	917,275	917,275		

June 30, 2022					
Effective interest rate	Exposed to interest rate risk			Not exposed to interest rate risk	Total
	Upto three months	More than three months and upto one	More than one year		

-----%-----

(Rupees)

Financial assets

Bank balances	6.00 - 14.50	2,791,660	-	-	-	2,791,660
Investments		-	-	-	176,059,605	176,059,605
Profit receivable on bank balances		-	-	-	49,799	49,799
		2,791,660	-	-	176,109,404	178,901,064

Financial liabilities

Payable to JS Investments Limited - Management Company		-	-	-	81,075	81,075
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	34,088	34,088
Payable against redemption of units		-	-	-	942,694	942,694
Accrued expenses and other liabilities		-	-	-	406,301	406,301
		-	-	-	1,464,158	1,464,158

On-balance sheet gap (a)

2,791,660	-	-	174,645,246	177,436,906
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Off-balance sheet financial instruments

-	-	-	-	-
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Off-balance sheet gap (b)

-	-	-	-	-
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Total interest rate sensitivity gap (a+b)

2,791,660	-	-		
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Cumulative interest rate sensitivity gap

2,791,660	2,791,660	2,791,660		
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(iii) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

18.2 Credit risk

Credit risk represents the risk of a loss that would be recognised at the reporting date if the counter parties fail to perform as contracted. Credit risk mainly arises from deposits with banks, interest receivable on bank balances, interest receivable on investment in debt securities and investment in debt securities. For banks and financial institutions balances are kept with reputed parties. Debt securities held by the Fund mainly consist of government securities that represent the interest of Government of Pakistan and are therefore not exposed to credit risk. The remaining debt securities are with reputable counter parties and therefore credit risk is minimal.



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Exposure to credit risk

The Fund's maximum exposure to credit risk is as follows:

	2023		2022	
	Balance as per statement of assets and	Maximum exposure to credit risk	Balance as per statement of assets and	Maximum exposure to credit risk
----- (Rupees) -----				
Bank balances	917,275	917,275	2,791,660	2,791,660
Investments	50,722,842	-	176,059,605	-
Profit receivable on bank balances	6,346	6,346	49,799	49,799
	<u>51,646,463</u>	<u>923,621</u>	<u>178,901,064</u>	<u>2,841,459</u>

The maximum exposure to credit risk before any credit enhancement as at June 30, 2023 is the carrying amount of the financial assets. Investment in units of mutual funds, however, are not exposed to credit risk and have been excluded from the above analysis.

Management of credit risk

The Fund's policy is to enter into financial contracts in accordance with the investment guidelines approved by the Investment Committee, its Trust Deed and the requirements of the NBFC Rules and Regulations. Before making investment decisions, the credit rating and credit worthiness of the issuer is taken into account along with the financial background so as to minimise the risk of default.

Credit risk is managed and controlled by the Management Company of the Fund in the following manner:

- Where the Investment Committee makes an investment decision, the credit rating and credit worthiness of the issuer is taken into account along with the financial background so as to minimise the risk of default.
- Analyses of credit ratings.
- The risk of counterparty exposure due to failed trades causing a loss to the Fund is mitigated by a periodic review of the credit ratings and financial statements of the counter party on a regular basis.
- Cash is held only with reputable banks with high quality external credit ratings.
- Investment transactions are carried out with a large number of brokers, whose credit worthiness is taken into account so as to minimise the risk of default and transactions are settled or paid for only upon delivery.

The Fund's policy is to enter into financial contracts in accordance with the internal risk management policies and investment guidelines approved by the Investment Committee. The Fund does not expect to incur material credit losses on its financial assets.

The analysis below summarises the credit quality of the Fund's financial assets:



18.2.1 Credit quality of balances held by the Fund in bank accounts

Name of Bank	June 30, 2023			June 30, 2022		
	Rating agency	Latest available published rating	Percentage	Rating agency	Latest available published rating	Percentage
Dubai Islamic Bank Pakistan Limited	VIS	AA	96.18%	VIS	AA	96.36%
Soneri Bank Limited	PACRA	AA-	3.82%	PACRA	AA-	3.20%
BankIslami Pakistan Limited	PACRA	AA-	-	PACRA	A+	0.44%

Ratings of investments have been disclosed in related notes to these financial statements. Since the assets of the Fund are held with credit worthy counterparties, therefore any significant credit risk is mitigated.

18.2.2 Concentration of credit risk

The concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial instruments as at June 30, 2023 is significantly invested in commercial banks which have high credit ratings.

As transactions are entered with credit worthy parties and are within the regulatory limits, therefore any significant concentration of credit risk is mitigated.

All financial assets of the Fund as at June 30, 2023 and June 30, 2022 are unsecured and are not impaired.

18.3 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on the terms that are materially disadvantageous to the Fund.

The Fund is exposed to daily cash redemptions, if any, at the option of unit holders. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is therefore to invest the majority of its assets in investments that are traded in an active market and can be readily disposed and are considered readily realisable.

As per NBFC Regulations, 2008, the Fund can borrow in the short term to ensure settlement the maximum limit of which is fifteen percent of net assets upto 90 days and would be secured by the assets of the Fund.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the year ended June 30, 2023.

The table below indicates the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.



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	As at June 30, 2023				As at June 30, 2022			
	Upto three months	Over three months and upto one year	Over one year	Total	Upto three months	Over three months and upto one year	Over one year	Total
	(Rupees)				(Rupees)			
Financial liabilities								
Payable to JS Investments Limited - Management Company	51,809	-	-	51,809	81,075	-	-	81,075
Payable to Central Depository Company of Pakistan Limited - Trustee	9,569	-	-	9,569	34,088	-	-	34,088
Payable against redemption of units	-	-	-	-	942,694	-	-	942,694
Accrued expenses and other liabilities	340,472	-	-	340,472	406,301	-	-	406,301
	<u>401,850</u>	<u>-</u>	<u>-</u>	<u>401,850</u>	<u>1,464,158</u>	<u>-</u>	<u>-</u>	<u>1,464,158</u>

19 UNIT HOLDERS' FUND RISK MANAGEMENT

The unit holders' fund is represented by redeemable units. These units are entitled to dividends and to payment of a proportionate share, based on the Fund's Net Asset Value per unit on the redemption date. The relevant movements are shown on the 'Statement of Movement in Unit Holders' Fund'.

In accordance with the risk management policies as stated in note 18, the Fund endeavours to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by short-term borrowings or disposal of investments where necessary.

The Fund's objectives when managing unit holder's funds are to safeguard its ability to continue as a going concern so that it can continue to provide returns to unit holders' and to maintain a strong base of assets to meet unexpected losses or opportunities.

The Fund has no restrictions on the subscription and redemption of units. As required under the NBFC Regulations, 2008 every open end scheme shall maintain fund size (i.e. net assets of the Fund) of Rs. 100 million at all times during the life of the scheme. The Fund has historically maintained and complied with the requirement of minimum fund size at all times except from June 26, 2023 as JS Islamic Capital Preservation Allocation Plan 6 has matured.

20 FAIR VALUE MEASUREMENT

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. Consequently, differences can arise between carrying values and the fair value estimates.

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.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify asset 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:



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Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at June 30, 2023 and June 30, 2022 the Fund held the following financial instruments measured at fair values:

Financial assets	----- 2023 -----			
	Level 1	Level 2	Level 3	Total
	----- Rupees -----			
Investments - at fair value through profit or loss				
Units of open-end mutual funds	-	50,722,842	-	50,722,842
	<u>-</u>	<u>50,722,842</u>	<u>-</u>	<u>50,722,842</u>
Financial assets	----- 2022 -----			
	Level 1	Level 2	Level 3	Total
	----- Rupees -----			
Investments - at fair value through profit or loss				
Units of open-end mutual funds	-	176,059,605	-	176,059,605
	<u>-</u>	<u>176,059,605</u>	<u>-</u>	<u>176,059,605</u>

21 DETAILS OF MEMBERS OF INVESTMENT COMMITTEE AND FUND MANAGER

S.No.	Name	Designation	Experience in years	Qualification
1	Ms. Iffat Zehra Mankani	Chief Executive Officer	22	MBA
2	Mr. Khawar Iqbal	Chief Operating Officer & Company Secretary	30	MBA
3	Mr. Syed Hussain Haider	Chief Investment Officer	21	CFA
4	Mr. Waqas Mustafa	Head of Equity / Fund Manager	8	CFA
5	Mr. Asim Ilyas	Head of Fixed Income	27	MAS

21.1 Name and qualification of the Fund Manager

Name	Designation	Qualification	Other funds managed by the Fund Manager
Mr. Waqas Mustafa	Fund Manager	Chartered Financial Analyst	Unit Trust of Pakistan, JS Fund of Funds, JS Growth Fund, JS Large Cap. Fund, JS Islamic Hybrid Fund of Funds 3, JS Islamic Hybrid Fund of Funds, JS Islamic Fund, JS Islamic Dedicated Equity Fund, JS Pension Savings Funds and JS Islamic Pension Savings Funds.

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22 PATTERN OF UNIT HOLDING

Category	JS Islamic Capital Preservation Allocation Plan 7				JS Islamic Capital Preservation Allocation Plan 7			
	As at June 30, 2023				As at June 30, 2022			
	Number of unit holders	Number of units held	Investment amount	Percentage of total investment	Number of unit holders	Number of units held	Investment amount	Percentage of total investment
		(Rupees)	(%)			(Rupees)	(%)	
Individuals	90	302,581	28,019,318	55.80%	143	693,182	64,341,190	76.23%
Retirement Funds	2	228,496	21,158,973	42.14%	2	206,040	19,124,638	22.66%
Others	1	11,197	1,036,853	2.06%	1	10,179	940,680	1.11%
	<u>93</u>	<u>542,274</u>	<u>50,215,144</u>	<u>100.00%</u>	<u>146</u>	<u>909,401</u>	<u>84,406,508</u>	<u>100.00%</u>

23 MEETINGS OF THE BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

The 164th, 165th, 166th, 167th and 168th meetings of the Board of Directors were held on August 19, 2022, October 22, 2022, January 11, 2023, February 24, 2023 and April 18, 2023 respectively. Information in respect of attendance by the Directors and other persons in the meetings is given below:

S.no.	Name of Directors	Date		Meetings attended	Meetings held on				
		Elected / Joined during the year	Resigned during the year		August 19, 2022	October 22, 2022	January 11, 2023	February 24, 2022	April 18, 2023
1	Mr. Suleman Lalani	N/A	N/A	4	✓	-	✓	✓	✓
2	Ms. Iffat Zehra Mankani	N/A	N/A	5	✓	✓	✓	✓	✓
3	Mr. Hasan Shahid	N/A	N/A	5	✓	✓	✓	✓	✓
4	Mr. Asif Reza Sana	N/A	28-Dec-22	1	✓	-	-	-	-
5	Mr. Imran Haleem Shaikh	N/A	28-Dec-22	2	✓	✓	-	-	-
6	Mr. Zahid Ullah Khan	N/A	28-Dec-22	2	✓	✓	-	-	-
7	Ms. Aisha Fariel Salahuddin	N/A	N/A	2	✓	-	✓	-	-
8	Mr. Mirza M. Sadeed Hasan Barlas	N/A	N/A	4	✓	✓	✓	-	✓
9	Mr. Atif Salim Malik	28-Dec-22	N/A	3	-	-	✓	✓	✓
10	Ms. Mediha Kamal Afsar	28-Dec-22	N/A	2	-	-	✓	-	✓
11	Syed Abu Ahmed Akif	28-Dec-22	22-Jan-23	-	-	-	-	-	-
12	Mr. Farooq Ahmed Malik	22-Feb-23	N/A	2	-	-	-	✓	✓
					<u>8</u>	<u>5</u>	<u>7</u>	<u>5</u>	<u>7</u>

24 DISTRIBUTIONS DURING THE YEAR

	June 30, 2023			June 30, 2022		
	Rate per unit	Declaration date	Total distribution	Rate per unit	Declaration date	Total distribution
			(Rupees)			(Rupees)
First interim distribution JSICPAP-7	7.02	June 23, 2023	3,477,122	-	-	-
Second interim distribution JSICPAP-7	3.86	June 27, 2023	1,913,557	-	-	-
First interim distribution JSICPAP-6	12.96	June 26, 2023	10,724,171	-	-	-
			<u>16,114,850</u>			<u>-</u>



25 GENERAL

25.1 Figures have been rounded off to the nearest rupees unless otherwise stated.

25.2 Corresponding figures have been reclassified and rearranged in these financial statements, wherever necessary, for the purpose of better presentation. No significant rearrangements or reclassifications were made in these financial statements.

26 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on August 18, 2023 by the Board of Directors of the Management Company.

For JS Investments Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

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JS Investments Limited

19th Floor, The Centre, Plot # 28,
SB-5 Abdullah Haroon Road, Saddar,
Karachi-75600

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E-mail: info@jsil.com
Website: www.jsil.com



JS Pension Savings Fund

Annual Report 2023



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VISION

To be the preferred choice of every investor, offering diverse and innovative investment solutions.

MISSION

To establish a leadership position in bringing more investable asset classes and innovative products, while managing them with prudence and excellence.

BROAD POLICY OBJECTIVES

- Value creation for clients on a sustainable basis.
- Maintain high standards of ethical behaviors and fiduciary responsibilities.
- 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
19th 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	Non-Executive Director / Chairman
Ms. Iffat Zehra Mankani	Chief Executive Officer
Mr. Hasan Shahid	Non-Executive Director
Mr. Mirza M. Sadeed H. Barlas	Non-Executive Director
Mr. Atif Salim Malik	Non-Executive Director
Ms. Aisha Fariel Salahuddin	Non-Executive Independent Director
Ms. Mediha Kamal Afsar	Non-Executive Independent Director
Mr. Farooq Ahmed Malik	Non-Executive Independent Director

Audit Committee

Ms. Mediha Kamal Afsar	Chairperson
Mr. Hasan Shahid	Member
Mr. Mirza M. Sadeed H. Barlas	Member

Chief Operating Officer & Company Secretary

Mr. Muhammad Khawar Iqbal

Chief Financial Officer

Mr. Umair Khatri

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

EY Ford Rhodes
Chartered Accountants

Legal Adviser

Bawaney & Partners
3rd & 4th Floor, 68-C, Lane-13
Bokhari Commercial Area
Phase-VI DHA, Karachi



JS Pension Savings Fund

Directors' Report to the Unit Holders

The Board of Directors of JS Investments Limited, the Pension Fund Manager of JS Pension Savings Fund (the Fund), is pleased to present the Annual Report for the year ended June 30, 2023.

Economy:

During the fiscal year 2023, Pakistan encountered substantial challenges stemming from longstanding structural weaknesses. Delays in the IMF program, declining forex reserves, significant currency devaluation, persistent political uncertainty, and elevated inflation collectively presented formidable hurdles, resulting in a meager GDP growth of 0.29%, a marked decrease from the 6.10% achieved in the previous fiscal year, FY22.

The current account deficit (CAD) narrowed by 85% year-on-year to USD 2.6 billion in FY23, a notable improvement compared to USD 17.5 billion in FY22, primarily due to reduced trade deficit resulting from import restrictions. However, despite this situation, foreign exchange reserves held by the State Bank of Pakistan (SBP) declined to USD 4.47 billion by June 2023, down from USD 9.82 billion at the commencement of FY23.

The scarcity of forex reserves exerted significant pressure on the currency, leading to a 40% devaluation. Another persistent concern throughout FY23 was soaring inflation, averaging 29.04%, far surpassing the initial target of 11.5% and the FY22 rate of 12.15%. This surge was fueled by escalating food prices and higher energy and petroleum costs, compounded by global crisis and PKR depreciation. In response, the SBP maintained its contractionary stance, raising the policy rate to a record high of 22% from 13.75% in June 2022. Despite these challenges, the measures taken by the government, including raising energy and gas tariffs, implementing currency regime change, introducing additional taxes and tightening monetary policy, did not yield the desired outcomes.

However, as of June 2023, the Government of Pakistan successfully secured a crucial 9-month Stand by Arrangement (SBA) with the IMF, leading to substantial deposits from multilateral countries. This achievement offers a much-needed short-term respite from the looming risk of default. Additionally, the SBA provides an economic roadmap for the next nine months, encompassing the period leading up to elections and a caretaker government, with a strong emphasis on fiscal discipline, energy reforms, and consistent policy implementation. Nevertheless, it is important to recognize that the SBA offers only temporary relief, as a long-term program with the IMF will be necessary once the SBA concludes in March 2024, alongside the implementation of structural reforms and a consistent macroeconomic framework.

Equity Market Review:

In FY23, the KSE-100 index exhibited relatively subdued performance, registering a marginal decline of 0.21%, equivalent to 88.14 points, culminating in a closing value of 41,452.69 points. The equity market operated amidst amplified political noise and the central bank's resolute monetary tightening measures aimed at addressing inflationary pressures. Additionally, lingering uncertainties surrounding the IMF staff-level agreement further dampened investor sentiment, leading to diminished interest and constrained liquidity inflows into the equity markets.

During this period, certain sectors demonstrated resilience and emerged as outperformers, including Power Generation & Distribution, Fertilizer, Cements, and Technology & Communication, highlighting their robustness in the market. Conversely, the Pharmaceuticals, Automobile Assembler and Refinery sectors underperformed during the same period.

As we embark on FY24, it is essential to recognize that two critical factors will significantly shape the financial markets. Firstly, the inflow of foreign exchange (FX) will play a decisive role, exerting influence on market dynamics. Secondly, unwavering dedication to adhering to the IMF's guidelines within the Stand-By Arrangement (SBA) will lay the groundwork for forthcoming negotiations concerning a long-term program with the IMF after the SBA concludes early next year.

Moreover, amidst this ever-evolving environment, political stability will act as a linchpin, fostering investor confidence and channeling liquidity into the equity market. In essence, the dynamic interplay of FX inflows, adherence to IMF guidelines, and political stability will form the bedrock upon which the performance of the economy as a whole will be built in the coming months. As we chart our course forward, strategic decisions anchored in these key factors will be pivotal in seizing opportunities and driving growth within the continuously changing investment landscape.



Income / Money Market Review:

Against a challenging macroeconomic landscape and mounting inflationary pressures, the Pakistani Rupee (PKR) experienced a significant depreciation of 40% during FY23. In response to the surging inflation, the State Bank of Pakistan (SBP) adopted a tight monetary policy stance, culminating in a cumulative 825 basis points increase in the policy rate, reaching an elevated 22% by June 2023.

Amidst heightened uncertainty, investors preferred shorter-tenor instruments along the yield curve. As a result, the government resorted to relying on the 3-month and 6-month treasury bills to fulfill its budgetary borrowing requirements, given the subdued market participation in one-year treasury bills. Notably, yields for 3-month treasury bills surged from 14.98% to 22.65%, while yields for 6-month treasury bills rose from 15.15% to 22.87%. The total amount borrowed through T-bills stood at PKR 24.62 trillion during the year. Furthermore, the government successfully borrowed PKR 1.28 trillion in fixed-rate Pakistan Investment Bonds (PIBs), slightly below the target of PKR 1.85 trillion. The yields on the 3-year, 5-year, and 10-year bonds experienced increments of 6.02%, 3.15%, and 2.40%, leading to final yields of 19.47%, 16.08%, and 15.32%, respectively.

Review of Fund Performance

The fund was launched on June 26, 2007, for contributions by eligible participants, under the Voluntary Pension System Rules, 2005 (VPS Rules, 2005), with the objective of assisting and facilitating them to plan for their retirement.

The fund presently has three sub-funds that are Equity Sub-Fund, Debt Sub-Fund, and Money Market Sub-Fund. Profit for the year ended June 30, 2023, of each of the sub-funds and the net assets as on June 30, 2023, are provided below: -

- The Equity Sub-fund return was -0.67% for the year ended June 30, 2023. Net Assets moved from PKR. 127.30 million (June 30, 2022) to PKR 114.08 million as at June 30, 2023.
 - The Debt Sub-fund return was 17.01% for the year ended June 30, 2023. Net Assets moved from PKR 227.51 million (June 30, 2022) to PKR 199.58 million as at June 30, 2023.
 - The Money Market Sub-fund return was 17.08% for the year ended June 30, 2023. Net Assets were moved from PKR 294.45 million (June 30, 2021) to PKR 176.99 million as at June 30, 2023.
- The Fund has 182 participants as on June 30, 2023.

Pension Fund Manager Rating

Pakistan Credit Rating Agency Limited (PACRA) has assigned JS Investments Management Quality rating of 'AM2+' with 'stable outlook' dated December 27, 2022 (June 30, 2022: 'AM2' with 'positive outlook' dated August 10, 2022). The rating denotes high management quality.

Auditors

The external auditors of the Fund Messrs EY Ford Rhodes Chartered Accountants have retired from office. The Board of Directors, upon recommendation of the Audit Committee of the Board has approved the appointment of Messrs A.F Ferguson, Chartered Accountants as the Fund's auditors for the ensuing year ending June 30, 2024.

Board of Directors:

During the period Mr. Atif Salim Malik, Mr. Farooq Ahmed Malik and Ms. Mediha Kamal Afsar was appointed as Director in place of Mr. Asif Reza Sana, Mr. Imran Haleem Shaikh and Mr. Zahid Ullah Khan.



JS Pension Savings Fund

Pattern of Unit Holding:

Category	Equity Sub-Fund			Debt Sub-Fund			Money Market Sub-Fund			Total Rupees in million	% of total investment
	No. of Unit holders	No. of Units held	Rupees in million	No. of Unit holders	No. of Units held	Rupees in million	No. of Unit holders	No. of Units held	Rupees in million		
Individuals	44	131,389	54.94	152	398,571	156.07	154	706,823	227.67	438.68	73.96
Directors and their spouse	0	0	0	1	55,965	21.91	1	68,066	21.92	43.83	7.39
NBFCs	1	141,420	59.14	1	61,437	24.06	1	85,028	27.39	110.59	18.65
	45	272,809	114.08	154	515,973	202.04	156	859,917	276.98	593.10	100.00

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 Pension Fund Manager for their dedication and hard work and the participants for their confidence in the Management.

Karachi: August 18, 2023

Director

Chief Executive Officer

شراکت داروں کے لیے ڈائریکٹرز رپورٹ

جے ایس انوسٹمنٹس لمیٹڈ کے بورڈ آف ڈائریکٹرز، جے ایس اینیشن سیونگ فنڈ (دی فنڈ) کی میٹنگ نے 30 جون 2023 کو ختم ہونے والے سال کے لیے سالانہ رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

معاشی جائزہ

مالی سال 2023 کے دوران، پاکستان کو دیرینہ ساختی کمزوریوں کی وجہ سے کافی چیلنجز کا سامنا کرنا پڑا۔ انٹرنیشنل مانیٹری فنڈ (IMF) پروگرام میں تاخیر، زرمبادلہ کے ذخائر میں کمی، کرنسی کی قدر میں نمایاں کمی، مسلسل سیاسی غیر یقینی کی صورتحال اور افراط زر میں اضافے نے مجموعی طور پر زبردست رکاوٹیں پیش کیں، جس کے نتیجے میں جی ڈی پی (GDP) کی شرح نمو % 0.29 رہی جو گزشتہ مالی سال 2022 کے % 6.10 کے مقابلے میں واضح طور پر کم ہے۔

مالی سال 2023 میں کرنٹ اکاؤنٹ خسارہ (CAD) سال بہ سال % 85 کم ہو کر 2.6 بلین امریکی ڈالر رہ گیا، جو مالی سال 2022 کے 17.5 بلین امریکی ڈالر کے مقابلے میں نمایاں بہتری ہے، جس کی بنیادی وجہ درآمدی پابندیوں سے تجارتی خسارے میں کمی ہے۔ تاہم، اس صورتحال کے باوجود اسٹیٹ بینک آف پاکستان (SBP) کے پاس موجود غیر ملکی زرمبادلہ کے ذخائر جون 2023 تک کم ہو کر 4.47 بلین امریکی ڈالر گئے جو مالی سال 2023 کے آغاز میں 9.82 بلین امریکی ڈالر سے کم تھے۔

غیر ملکی زرمبادلہ کے ذخائر کی کمی نے کرنسی پر کافی دباؤ ڈالا، جس کی وجہ سے % 40 کی قدر میں کمی واقع ہوئی۔ مالی سال 2023 کے دوران ایک اور مستقل تشویش بڑھتی ہوئی افراط زر تھی، جو اوسطاً % 29.04 تھی، جو ابتدائی ہدف % 11.5 اور مالی سال 2022 کی شرح % 12.15 سے تجاوز کر گئی۔ اس اضافے کی وجہ خوراک کی قیمتوں میں اضافہ اور توانائی اور پیٹرولیم کی بلند قیمتیں ہیں جو عالمی بحران اور پاکستانی روپے کی قدر میں کمی کی وجہ سے ہوا۔ اسکے جواب میں اسٹیٹ بینک آف پاکستان (SBP) نے اپنے تحفظی (contractionary) موقف کو برقرار رکھتے ہوئے پالیسی کی شرح کو جون 2022 میں % 13.75 سے بڑھا کر % 22 کی ریکارڈ سطح پر پہنچا دیا۔ ان چیلنجز کے باوجود حکومت کی جانب سے اٹھائے گئے اقدامات بشمول توانائی اور گیس کے نرخوں میں اضافہ، کرنسی نظام کی تبدیلی کا نفاذ، اضافی ٹیکس متعارف کروانا اور مانیٹری پالیسی کو سخت کرنے سے مختلف نتائج برآمد ہوئے۔

تاہم، جون 2023 تک حکومت پاکستان نے آئی ایم ایف کے ساتھ 9 ماہ کا ایک اہم اسٹینڈ بائی اریٹجمنٹ (SBA) حاصل کیا جس کے نتیجے میں کثیرالجہتی (multi lateral) ممالک سے خاطر خواہ ذخائر موصول ہوئے۔ یہ کامیابی ڈیفالٹ کے بڑھتے ہوئے خطرے سے ایک انتہائی ضروری قلیل مدتی راحت فراہم کرتی ہے۔ مزید برآں، اسٹینڈ بائی اریٹجمنٹ (SBA) اگلے 9 ماہ کے لیے اقتصادی روڈ میپ فراہم کرتا ہے، جس میں انتخابات اور نگران حکومت تک کی مدت کا احاطہ کیا گیا ہے، جس میں مالی نظم و ضبط، توانائی اصلاحات اور مستقل پالیسی کے نفاذ پر زور دیا گیا ہے۔ اس کے باوجود، یہ تسلیم کرنا ضروری ہے کہ اسٹینڈ بائی اریٹجمنٹ (SBA) عارضی ریلیف فراہم کرتا ہے، کیونکہ مارچ 2024 میں اسٹینڈ بائی اریٹجمنٹ (SBA) کے اختتام کے بعد IMF کے ساتھ، ساختی اصلاحات اور مستقل میکرو اکنامک فریم ورک کے نفاذ کے ساتھ، ایک طویل مدتی پروگرام ضروری ہوگا۔

ایکیویٹی مارکیٹ کا جائزہ

مالی سال 2023 میں، KSE - 100 انڈیکس نے نسبتاً کم کارکردگی کا مظاہرہ کیا، جس میں % 0.21 کی معمولی کمی ریکارڈ کی گئی، جو 88.14 پوائنٹس کے مساوی ہے، جس کے نتیجے میں اختتام 41,452.69 پوائنٹس کی سطح پر ہوا۔ ایکویٹی مارکیٹ بڑھتے ہوئے سیاسی شور شرابے اور مرکزی بینک کے پرعزم مالیاتی سخت اقدامات کے درمیان کام کر رہی تھی، جس کا مقصد افراط زر کے دباؤ سے نمٹنا تھا۔ مزید برآں، IMF کے عملے کی سطح کے معاہدے کے بارے میں غیر یقینی صورتحال نے سرمایہ کاروں کے جذبات کو مزید متاثر کیا، جس کے نتیجے میں دلچسپی میں کمی آئی اور ایکویٹی مارکیٹوں میں محدود لیکویڈیٹی کا بہاؤ ہوا۔

اس مدت کے دوران، پاور جزییشن اور ڈسٹر بیوٹن، فریڈلینرز، سیمنٹ اور ٹیکنالوجی اور کمیونیکیشن جیسے شعبوں نے پک کا مظاہرہ کیا اور بہتر کارکردگی کا مظاہرہ کرنے والے شعبوں کے طور پر ابھرے، جس نے مارکیٹ میں ان کی مضبوطی کو اجاگر کیا۔ اس کے برعکس، فارماسیوٹیکل، آٹوموبائل اسمبلر اور ریفائنری کے شعبوں نے یکساں مدت کے دوران ناقص

کارکردگی کا مظاہرہ کیا۔

جب ہم مالی سال 2024 کی شروعات کرنے جا رہے ہیں، تو یہ تسلیم کرنا ضروری ہے کہ دو اہم عوامل مالیاتی مارکیٹوں کو نمایاں طور پر تھکیل دیں گے۔ سب سے پہلے، غیر ملکی زرمبادلہ (FX) کی آمد ایک فیصلہ کن کردار ادا کرے گی، جس سے مارکیٹ کی حرکیات پر اثر پڑے گا۔ دوسری بات یہ ہے کہ اسٹینڈ بائی ارتھمنٹ (SBA) کے اندر IMF کی ہدایات پر عمل کرنے کی غیر متزلزل لگن اگلے سال کے اوائل میں اسٹینڈ بائی ارتھمنٹ (SBA) کے اختتام کے بعد IMF کے ساتھ طویل مدتی پروگرام سے متعلق آئندہ مذاکرات کی بنیاد رکھے گی۔

مزید برآں، اس مسلسل بدلتے ہوئے ماحول کے درمیان، سیاسی استحکام ایک لچ پن کے طور پر کام کرے گا، سرمایہ کاروں کے اعتماد کو فروغ دے گا اور ایکویٹی مارکیٹ میں لیکویڈیٹی کو متحرک کرے گا۔ خلاصہ یہ ہے کہ غیر ملکی زرمبادلہ (FX) کی آمد کا متحرک باہمی تعامل، IMF کی ہدایات پر عمل پیرا ہونا اور سیاسی استحکام وہ بنیاد بنائیں گے جس پر آنے والے مہینوں میں مجموعی طور پر معیشت کی کارکردگی تعمیر کی جائے گی۔ جیسا کہ ہم مستقبل کی جانب گامزن ہیں، ان کلیدی عوامل سے منسلک اسٹریٹجک فیصلے مسلسل بدلتے ہوئے سرمایہ کاری کے منظر نامے میں مواقع سے فائدہ اٹھانے اور ترقی کو آگے بڑھانے میں اہم کردار ادا کریں گے۔

انکم / منی مارکیٹ کا جائزہ

چیلنجنگ میکرو اکنامک منظر نامے اور بڑھتے ہوئے افراط زر کے دباؤ کے باوجود، مالی سال 2023 کے دوران، پاکستانی روپے (PKR) کو % 40 کی نمایاں کمی کا سامنا کرنا پڑا۔ بڑھتی ہوئی افراط زر کے جواب میں اسٹیٹ بینک آف پاکستان (SBP) نے سخت مانیٹری پالیسی کا موقف اپنایا، جس کے نتیجے میں پالیسی کی شرح میں مجموعی طور پر 825 بیس پوائنٹس کا اضافہ ہوا، جو جون 2023 تک % 22 تک پہنچ گیا۔

بڑھتی ہوئی غیر یقینی صورتحال کے درمیان، سرمایہ کاروں نے نتائج کی منفی قوس کے ساتھ مختصر مدت کے آلات کو ترجیح دی۔ نتیجتاً، حکومت نے بجٹ قرضوں کی ضروریات کو پورا کرنے کے لیے 3 ماہ اور 6 ماہ کے ٹریژری بلز (T - Bills) پر انحصار کیا کیونکہ ایک سال کے ٹریژری بلز میں مارکیٹ کی کم شرکت تھی۔ قابل ذکر بات یہ ہے کہ، 3 ماہ کے ٹریژری بلز کا منافع % 14.98 سے بڑھ کر % 22.65 ہو گیا، جبکہ 6 ماہ کے ٹریژری بلز کا منافع % 15.15 سے بڑھ کر % 22.87 ہو گیا۔ سال کے دوران، ٹریژری بلز کے ذریعے لیے گئے قرضوں کی مجموعی رقم 24.62 ٹریلین پاکستانی روپے رہی۔ مزید برآں، حکومت نے فکسڈ ریٹ پاکستان انویسٹمنٹ بانڈز (PIBs) میں 1.28 ٹریلین پاکستانی روپے کا کامیابی سے قرض لیا، جو 1.85 ٹریلین روپے کے ہدف سے تھوڑا سا کم ہے۔ 3 سال، 5 سال اور 10 سال کے بانڈز پر منافع میں بالترتیب % 6.02، % 3.15 اور % 2.40 کا اضافہ ہوا، جس کے نتیجے میں حتمی منافع بالترتیب % 19.47، % 16.08 اور % 15.32 رہا۔

فنڈ کی کارکردگی کا جائزہ

فنڈ اہل شرکت کنندگان کی طرف سے حصہ جمع کرانے کے لیے والنٹری ہینشن سسٹم رولز، 2005 (VPS Rules, 2005) کے تحت 26 جون 2007 کو لانچ کیا گیا جس کا مقصد انہیں ریٹائرمنٹ کے لیے منصوبہ سازی میں مدد اور سہولت فراہم کرنا تھا۔

یہ فنڈ اس وقت تین ذیلی فنڈز کا حامل ہے جو ایکویٹی سب فنڈ، ڈیٹ سب فنڈ اور منی مارکیٹ سب فنڈ ہیں۔ 30 جون 2023 کو ختم ہونے والی مدت کے لیے ہر ذیلی فنڈ کا منافع اور خالص اثاثے بمطابق 30 جون 2023 درج ذیل ہیں:

☆ 30 جون 2023 کو ختم ہونے والے سال کے لیے ایکویٹی سب فنڈ کا منافع % -0.67 رہا۔ 30 جون 2023 کو خالص اثاثہ جات 127.30 ملین روپے (30 جون 2022) سے 114.08 ملین روپے پر پہنچ گئے۔

☆ 30 جون 2023 کو ختم ہونے والے سال کے لیے ڈیٹ سب فنڈ کا منافع % 17.01 رہا۔ 30 جون 2023 کو خالص اثاثہ جات 227.51 ملین روپے (30 جون 2022) سے 199.58 ملین روپے پر پہنچ گئے۔

☆ 30 جون 2023 کو ختم ہونے والے سال کے لیے منی مارکیٹ سب فنڈ کا منافع % 17.08 رہا۔ 30 جون 2023 کو خالص اثاثہ جات 294.45 ملین روپے (30 جون 2022) سے 176.99 ملین روپے پر پہنچ گئے۔

30 جون 2023 کو فنڈ کے 182 شرکت کنندگان ہیں۔

پینشن فنڈ مینجر ریٹنگ

پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) نے مینجمنٹ کمپنی کو 27 دسمبر 2022 کو "AM2+" کی ایسیٹ مینجر ریٹنگ، مستحکم "stable" منظر نامے کے ساتھ تفویض کی ہے (30 جون 2022 : 10 اگست 2022 کو "AM2" مثبت "positive" منظر نامے کے ساتھ) جو "AM2" مثبت "positive" منظر نامے کی گزشتہ ریٹنگ سے بہتر ہے۔ یہ ریٹنگ مینجمنٹ کے اعلیٰ معیار کی نشاندہی کرتی ہے۔

آڈیٹرز

فنڈ کے بیرونی آڈیٹرز میسرز ای وائے فور ڈیورڈز چارٹرڈ اکاؤنٹنٹس ایپے عہدے سے مستعفی ہو چکے ہیں۔ بورڈ کی آڈٹ کمیٹی کی سفارش پر بورڈ آف ڈائریکٹرز نے 30 جون 2024 کو ختم ہونے والی مدت کے لیے میسرز ای ایف فرگوسن چارٹرڈ اکاؤنٹنٹس کو بطور فنڈ کے آڈیٹر کے تقرری کی منظوری دی۔

بورڈ آف ڈائریکٹرز

مدت کے دوران، جناب عاطف سالم ملک، جناب فاروق احمد ملک اور محترمہ مدیحہ کمال افسر؛ جناب آصف رضا ثناء، جناب عمران حلیم شیخ اور جناب زاہد اللہ خان کی جگہ پر بطور ڈائریکٹر مقرر کیے گئے۔

یونٹ ہولڈنگ کا نمونہ

کل سرمایہ کاری	میزان	منی مارکیٹ سب فنڈ			ڈیٹ سب فنڈ			ایکیویٹی سب فنڈ			کمپیٹری
		(روپے ملین میں)	(روپے ملین میں)	ملکیتی یونٹ کی تعداد	یونٹ ہولڈرز کی تعداد	(روپے ملین میں)	ملکیتی یونٹ کی تعداد	یونٹ ہولڈرز کی تعداد	(روپے ملین میں)	ملکیتی یونٹ کی تعداد	
73.96	438.68	227.67	706,823	154	156.07	398,571	152	54.94	131,389	44	انفرادی
7.39	43.83	21.92	68,066	1	21.91	55,965	1	0	0	0	ڈائریکٹرز اور انکی اہلیہ
18.65	110.59	27.39	85,028	1	24.06	61,437	1	59.14	141,420	1	غیر بینکنگ فنانس کمپنیاں
100.00	593.10	276.98	859,917	156	202.04	515,973	154	114.08	272,809	45	

اظہار تشکر

ڈائریکٹرز بیش قدر معاونت، مدد اور رہنمائی پر سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) اور سینٹرل ڈپازٹری کمپنی آف پاکستان لمیٹڈ (CDCPL) سے اظہار تشکر کرتے ہیں۔ بورڈ لیکن اور محنت پر پینشن فنڈ مینجر کے ملازمین اور انتظامیہ پر اعتماد پر یونٹ ہولڈرز کا بھی شکریہ ادا کرتا ہے۔



JS Pension Savings Fund

Fund Manager Report Annual Report 2023

JS Pension Savings Fund (JS PSF)

- **Description of the Collective Investment Scheme/Voluntary Pension Scheme category and type**
Voluntary Pension Scheme
- **Statement of VPS's investment objective**
JS Pension Savings Fund is designed to provide a secure source of savings and retirement income to individuals. JS PSF is a portable pension scheme allowing individuals the flexibility of contributions and portfolio customization through allocation of such contributions among equity and fixed income investment avenues suited to their specific needs and risk profile.
- **Explanation as to whether the VPS has achieved its stated objective**
The VPS achieved its stated objective.
- **Statement of benchmark(s) relevant to the VPS**
None
- **Comparison of the Collective Investment Scheme's performance during the period compared with the said benchmarks**

	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	FY23
JSPS-ESF	-3.48%	5.45%	-4.98%	0.65%	1.83%	-2.56%	0.39%	0.29%	0.87%	3.71%	-2.14%	-0.22%	-0.67%
JSPS-DSF	14.07%	13.18%	13.82%	14.82%	13.70%	16.63%	14.67%	12.35%	15.31%	17.02%	23.67%	20.25%	17.01%
JSPS-MMSF	13.69%	13.28%	15.82%	13.54%	12.82%	15.51%	14.91%	14.82%	17.25%	19.03%	18.66%	21.21%	17.08%

- **Description of the strategies and policies employed during the period under review in relation to the VPS's performance**

Money Market Sub Fund: During the year, the sub-fund's asset allocation was largely maintained in the short-term money market instruments like treasury bills, commercial papers, and bank cash balances. The duration was kept low to mitigate interest rate risk emanating from the challenging macroeconomic situation.

Debt Sub Fund: During the year, the fund maintained a balanced exposure to a mix of corporate debt instruments and short-term money market instruments. The Fund's asset allocation was determined holistically, factoring in view the interest rate cycle, targeted weighted average maturity of the portfolio, instrument ratings, overall credit risk, and fundamental analysis of underlying securities where applicable.

Equity Sub Fund: During the year, the fund maintained defensive positions with the most considerable level of undervaluation and kept limited exposure to cyclical sectors amid a highly challenging macroeconomic outlook.

- **Disclosure of the VPS's asset allocation as at the date of the report and particulars of significant changes in asset allocation since the last report (if applicable)**



Fund Manager Report Annual Report 2023

Equity Sub Fund	Jun-23	Jun-22
Cash	9.27%	17.27%
Equity	90.36%	82.15%
Other including receivables	0.37%	0.58%
Total	100.00%	100.00%
Debt Sub Fund		
Cash	3.46%	73.78%
TFCs / Sukkuks	25.60%	13.21%
T Bills & PIBs	68.26%	11.42%
Other including receivables	2.68%	1.58%
Total	100.00%	100.00%
Money Market Sub Fund		
Cash	5.26%	88.28%
TFCs / Sukkuks	6.83%	10.14%
T Bills & PIBs	86.52%	0.00%
Other including receivables	1.39%	1.58%
Total	100.00%	100.00%

- Based on changes in total NAV and NAV per unit since the last review period or since commencement (in the case of newly established VPS)

Equity Sub Fund

	Net Assets Excluding JSIL FoFs (PKR mn)	NAV per Unit (PKR)
30-Jun-23	114	418.16
30-Jun-22	127	420.96

Debt Sub Fund

	Net Assets Excluding JSIL FoFs (PKR mn)	NAV per Unit (PKR)
30-Jun-23	202	391.57
30-Jun-22	228	334.65

Money Market Sub Fund

	Net Assets Excluding JSIL FoFs (PKR mn)	NAV per Unit (PKR)
30-Jun-23	277	322.11
30-Jun-22	294	275.12

- Disclosure of the markets that the Collective Investment Scheme has invested in:

Money Market Sub Fund: The fund invests in short-term debt securities such as treasury bills, cash, and near cash instruments, which includes cash in bank accounts (excluding TDRs), money market placements, deposits, certificate of deposits (COD), certificates of musharakas (COM), Term Deposit Receipt (TDR), commercial papers and reverse repos.



JS Pension Savings Fund

Fund Manager Report Annual Report 2023

Debt Sub Fund: The fund invests in government securities, cash in bank accounts, money market placements, certificate of deposits (COD), certificate of musharakas (COM), Term Deposit Receipts (TDR), commercial paper, reverse repo, term finance certificates, sukuks, spread transactions and Margin Trading System..

Equity Sub Fund: The fund invests in equity securities listed on the Pakistan Stock Exchange (PSX).

- **Description and explanation of any significant changes in the state of affairs of the VPS during the period and up till the date of the manager's report, not otherwise disclosed in the financial statements**
There were no significant changes in the state of affairs during the year under review.

- **Breakdown of unit holdings by size**

Fund Name	Ranges			Number of Folios
JS Pension Savings Fund-Equity Sub-Fund	0.0001	to	9,999.9999	39
	10,000.0000	to	49,999.9999	5
	50,000.0000	to	99,999.9999	-
	100,000.0000	to	499,999.9999	1
	500,000.0000	&	above	-
			Total	45

Fund Name	Ranges			Number of Folios
JS Pension Savings Fund-Debt Sub-Fund	0.0001	to	9,999.9999	144
	10,000.0000	to	49,999.9999	7
	50,000.0000	to	99,999.9999	3
	100,000.0000	to	499,999.9999	-
	500,000.0000	&	above	-
			Total	154

Fund Name	Ranges			Number of Folios
JS Pension Savings Fund-Money Market Sub-Fund	0.0001	to	9,999.9999	139
	10,000.0000	to	49,999.9999	11
	50,000.0000	to	99,999.9999	5
	100,000.0000	to	499,999.9999	1
	500,000.0000	&	above	-
			Total	156

- **Disclosure on unit split (if any), comprising:-**
The Fund has not carried out any unit split exercise during the year.
- **Disclosure of circumstances that materially affect any interests of the unit holders**
Investment is subject to market risk.
- **Disclosure if the Asset Management Company or its delegate, if any, receives any soft commission (i.e. goods and services) from its broker(s) or dealer(s) by virtue of transactions conducted by the VPS, disclosure of the following:-**

The Management Company and / or any of its delegates have not received any soft commission from its brokers / dealers by virtue of transactions conducted by the Fund.



JS Pension Savings Fund

Performance Table

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
JS Pension Savings Fund										
Equity Sub Fund										
Net assets - Rupees in "000"	114,079	127,305	217,271	179,777	175,434	227,953	267,317	158,582	154,367	95,533
Net income / (loss) - Rupees in "000"	(1,075)	(25,083)	63,467	(8,784)	(50,135)	(43,395)	78,071	5,147	28,773	36,384
NAV per unit	Rs. 418.16	420.96	496.83	361.12	375.88	482.23	573.25	405.83	392.66	319.47
Highest NAV price per unit	Rs. 436.79	514.08	522.64	450.60	500.57	586.88	636.05	423.40	445.35	336.99
Lowest NAV price per unit	Rs. 385.82	416.64	368.23	280.78	368.04	426.11	409.27	364.04	293.43	200.41
Debt Sub Fund										
Net assets - Rupees in "000"	202,041	227,511	236,581	198,758	168,921	180,484	160,006	146,603	172,956	157,118
Net income / (loss) - Rupees in "000"	32,100	17,523	13,030	24,266	13,423	7,219	7,066	7,365	16,744	6,145
NAV per unit	Rs. 391.57	334.65	310.76	292.89	257.89	238.69	228.68	218.56	207.55	187.41
Highest NAV price per unit	Rs. 391.57	334.65	310.76	292.89	257.89	238.69	228.68	218.56	207.84	188.77
Lowest NAV price per unit	Rs. 335.13	310.89	292.94	257.97	238.68	228.68	218.56	207.55	187.41	175.43
Money Market Sub Fund										
Net assets - Rupees in "000"	276,986	294,454	258,122	200,925	169,949	130,577	113,821	112,336	127,752	121,651
Net income / (loss) - Rupees in "000"	42,806	26,715	14,208	21,464	12,075	4,946	4,761	4,325	7,836	8,004
NAV per unit	Rs. 322.11	275.12	250.51	235.58	208.87	192.26	184.70	176.89	169.90	159.25
Highest NAV price per unit	Rs. 322.11	275.12	250.51	235.58	208.87	192.26	184.84	176.89	169.90	159.25
Lowest NAV price per unit	Rs. 275.53	250.63	235.62	208.94	192.26	184.66	176.89	169.90	159.25	148.97

Notes

- JS Pension Savings Fund was launched on June 26, 2007.
- Investment portfolio composition of the Fund is disclosed in the financial statements.

Disclaimer

- Past performance is not necessarily indicative of future performance and that unit prices and investment returns may go down, as well as up.

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

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TRUSTEE REPORT TO THE PARTICIPANTS

JS PENSION SAVINGS FUND

Report of the Trustee pursuant to Regulation 67D in conjunction with Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of JS Pension Savings Fund (the Fund) are of the opinion that JS Investment Limited being the Pension Fund Manager has in all material respects managed the Fund during the year ended June 30, 2023 in accordance with the provisions of the constitutive documents of the Fund, the Voluntary Pension System Rules, 2005 and the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

Further, in our opinion, the management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, September 28, 2023



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AUDITORS' REPORT TO THE PARTICIPANTS OF JS PENSION SAVINGS FUND

We have audited the annexed financial statements comprising:

- i) statement of assets and liabilities;
- ii) income statement;
- iii) statement of comprehensive income;
- iv) statement of cash flows; and
- v) statement of movement in participants' sub-funds.

of JS Pension Savings Fund (the Fund) as at 30 June 2023 and for the year ended 30 June 2023 together with the notes forming part thereof for the year then ended.

It is the responsibility of the Pension Fund Manager to establish and maintain a system of internal control and prepare and present the financial statements of the Fund in conformity with the accounting and reporting standards as applicable in Pakistan and the requirements of Voluntary Pension System Rules, 2005. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards as applicable in Pakistan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion:

- a) the financial statements prepared for the year have been properly drawn in accordance with the relevant provisions of the trust deed and the Voluntary Pension System Rules, 2005 including the guidelines thereunder;
- b) a true and fair view is given of the disposition of the Fund as at 30 June 2023 and of the transactions of the fund for the year ended 30 June 2023;
- c) the allocation and reallocation of units of the sub-funds for all the participants have been made according to the Voluntary Pension System Rules, 2005;
- d) the cost and expenses debited to the Fund and apportionment of expenses between sub-funds are as specified in the constitutive documents of the Fund;
- e) proper books and records have been kept by the Fund or the financial statements prepared are in agreement with the Fund's books and records, that fact;
- f) we were able to obtain all the information and explanations which, to the best of our knowledge and belief, are necessary for the purpose of the audit; and
- g) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.



JS Pension Savings Fund



-: 2 :-

Other Matter

The annual financial statements for the year ended 30 June 2022 were audited by another firm of Chartered Accountants, whose audit report dated 27 September 2022, expressed an unmodified opinion, on the aforementioned financial statements.

The engagement partner on the audit resulting in this independent auditor's report is Shaikh Ahmed Salman.

Chartered Accountants

Place: Karachi

Date: 28 September 2023

UDIN Number: AR202310076YawWUObVN



FINANCIAL STATEMENTS



JS Pension Savings Fund

STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2023

	Note	June 30, 2023				June 30, 2022			
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
(Rupees)									
ASSETS									
Balance with banks	4	10,883,726	7,050,894	14,646,803	32,581,423	22,222,469	169,029,283	261,092,140	452,343,892
Investments	5	106,066,538	191,188,645	259,793,545	557,048,728	105,701,497	56,429,167	30,000,000	192,130,664
Dividend receivable		3,709	-	-	3,709	-	-	-	-
Advance, deposit and profits receivable	6	434,016	5,456,233	3,869,512	9,759,761	765,492	3,627,423	4,670,803	9,063,718
Total assets		117,387,989	203,695,772	278,309,860	599,393,621	128,689,458	229,085,873	295,762,943	653,538,274
LIABILITIES									
Payable to JS Investments Limited - Pension Fund Manager	7	1,146,196	1,430,727	1,060,866	3,637,789	1,175,145	1,347,506	1,067,356	3,590,007
Payable to Central Depository Company of Pakistan Limited - Trustee	8	16,293	28,540	38,060	82,893	19,640	31,923	40,310	91,873
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)	9	47,551	82,246	109,257	239,054	56,586	79,676	94,482	230,744
Payable against purchase of investments		1,989,349	-	-	1,989,349	-	-	-	-
Accrued expenses and other liabilities	10	109,582	113,434	115,409	338,425	133,261	115,358	107,066	355,685
Total liabilities		3,308,971	1,654,947	1,323,592	6,287,510	1,384,632	1,574,463	1,309,214	4,268,309
NET ASSETS		114,079,018	202,040,825	276,986,268	593,106,111	127,304,826	227,511,410	294,453,729	649,269,965
Participants' sub-funds (as per statement attached)		114,079,018	202,040,825	276,986,268	593,106,111	127,304,826	227,511,410	294,453,729	649,269,965
Contingencies and commitments	11								
NUMBER OF UNITS IN ISSUE	17	272,808	515,974	859,916		302,416	679,851	1,070,283	
NET ASSET VALUE PER UNIT		418.16	391.57	322.11		420.96	334.65	275.12	

The annexed notes from 1 to 27 form an integral part of these financial statements.

For JS Investments Limited
(Pension Fund Manager)

Chief Executive Officer

Chief Financial Officer

Director

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2023

	Note	June 30, 2023				June 30, 2022			
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
(Rupees)									
INCOME									
Profit / mark-up income	12	1,910,783	33,272,984	42,319,726	77,503,493	1,398,483	22,717,970	28,994,365	53,110,818
Dividend income		12,184,448	-	-	12,184,448	14,592,713	-	-	14,592,713
(Loss) / gain on sale of investments - net		(1,547,835)	(359,046)	3,190,589	1,283,708	(18,812,630)	(2,945,337)	(1,065,724)	(22,823,691)
Net unrealised (loss) / gain on revaluation of investments classified 'at fair value through profit or loss'	5.8	(10,747,875)	2,097,951	(389,434)	(9,039,358)	(21,422,091)	(1,538,722)	-	(22,960,813)
Total (loss) / income		1,799,521	35,011,889	45,120,881	81,932,291	(24,243,525)	18,233,911	27,928,641	21,919,027
EXPENSES									
Remuneration of JS Investments Limited - Pension Fund Manager	7.1	1,788,266	1,876,170	1,325,113	4,989,549	2,547,652	1,195,893	1,418,271	5,161,816
Sindh sales tax on remuneration of the Pension Fund Manager	7.2	232,489	243,904	172,257	648,650	331,195	155,466	184,375	671,036
Remuneration of Central Depository Company of Pakistan Limited - Trustee	8.1	178,315	308,312	410,154	896,781	254,781	358,765	425,480	1,039,026
Sindh sales tax on remuneration of the Trustee	8.2	23,180	40,085	52,770	116,035	33,122	46,639	55,312	135,073
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)	9	54,998	93,881	123,483	272,362	56,587	79,676	94,482	230,745
Auditors' remuneration	13	153,435	153,712	153,439	460,586	148,500	148,500	148,500	445,500
Securities transaction cost		407,252	55,803	44,456	507,511	530,951	27,600	9,629	568,180
Printing and stationery charges		19,430	19,486	19,377	58,293	25,489	25,433	25,540	76,462
Legal and professional charges		-	-	-	-	66,417	66,416	66,417	199,250
Bank and settlement charges		17,087	120,594	13,746	151,427	27,530	77,882	53,048	158,460
Total operating expenses		2,874,452	2,911,947	2,314,795	8,101,194	4,022,224	2,182,270	2,481,054	8,685,548
Net (loss) / income from operating activities		(1,074,931)	32,099,942	42,806,086	73,831,097	(28,265,749)	16,051,641	25,447,587	13,233,479
Reversal of provision for Sindh Workers' Welfare Fund		-	-	-	-	3,182,957	1,471,522	1,267,559	5,922,038
Net (loss) / income for the year before taxation		(1,074,931)	32,099,942	42,806,086	73,831,097	(25,082,792)	17,523,163	26,715,146	19,155,517
Taxation	14	-	-	-	-	-	-	-	-
Net (loss) / income for the year after taxation		(1,074,931)	32,099,942	42,806,086	73,831,097	(25,082,792)	17,523,163	26,715,146	19,155,517
Earnings per unit	15								

The annexed notes from 1 to 27 form an integral part of these financial statements.

For JS Investments Limited
(Pension Fund Manager)

Chief Executive Officer

Chief Financial Officer

Director



JS Pension Savings Fund

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2023

	June 30, 2023				June 30, 2022			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Rupees)				(Rupees)			
Net (loss) / income for the year after taxation	(1,074,931)	32,099,942	42,806,086	73,831,097	(25,082,792)	17,523,163	26,715,146	19,155,517
Other comprehensive income for the year	-	-	-	-	-	-	-	-
Total comprehensive (loss) / income for the year	(1,074,931)	32,099,942	42,806,086	73,831,097	(25,082,792)	17,523,163	26,715,146	19,155,517

The annexed notes from 1 to 27 form an integral part of these financial statements.

For JS Investments Limited
(Pension Fund Manager)

Chief Executive Officer

Chief Financial Officer

Director



STATEMENT OF CASH FLOW
FOR THE YEAR ENDED JUNE 30, 2023

	June 30, 2023				June 30, 2022			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Rupees)				(Rupees)			
CASH FLOWS FROM OPERATING ACTIVITIES								
Net (loss) / income for the year before taxation	(1,074,931)	32,099,942	42,806,086	73,831,097	(25,082,792)	17,523,163	26,715,146	19,155,517
Adjustments for:								
Net unrealised loss / (gain) on revaluation of investments classified as 'financial assets at fair value through profit or loss'	5.8 10,747,875	(2,097,951)	389,434	9,039,358	21,422,091	1,538,722	-	22,960,813
Loss / (gain) on sale of investments - net	1,547,835	359,046	(3,190,589)	(1,283,708)				
Reversal of provision for Sindh Workers' Welfare Fund	-	-	-	-	(3,182,957)	(1,471,522)	(1,267,559)	(5,922,038)
	11,220,779	30,361,037	40,004,931	81,586,747	(6,843,658)	17,590,363	25,447,587	36,194,292
(Increase) / decrease in assets								
Investments-net	(10,671,402)	(60,725,038)	(135,838,845)	(207,235,285)	87,620,432	12,963,075	(9,827,673)	90,755,834
Dividend receivable	(3,709)	-	-	(3,709)				
Advance, deposit and profits receivable	331,476	(1,828,810)	801,291	(696,043)	(303,841)	(2,053,338)	(3,690,929)	(6,048,108)
	(10,343,635)	(62,553,848)	(135,037,554)	(207,935,037)	87,316,591	10,909,737	(13,518,602)	84,707,726
(Decrease) / increase in liabilities								
Payable to JS Investments Limited - Pension Fund Manager	(28,949)	83,221	(6,490)	47,782	(106,403)	20,047	31,777	(54,579)
Remuneration payable to Central Depository of Pakistan Limited - Trustee	(3,347)	(3,383)	(2,250)	(8,980)	(12,000)	(1,131)	4,574	(8,557)
Annual fee payable to the Securities and Exchange Commission of Pakistan	(9,035)	2,570	14,775	8,310	(13,183)	7,311	18,293	12,421
Accrued expenses and other liabilities	(23,679)	(1,924)	8,343	(17,260)	1,143	19,285	4,255	24,683
	(65,010)	80,484	14,378	29,852	(130,443)	45,512	58,899	(26,032)
Net cash generated from / (used in) operating activities	812,134	(32,112,327)	(95,018,245)	(126,318,438)	80,342,490	28,545,612	11,987,884	120,875,986
CASH FLOWS FROM FINANCING ACTIVITIES								
Amount received against issuance of units	55,678,429	226,905,338	312,159,972	594,743,739	4,548,233	33,526,370	34,888,958	72,963,561
Amount paid against redemption of units	(63,453,424)	(256,598,415)	(404,686,851)	(724,738,690)	(35,234,504)	(58,672,658)	(60,915,478)	(154,822,640)
Reallocation of units	(4,375,882)	(27,877,450)	32,253,332	-	(34,196,846)	(1,446,178)	35,643,024	-
Net cash (used in) / generated from financing activities	(12,150,877)	(57,570,527)	(60,273,547)	(129,994,951)	(64,883,117)	(26,592,466)	9,616,504	(81,859,079)
Net (decrease) / increase in cash and cash equivalents during the year	(11,338,743)	(89,682,854)	(155,291,792)	(256,313,389)	15,459,373	1,953,146	21,604,388	39,016,907
Cash and cash equivalents at the beginning of the year	22,222,469	169,029,283	261,092,140	452,343,892	6,763,096	167,076,137	239,487,752	413,326,985
Cash and cash equivalents at the end of the year	10,883,726	79,346,429	105,800,348	196,030,503	22,222,469	169,029,283	261,092,140	452,343,892

The annexed notes from 1 to 27 form an integral part of these financial statements.

For JS Investments Limited
(Pension Fund Manager)

Chief Executive Officer

Chief Financial Officer

Director



JS Pension Savings Fund

STATEMENT OF MOVEMENT IN PARTICIPANTS' SUB-FUNDS

FOR THE YEAR ENDED JUNE 30, 2023

	June 30, 2023				June 30, 2022			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
Note	(Rupees)				(Rupees)			
Net assets at the beginning of the year	127,304,826	227,511,410	294,453,729	649,269,965	217,270,735	236,580,713	258,122,079	711,973,527
Amounts received on units issued	55,678,429	226,905,338	312,159,972	594,743,739	4,548,233	33,526,370	34,888,958	72,963,561
Amounts paid on units redeemed	(63,453,424)	(256,598,415)	(404,686,851)	(724,738,690)	(35,234,504)	(58,672,658)	(60,915,478)	(154,822,640)
Amount (paid) / received on reallocation of units	(4,375,882)	(27,877,450)	32,253,332	-	(34,196,846)	(1,446,178)	35,643,024	-
	(12,150,877)	(57,570,527)	(60,273,547)	(129,994,951)	(64,883,117)	(26,592,466)	9,616,504	(81,859,079)
(Loss) / gain on sale of investments - net	(1,547,835)	(359,046)	3,190,589	1,283,708	(18,812,630)	(2,945,337)	(1,065,724)	(22,823,691)
Net unrealised (loss) / gain on revaluation of investments classified 'at fair value through profit or loss'	(10,747,875)	2,097,951	(389,434)	(9,039,358)	(21,422,091)	(1,538,722)	-	(22,960,813)
Other income for the period - net of expenses	11,220,779	30,361,037	40,004,931	81,586,747	15,151,929	22,007,222	27,780,870	64,940,021
Total comprehensive (loss) / income for the year	(1,074,931)	32,099,942	42,806,086	73,831,097	(25,082,792)	17,523,163	26,715,146	19,155,517
Net assets at the end of the year	114,079,018	202,040,825	276,986,268	593,106,111	127,304,826	227,511,410	294,453,729	649,269,965

The annexed notes from 1 to 27 form an integral part of these financial statements.

For JS Investments Limited
(Pension Fund Manager)

Chief Executive Officer

Chief Financial Officer

Director



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 JS Pension Savings Fund ("the Fund") has been established under the Voluntary Pension System Rules, 2005 (the VPS Rules) and has been approved as a pension fund by the Securities and Exchange Commission of Pakistan (the SECP) on June 17, 2007. It has been constituted under a Trust Deed, dated June 6, 2007, between JS Investments Limited as the Pension Fund Manager and Central Depository Company of Pakistan Limited as the Trustee. The Pension Fund Manager (the PFM) of the Fund has been licensed to act as a Pension Fund Manager under the VPS Rules through a certificate of registration issued by the SECP. The registered office of JS Investments Limited is situated at 19th Floor, The Centre, Plot No. 28, SB-5 Abdullah Haroon Road, Saddar, Karachi.

The Trust Act, 1882 has been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on September 03, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

1.2 The Fund is an open-end mutual fund and offers units for public subscription on a continuous basis. The units are non-transferable except in the circumstances mentioned in the Voluntary Pension System Rules, 2005 and can be redeemed by surrendering them to the Fund. Further, as per the offering document, the Fund shall not distribute any income or dividend from the Fund whether in cash or otherwise from any of the Sub-Funds.

1.3 The objective of the Fund is to provide a secure source of savings and retirement income to individuals. It is a portable pension scheme allowing individuals the flexibility of contributions and portfolio customisation through allocation of such contributions in equity and fixed income investment avenues suited to their specific needs and risk profile.

1.4 The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM2+ with a stable outlook with effect from 27 December 2022 (June 30, 2022: 'AM2' with 'positive outlook') to the Pension Fund Manager.

1.5 Title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as Trustee of the Fund.

1.6 The Fund consists of three sub-funds namely, JS Pension Savings Fund Equity Sub-Fund (Equity Sub-Fund), JS Pension Savings Fund Debt Sub-Fund (Debt Sub-Fund) and JS Pension Savings Fund Money Market Sub-Fund (Money Market Sub-Fund) (collectively the "Sub-Funds"). Investment policy for each of the Sub-Funds are as follows:

Equity Sub-Fund

Assets of an Equity Sub-Fund shall be invested in equity securities which are listed on the Pakistan Stock Exchange or in securities the application for listing has been approved by the Pakistan Stock Exchange. At least ninety percent (90%) of Net Assets of an Equity Sub-Fund shall remain invested in listed equity securities. Investments may be made in equity securities of any single company up to ten percent (10%) of net assets of an Equity Sub-Fund or paid-up capital of that single company, whichever is lower. The Pension Fund Manager may invest up to maximum thirty percent (30%) of net assets of Equity Sub-Fund or the index weight whichever is higher; subject to maximum thirty five percent (35%) of net assets of equity sub-fund in equity securities of companies belonging to a single sector as classified by the Pakistan Stock Exchange. The Pension Fund Manager may invest any surplus (un-invested) funds in government treasury bills or government securities having less than one year time to maturity or keep as deposits with scheduled commercial banks which are rated not less than "A" by a rating agency registered with the Commission. The Pension Fund Manager shall not deposit more than ten per cent (10%) of net assets of the Equity Sub-Fund in a single bank.



JS Pension Savings Fund

Debt Sub-Fund

The Debt Sub-Fund shall consist of debt securities and such other assets as specified herein below. The weighted average time to maturity of securities held in the portfolio of a Debt Sub-Fund shall not exceed five (5) years. At least twenty five per cent (25%) Net Assets of the Debt Sub-Fund shall be invested in debt securities issued by the Federal Government and up to 25% may be deposited with banks having not less than "AA plus" rating with stable outlook so that both these investments shall make up a minimum fifty per cent (50%) of net assets of a Debt Sub-Fund. Deposits in a single bank shall not exceed twenty per cent (20%) of Net Assets of the Debt Sub-Fund.

Money Market Sub-Fund

The weighted average time to maturity of net assets of a Money Market Sub-Fund shall not exceed ninety (90) days. Time to maturity of any asset in the portfolio of Money Market Sub-Fund shall not exceed six (6) months. There shall be no limit with respect to investment in the Federal Government securities. Furthermore, there shall be no limits for deposits with commercial banks having "A Plus" or higher rating provided that deposit with any one bank shall not exceed twenty per cent (20%) of net assets of the Money Market Sub-Fund.

The Fund offers four types of allocation schemes, as prescribed by the SECP under the VPS Rules 2005 vide its Circular no. 36 of 2009 dated December 10, 2009, to the participants of the Fund, namely High Volatility, Medium Volatility, Low Volatility and Lower Volatility. The participant has an option to suggest a minimum percentage of allocation to the above allocation schemes (subject to the minimum percentages prescribed in the offering document). Based on the minimum allocation, the funds are allocated to the above stated sub-funds. The allocation to the Sub-Funds has to be done at the date of the opening of the participant's pension account and on an anniversary date thereafter. The contribution amount may be paid by the participant on a periodic basis such as annual, semi annual, quarterly or monthly basis within 5 days of the close of the period.

2. BASIS OF PRESENTATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) 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 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Voluntary Pension System Rules, 2005 (the VPS Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

There are certain new amendments to the published accounting and reporting standards that are mandatory for the Fund's accounting period beginning on or after July 1, 2022. However, these do not have any significant impact on the Fund's financial operations and, therefore, have not been detailed in these financial statements.

2.2 Initial application of standards, amendments and improvements to the approved accounting and reporting standards

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year except as described below:

Amendments and improvements to the approved accounting and reporting standards that became effective during the year

The Fund has adopted the following amendments and improvements to the approved accounting and reporting standards which became effective for the current year:



Amendments to approved accounting standards

IFRS 3	Reference to the Conceptual Framework (Amendments)
IAS 16	Property, Plant and Equipment: Proceeds before Intended Use (Amendments)
IAS 37	Onerous Contracts – Costs of Fulfilling a Contract (Amendments)

Improvements to Accounting Standards Issued by the IASB (2018-2020 cycle)

IFRS 9	Fees in the '10 percent' test for the derecognition of financial liabilities
IFRS 16	Leases: Lease incentives
IAS 41	Agriculture - Taxation in fair value measurement

The adoption of the above amendments and improvements to the approved accounting and reporting standards did not have any material effect on these financial statements.

2.3 Standards and amendments to the approved accounting standards that are not yet effective

The following standards, amendments of IFRSs and improvements to accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standards, amendments or improvements:

Amendments		Effective date (annual periods beginning on or after)
IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	January 01, 2023
Amendments		Effective date (annual periods beginning on or after)
IAS 8	Definition of Accounting Estimates - Amendments to IAS 8	January 01, 2023
IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12	January 01, 2023
IAS 1	Classification of Liabilities as Current or Non-Current and Non-Current Liabilities with Covenants - Amendments to IAS 1	January 01, 2024
IFRS 10 / IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28	Not yet finalised
IAS 7 / IFRS 7	Disclosures: Supplier Finance Agreements - Amendments of IAS 7 - and IFRS 7	January 01, 2024
IAS 12	International Tax Reform - Pillar Two Model Rules - Amendments to IAS 12	Not yet finalised

Further, following new standards have been issued by IASB which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP) for the purpose of applicability in Pakistan:



JS Pension Savings Fund

Standards

IFRS 1	First time adoption of IFRS	January 01, 2004
IFRS 17	Insurance Contracts	January 01, 2023

The Fund expects that above standards, amendments and improvements to approved accounting standards will not have any material impact on the fund's financial statements in the period of initial application.

2.4 Accounting convention

These financial statements have been prepared under the historical cost convention except for investments which are measured at fair value.

2.5 Critical accounting estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making judgments about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis.

2.6 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistani Rupees, which is the Fund's functional and presentation currency.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all the years presented.

3.1 Cash and cash equivalents

These comprise of balances with banks in savings and current accounts and other short-term highly liquid investments with original maturities of three months or less.

3.2 Financial assets

3.2.1 Initial recognition and measurement

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the Income Statement.

3.2.2 Classification and subsequent measurement

3.2.2.1 Debt instruments

IFRS 9 has provided a criteria for debt securities whereby these debt securities are either classified as:

- at amortised cost;
- at fair value through other comprehensive income "(FVOCI)"; and
- at fair value through profit or loss (FVPL) based on the business model of the entity.



However, IFRS 9 also provides an option whereby securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis, to be recognised at FVPL. The Debt Sub-Fund and Money Market Sub-Fund primarily invests in debt securities and their performance is measured on a fair value basis. Hence, the management has classified the debt securities invested through the Debt Sub-Fund and the Money Market Sub-Fund as FVPL.

3.2.2.2 Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective and are instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All equity investments are required to be measured in the 'Statement of Assets and Liabilities' at fair value, with gains and losses recognised in the Income Statement, except where an irrevocable election has been made at the time of initial recognition to measure the investment at FVOCI. The management considers its investment in equity securities being managed as a group of assets and hence has classified them as FVPL. Accordingly, the irrevocable option has not been considered.

The dividend income for equity securities classified under FVPL is recognised in the Income Statement.

Since all investments in equity instruments have been designated as FVPL, the subsequent movement in the fair value of equity securities is routed through the Income Statement.

3.2.3 Impairment

The Fund assesses on a forward-looking basis the expected credit losses (ECL) associated with its financial assets (other than debt instruments) carried at amortised cost and FVOCI. The Fund recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

3.2.4 Impairment loss on debt securities

Provision for non-performing debt securities is made on the basis of time-based criteria as prescribed by the SECP and based on management's assessment made in line with its provisioning policy approved by the Board of Directors of the Pension Fund Manager in accordance with the guidelines issued by the SECP. Impairment losses recognised on debt securities can be reversed through the Income Statement.

As allowed by the SECP, the Pension Fund Manager may make provision against debt securities over and above the minimum provision requirement prescribed by the SECP, considering the specific credit and financial condition of the debt security issuer and in accordance with the provisioning policy duly approved by the Board of Directors of the Pension Fund Manager.

3.2.5 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset. Regular way purchases / sales of assets require delivery of securities within two days from the transaction date as per the stock exchange regulations.

3.2.6 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. Any gain or loss arising on derecognition of financial assets is taken to the Income Statement.



JS Pension Savings Fund

3.3 Financial liabilities

3.3.1 Classification and subsequent measurement

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. These are initially recognised at fair value and subsequently stated at amortised cost.

3.3.2 Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Any gain or loss on derecognition of financial liabilities is taken to Income Statement.

3.4 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount reported in the 'Statement of Assets and Liabilities' when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3.5 Provisions

Provisions are recognised when the Fund has a present, legal or constructive, obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

3.6 Taxation

The income of the Fund is exempt from income tax under clause 57 (3) (viii) of the Part I of the Second Schedule to the Income Tax Ordinance, 2001.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

3.7 Revenue recognition

- Profit on saving accounts with banks is recognised on a time proportion basis using the effective yield method
- Income on sukuk certificates, term finance certificates, government securities and commercial papers is recognised on a time proportionate basis using the effective yield method, except for the securities which are classified as Non-Performing Asset under Circular No. 33 of 2012 issued by the SECP for which the profit are recorded on cash basis;
- Dividend income is recognised when the Fund's right to receive the same is established i.e. on the commencement of date of book closure of the investee company / institution declaring the dividend.
- Realised gains / (losses) arising on sale of investments are included in Income Statement and are recognised when transaction takes place.
- Unrealised gains / (losses) arising on re-measurement of investments classified as financial assets 'at fair value through profit or loss' are included in the Income Statement in the year in which they arise.

3.8 Expenses

All expenses chargeable to the Fund including remuneration of the Pension Fund Manager, Trustee and annual fee of the SECP are recognised in the Income Statement on an accrual basis.



JS Pension Savings Fund

3.9 Issue, allocation, reallocation and redemption of units

The prescribed application form, completed in all respects including payment (on realised basis), received by the Pension Fund Manager or distributor at its / their authorised branches during business hours on any dealing day from any participant shall be immediately credited to the individual pension account of the participant after deducting the front-end fee (sale charges) or takaful contributions, if any. Such amount in the individual pension account shall be used to purchase the units of Sub-Funds of the Fund as per the allocation scheme selected by the participant, at the Net Asset Value (NAV) notified by the Pension Fund Manager at the close of that dealing day for each Sub-Fund. Any form received after business hours will be transferred to the next dealing day. The front-end fee is payable to the distributors and the Pension Fund Manager.

The Pension Fund Manager shall make reallocation of the units between the Sub-Funds as per the VPS Rules and the Offering Document at least once a year to ensure that the allocation of units of all the participants are according to the allocation schemes selected by the participants or where no selection has been made, according to the default allocation scheme. In case of withdrawal before retirement, units are redeemed at the net asset value of each of the Sub-Fund as of the close of the business day on which such request is received by the distributor before the cut off time. Redemption of units is recorded on acceptance of application for redemption.

At the date of retirement of the participant, all the units of the Sub-Funds of participant account shall be redeemed at the Net Asset Value (NAV) notified at close of the day of retirement and the amount due shall be credited to participant individual pension account in the lower volatility scheme where no option is selected by the participant offered by the Pension Fund Manager.

In case of retirement of the participant, units are redeemed at the net asset value of each of the sub-fund as of the close of the business day on which retirement age is reached and the amount due shall be credited to participant individual pension account in the lower volatility scheme where no option is selected by the participant offered by the Pension Fund Manager.

A participant can transfer his individual pension account with the Pension Fund Manager to another Pension Fund Manger or from one pension fund to another pension fund. Units are redeemed at the net asset value of each of the sub-fund as of the close of the business day corresponding to the date of change specified by the participant in accordance with the VPS Rules.

3.10 Net asset value (NAV) per unit

The net asset value (NAV) per unit for each Sub-Fund, as disclosed in the 'Statement of Assets and Liabilities', is calculated by dividing the net assets of the Sub-Fund by the number of units in issue of the respective sub-fund at the year end.

3.11 Earnings per unit

Earnings per unit is calculated by dividing the net income / (loss) for the year after taxation of each sub-fund by the weighted average number of units outstanding during the year for the respective sub-fund.

3.12 Foreign currency translation

Transactions denominated in foreign currencies are accounted for in Pakistani Rupees at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

4 BALANCE WITH BANKS

Note	June 30, 2023				June 30, 2022				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	
	(Rupees)				(Rupees)				
In saving accounts	4.1	10,883,726	7,050,894	14,646,803	32,581,423	22,222,469	169,029,283	261,092,140	452,343,892



JS Pension Savings Fund

- 4.1** These include bank balances held by Equity Sub-Fund and Money Market Sub-Fund with JS Bank Limited (a related party) that carry profit at the rate of 19.60% (June 30, 2022: 12.25%) per annum and in Money Market Sub-Fund with BankIslami Pakistan Limited (a related party) that carries profit at the rate of 19.75% (June 30, 2022: Nil) per annum. Other saving accounts of the Fund carry profit rates ranging from 12.25% to 19.50% (June 30, 2022: 5% to 16.30%) per annum.

5 INVESTMENTS

Note	June 30, 2023				June 30, 2022				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	
Financial assets 'at fair value through profit or loss' (Rupees)									
Listed equity securities	5.1	106,066,538	-	-	106,066,538	105,701,497	-	-	105,701,497
Government securities	5.2	-	139,036,335	240,793,545	379,829,880	-	26,166,920	-	26,166,920
Listed debt securities	5.3	-	18,473,400	-	18,473,400	-	17,420,410	-	17,420,410
Unlisted debt securities	5.4	-	33,678,910	-	33,678,910	-	12,841,837	-	12,841,837
Short term sukuk certificates	5.5	-	-	19,000,000	19,000,000	-	-	30,000,000	30,000,000
Commercial papers	5.6	-	-	-	-	-	-	-	-
		106,066,538	191,188,645	259,793,545	557,048,728	105,701,497	56,429,167	30,000,000	192,130,664

5.1 Listed equity securities - 'at fair value through profit or loss'

5.1.1 Equity Sub-Fund

Ordinary shares have a face value of Rs.10/- each unless stated otherwise

Name of investee company	As at July 1, 2022	Purchased during the year	Right / Bonus received during the year	Sold during the year	As at June 30, 2023	Balance as at June 30, 2023			Market Value as a percentage of		Paid-up value of shares held as a percentage of total paid-up capital of the investee company
						Carrying value	Market value	Unrealised (loss) / gain	Net assets of the Sub-Fund	Total investments of the Sub-Fund	
(Number of shares)						(Rupees)			(%)		
Cement											
D.G. Khan Cement Company Limited	-	22,500	-	(22,500)	-	-	-	-	-	-	-
Cherat Cement Company Limited	-	14,500	-	(14,500)	-	-	-	-	-	-	-
Lucky Cement Limited	16,393	4,000	-	(15,800)	4,593	2,089,772	2,397,959	308,187	2.10%	2.26%	0.77%
Maple Leaf Cement Factory Limited	82,000	342,500	-	(212,000)	212,500	5,584,258	6,020,125	435,867	5.28%	5.68%	0.56%
Pioneer Cement Limited	-	16,500	-	(16,500)	-	-	-	-	-	-	-
						7,674,030	8,418,084	744,054	7.38%	7.94%	1.33%
Chemicals											
Engro Polymer & Chemical Limited	-	25,000	-	-	25,000	1,172,747	1,056,250	(116,497)	0.93%	1.00%	0.12%
Lotte Chemical Pakistan Limited	-	155,000	-	(155,000)	-	-	-	-	-	-	-
						1,172,747	1,056,250	(116,497)	0.93%	1.00%	0.12%
Commercial Banks											
Bank AlFalah Limited	170,000	-	-	(15,500)	154,500	4,944,000	4,702,980	(241,020)	4.12%	4.43%	0.30%
Bank Al Habib Limited	74,500	-	-	(74,500)	-	-	-	-	-	-	-
BankIslami Pakistan Limited (Related Party)	-	202,000	-	-	202,000	2,943,731	3,587,520	643,789	3.14%	3.38%	0.32%
Faysal Bank Limited	3,709	161,500	-	(161,500)	3,709	114,098	74,848	(39,250)	0.07%	0.07%	0.00%
Habib Bank Limited	73,300	32,000	-	(25,000)	80,300	7,026,136	5,880,369	(1,145,767)	5.15%	5.54%	0.40%
Habib Metropolitan Bank Limited	95,000	-	-	(95,000)	-	-	-	-	-	-	-
MCB Bank Limited	25,700	-	-	(25,700)	-	-	-	-	-	-	-
United Bank Limited	69,500	15,000	-	(27,900)	56,600	6,375,226	6,652,764	277,538	5.83%	6.27%	0.54%
						21,403,191	20,898,481	(504,710)	18.32%	19.70%	1.57%
Engineering											
Aisha Steel Mills Limited	328,500	-	-	-	328,500	3,629,925	1,773,900	(1,856,025)	1.55%	1.67%	0.19%
Mughal Iron and Steel Industries Limited	23,042	-	-	(23,042)	-	-	-	-	-	-	-
						3,629,925	1,773,900	(1,856,025)	1.55%	1.67%	0.19%
Fertilizers											
Engro Corporation Limited	39,572	2,000	-	(35,906)	5,666	1,506,492	1,472,537	(33,955)	1.29%	1.39%	0.26%
Engro Fertilizers Limited	74,700	45,500	-	(50,000)	70,200	5,972,205	5,793,606	(178,599)	5.08%	5.46%	0.43%
Fauji Fertilizer Bin Qasim Limited	10,500	-	-	(10,500)	-	-	-	-	-	-	-
Fauji Fertilizer Company Limited	34,500	71,000	-	-	105,500	11,052,240	10,385,420	(666,820)	9.10%	9.79%	0.82%
						18,530,937	17,651,563	(879,374)	15.47%	16.64%	1.51%

JS Pension Savings Fund

Name of investee company	As at July 1, 2022	Purchased during the year	Right / Bonus received during the year	Sold during the year	As at June 30, 2023	Balance as at June 30, 2023			Market Value as a percentage of		Paid-up value of shares held as a percentage of total paid-up capital of the investee company
						Carrying value	Market value	Unrealised (loss) / gain	Net assets of the Sub-Fund	Total investments of the Sub-Fund	
						(Rupees)			(%)		
Glass and Ceramics											
Shabbir Tiles & Ceramics Limited (Face value of Rs.5 each)	80,000	-	-	(80,000)	-	-	-	-	-	-	-
Leather and Tannery											
Service Industries Limited	4,400	-	-	(4,400)	-	-	-	-	-	-	-
Miscellaneous											
TPL Properties Limited	-	31,000	-	(31,000)	-	-	-	-	-	-	-
Oil & Gas Exploration Companies											
Oil & Gas Development Company Limited	85,700	126,750	-	(147,700)	64,750	5,236,257	5,050,500	(185,757)	4.43%	4.76%	0.12%
Mari Petroleum Company Limited	5,139	1,000	-	(1,000)	5,139	8,695,260	7,783,735	(911,525)	6.82%	7.34%	5.83%
Pakistan Oilfields Limited	7,600	19,750	-	(12,300)	15,050	6,153,679	6,046,639	(107,040)	5.30%	5.70%	2.13%
Pakistan Petroleum Limited	75,354	108,000	-	(132,000)	51,354	3,457,711	3,037,076	(420,635)	2.66%	2.86%	0.11%
						23,542,907	21,917,950	(1,624,957)	19.21%	20.66%	8.19%
Oil & Gas Marketing Companies											
Sui Northern Gas Pipelines Limited	27,000	161,500	-	(74,500)	114,000	4,689,003	4,488,180	(200,823)	3.93%	4.23%	0.71%
Pakistan State Oil Company Limited	-	50,000	-	(17,000)	33,000	4,256,651	3,663,330	(593,321)	3.21%	3.45%	0.78%
						8,945,654	8,151,510	(794,144)	7.15%	7.69%	1.49%
Paper & Board											
Cherat Packaging Limited.	17,700	-	1,770	(19,470)	-	-	-	-	-	-	-
Pharmaceuticals											
Citi Pharma Limited	-	45,000	-	-	45,000	1,211,983	960,300	(251,683)	0.84%	0.91%	0.42%
Ferozsons Laboratories Limited	-	7,500	1,500	-	9,000	2,024,168	1,231,650	(792,518)	1.08%	1.16%	2.83%
Highnoon Laboratories Limited	7,121	-	1,886	-	9,007	3,773,204	3,027,883	(745,321)	2.65%	2.85%	5.71%
						7,009,355	5,219,833	(1,789,522)	4.58%	4.92%	8.97%
Power Generation & Distribution											
The Hub Power Company Limited	64,596	58,500	-	(53,500)	69,596	4,754,436	4,842,490	88,054	4.24%	4.57%	0.37%
K-Electric Limited	-	150,000	-	(150,000)	-	-	-	-	-	-	-
Nishat Chunian Power Limited	-	50,000	-	(50,000)	-	-	-	-	-	-	-
						4,754,436	4,842,490	88,054	4.24%	4.57%	0.37%
Refinery											
Attock Refinery Limited	-	24,500	-	(12,000)	12,500	2,225,472	2,145,375	(80,097)	1.88%	2.02%	2.01%
National Refinery Limited	-	10,000	-	(10,000)	-	-	-	-	-	-	-
						2,225,472	2,145,375	(80,097)	1.88%	2.02%	2.01%
Technology & Communications											
Air Link Communication Limited	30,000	35,000	-	-	65,000	2,550,450	1,288,950	(1,261,500)	1.13%	1.22%	0.33%
Avanceon Limited	-	35,000	5,250	-	40,250	2,457,450	1,772,610	(684,840)	1.55%	1.67%	0.47%
Octopus Digital Limited	-	30,000	4,500	-	34,500	2,121,875	1,289,955	(831,920)	1.13%	1.22%	0.82%
TRG Pakistan Limited	-	55,000	-	(55,000)	-	-	-	-	-	-	-
Systems Limited	-	29,700	-	(5,800)	23,900	10,795,984	9,639,587	(1,156,397)	8.45%	9.09%	3.32%
						17,925,759	13,991,102	(3,934,657)	12.26%	13.19%	4.94%
Total value as at June 30, 2023						116,814,413	106,066,538	(10,747,875)	92.98%	100.00%	30.68%
Total value as at June 30, 2022						127,123,588	105,701,497	(21,422,091)			

5.1.2 The Finance Act, 2014 introduced an amendment to the Income Tax Ordinance, 2001 as a result of which companies were liable to withhold five percent of the bonus shares to be issued. The shares so withheld were only to be released if the Fund deposits tax equivalent to five percent of the value of the bonus shares issued to the Fund including bonus shares withheld, determined on the basis of day-end price on the first day of closure of books of the issuing company.

In this regard, a constitutional petition had been filed by Collective Investment Schemes / Voluntary Pension Schemes (CISs / VPSs) through their Trustees in the High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs / VPSs. The petition was based on the fact that because CISs / VPSs are exempt from deduction of income tax under Clause 99 Part I to the Second Schedule of the Income Tax Ordinance, 2001 and the withholding tax provision should also not be applicable on bonus shares received by CISs / VPSs. A stay order had been granted by the Honourable High Court of Sindh in favour of CISs / VPSs.

5.2.1.1 These securities are held in the IPS account of Habib Metropolitan Bank Limited and maintained with the State Bank of Pakistan, carry effective yield ranging from 15.57% to 22.69% (June 30, 2022: 7.72% to 11.48%) per annum and will mature between July 13, 2023 and December 29, 2023.

5.2.2 Money Market Sub-Fund

Particulars	Issue Date	Face value				Balance as at June 30, 2023			Market value as a percentage of	
		As at July 1, 2022	Purchased during the year	Sold / matured during the year	As at June 30, 2023	Carrying value	Market value	Unrealised gain / (loss)	net assets of the sub-fund	total investments of the sub-fund
(Rupees)										
(%)										
Market treasury bills- 3-months										
Market treasury bills	30-Jun-22	-	1,500,000,000	1,500,000,000	-	-	-	-	-	-
Market treasury bills	14-Jul-22	-	756,000,000	756,000,000	-	-	-	-	-	-
Market treasury bills	28-Jul-22	-	3,800,000,000	3,800,000,000	-	-	-	-	-	-
Market treasury bills	11-Aug-22	-	317,000,000	317,000,000	-	-	-	-	-	-
Market treasury bills	25-Aug-22	-	12,000,000	12,000,000	-	-	-	-	-	-
Market treasury bills	8-Sep-22	-	262,000,000	262,000,000	-	-	-	-	-	-
Market treasury bills	22-Sep-22	-	62,000,000	62,000,000	-	-	-	-	-	-
Market treasury bills	6-Oct-22	-	440,000,000	440,000,000	-	-	-	-	-	-
Market treasury bills	3-Nov-22	-	260,000,000	260,000,000	-	-	-	-	-	-
Market treasury bills	17-Nov-22	-	100,000,000	100,000,000	-	-	-	-	-	-
Market treasury bills	15-Dec-23	-	62,000,000	62,000,000	-	-	-	-	-	-
Market treasury bills	26-Jan-23	-	70,000,000	70,000,000	-	-	-	-	-	-
Market treasury bills	9-Feb-23	-	105,000,000	105,000,000	-	-	-	-	-	-
Market treasury bills	9-Mar-23	-	28,000,000	28,000,000	-	-	-	-	-	-
Market treasury bills	6-Apr-23	-	191,000,000	191,000,000	-	-	-	-	-	-
Market treasury bills	20-Apr-23	-	70,000,000	70,000,000	-	-	-	-	-	-
Market treasury bills	15-Jun-23	-	95,000,000	-	95,000,000	91,294,729	91,153,545	(141,184)	32.91%	35.09%
Market treasury bills- 6-months										
Market treasury bills	7-Apr-22	-	250,000,000	250,000,000	-	-	-	-	-	-
Market treasury bills	2-Jun-22	-	35,000,000	35,000,000	-	-	-	-	-	-
Market treasury bills	14-Jul-22	-	100,000,000	100,000,000	-	-	-	-	-	-
Pakistan Investment Bonds										
2 years (floating rate)	26-Aug-21	-	15,000,000	-	15,000,000	149,888,250	149,640,000	(1,445,538)	54.02%	57.60%
Total as at June 30, 2023						241,182,979	240,793,545	(1,586,722)	86.93%	92.69%
Total as at June 30, 2022						-	-	-	-	-

5.2.2.1 These securities are held in the IPS account of Bank Alfalah Limited and maintained with the State Bank of Pakistan, carry effective yield ranging from 21.05% to 22.20% (June 30, 2022: Nil) per annum and will mature between July 13, 2023 and December 29, 2023.

5.3 Listed debt security - Sukuk 'at fair value through profit or loss'

5.3.1 Debt Sub-Fund

Name of the investee company	As at July 1, 2022	Purchased during the year	Sold / matured during the year	As at June 30, 2023	Balance as at June 30, 2023			Market value as a percentage of	
					Carrying value	Market value	Unrealised gain	net assets of the sub-fund	total investments of the sub-fund
(Number of certificates)					(Rupees)			(%)	
Hub Power Holdings Limited (November 12, 2020) Face value: Rs. 100,000	180	-	-	180	15,841,675	18,473,400	2,631,725	9.66%	9.14%
Total as at June 30, 2023					15,841,675	18,473,400	2,631,725	9.66%	9.14%
Total as at June 30, 2022					17,420,410	17,420,410	-		



JS Pension Savings Fund

5.4 Unlisted debt securities - Term finance certificates and sukuks 'at fair value through profit or loss'

5.4.1 Debt Sub-Fund

Name of the investee company	As at July 1, 2022	Purchased during the year	Sold / matured during the year	As at June 30, 2023	Balance as at June 30, 2023			Market value as a percentage of	
					Carrying value	Market value	Unrealised gain / (loss)	net assets of the sub-fund	total investments of the sub-fund
	(Number of certificates)				(Rupees)			(%)	
Bank Alfalah Limited TFC (January 15, 2021) Face value: Rs. 5,000	2,800	-	-	2,800	14,000,000	13,230,350	(769,650)	6.55%	6.92%
K-Electric Limited - Sukuk (November 01, 2022) Face value: Rs. 5,000	-	4,000	-	4,000	20,000,000	20,448,560	448,560	10.12%	10.70%
Azgard Nine Limited - Privately Placed Term Finance Certificate (PPTFCs) - related party (refer note 5.4.1.1) Less: Provision for impairment	128	-	-	128	640,000 (640,000)	-	-	-	-
Total as at June 30, 2023	2,928	4,000	-	6,928	34,000,000	33,678,910	(321,090)	16.67%	17.62%
Total as at June 30, 2022					14,000,000	12,841,837	(1,158,163)		

5.4.1.1 This represents Azgard Nine Limited (ANL) Privately Placed Term Finance Certificates (PPTFCs) amounting to Rs. 0.64 million against interest accrued on unlisted ANL PPTFCs. These PPTFCs have a tenure of ten years starting from April 29, 2021 and will mature on April 29, 2031. These term finance certificates are secured by ranking hypothecation and mortgage charge over all present and future assets and properties of the company (including land and building) with 25% margin in favour of security Trustee i.e. National Bank of Pakistan excluding pledged commodities, shares in Agritech Limited, all assets and properties of the company located at Lahore and Muzaffargarh. Since these PPTFCs are received against already defaulted securities and have non-performing status in MUFAP, therefore the management as a matter of prudence, has valued the said PPTFCs at zero.

5.4.2 Money Market Sub-Fund

Name of the investee company	As at July 1, 2022	Purchased during the year	Matured during the year	As at June 30, 2023	Balance as at June 30, 2023			Market value as a percentage of	
					Carrying value	Market value	Unrealised gain / (loss)	net assets of the sub-fund	total investments of the sub-fund
	(Number of certificates)				(Rupees)			(%)	
Azgard Nine Limited - Privately Placed Term Finance Certificate (PPTFCs) - related party (refer note 5.4.2.1) Less: provision for impairment	642	-	-	642	3,210,000 (3,210,000)	-	-	-	-
Total as at June 30, 2023					-	-	-	-	-
Total as at June 30, 2022					-	-	-		

5.4.2.1 This represents Azgard Nine Limited (ANL) Privately Placed Term Finance Certificates (PPTFCs) amounting to Rs. 3.21 million against interest accrued on unlisted ANL PPTFCs. These PPTFCs have a tenor of ten years starting from April 29, 2021 and will mature on April 29, 2031. These term finance certificates are secured by ranking hypothecation and mortgage charge over all present and future assets and properties of the company (including land and building) with 25% margin in favour of security Trustee i.e. National Bank of Pakistan excluding pledged commodities, shares in Agritech Limited, all assets and properties of the company located at Lahore and Muzaffargarh. Since these PPTFCs are received against already defaulted securities and have non-performing status in MUFAP, therefore the management as a matter of prudence, has valued the said PPTFCs at zero.



JS Pension Savings Fund

5.5 Short term sukuk certificates - 'at fair value through profit or loss'

5.5.1 Money Market Sub-Fund

Name of the investee company	As at July 1, 2022	Purchased during the year	Matured during the year	As at June 30, 2023	Balance as at June 30, 2023			Market value as a percentage of	
					Carrying value	Market value	Unrealised gain / (loss)	net assets of the sub-fund	total investments of the sub-fund
					(Rupees)			(%)	
K-Electric Limited - STS XII (December 13, 2022) Face value: Rs. 5,000	-	21	21	-	-	-	-	-	-
The Hub Power Company - Running finance (March 18, 2023)	-	19	-	19	19,000,000	19,000,000	-	6.86%	7.31%
Total as at June 30, 2023					19,000,000	19,000,000	-	6.86%	7.31%
Total as at June 30, 2022					-	-	-		

5.6 Commercial papers - 'at fair value through profit or loss'

5.6.1 Debt Sub-Fund

Name of the investee company	Yield per annum	As at July 1, 2022	Purchased during the year	Matured during the year	As at June 30, 2023	Balance as at June, 30 2023			Market value as percentage of	
						Carrying value	Market value	Unrealised gain	net assets of the sub-fund	total investments of the sub-fund
						(Rupees)			(%)	
Rousche Pakistan Power Company Limited Face value Rs. 1,000,000 (December 01, 2022) (6 months)	18.05%	-	10	10	-	-	-	-	-	-
Total as at June 30, 2023						-	-	-	-	-
Total as at June 30, 2022						-	-	-		

5.6.2 Money Market Sub-Fund

Name of the investee company	Rate of return per annum	As at July 1, 2022	Purchased during the year	Matured during the year	As at June 30, 2023	Balance as at June 30, 2023			Market value as percentage of	
						Carrying value	Market value	Unrealised gain	net assets of the sub-fund	total investments of the sub-fund
						(Rupees)			(%)	
Rousche Pakistan Power Company Limited Face value Rs. 1,000,000 (December 01, 2022) (6 months)	18.05%	-	25	25	-	-	-	-	-	-
Lucky Electric Power Company Limited Face value Rs. 1,000,000 (November 01, 2022) (6 months)	17.34%	-	25	25	-	-	-	-	-	-
Total as at June 30, 2023						-	-	-	-	-
Total as at June 30, 2022						-	-	-		



JS Pension Savings Fund

5.7 Significant terms and conditions of term finance certificates and sukus outstanding as at June 30, 2023 are as follows:

Name of security	Number of certificates	Face value per unit	Face value / redemption value in total	Interest rate per annum	Maturity date	Secured / unsecured	Rating
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----- (Rupees) -----

Listed debt securities

Hub Power Holdings Limited - Sukuk	180	100,000	18,000,000	6-month KIBOR + 2.5%	November 12, 2025	Secured	AA+
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Unlisted debt securities

Bank Alfalah Limited	2,800	5,000	14,000,000	9.03%	January 14, 2024	Secured	AAA
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5.8 Net unrealised (loss) / gain on revaluation of investments classified 'at fair value through profit or loss'

Particulars	June 30, 2023				June 30, 2022			
	Equity	Debt	Money Market	Total	Equity	Debt	Money Market	Total
	Sub-Fund	Sub-Fund	Sub-Fund		Sub-Fund	Sub-Fund	Sub-Fund	
Market value of investments	106,066,538	191,188,645	259,793,545	557,048,728	105,701,497	56,429,167	30,000,000	192,130,664
Less: Carrying value of investments	116,814,413	189,090,694	260,182,979	566,088,086	127,123,588	57,967,889	30,000,000	215,091,477
	(10,747,875)	2,097,951	(389,434)	(9,039,358)	(21,422,091)	(1,538,722)	-	(22,960,815)

6 ADVANCE, DEPOSIT AND PROFITS RECEIVABLE

	June 30, 2023				June 30, 2022			
	Equity	Debt	Money Market	Total	Equity	Debt	Money Market	Total
	Sub-Fund	Sub-Fund	Sub-Fund		Sub-Fund	Sub-Fund	Sub-Fund	
Profit receivable on:								
Bank balances	-	162,744	13,103	175,847	331,476	2,108,565	3,392,770	5,832,811
Investments	-	5,130,856	3,642,529	8,773,385	-	1,356,225	1,064,153	2,420,378
Security deposit with Central Depository Company of Pakistan Limited	100,000	100,000	100,000	300,000	100,000	100,000	100,000	300,000
Advance tax	334,016	62,633	113,880	510,529	334,016	62,633	113,880	510,529
	434,016	5,456,233	3,869,512	9,759,761	765,492	3,627,423	4,670,803	9,063,718

6.1 As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) / VPS are exempt from withholding tax under section 151 and 150. However, during the year and prior years, withholding tax on profit on debt securities and profit on bank deposits paid to the Fund was deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated May 12, 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholders. The tax withheld on profit on debt securities and profit on bank deposits amounts to Rs.0.563 million.

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. A petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs / VPS (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgment of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on profit on debt securities and profit on bank deposits has been shown as other receivables as at June 30, 2023 as, in the opinion of the management, the amount of tax deducted at source will be refunded.



JS Pension Savings Fund

7 PAYABLE TO JS INVESTMENTS LIMITED - PENSION FUND MANAGER

Note	June 30, 2023				June 30, 2022				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	
	(Rupees)				(Rupees)				
Remuneration payable to the Pension Fund Manager	7.1	137,997	165,424	110,797	414,218	161,269	92,498	117,247	371,014
Sindh sales tax payable on remuneration of the Pension Fund Manager	7.2	142,044	179,508	132,592	454,144	145,055	170,027	133,339	448,421
Federal excise duty payable on remuneration of the Pension Fund Manager	7.3	839,908	1,059,548	791,230	2,690,686	839,908	1,059,548	791,230	2,690,686
Sales load payable		-	-	-	-	3,424	-	-	3,424
Printing and stationary charges payable		26,247	26,247	26,247	78,741	25,489	25,433	25,540	76,462
		1,146,196	1,430,727	1,060,866	3,637,789	1,175,145	1,347,506	1,067,356	3,590,007

- 7.1** As per the provisions of the Voluntary Pension System Rules, 2005, JS Investments Limited, the Pension Fund Manager of the Fund, is allowed to charge annual management fee up to 1.5% of the average daily net assets of each of the Sub-Funds. During the period, the Sub-Funds were charged management fee at the rate of 1.5% (June 30, 2022: 1.5%) per annum for Equity Sub-Fund and 0.5% to 1% (June 30, 2022: 0.5%) per annum for Debt Sub-Fund and 0.5% (June 30, 2022: 0.5%) per annum Money Market Sub-Fund respectively of the average daily net assets of the Sub-Funds. Remuneration is paid to the Pension Fund Manager monthly in arrears.
- 7.2** The Provincial Government of Sindh has levied Sindh Sales Tax at the rate of 13% (June 30, 2022: 13%) on the remuneration of the Pension Fund Manager through the Sindh Sales Tax on Services Act, 2011.
- 7.3** The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Pension Fund Managers as a result of which FED at the rate of 16 percent on the remuneration of the Pension Fund Manager and sales load was applicable with effect from June 13, 2013. The Pension Fund Manager was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Pension Fund Manager together with various other pension fund managers challenging the levy of FED.

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

During the year ended June 30, 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Pension Fund Manager with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs. 0.839 million (June 30, 2022: Rs. 0.839 million) in Equity Sub-Fund, Rs. 1.059 million (June 30, 2022: Rs.1.059 million) for Debt Sub-Fund and Rs. 0.791 million (June 30, 2022: Rs. 0.791 million) in Money Market Sub-Fund are being retained in the financial statements of the respective Sub-Funds as the matter is pending before the Supreme Court of Pakistan. Had the provision for FED not been recorded in these condensed interim financial statements of the Fund, the net asset value of the Fund as at June 30, 2023 would have been higher by Rs. 3.08 (June 30, 2022: Rs. 2.78) per unit, Rs.2.05 (June 30, 2022: Rs.1.56) per unit and Re.0.92 (June 30, 2022: Rs.0.74) per unit per unit for Equity Sub-Fund, Debt Sub-Fund and Money Market Sub-Fund respectively.



JS Pension Savings Fund

8 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

Note	June 30, 2023				June 30, 2022			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Rupees)				(Rupees)			
Remuneration payable to the Trustee	13,799	24,814	33,239	71,852	16,128	27,751	35,173	79,052
Sindh sales tax on remuneration of the Trustee	1,794	3,226	4,321	9,341	2,097	3,607	4,572	10,276
Settlement charges payable	700	500	500	1,700	1,415	565	565	2,545
	16,293	28,540	38,060	82,893	19,640	31,923	40,310	91,873

8.1 The Trustee is entitled to remuneration of Rs. 300,000 or 0.15% per annum of the average value of net assets values of the Fund, whichever is higher up to net assets of Rs. 1 billion. The rates applicable for Trustee's remuneration on Net Assets exceeding Rs. 1 billion are as follows:

-above Rs. 1 billion to Rs. 3 billion	Rs 1.5 million plus 0.10% per annum of net assets, on an amount exceeding Rs. 1 billion.
-above Rs. 3 billion to Rs. 6 billion	Rs.3.5 million plus 0.08% per annum of net assets, on amount exceeding Rs. 3 billion.
-above Rs. 6 billion	Rs.5.9 million plus 0.06% per annum of net assets, on amount exceeding Rs. 6 billion.

8.2 The Provincial Government of Sindh has levied Sindh Sales Tax at the rate of 13% (June 30, 2022: 13%) on the remuneration of Trustee through the Sindh Sales Tax on Services Act, 2011.

9 ANNUAL FEE PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)

This represents annual fee payable to the Securities and Exchange Commission of Pakistan (the SECP) in accordance with rule 36 of the Voluntary Pension System Rules, 2005 whereby the Fund is required to pay the SECP an amount equal to one twenty fifth of 1% of the average annual net assets of each of the Sub-Funds.

10 ACCRUED EXPENSES AND OTHER LIABILITIES

	June 30, 2023				June 30, 2022			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Rupees)				(Rupees)			
Auditors' remuneration	102,009	102,009	102,009	306,027	100,795	100,519	100,794	302,108
Zakat payable	1,199	10,690	11,581	23,470	429	4,771	4,699	9,899
Withholding tax payable	1,711	85	253	2,049	13,635	9,368	1,573	24,576
Brokerage payable	4,663	650	1,566	6,879	18,402	700	-	19,102
	109,582	113,434	115,409	338,425	133,261	115,358	107,066	355,685

11 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2023 and June 30, 2022.

12 PROFIT / MARK-UP INCOME

	June 30, 2023				June 30, 2022			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Rupees)				(Rupees)			
Profit / mark-up on:								
- Balance with banks	1,910,783	3,492,535	4,945,106	10,348,424	1,398,483	4,269,633	15,976,155	21,644,271
- Term finance certificates and sukuk	-	7,208,096	3,609,363	10,817,459	-	3,225,964	1,064,153	4,290,117
- Income from government securities	-	21,746,643	29,711,438	51,458,081	-	13,198,142	10,049,059	23,247,201
- Income from commercial papers	-	825,710	4,053,819	4,879,529	-	2,024,231	1,904,998	3,929,229
	1,910,783	33,272,984	42,319,726	77,503,493	1,398,483	22,717,970	28,994,365	53,110,818

13 AUDITORS' REMUNERATION

	June 30, 2023				June 30, 2022			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	Rupees				Rupees			
Annual audit fee	92,736	92,736	92,736	278,209	90,000	90,000	90,000	270,000
Fee for half yearly review of condensed interim financial statements	48,384	48,384	48,384	145,152	45,000	45,000	45,000	135,000
Out of pocket expenses	12,315	12,592	12,319	37,225	13,500	13,500	13,500	40,500
	153,435	153,712	153,439	460,586	148,500	148,500	148,500	445,500

14 TAXATION

The income of the Fund is exempt from taxation under clause 57 (3) (viii) of the Part I of the Second Schedule to the Income Tax Ordinance, 2001. Therefore, no provision has been made for current and deferred taxation in these financial statements.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A(i) of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

15 EARNINGS PER UNIT

Earnings per unit (EPU) has not been disclosed as in the opinion of the Pension Fund Manager, determination of weighted average units for calculating EPU is not practicable.

16 CASH AND CASH EQUIVALENTS

		June 30, 2023				June 30, 2022			
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
		(Number of units)				(Number of units)			
Bank balances	4	10,883,726	7,050,894	14,646,803	32,581,423	22,222,469	169,029,283	261,092,140	452,343,892
Market treasury bills (with original maturity of three months)	5.2	-	72,295,535	91,153,545	163,449,080	-	-	-	-
		10,883,726	79,346,429	105,800,348	196,030,503	22,222,469	169,029,283	261,092,140	452,343,892



JS Pension Savings Fund

17 NUMBER OF UNITS IN ISSUE

	June 30, 2023			June 30, 2022		
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund
	----- (Number of units) -----			----- (Number of units) -----		
Total units in issue at the beginning of the year	302,416	679,851	1,070,283	437,310	761,295	1,030,376
Issuance of units during the year	131,806	592,784	1,009,877	9,819	103,549	132,842
Units redeemed during the year	(150,423)	(679,891)	(1,328,773)	(75,388)	(180,656)	(230,705)
Reallocation of units during the year	(10,991)	(76,770)	108,529	(69,325)	(4,337)	137,770
Total units in issue at the end of the during the year	272,808	515,974	859,916	302,416	679,851	1,070,283

18 CONTRIBUTION TABLE

	June 30, 2023						
	Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund		Total
	Units	Rupees	Units	Rupees	Units	Rupees	Rupees
From:							
Individuals	131,806	55,678,429	592,784	226,905,338	1,009,877	312,159,972	594,743,739

	June 30, 2022						
	Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund		Total
	Units	Rupees	Units	Rupees	Units	Rupees	Rupees
From:							
Individuals	9,819	4,548,233	103,594	33,526,370	132,842	34,888,958	72,963,561

19 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Sub-Funds for the year ended June 30, 2023 are: Equity Sub-Fund 2.42% (June 30, 2022: 2.37%), Debt Sub-Fund 1.42% (June 30, 2022: 0.91%) and Money Market Sub-Fund 0.85% (June 30, 2022: 0.88%), which includes 0.32%, 0.20% and 0.14% (June 30, 2022: 0.29%, 0.12% and 0.12%) respectively representing government levies on the Sub-Funds such as Sales Taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 4.5%, 2.5% and 2% (excluding government levies) respectively for Equity Sub-Fund, Debt Sub-Fund and Money Market Sub-Fund respectively prescribed under the NBFC Regulations for a pension scheme.

20 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons / related parties of the Fund include JS Investments Limited (JSIL) being the Pension Fund Manager of the Fund, Central Depository Company Limited (CDC) being the Trustee of the Fund, JS Bank Limited (JSBL - which is the holding company of the Pension Fund Manager - holding 84.56% shares of JS Investments Limited) being the Holding Company of JSIL, Jahangir Siddiqui and Company Limited (JSCL which is holding 75.02% shares of JS Bank Limited) being the Holding Company of JSBL, JS Global Capital Limited (JSGCL which is a fellow subsidiary of JSBL - 92.90% shares held by JS Bank Limited) 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 the period / year end. It also includes staff retirement benefit funds of the above connected persons / related parties.

Transactions with connected persons / related parties are executed on arm's length basis and essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, other charges, sale and purchase of investment and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with the market rates.

Remunerations to the Pension Fund Manager and the Trustee of the Fund are determined in accordance with the provisions of the VPS Rules and the Trust Deed respectively.

The details of transactions during the period and balances at period end with connected persons / related parties other than investments which has been disclosed in note 5 to the condensed interim financial statements are as follows:



JS Pension Savings Fund

20.1 Details of transactions with connected persons / related parties during the year are as follows:

	June 30 2023				June 30, 2022			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Rupees)				(Rupees)			
JS Investments Limited - Pension Fund Manager								
Remuneration of the Pension Fund Manager	1,788,266	1,876,170	1,325,113	4,989,549	2,547,652	1,195,893	1,418,271	5,161,816
Sindh sales tax on remuneration of the Pension Fund Manager	232,489	243,904	172,257	648,650	331,195	155,466	184,375	671,036
Printing and stationery charges	19,430	19,486	19,377	58,293	25,489	25,433	25,540	76,462
Sales load for the period	2,206	3,947	5,456	11,609	34,828	-	-	34,828
Central Depository Company of Pakistan Limited - Trustee								
Remuneration of the Trustee	178,315	308,312	410,154	896,781	254,781	358,765	425,480	1,039,026
Sindh sales tax on remuneration of the Trustee	23,180	40,085	52,770	116,035	33,122	46,639	55,312	135,073
Settlement charges	15,379	6,715	6,715	28,809	21,094	6,962	6,780	34,836
JS Global Capital Limited (Fellow subsidiary of JSBL)								
Brokerage expense	53,731	650	1,079	55,460	89,711	-	-	89,711
JS Bank Limited - Parent Company of JSIL								
Return on bank balances	146,064	-	62	146,126	51,709	-	-	51,709
Bank charges	-	-	-	-	-	-	-	-
BankIslami Pakistan Limited (Associate of Ultimate Parent Company - JSCL)								
Return on bank balances	-	-	226	226	-	-	609	609
Bank charges	-	-	-	-	-	-	-	-
Key Management Personnel								
Amount received on issue of units	-	3,000,000	3,000,000	6,000,000	1,635,282	1,267,303	297,415	3,200,000
Units issued	-	7,851	9,532	17,383	3,713	3,977	1,180	8,870
Reallocation amount paid	6,366,346	42,334,062	27,572,430	76,272,838	-	-	-	-
Reallocation - units out	15,485	111,566	87,409	214,460	-	-	-	-
Reallocation amount received	-	38,136,419	38,136,419	76,272,838	-	-	-	-
Reallocation - units in	-	100,290	121,852	222,142	-	-	-	-



JS Pension Savings Fund

20.2 Details of balances with connected persons / related parties outstanding as at year end:

Note	June 30, 2023				June 30, 2022				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	
	(Rupees)				(Rupees)				
JS Investments Limited - Pension Fund Manager									
Remuneration payable to the Pension Fund Manager	7.1	137,997	165,424	110,797	414,218	161,269	92,498	117,247	371,014
Sindh sales tax payable on remuneration of the Pension Fund Manager	7.2	142,044	179,508	132,592	454,144	145,055	170,027	133,339	448,421
Federal excise duty payable on remuneration of the Pension Fund Manager	7.3	839,908	1,059,548	791,230	2,690,686	839,908	1,059,548	791,230	2,690,686
Printing and stationary charges payable		26,247	26,247	26,247	78,741	25,489	25,433	25,540	76,462
Sales load payable		429	768	1,063	2,260	3,424	-	-	3,424
Investment at period / year end		59,136,320	24,057,000	27,388,467	110,581,787	59,532,163	20,559,892	23,392,903	103,484,958
Units outstanding (Number of units)		141,421	61,437	85,028	287,886	141,420	61,437	85,028	287,885
Central Depository Company of Pakistan Limited - Trustee									
Remuneration payable to the Trustee		13,799	24,814	33,239	71,852	16,128	27,751	35,173	79,052
Sindh sales tax on remuneration of the Trustee		1,794	3,226	4,321	9,341	2,097	3,607	4,572	10,276
Settlement charges payable		700	500	500	1,700	1,415	565	565	2,545
Security deposit		100,000	100,000	100,000	300,000	100,000	100,000	100,000	300,000
BankIslami Pakistan Limited (Associate of Ultimate Parent Company - JSCL)									
Bank balance		-	-	2,226	2,226	-	-	-	-
JS Global Capital Limited (Fellow subsidiary of JSBL)									
Brokerage payable		2,232	-	-	2,232	-	-	-	-
JS Bank Limited - Parent Company of JSIL									
Bank balance		152,790	-	62	152,852	49,578	-	-	49,578
Key Management Personnel									
Investment at period / year end		21,914,089	21,924,844	43,838,933	6,518,405	19,874,664	6,628,121	33,021,190	
Units outstanding (Number of units)		55,965	68,066	124,031	15,485	59,389	24,092	98,966	

21 FINANCIAL INSTRUMENTS BY CATEGORY

June 30, 2023										
Particulars	Equity Sub-Fund			Debt Sub-Fund			Money Market Sub-Fund			Total
	At amortised cost	At fair value through profit or loss	Sub total	At amortised cost	At fair value through profit or loss	Sub total	At amortised cost	At fair value through profit or loss	Sub total	
-----Rupees-----										
Financial assets										
Bank balances	10,883,726	-	10,883,726	7,050,894	-	7,050,894	14,646,803	-	14,646,803	32,581,423
Investments	-	106,066,538	106,066,538	-	191,188,645	191,188,645	-	259,793,545	259,793,545	557,048,728
Dividend receivables	3,709	-	3,709	-	-	-	-	-	-	3,709
Advance, deposit and profits receivable	100,000	-	100,000	5,393,600	-	5,393,600	3,755,632	-	3,755,632	9,249,232
	<u>10,987,435</u>	<u>106,066,538</u>	<u>117,053,973</u>	<u>12,444,494</u>	<u>191,188,645</u>	<u>203,633,139</u>	<u>18,402,435</u>	<u>259,793,545</u>	<u>278,195,980</u>	<u>598,883,092</u>

June 30, 2023										
Particulars	Equity Sub-Fund			Debt Sub-Fund			Money Market Sub-Fund			Total
	At amortised cost	At fair value through profit or loss	Sub total	At amortised cost	At fair value through profit or loss	Sub total	At amortised cost	At fair value through profit or loss	Sub total	
-----Rupees-----										
Financial liabilities										
Payable to JS Investments Limited - Pension Fund Manager	1,146,196	-	1,146,196	1,430,727	-	1,430,727	3,637,789	-	3,637,789	6,214,712
Payable to Central Depository Company of Pakistan Limited - Trustee	16,293	-	16,293	28,540	-	28,540	38,060	-	38,060	82,893
Payable against purchase of investments	1,989,349	-	1,989,349	-	-	-	-	-	-	-
Accrued expenses and other liabilities	106,672	-	106,672	102,659	-	102,659	103,575	-	103,575	312,906
	<u>3,258,510</u>	<u>-</u>	<u>3,258,510</u>	<u>1,561,926</u>	<u>-</u>	<u>1,561,926</u>	<u>3,779,424</u>	<u>-</u>	<u>3,779,424</u>	<u>6,610,511</u>

June 30, 2022										
Particulars	Equity Sub-Fund			Debt Sub-Fund			Money Market Sub-Fund			Total
	At amortised cost	At fair value through profit or loss	Sub total	At amortised cost	At fair value through profit or loss	Sub total	At amortised cost	At fair value through profit or loss	Sub total	
-----Rupees-----										
Financial assets										
Bank balances	22,222,469	-	22,222,469	169,029,283	-	169,029,283	261,092,140	-	261,092,140	452,343,892
Investments	-	105,701,497	105,701,497	-	56,429,167	56,429,167	-	30,000,000	30,000,000	192,130,664
Advance, deposit and profits receivable	431,476	-	431,476	3,564,790	-	3,564,790	4,556,923	-	4,556,923	8,553,189
	<u>22,653,945</u>	<u>105,701,497</u>	<u>128,355,442</u>	<u>172,594,073</u>	<u>56,429,167</u>	<u>229,023,240</u>	<u>265,649,063</u>	<u>30,000,000</u>	<u>295,649,063</u>	<u>653,027,745</u>

June 30, 2022										
Particulars	Equity Sub-Fund			Debt Sub-Fund			Money Market Sub-Fund			Total
	At amortised cost	At fair value through profit or loss	Sub total	At amortised cost	At fair value through profit or loss	Sub total	At amortised cost	At fair value through profit or loss	Sub total	
-----Rupees-----										
Financial liabilities										
Payable to JS Investments Limited - Pension Fund Manager	1,175,145	-	1,175,145	1,347,506	-	1,347,506	1,067,356	-	1,067,356	3,590,007
Payable to Central Depository Company of Pakistan Limited - Trustee	19,640	-	19,640	31,923	-	31,923	40,310	-	40,310	91,873
Accrued expenses and other liabilities	119,197	-	119,197	101,219	-	101,219	100,794	-	100,794	321,210
	<u>1,313,982</u>	<u>-</u>	<u>1,313,982</u>	<u>1,480,648</u>	<u>-</u>	<u>1,480,648</u>	<u>1,208,460</u>	<u>-</u>	<u>1,208,460</u>	<u>4,003,090</u>

22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund's objective in managing risk is the creation and protection of participants' value. Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily set up to be performed based on limits established by the Pension Fund Manager, the constitutive documents of the Fund and the regulations and directives of the SECP. These limits reflect the business strategy and market environment of the Fund as well as the level of the risk that the Fund is willing to accept. The Board of Directors of the Pension Fund Manager supervises the overall risk management approach within the Fund. The Fund is exposed to market risk, liquidity risk and credit risk arising from the financial instruments it holds.



JS Pension Savings Fund

22.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of the changes in market prices.

The Pension Fund Manager manages the market risk through diversification of the investment portfolio and by following the internal guidelines established by the Investment Committee and the Regulations laid down by SECP.

Market risk comprises of three types of risk: currency risk, profit / interest rate risk and price risk.

22.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. The Sub-Funds does not have any financial instruments in foreign currencies and hence is not exposed to such risk.

22.1.2 Profit / interest rate risk

Profit / interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. As of June 30, 2023, the Fund is exposed to such risk on its balances held with banks and Sukuk certificates. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

	June 30, 2023			
	Equity Sub-fund	Debt Sub-fund	Money Market Sub-fund	Total
	-----Rupees-----			
Variable rate instruments (financial assets)				
Bank Balance	10,883,726	7,050,894	14,646,803	32,581,423
Government securities	-	139,036,335	240,793,545	379,829,880
Listed debt securities	-	18,473,400	-	18,473,400
Unlisted debt securities	-	33,678,910	-	33,678,910
	10,883,726	198,239,539	255,440,348	464,563,613

Sensitivity analysis of variable rate instruments

The Fund hold balances with bank and investment in debt securities which expose the Fund to cash flow profit rate risk. In case of 100 basis points increase / decrease in applicable rates at the reporting date with all other variables held constant, the net income / loss for the year and net assets of the Funds would have been higher or lower by as follow:

Change in basis points

	Effect on income and net assets as at June 30, 2023			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	----- (Rupees) -----			
Increase in 100 basis points	108,837	1,982,395	2,554,403	4,645,636
Decrease in 100 basis points	(108,837)	(1,982,395)	(2,554,403)	(4,645,636)

The composition of the Fund's investment portfolio, KIBOR rates and the rates announced by the Financial Markets Association of Pakistan (FMAP) are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2023 is not necessarily indicative of the impact on the Fund's net assets of future movements in profit rates.

Profit / interest rate sensitivity position for on balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off-balance sheet financial instruments is based on the settlement date.

JS Pension Savings Fund - Equity Sub Fund

Particulars	June 30, 2023					June 30, 2022						
	Effective yield / interest rate	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total	Effective yield / interest rate	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total
		Upto three months	More than three months and upto one year	More than one year				Upto three months	More than three months and upto one year	More than one year		
	%	Rupees				%	Rupees					
Financial assets												
Bank balances	12.25 - 19.60	10,883,726	-	-	-	10,883,726	5 - 14	22,222,469	-	-	-	22,222,469
Investments		-	-	-	106,066,538	106,066,538		-	-	-	105,701,497	105,701,497
Dividend receivable		-	-	-	3,709	3,709		-	-	-	-	-
Advance, deposit and profits receivable		-	-	-	434,016	434,016		-	-	-	431,476	431,476
Sub total		10,883,726	-	-	106,504,263	117,387,989		22,222,469	-	-	106,132,973	128,355,442
Financial liabilities												
Payable to JS Investments Limited - Pension Fund Manager		-	-	-	1,146,196	1,146,196		-	-	-	1,175,145	1,171,721
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	16,293	16,293		-	-	-	19,640	19,640
Payable against purchase of investments		-	-	-	1,989,349	1,989,349		-	-	-	-	-
Accrued expenses and other liabilities		-	-	-	106,672	106,672		-	-	-	119,197	122,621
Sub total		-	-	-	3,258,510	3,258,510		-	-	-	1,313,982	1,313,982
On-balance sheet gap		10,883,726	-	-	103,245,753	114,129,479		22,222,469	-	-	104,818,991	127,041,460
Total profit rate sensitivity gap		10,883,726	-	-				22,222,469	-	-		
Cumulative profit rate sensitivity gap		10,883,726	10,883,726	10,883,726				22,222,469	22,222,469	22,222,469		

JS Pension Savings Fund - Debt Sub Fund

Particulars	June 30, 2023					June 30, 2022						
	Effective yield / interest rate	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total	Effective yield / interest rate	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total
		Upto three months	More than three months and upto one year	More than one year				Upto three months	More than three months and upto one year	More than one year		
	%	Rupees				%	Rupees					
Financial assets												
Bank balances	12.25 - 19.60	7,050,894	-	-	-	7,050,894	5 - 16.30	169,029,283	-	-	-	169,029,283
Investments	9.03 - 22.69	-	139,036,335	52,152,310	-	191,188,645	7.72 - 11.48	-	9,302,920	47,126,247	-	56,429,167
Advance, deposit and profits receivable		-	-	-	5,393,600	5,393,600		-	-	-	3,564,790	3,564,790
Sub total		7,050,894	139,036,335	52,152,310	5,393,600	203,633,139		169,029,283	9,302,920	47,126,247	3,564,790	229,023,240
Financial liabilities												
Payable to JS Investments Limited - Pension Fund Manager		-	-	-	1,430,727	1,430,727		-	-	-	1,347,506	1,347,506
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	28,540	28,540		-	-	-	31,923	31,923
Accrued expenses and other liabilities		-	-	-	102,659	102,659		-	-	-	101,219	101,219
Sub total		-	-	-	1,561,926	1,561,926		-	-	-	1,480,648	1,480,648
On-balance sheet gap		7,050,894	139,036,335	52,152,310	3,831,674	202,071,213		169,029,283	9,302,920	47,126,247	2,084,142	227,542,592
Total profit rate sensitivity gap		7,050,894	139,036,335	52,152,310				169,029,283	9,302,920	47,126,247		
Cumulative profit rate sensitivity gap		7,050,894	146,087,229	198,239,539				169,029,283	178,332,203	225,458,450		



JS Pension Savings Fund

JS Pension Savings Fund - Money Market Sub Fund

Particulars	June 30, 2023					June 30, 2022						
	Effective yield / interest rate	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total	Effective yield / interest rate	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total
		Upto three months	More than three months and upto one year	More than one year				Upto three months	More than three months and upto one year	More than one year		
	%	Rupees				%	Rupees					
Financial assets												
Bank balances	12.25 - 19.75	14,646,803	-	-	-	14,646,803	5 - 16.30	261,092,140	-	-	-	261,092,140
Investments	21.05 - 22.20	-	240,793,545	-	19,000,000	259,793,545	13.32	-	-	-	30,000,000	30,000,000
Advance, deposit and profits receivable		-	-	-	3,755,632	3,755,632		-	-	-	4,556,923	4,556,923
Sub total		14,646,803	240,793,545	-	22,755,632	278,195,980		261,092,140	-	-	34,556,923	295,649,063
Financial liabilities												
Payable to JS Investments Limited - Pension Fund Manager		-	-	-	1,060,866	1,060,866		-	-	-	1,067,356	1,067,356
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	38,060	38,060		-	-	-	40,310	40,310
Accrued expenses and other liabilities		-	-	-	108,888	108,888		-	-	-	100,794	100,794
Sub total		-	-	-	1,207,814	1,207,814		-	-	-	1,208,460	1,208,460
On-balance sheet gap		14,646,803	240,793,545	-	21,547,818	276,988,166		261,092,140	-	-	33,348,463	294,440,603
Total profit rate sensitivity gap		14,646,803	240,793,545	-				261,092,140	-	-		
Cumulative profit rate sensitivity gap		14,646,803	255,440,348	255,440,348				261,092,140	261,092,140	261,092,140		

22.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from profit rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Equity Sub-Fund is exposed to equity price risk on investment held by the Sub-Fund and classified as 'at fair value through profit or loss'. To manage its price risk arising from investments in equity securities, the Sub-Fund diversifies its portfolio within the eligible stocks prescribed in the Trust Deed. The NBFC Regulations also limit individual equity securities to no more than 15% of net assets or paid-up capital of the investee company whichever is lower and sector exposure limit to 40% of the net assets.

The table below summarises the sensitivity of the Equity Sub-Fund's net assets attributable to unit holders to the equity price movements as at June 30, 2023. The analysis is based on the assumption that the KSE 100 index increased / decreased by 5%, with all other variables held constant and that the fair value of its portfolio of equity securities moved according to their historical correlation with the index. This represents managements' best estimate of a reasonable possible shift in the KSE index, having regard to the historical volatility of the index of the past three years.

At June 30, 2023, the fair value of equity securities exposed to price risk are concentrated in the sectors as disclosed in note 5.1.

	2023	2022
	-----Rupees-----	
Effect due to increase / decrease in KSE 100 index		
Investment and net assets	5,303,327	5,285,075
Income statement	5,303,327	5,285,075

22.2 Credit risk

Credit risk represents the risk of a loss if the counter parties fail to perform as contracted. Credit risk in Sub-Funds mainly arises from deposits with banks, credit exposure arising as a result of profit receivable on deposits with banks, deposits and investment in debt securities. For banks and financial institutions balances are kept with reputed parties. Credit risk on deposit receivable is minimal due to statutory protection. All transactions in listed securities are settled / paid for upon delivery as per market clearing system. The risk of default is considered minimal due to inherent systematic measures taken therein. Debt securities held by the debt sub fund and money market sub fund mainly consist of government securities are government backed and therefore not exposed to credit risk. The remaining debts securities are with reputable counter parties and therefore credit risk is minimal.

Credit risk is managed and controlled by the Pension Fund Manager of the Fund in the following manner:

- The Fund limits its exposure to credit risk by only investing in liquid debt securities that have at minimum an investment grade as rated by a credit rating agency approved by the SECP. In the absence of issue rating, the Fund ensures that the entity has an investment grade as rated by a credit rating agency approved by the SECP.
- The risk of counter party exposure due to failed trades causing a loss to the Fund is mitigated by a periodic review of trade reports, credit ratings and financial statements on a regular basis.

20.2.1 Exposure to credit risk

The maximum exposure to credit risk as at June 30, 2023 are as follows:

June 30, 2023		June 30, 2022	
Balance as per statement of assets and liabilities	Maximum exposure	Balance as per statement of assets and liabilities	Maximum exposure

----- Rupees -----

JS Pension Savings Fund - Equity Sub Fund

Bank balances	10,883,726	10,883,726	22,222,469	22,222,469
Investments	106,066,538	-	105,701,497	-
Advance, deposit and profits receivable	100,000	100,000	431,476	431,476
	117,050,264	10,983,726	128,355,442	22,653,945

Difference in the balance as per the statement of assets and liabilities and maximum exposure is due to the fact that investments in listed equity securities of Rs.106.066 million (2022: Rs.105.701 million) are not exposed to credit risk.

June 30, 2023		June 30, 2022	
Balance as per statement of assets and liabilities	Maximum exposure	Balance as per statement of assets and liabilities	Maximum exposure

----- Rupees -----

JS Pension Savings Fund- Debt Sub Fund

Bank balances	7,050,894	7,050,894	169,029,083	169,029,083
Investments	191,188,645	52,152,310	56,429,167	30,262,247
Advance, deposit and profits receivable	5,393,600	5,393,600	3,564,790	3,564,790
	203,633,139	64,596,804	229,023,040	202,856,120



JS Pension Savings Fund

Difference in the balance as per the statement of assets and liabilities and maximum exposure is due to the fact that investments in Government Securities of Rs.139.036 million (2022: Rs.26.167 million) are not exposed to credit risk.

June 30, 2023		June 30, 2022	
Balance as per statement of assets and liabilities	Maximum exposure	Balance as per statement of assets and liabilities	Maximum exposure

JS Pension Savings Fund- Money Market Sub Fund

	Rupees			
Bank balances	14,646,803	14,646,803	261,092,140	261,092,140
Investments	259,793,545	19,000,000	30,000,000	30,000,000
Advance, deposit and profits receivable	3,755,632	3,755,632	4,556,923	4,556,923
	278,195,980	37,402,435	295,649,063	295,649,063

Difference in the balance as per the statement of assets and liabilities and maximum exposure is due to the fact that investments in Government Securities of Rs.240.793 million (2022: Rs.Nil) are not exposed to credit risk.

No financial assets were considered to be past due or impaired as at June 30, 2023.

20.2.2 The analysis below summaries the available published credit ratings of the Fund's financial assets as at June 30, 2023:

Balances with banks by rating category	June 30, 2023			June 30, 2022		
	Rating agency	Published rating	Percentage of bank balance	Rating agency	Published rating	Percentage of bank balance
JS Pension Savings Fund - Equity Sub-Fund						
Habib Metropolitan Bank Limited	PACRA	AA+	0.20%	PACRA	AA+	0.04%
Samba Bank Limited	VIS	AA	0.27%	VIS	AA	0.10%
Bank Alfalah Limited	PACRA	AA+	96.53%	PACRA	AA+	16.61%
Dubai Islamic Bank Pakistan Limited	VIS	AA	1.60%	VIS	AA	83.03%
JS Bank Limited	PACRA	AA-	1.40%	PACRA	AA-	0.22%
JS Pension Savings Fund - Debt Sub-Fund						
Allied Bank Limited	PACRA	AAA	2.40%	PACRA	AAA	97.96%
Habib Metropolitan Bank Limited	PACRA	AA+	90.04%	PACRA	AA+	2.02%
Bank Al Habib Limited	PACRA	AAA	0.10%	PACRA	AAA	0.00%
United Bank Limited	VIS	AAA	0.34%	VIS	AAA	0.01%
Zarai Taraqati Bank Limited	VIS	AAA	7.12%	VIS	AAA	0.01%
JS Pension Savings Fund - Money Market Sub-Fund						
BankIslami Pakistan Limited*	PACRA	AA-	0.02%	PACRA	A+	-
Samba Bank Limited	VIS	AA	0.05%	VIS	AA	0.00%
United Bank Limited	VIS	AAA	0.37%	VIS	AAA	0.02%
Faysal Bank Limited	PACRA	AA	0.08%	PACRA	AA	0.00%
Allied Bank Limited	PACRA	AAA	0.02%	PACRA	AAA	96.06%
Dubai Islamic Bank Pakistan Limited	VIS	AA	1.27%	VIS	AA	0.00%
JS Bank Limited	PACRA	AA-	0.00%	PACRA	AA-	0.00%
Bank Alfalah Limited	PACRA	AA+	98.13%	PACRA	AA+	3.92%
Zarai Taraqati Bank Limited	VIS	AAA	0.06%	VIS	AAA	0.00%

*Nil due to rounding off

20.2.3 Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counter parties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial assets is mainly held with credit worthy counterparties thereby mitigating any credit risk.

22.3 Liquidity risk

Liquidity risk is the risk that all Sub-Funds may not be able to generate sufficient cash resources to settle its obligation in full as they fall due or can only do so on the terms that are materially disadvantageous to the Fund.

The Fund is exposed to redemptions of its redeemable units on a regular basis. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is, therefore, to invest the majority of its assets either in short term instruments or in investments that are traded in an active market and can be readily disposed and are considered readily realisable in order to maintain liquidity.

The Fund can borrow in the short term to ensure settlement in Sub-Funds. The maximum amount available to the Sub-Funds from the borrowing would be limited to fifteen percent of its net assets upto 90 days and would be secured by the assets of the Sub-Funds. The facility would bear borrowing cost at commercial rates. However, no borrowing was obtained by any Sub-Fund during the current year.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the year.

The table below summarises the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining year at the end of the reporting year to the contractual maturity date. However, assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month.

	June 30, 2023			June 30, 2022				
	Upto three months	More than three months and upto one year	More than one year	Total	Upto three months	More than three months and upto one year	More than one year	Total
JS Pension Savings Fund - Equity Sub-Fund								
----- Rupees ----- Rupees -----								
Financial liabilities								
Payable to JS Investments Limited - Pension Fund Manager	1,146,196	-	-	1,146,196	1,175,145	-	-	1,175,145
Payable to Central Depository Company of Pakistan Limited - Trustee	16,293	-	-	16,293	19,640	-	-	19,640
Payable against purchase of investments	1,989,349	-	-	1,989,349	-	-	-	-
Accrued expenses and other liabilities	106,672	-	-	106,672	122,197	-	-	122,197
	3,258,510	-	-	3,258,510	1,313,982	-	-	1,313,982



JS Pension Savings Fund

JS Pension Savings Fund - Debt Sub-Fund

Financial liabilities

	June 30, 2023			June 30, 2022				
	Upto three months	More than three months and upto one year	More than one year	Total	Upto three months	More than three months and upto one year	More than one year	Total
Payable to JS Investments Limited - Pension Fund Manager	1,430,727	-	-	1,430,727	1,347,506	-	-	1,347,506
Payable to Central Depository Company of Pakistan Limited - Trustee	28,540	-	-	28,540	31,923	-	-	31,923
Accrued expenses and other liabilities	102,659	-	-	102,659	101,219	-	-	101,219
	1,561,926	-	-	1,561,926	1,480,648	-	-	1,480,648

JS Pension Savings Fund - Money Market Sub-Fund

Financial liabilities

	June 30, 2023			June 30, 2022				
	Upto three months	More than three months and upto one year	More than one year	Total	Upto three months	More than three months and upto one year	More than one year	Total
Payable to JS Investments Limited - Pension Fund Manager	1,060,866	-	-	1,060,866	1,067,336	-	-	1,067,336
Payable to Central Depository Company of Pakistan Limited - Trustee	38,060	-	-	38,060	40,310	-	-	40,310
Accrued expenses and other liabilities	103,575	-	-	103,575	100,794	-	-	100,794
	1,202,501	-	-	1,202,501	1,208,460	-	-	1,208,460

23. FAIR VALUE MEASUREMENT

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. Consequently, differences can arise between carrying values and the fair value estimates.

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.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets 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:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at June 30, 2023 and June 30, 2022, the Fund held the following financial instruments measured at fair values:

JS Pension Savings Fund

JS Pension Savings Fund - Equity Sub-Fund	June 30, 2023				June 30, 2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	Rupees				Rupees			
Financial assets								
Investments - at fair value through profit or loss								
Listed equity securities	10,883,726	-	-	10,883,726	-	26,166,920	-	26,166,920
	-	-	-	-	-	30,262,247	-	30,262,247
	10,883,726	-	-	10,883,726	-	56,429,167	-	56,429,167

JS Pension Savings Fund - Debt Sub-Fund	June 30, 2023				June 30, 2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	Rupees				Rupees			
Financial assets								
Investments - at fair value through profit or loss								
Government securities	-	139,036,335	-	139,036,335	-	26,166,920	-	26,166,920
Listed debt securities	-	18,473,400	-	18,473,400	-	-	-	-
Unlisted debt securities	-	33,678,910	-	33,678,910	-	30,262,247	-	30,262,247
Commercial papers *	-	-	-	-	-	-	-	-
	-	191,188,645	-	191,188,645	-	56,429,167	-	56,429,167

JS Pension Savings Fund - Money Market Sub-Fund	June 30, 2023				June 30, 2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	Rupees				Rupees			
Financial assets								
Investments - at fair value through profit or loss								
Government securities	-	240,793,545	-	240,793,545	-	-	-	-
Short term - sukuk certificate *	-	19,000,000	-	19,000,000	-	30,000,000	-	30,000,000
Commercial papers	-	-	-	-	-	-	-	-
	-	259,793,545	-	259,793,545	-	30,000,000	-	30,000,000

* The carrying value of these securities approximate their fair value since these are short term in nature and are placed with counter parties which have high credit ratings.

24 PARTICIPANTS' SUB-FUND RISK MANAGEMENT

The participants' Fund is represented by redeemable units of the Sub-Funds. These units are entitled to payment of a proportionate share, based on the Fund's Net Asset Value per unit on the redemption date.

The Fund has no restrictions on the subscription and redemption of units. There is no specific capital requirement which is applicable to the Fund.

The Fund's objectives when managing funds received are to safeguard its ability to continue as a going concern so that it can continue to provide returns for participants and to maintain a strong base of asset under management.

In accordance with the risk management policies, all the Sub-Funds of the Fund endeavour to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemption. All the Sub-Funds of the Fund have invested with a long term objective, the possibility of a significant redemption pressure is limited, such liquidity being augmented by borrowing arrangements (which can be entered if necessary) or disposal of investments where necessary.

All units, including the core units, and fractions thereof represent an undivided share in the pertinent Sub-Funds of the fund and rank parri passu as their rights in the net assets and earning of the sub-fund are not tradable or transferable. Each participant has a beneficial interest in the Sub-Fund proportionate to the units held by such participant in such Sub-Fund.



JS Pension Savings Fund

25 CORRESPONDING FIGURES

Corresponding figures have been re-classified, re-arranged or additionally incorporated in these financial statements, wherever necessary to facilitate comparison and to conform with changes in presentation in the current year. No significant rearrangements or reclassifications were made in these financial statements.

26 GENERAL

26.1 Figures have been rounded off to the nearest rupee.

27 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Pension Fund Manager on August 18, 2023.

For JS Investments Limited
(Pension Fund Manager)

Chief Executive Officer

Chief Financial Officer

Director



**SUPPLEMENTARY NON FINANCIAL INFORMATION
AS REQUIRED UNDER CLAUSE 38A (g)
OF THE NBFC & NE REGULATION**

SUMMARY OF ACTUAL PROXY VOTED BY JS PENSION SAVINGS FUND

	Resolutions	For	Against	Abstain
Number	3	3	Nil	N/A
(% ages)	100	100	-	-

Note:

The Proxy voting policy of the Collective Investment Scheme (CIS) is available on the website of JS Investments Limited, the Company and detailed information regarding actual proxies voted by the Company in respect of the CIS is also available without charge, upon request, to all unit holders.

We did not participate in any shareholders' meetings on behalf of CIS during the year.

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JS Investments Limited

19th 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



JS Islamic Pension Savings Fund

Annual Report 2023



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VISION

To be the preferred choice of every investor, offering diverse and innovative investment solutions.

MISSION

To establish a leadership position in bringing more investable asset classes and innovative products, while managing them with prudence and excellence.

BROAD POLICY OBJECTIVES

- Value creation for clients on a sustainable basis.
- Maintain high standards of ethical behaviors and fiduciary responsibilities.
- 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
19th 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	Non-Executive Director / Chairman
Ms. Iffat Zehra Mankani	Chief Executive Officer
Mr. Hasan Shahid	Non-Executive Director
Mr. Mirza M. Sadeed H. Barlas	Non-Executive Director
Mr. Atif Salim Malik	Non-Executive Director
Ms. Aisha Fariel Salahuddin	Non-Executive Independent Director
Ms. Mediha Kamal Afsar	Non-Executive Independent Director
Mr. Farooq Ahmed Malik	Non-Executive Independent Director

Audit Committee

Ms. Mediha Kamal Afsar	Chairperson
Mr. Hasan Shahid	Member
Mr. Mirza M. Sadeed H. Barlas	Member

Chief Operating Officer & Company Secretary

Mr. Muhammad Khawar Iqbal

Chief Financial Officer

Mr. Umair Khatri

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

EY Ford Rhodes
Chartered Accountants

Legal Adviser

Bawaney & Partners
3rd & 4th Floor, 68-C, Lane-13
Bokhari Commercial Area
Phase-VI DHA, Karachi

Shariah Advisors

Al – Hilal Shariah Advisors (Pvt) Limited



JS Islamic Pension Savings Fund

DIRECTORS REPORT TO THE PARTICIPANTS OF THE FUND

The Board of Directors of JS Investments Limited, the Pension Fund Manager of JS Islamic Pension Savings Fund (the Fund), is pleased to present the Annual Report for the year ended June 30, 2023.

Economy Review:

During the fiscal year 2023, Pakistan encountered substantial challenges stemming from longstanding structural weaknesses. Delays in the IMF program, declining forex reserves, significant currency devaluation, persistent political uncertainty, and elevated inflation collectively presented formidable hurdles, resulting in a meager GDP growth of 0.29%, a marked decrease from the 6.10% achieved in the previous fiscal year, FY22.

The current account deficit (CAD) narrowed by 85% year-on-year to USD 2.6 billion in FY23, a notable improvement compared to USD 17.5 billion in FY22, primarily due to reduced trade deficit from import restrictions. However, despite this situation, foreign exchange reserves held by the State Bank of Pakistan (SBP) declined to USD 4.47 billion by June 2023, down from USD 9.82 billion at the commencement of FY23.

The scarcity of forex reserves exerted significant pressure on the currency, leading to a 40% devaluation. Another persistent concern throughout FY23 was soaring inflation, averaging 29.04%, surpassing the initial target of 11.5% and the FY22 rate of 12.15%. This surge was fueled by escalating food prices and higher energy and petroleum costs, compounded by the global crisis and PKR depreciation. In response, the SBP maintained its contractionary stance, raising the policy rate to a record high of 22% from 13.75% in June 2022. Despite these challenges, the measures taken by the government, including raising energy and gas tariffs, implementing currency regime change, introducing additional taxes and tightening monetary policy, yielded different outcomes.

However, as of June 2023, the Government of Pakistan secured a crucial 9-month Stand by Arrangement (SBA) with the IMF, leading to substantial deposits from multilateral countries. This achievement offers a much-needed short-term respite from the looming risk of default. Additionally, the SBA provides an economic roadmap for the next nine months, encompassing the period leading up to elections and a caretaker government, with a strong emphasis on fiscal discipline, energy reforms, and consistent policy implementation. Nevertheless, it is important to recognize that the SBA offers only temporary relief, as a long-term program with the IMF will be necessary once the SBA concludes in March 2024, alongside the implementation of structural reforms and a consistent macroeconomic framework.

Equity Market Review:

In FY23, the KSE-100 index exhibited relatively subdued performance, registering a marginal decline of 0.21%, equivalent to 88.14 points, culminating in a closing value of 41,452.69 points. The equity market operated amidst amplified political noise and the central bank's resolute monetary tightening measures aimed at addressing inflationary pressures. Additionally, lingering uncertainties surrounding the IMF staff-level agreement further dampened investor sentiment, leading to diminished interest and constrained liquidity inflows into the equity markets.

During this period, certain sectors demonstrated resilience and emerged as outperformers, including Power Generation & Distribution, Fertilizer, Cements, and Technology & Communication, highlighting their robustness in the market. Conversely, the Pharmaceuticals, Automobile Assembler and Refinery sectors underperformed during the same period.

As we embark on FY24, it is essential to recognize that two critical factors will significantly shape the financial markets. Firstly, the inflow of foreign exchange (FX) will play a decisive role, exerting influence on market dynamics. Secondly, unwavering dedication to adhering to the IMF's guidelines within the Stand-By Arrangement (SBA) will lay the groundwork for forthcoming negotiations concerning a long-term program with the IMF after the SBA concludes early next year.



Moreover, amidst this ever-evolving environment, political stability will act as a linchpin, fostering investor confidence and channeling liquidity into the equity market. In essence, the dynamic interplay of FX inflows, adherence to IMF guidelines, and political stability will form the bedrock upon which the performance of the economy as a whole will be built in the coming months. As we chart our course forward, strategic decisions anchored in these key factors will be pivotal in seizing opportunities and driving growth within the continuously changing investment landscape.

Income / Money Market Review:

Against a challenging macroeconomic landscape and mounting inflationary pressures, the Pakistani Rupee (PKR) experienced a significant depreciation of 40% during FY23. In response to the surging inflation, the State Bank of Pakistan (SBP) adopted a tight monetary policy stance, culminating in a cumulative 825 basis points increase in the policy rate, reaching an elevated 22% by June 2023.

Amidst heightened uncertainty, investors preferred shorter-tenor instruments along the yield curve. As a result, the government resorted to relying on the 3-month and 6-month treasury bills to fulfill its budgetary borrowing requirements, given the subdued market participation in one-year treasury bills. Notably, yields for 3-month treasury bills surged from 14.98% to 22.65%, while yields for 6-month treasury bills rose from 15.15% to 22.87%. The total amount borrowed through T-bills stood at PKR 24.62 trillion during the year. Furthermore, the government successfully borrowed PKR 1.28 trillion in fixed-rate Pakistan Investment Bonds (PIBs), slightly below the target of PKR 1.85 trillion. The yields on the 3-year, 5-year, and 10-year bonds experienced increments of 6.02%, 3.15%, and 2.40%, leading to final yields of 19.47%, 16.08%, and 15.32%, respectively.

Review of Fund Performance

The fund was launched on June 16, 2008 for contributions by eligible participants, under the Voluntary Pension System Rules, 2005 (VPS Rules, 2005), with the objective of assisting and facilitating them to plan for their retirement. The fund presently has three sub-funds that are Equity Sub-Fund, Debt Sub-Fund, and Money Market Sub-Fund.

The Equity Sub-fund return was -1.96% for the year ended June 30, 2023. Net Assets moved from PKR 86.50 million (June 30, 2022) to PKR 76.36 million as at June 30, 2023. The total expense ratio (TER) of the Fund is 2.64% which includes 0.33% representing government levies on the Fund.

The Debt Sub-fund return was 12.50% for the year ended June 30, 2023. Net Assets moved from PKR 30.45 million (June 30, 2022) to PKR 30.97 million as at June 30, 2023. The total expense ratio (TER) of the Fund is 2.11% which includes 0.25% representing government levies on the Fund.

The Money Market Sub-fund return was 15.76% for the year ended June 30, 2023. Net Assets were moved from PKR 36.62 million (June 30, 2022) to PKR 44.25 million as at June 30, 2023. The total expense ratio (TER) of the Fund is 1.39% which includes 0.19% representing government levies on the Fund.

The Fund has 200 participants as on June 30, 2023.

Asset Manager Rating

Pakistan Credit Rating Agency Limited (PACRA) has assigned JS Investments Management Quality Rating of AM2+ with a stable outlook, which is an improvement from the previous rating of AM2 with a positive outlook. The rating denotes High Management Quality.



JS Islamic Pension Savings Fund

Auditors

The external auditors of the Fund Messrs EY Ford Rhodes Chartered Accountants have retired from office. The Board of Directors, upon recommendation of the Audit Committee of the Board has approved the appointment of Messrs A.F Ferguson, Chartered Accountants as the Fund's auditors for the ensuing year ending June 30, 2024.

Board of Directors

During the period Mr. Atif Salim Malik, Mr. Farooq Ahmed Malik and Ms. Mediha Kamal Afsar were appointed as Director in place of Mr. Asif Reza Sana, Mr. Imran Haleem Shaikh and Mr. Zahid Ullah Khan.

Shariah Advisors

Messrs Al-Hilal Shariah Advisors (Pvt.) Limited, completed its tenure. The Board of Directors of JS Investment Limited, the Management Company of the Fund, upon recommendation of the Audit Committee has approved the appointment of Al-Hilal Shariah Advisors for the ensuing year ending June 30, 2024.

Pattern of Unit Holding:

Category	Equity Sub Fund			Debt Sub Fund			Money Market Sub Fund			Total Rupees in millions	% of total investment
	No. of Unit holders	No. of Units held	Rupees in million	No. of Unit holders	No. of Units held	Rupees in million	No. of Unit holders	No. of Units held	Rupees in million		
Individuals	0	0	0.00	134	81,032	24.19	165	159,707	43.71	67.90	44.80
Directors and their spouse	68	28,794	16.84	0	0	0.00	0	0	0.00	16.84	11.11
NBFCs	1	101,755	59.51	1	22,727	6.78	1	1 976	0.54	66.83	44.09
	69	130,549	76.36	135	103,759	30.97	166	161,682	44.25	151.57	100.00

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 Pension Fund Manager for their dedication and hard work and the participants for their condense in the Management.

Karachi: August 18, 2023

Director

Chief Executive Officer

شراکت داروں کے لیے ڈائریکٹرز رپورٹ

جے ایس انویسٹمنٹس لمیٹڈ کے بورڈ آف ڈائریکٹرز، JS اسلامک پینشن سیونگ فنڈ (دی فنڈ) کی مینجمنٹ کمپنی نے 30 جون 2023 کو ختم ہونے والے سال کے لیے سالانہ رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

معاشی جائزہ

مالی سال 2023 کے دوران، پاکستان کو دیرینہ ساختی کمزوریوں کی وجہ سے کافی چیلنجز کا سامنا کرنا پڑا۔ انٹرنیشنل مانیٹری فنڈ (IMF) پروگرام میں تاخیر، زرمبادلہ کے ذخائر میں کمی، کرنسی کی قدر میں نمایاں کمی، مسلسل سیاسی غیر یقینی کی صورتحال اور افراط زر میں اضافے نے مجموعی طور پر زبردست رکاوٹیں پیش کیں، جس کے نتیجے میں جی ڈی پی (GDP) کی شرح نمو % 0.29 رہی جو گزشتہ مالی سال 2022 کے % 6.10 کے مقابلے میں واضح طور پر کم ہے۔

مالی سال 2023 میں کرنٹ اکاؤنٹ خسارہ (CAD) سال بہ سال % 85 کم ہو کر 2.6 بلین امریکی ڈالر رہ گیا، جو مالی سال 2022 کے % 17.5 بلین امریکی ڈالر کے مقابلے میں نمایاں بہتری ہے، جس کی بنیادی وجہ درآمدی پابندیوں سے تجارتی خسارے میں کمی ہے۔ تاہم، اس صورتحال کے باوجود اسٹیٹ بینک آف پاکستان (SBP) کے پاس موجود غیر ملکی زر مبادلہ کے ذخائر جون 2023 تک کم ہو کر 4.47 بلین امریکی ڈالر گئے جو مالی سال 2023 کے آغاز میں 9.82 بلین امریکی ڈالر سے کم تھے۔

غیر ملکی زرمبادلہ کے ذخائر کی کمی نے کرنسی پر کافی دباؤ ڈالا، جس کی وجہ سے % 40 کی قدر میں کمی واقع ہوئی۔ مالی سال 2023 کے دوران ایک اور مستقل تشویش بڑھتی ہوئی افراط زر تھی، جو اوسطاً % 29.04 تھی، جو ابتدائی ہدف % 11.5 اور مالی سال 2022 کی شرح % 12.15 سے تجاوز کر گئی۔ اس اضافے کی وجہ خوراک کی قیمتوں میں اضافہ اور توانائی اور پیٹرولیم کی بلند قیمتیں ہیں جو عالمی بحران اور پاکستانی روپے کی قدر میں کمی کی وجہ سے ہوا۔ اسکے جواب میں اسٹیٹ بینک آف پاکستان (SBP) نے اپنے تخفیفی (contractionary) متوقف کو برقرار رکھتے ہوئے پالیسی کی شرح کو جون 2022 میں % 13.75 سے بڑھا کر % 22 کی ریکارڈ سطح پر پہنچا دیا۔ ان چیلنجز کے باوجود حکومت کی جانب سے اٹھائے گئے اقدامات بشمول توانائی اور گیس کے نرخوں میں اضافہ، کرنسی نظام کی تبدیلی کا نفاذ، اضافی ٹیکس متعارف کروانا اور مانیٹری پالیسی کو سخت کرنے سے مختلف نتائج برآمد ہوئے۔

تاہم، جون 2023 تک حکومت پاکستان نے آئی ایم ایف کے ساتھ 9 ماہ کا ایک اہم اسٹینڈ بائی آرٹیمینٹ (SBA) حاصل کیا جس کے نتیجے میں کثیر الجہتی (multi lateral) ممالک سے خاطر خواہ ذخائر موصول ہوئے۔ یہ کامیابی ڈیفالٹ کے بڑھتے ہوئے خطرے سے ایک انتہائی ضروری قلیل مدتی راحت فراہم کرتی ہے۔ مزید برآں، اسٹینڈ بائی آرٹیمینٹ (SBA) اگلے 9 ماہ کے لیے اقتصادی روڈ میپ فراہم کرتا ہے، جس میں انتخابات اور نگران حکومت تک کی مدت کا احاطہ کیا گیا ہے، جس میں مالی نظم و ضبط، توانائی اصلاحات اور مستقل پالیسی کے نفاذ پر زور دیا گیا ہے۔ اس کے باوجود، یہ تسلیم کرنا ضروری ہے کہ اسٹینڈ بائی آرٹیمینٹ (SBA) عارضی ریلیف فراہم کرتا ہے، کیونکہ مارچ 2024 میں اسٹینڈ بائی آرٹیمینٹ (SBA) کے اختتام کے بعد IMF کے ساتھ، ساختی اصلاحات اور مستقل میکرو اکنامک فریم ورک کے نفاذ کے ساتھ، ایک طویل مدتی پروگرام ضروری ہوگا۔

ایکیویٹی مارکیٹ کا جائزہ

مالی سال 2023 میں، KSE - 100 انڈیکس نے نسبتاً کم کارکردگی کا مظاہرہ کیا، جس میں % 0.21 کی معمولی کمی ریکارڈ کی گئی، جو 88.14 پوائنٹس کے مساوی ہے، جس کے نتیجے میں اختتام 41,452.69 پوائنٹس کی سطح پر ہوا۔ ایکویٹی مارکیٹ بڑھتے ہوئے سیاسی شورش اور مرکزی بینک کے پر عزم مالیاتی سخت اقدامات کے درمیان کام کر رہی تھی، جس کا مقصد افراط زر کے دباؤ سے نمٹنا تھا۔ مزید برآں، IMF کے عملے کی سطح کے معاہدے کے بارے میں غیر یقینی صورتحال نے سرمایہ کاروں کے جذبات کو مزید متاثر کیا، جس کے نتیجے میں دلچسپی میں کمی آئی اور ایکویٹی مارکیٹوں میں محدود لیکویڈیٹی کا بہاؤ ہوا۔

اس مدت کے دوران، پاور جزیشن اور ڈسٹر بیوشن، فریڈلانڈرز، سینٹ اور ٹیکنالوجی اور کمیونیکیشن جیسے شعبوں نے لچک کا مظاہرہ کیا اور بہتر کارکردگی کا مظاہرہ کرنے والے شعبوں کے طور پر ابھرے، جس نے مارکیٹ میں ان کی مضبوطی کو اجاگر کیا۔ اس کے برعکس، فارماسیوٹیکل، آٹوموبائل اسمبلر اور ریفرنڈری کے شعبوں نے یکساں مدت کے دوران ناقص کارکردگی کا مظاہرہ کیا۔

جب ہم مالی سال 2024 کی شروعات کرنے جا رہے ہیں، تو یہ تسلیم کرنا ضروری ہے کہ دو اہم عوامل مالیاتی مارکیٹوں کو نمایاں طور پر تشکیل دیں گے۔ سب سے پہلے، غیر ملکی زرمبادلہ (FX) کی آمد ایک فیصلہ کن کردار ادا کرے گی، جس سے مارکیٹ کی حرکیات پر اثر پڑے گا۔ دوسری بات یہ ہے کہ اسٹینڈ بائی آرٹیمینٹ (SBA) کے اندر IMF کی ہدایات پر عمل کرنے کی غیر متزلزل لگن اگلے سال کے اوائل میں اسٹینڈ بائی آرٹیمینٹ (SBA) کے اختتام کے بعد IMF کے ساتھ طویل مدتی پروگرام سے متعلق آئندہ مذاکرات کی بنیاد رکھے گی۔

مزید برآں، اس مسلسل بدلتے ہوئے ماحول کے درمیان، سیاسی استحکام ایک لچ پن کے طور پر کام کرے گا، سرمایہ کاروں کے اعتماد کو فروغ دے گا اور ایکویٹی مارکیٹ میں لیکویڈیٹی کو متحرک کرے گا۔ خلاصہ یہ ہے کہ غیر ملکی زرمبادلہ (FX) کی آمد کا متحرک باہمی تعامل، IMF کی ہدایات پر عمل پیرا ہونا اور سیاسی استحکام وہ بنیاد بنائیں گے جس پر آنے والے مہینوں میں مجموعی

طور پر معیشت کی کارکردگی تعمیر کی جائے گی۔ جیسا کہ ہم مستقبل کی جانب گامزن ہیں، ان کلیدی عوامل سے منسلک اسٹریٹیجک فیصلے مسلسل بدلتے ہوئے سرمایہ کاری کے منظر نامے میں مواقع سے فائدہ اٹھانے اور ترقی کو آگے بڑھانے میں اہم کردار ادا کریں گے۔

انکم / منی مارکیٹ کا جائزہ

چیلنجنگ میکرو اکنامک منظر نامے اور بڑھتے ہوئے افراط زر کے دباؤ کے باوجود، مالی سال 2023 کے دوران، پاکستانی روپے (PKR) کو % 40 کی نمایاں کمی کا سامنا کرنا پڑا۔ بڑھتی ہوئی افراط زر کے جواب میں اسٹیٹ بینک آف پاکستان (SBP) نے سخت مانیٹری پالیسی کا موقف اپنایا، جس کے نتیجے میں پالیسی کی شرح میں مجموعی طور پر 825 بیسس پوائنٹس کا اضافہ ہوا، جو جون 2023 تک % 22 تک پہنچ گیا۔

بڑھتی ہوئی غیر یقینی صورتحال کے درمیان، سرمایہ کاروں نے نتائج کی منفی قوس کے ساتھ مختصر مدت کے آلات کو ترجیح دی۔ نتیجتاً، حکومت نے بجٹ قرضوں کی ضروریات کو پورا کرنے کے لیے 3 ماہ اور 6 ماہ کے ٹریژری بلز (T - Bills) پر انحصار کیا کیونکہ ایک سال کے ٹریژری بلز میں مارکیٹ کی کم شرکت تھی۔ قابل ذکر بات یہ ہے کہ، 3 ماہ کے ٹریژری بلز کا منافع % 14.98 سے بڑھ کر % 22.65 ہو گیا، جبکہ 6 ماہ کے ٹریژری بلز کا منافع % 15.15 سے بڑھ کر % 22.87 ہو گیا۔ سال کے دوران، ٹریژری بلز کے ذریعے لینے گئے قرضوں کی مجموعی رقم 24.62 ٹریلین پاکستانی روپے رہی۔ مزید برآں، حکومت نے فکسڈ ریٹ پاکستان انویسٹمنٹ بانڈز (PIBs) میں 1.28 ٹریلین پاکستانی روپے کا کامیابی سے قرض لیا، جو 1.85 ٹریلین روپے کے ہدف سے تھوڑا سا کم ہے۔ 3 سال، 5 سال اور 10 سال کے بانڈز پر منافع میں بالترتیب % 6.02، % 3.15 اور % 2.40 کا اضافہ ہوا، جس کے نتیجے میں حتمی منافع بالترتیب % 19.47، % 16.08 اور % 15.32 رہا۔

فنڈ کی کارکردگی کا جائزہ

فنڈ اہل شرکت کنندگان کی طرف سے حصہ جمع کرانے کے لیے والنٹری پینشن سسٹم رولز، 2005 (VPS Rules, 2005) کے تحت 16 جون 2008 کو لانچ کیا گیا جس کا مقصد انہیں ریٹائرمنٹ کے لیے منصوبہ سازی میں مدد اور سہولت فراہم کرنا تھا۔ یہ فنڈ اس وقت تین ذیلی فنڈز کا حامل ہے جو ایکویٹی سب فنڈ، ڈیٹ سب فنڈ اور منی مارکیٹ سب فنڈ ہیں۔

☆ 30 جون 2023 کو ختم ہونے والے سال کے لیے ایکویٹی سب فنڈ کا منافع % -1.96 رہا۔ 30 جون 2023 کو خالص اثاثہ جات 86.50 ملین روپے (30 جون 2022) سے 76.36 ملین روپے پر پہنچ گئے۔ فنڈ کے کل اخراجات کا تناسب (TER) % 2.64 ہے جس میں % 0.33 فنڈ پر حکومتی محصولات کی نمائندگی کرتا ہے۔

☆ 30 جون 2023 کو ختم ہونے والے سال کے لیے ڈیٹ سب فنڈ کا منافع % 12.50 رہا۔ 30 جون 2023 کو خالص اثاثہ جات 30.45 ملین روپے (30 جون 2022) سے 30.97 ملین روپے پر پہنچ گئے۔ فنڈ کے کل اخراجات کا تناسب (TER) % 2.11 ہے جس میں % 0.25 فنڈ پر حکومتی محصولات کی نمائندگی کرتا ہے۔

☆ 30 جون 2023 کو ختم ہونے والے سال کے لیے منی مارکیٹ سب فنڈ کا منافع % 15.76 رہا۔ 30 جون 2023 کو خالص اثاثہ جات 36.62 ملین روپے (30 جون 2022) سے 44.25 ملین روپے پر پہنچ گئے۔ فنڈ کے کل اخراجات کا تناسب (TER) % 1.39 ہے جس میں % 0.19 فنڈ پر حکومتی محصولات کی نمائندگی کرتا ہے۔

30 جون 2023 کو فنڈ کے 200 شرکت کنندگان ہیں۔

پینشن فنڈ مینجر ریٹنگ

پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) نے جے ایس انویسٹمنٹس کو "AM2+" کی پنچنٹ کوالٹی ریٹنگ، مستحکم "stable" منظر نامے کے ساتھ تفویض کی ہے جو AM2 کے گزشتہ مثبت "positive" منظر نامے کے ساتھ بہتری کی صورت ہے۔ یہ ریٹنگ مینجمنٹ کے اعلیٰ معیار کی نشاندہی کرتی ہے۔

آڈیٹرز

فنڈ کے بیرونی آڈیٹرز میسرز ای وائے نورڈر ہورڈرز چارٹرڈ اکاؤنٹنٹس اپنے عہدے سے مستعفی ہو چکے ہیں۔ بورڈ کی آڈٹ کمیٹی کی سفارش پر بورڈ آف ڈائریکٹرز نے 30 جون 2024 کو ختم ہونے والی مدت کے لیے میسرز ای ایف فرگوسن چارٹرڈ اکاؤنٹنٹس کو بطور فنڈ کے آڈیٹرز کی تقرری کی منظوری دی۔

بورڈ آف ڈائریکٹرز

مدت کے دوران، جناب عاطف سالم ملک، جناب فاروق احمد ملک اور محترمہ مدیحہ کمال افسر، جناب آصف رضا ثناء، جناب عمران حلیم شیخ اور جناب زاہد اللہ خان کی جگہ پر بطور ڈائریکٹر مقرر کیے گئے۔

شریعہ ایڈوائزرز

میسرز ال۔ ہلال شریعہ ایڈوائزرز (پرائیوٹ) لمیٹڈ نے اپنی مدت مکمل کی۔ JS انویسٹمنٹس لمیٹڈ کے بورڈ آف ڈائریکٹرز، فنڈ کی مینجمنٹ کمپنی نے، آڈٹ کمیٹی کی تجویز پر ال۔ ہلال شریعہ ایڈوائزرز کو 30 جون 2024 کو ختم ہونے والے اگلے سال کے لیے تقرری کی منظوری دی۔

یونٹ ہولڈنگ کا نمونہ

کل سرمایہ کاری	میزان	منی مارکیٹ سب فنڈ			ڈیٹ سب فنڈ			ایکیویٹی سب فنڈ			کمٹیگری
		(روپے ملین میں)	(روپے ملین میں)	ملکیٹی یونٹ کی تعداد	یونٹ ہولڈرز کی تعداد	(روپے ملین میں)	ملکیٹی یونٹ کی تعداد	یونٹ ہولڈرز کی تعداد	(روپے ملین میں)	ملکیٹی یونٹ کی تعداد	
44.80	67.90	43.71	159,707	165	24.19	81,032	134	0.00	0	0	انفرادی
11.11	16.84	0.00	0	0	0.00	0	0	16.84	28,794	68	ڈائریکٹرز اور انکی اہلیہ
44.09	66.83	0.54	1976	1	6.78	22,727	1	59.51	101,755	1	غیر بینکنگ فنانس کمپنیاں
100.00	151.57	44.25	161,682	166	30.97	103,759	135	76.36	130,549	69	

اظہار تشکر

ڈائریکٹرز پیش قدر معاونت، مدد اور رہنمائی پر سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) اور سینٹرل ڈپازٹری کمپنی آف پاکستان لمیٹڈ (CDCPL) سے اظہار تشکر کرتے ہیں۔ بورڈنگ اور محنت پر پینشن فنڈ مینجمر کے ملازمین اور انتظامیہ پر اعتماد پر یونٹ ہولڈرز کا بھی شکریہ ادا کرتا ہے۔

ڈائریکٹر

چیف ایگزیکٹو آفیسر

کراچی: 18 اگست 2023



JS Islamic Pension Savings Fund

Fund Manager Report Annual Report 2023

JS Islamic Pension Savings Fund (JS IPSF)

- **Description of the Collective Investment Scheme/Voluntary Pension Scheme category and type**
Shariah Compliant Voluntary Pension Scheme
- **Statement of VPS's investment objective**
JS Islamic Pension Savings Fund is designed to provide a Halal and secure source of savings and retirement income to individuals according to the principles of Islamic Shariah. JS IPSF is a portable pension scheme allowing individuals the flexibility of contributions and portfolio customization through allocation of such contributions among equity, fixed income and other Halal investment avenues suited to their specific needs and risk profile.
- **Explanation as to whether the VPS has achieved its stated objective**
The VPS achieved its stated objective.
- **Statement of benchmark(s) relevant to the VPS**
None
- **Comparison of the Collective Investment Scheme's performance during the period compared with the said benchmarks**

	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	FY23
JSIPS-ESF	-3.20%	5.56%	-4.53%	1.02%	2.67%	-2.91%	-0.99%	0.73%	0.12%	4.04%	-3.45%	-0.48%	-1.96%
JSIPS-DSF	14.11%	10.57%	2.25%	12.23%	11.67%	12.63%	13.13%	10.09%	2.02%	14.91%	18.41%	20.05%	12.50%
JSIPS-MMSF	12.25%	12.91%	13.55%	13.93%	14.23%	14.93%	13.81%	15.02%	15.45%	15.58%	17.10%	18.05%	15.76%

- **Description of the strategies and policies employed during the period under review in relation to the VPSs performance**

Money Market Sub Fund: The fund's asset allocation was largely maintained in the Shariah-compliant short-term instruments and bank cash balances during the year. The duration was kept low to mitigate interest rate risk emanating from the challenging macroeconomic situation.

Debt Sub Fund: During the year, the fund maintained a balanced exposure to a mix of Shariah-compliant corporate debt instruments and short-term money market instruments. The Fund's asset allocation was determined holistically, factoring in view the interest rate cycle, targeted weighted average maturity of the portfolio, instrument ratings, overall credit risk, and fundamental analysis of underlying securities where applicable.

Equity Sub Fund: During the year, the fund maintained defensive positions with the most considerable level of undervaluation and kept limited exposure to cyclical sectors amid a highly challenging macroeconomic outlook.

- **Disclosure of the VPS's asset allocation as at the date of the report and particulars of significant changes in asset allocation since the last report (if applicable)**



Fund Manager Report
Annual Report 2023

Equity Sub Fund	Jun-23	Jun-22
Cash	3.10%	20.83%
Equity	94.95%	77.81%
Other including receivables	1.95%	1.37%
Total	100.00%	100.00%
Debt Sub Fund		
Cash	56.73%	36.86%
Commercial Papers	12.62%	0.00%
Sukuk	27.19%	60.14%
Other including receivables	3.46%	3.00%
Total	100.00%	100.00%
Money Market Sub Fund		
Cash	82.31%	84.52%
Commercial Papers	13.36%	0.00%
Sukuk	2.23%	13.43%
Other including receivables	2.10%	2.05%
Total	100.00%	100.00%

- **Based on changes in total NAV and NAV per unit since the last review period or since commencement (in the case of newly established VPS)**

Equity Sub Fund

	Net Assets Excluding JSIL FoFs (PKR mn)	NAV per Unit (PKR)
30-Jun-23	76	584.88
30-Jun-22	87	596.55

Debt Sub Fund

	Net Assets Excluding JSIL FoFs (PKR mn)	NAV per Unit (PKR)
30-Jun-23	31	298.51
30-Jun-22	30	265.34

Money Market Sub Fund

	Net Assets Excluding JSIL FoFs (PKR mn)	NAV per Unit (PKR)
30-Jun-23	44	273.68
30-Jun-22	37	236.42

- **Disclosure of the markets that the Collective Investment Scheme has invested in:**

Money Market Sub Fund: The fund invests in Shariah-compliant short-term government and corporate debt securities and cash placements in bank accounts (excluding TDRs).



JS Islamic Pension Savings Fund

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Debt Sub Fund: The fund invests in GoP Ijarah Sukuks, Shariah-compliant money market placements, deposits, certificate of musharakas (COM), Shariah-compliant Term Deposit Receipts (TDR), Islamic commercial paper, reverse repo, and corporate sukuks.

Equity Sub Fund: The fund invests in Shariah-compliant equity securities listed on the Pakistan Stock Exchange (PSX).

- **Description and explanation of any significant changes in the state of affairs of the VPS during the period and up till the date of the manager's report, not otherwise disclosed in the financial statements**

There were no significant changes in the state of affairs during the year under review.

- **Breakdown of unit holdings by size**

Fund Name	Ranges			Number of Folios
JS Islamic Pension Savings Fund-Equity Sub-Fund	0.0001	to	9,999.9999	68
	10,000.0000	to	49,999.9999	1
	50,000.0000	to	99,999.9999	-
	100,000.0000	to	499,999.9999	-
	500,000.0000	&	above	-
			Total	69

Fund Name	Ranges			Number of Folios
JS Islamic Pension Savings Fund-Debt Sub-Fund	0.0001	to	9,999.9999	134
	10,000.0000	to	49,999.9999	1
	50,000.0000	to	99,999.9999	-
	100,000.0000	to	499,999.9999	-
	500,000.0000	&	above	-
			Total	135

Fund Name	Ranges			Number of Folios
JS Islamic Pension Savings Fund-Money Market Sub-Fund	0.0001	to	9,999.9999	165
	10,000.0000	to	49,999.9999	1
	50,000.0000	to	99,999.9999	-
	100,000.0000	to	499,999.9999	-
	500,000.0000	&	above	-
			Total	166

- **Disclosure on unit split (if any), comprising:-**
The Fund has not carried out any unit split exercise during the year.
- **Disclosure of circumstances that materially affect any interests of the unit holders**
Investment is subject to market risk.
- **Disclosure if the Asset Management Company or its delegate, if any, receives any soft commission (i.e. goods and services) from its broker(s) or dealer(s) by virtue of transactions conducted by the VPS, disclosure of the following:-**

The Management Company and / or any of its delegates have not received any soft commission from its brokers / dealers by virtue of transactions conducted by the Fund.



JS Islamic Pension Savings Fund

Performance Table

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
JS Islamic Pension Savings Fund										
Equity Sub Fund										
Net assets - Rupees in "000"	76,356	86,501	130,987	114,754	103,253	152,446	190,370	124,071	116,694	85,546
Net income / (loss) - Rupees in "000"	(1,430)	(15,127)	41,519	4,270	(32,246)	(40,017)	52,429	4,918	28,310	28,140
NAV per unit	Rs. 584.88	596.55	689.26	509.66	488.39	627.01	793.17	574.73	551.95	418.08
Highest NAV price per unit	Rs. 620.80	706.56	722.42	607.30	646.74	802.37	875.36	587.76	561.38	422.66
Lowest NAV price per unit	Rs. 555.60	586.44	521.62	390.76	474.01	588.88	574.70	501.11	390.32	263.25
Debt Sub Fund										
Net assets - Rupees in "000"	30,973	30,449	86,342	84,886	78,563	81,553	69,633	61,735	61,076	53,240
Net income / (loss) - Rupees in "000"	3,291	3,923	4,776	7,157	6,011	1,809	3,423	2,445	2,570	3,017
NAV per unit	Rs. 298.51	265.34	250.93	236.90	216.97	201.09	196.63	186.96	179.90	173.15
Highest NAV price per unit	Rs. 298.51	265.34	250.93	238.54	216.97	201.09	196.96	186.96	179.90	173.25
Lowest NAV price per unit	Rs. 265.59	250.98	236.86	217.04	201.09	195.52	186.98	179.90	172.79	162.19
Money Market Sub Fund										
Net assets - Rupees in "000"	44,250	36,620	87,961	82,998	66,984	59,893	54,930	53,257	54,850	48,986
Net income / (loss) - Rupees in "000"	5,741	5,221	3,972	7,414	4,977	1,649	2,032	1,391	3,018	2,598
NAV per unit	Rs. 273.68	236.42	217.48	207.05	188.03	174.20	169.53	163.26	159.41	151.36
Highest NAV price per unit	Rs. 273.68	236.42	217.57	207.05	188.03	174.20	169.58	163.31	159.41	151.37
Lowest NAV price per unit	Rs. 236.74	217.55	207.08	188.08	174.20	169.31	163.27	159.41	151.21	141.95

Notes

- JS Islamic Pension Savings Fund was launched on June 16, 2008.
- Investment portfolio composition of the Fund is disclosed in note 7 of the financial statements.

Disclaimer

- Past performance is not necessarily indicative of future performance and that unit prices and investment returns may go down, as well as up.



September 21, 2023



الحمد لله رب العالمين، والصلاة والسلام على سيد الأنبياء والمرسلين، وعلى آله وصحبه أجمعين، وبعد

The purpose of this report is to provide an opinion on the Shariah Compliance of the Fund's investment and operational activities with respect to Shariah guidelines provided.

It is the core responsibility of the Management Company to operate the Fund and invest the amount of money in such a manner which is in compliance with the Shariah principles as laid out in the Shariah guidelines. In the capacity of the Shariah Advisor, our responsibility lies in providing Shariah guidelines and ensuring compliance with the same by review of activities of the fund. We express our opinion based on the review of the information, provided by the management company, to an extent where compliance with the Shariah guidelines can be objectively verified.

Our review of Fund's activities is limited to enquiries of the personnel of Management Company and various documents prepared and provided by the management company.

Keeping in view the above; we certify that:

We have reviewed all the investment and operational activities of the fund including all transactions and found them to comply with the Shariah guidelines. On the basis of information provided by the management company, all operations of the fund for the year ended June 30, 2023 comply with the provided Shariah guidelines. Therefore, it is resolved that investments in JS Islamic Pension Saving Fund (JS-IPSF) managed by JS Investment Limited are halal and in accordance with Shariah principles.

May Allah (SWT) bless us and forgive our mistakes and accept our sincere efforts in accomplishment of cherished tasks and keep us away from sinful acts.

والله أعلم بالصواب، وصلى الله على نبينا محمد وعلى آله وصحبه وبارك وسلم

For and on behalf of Al-Hilal Shariah Advisors (Pvt.) Limited.


Mufti Irshad Ahmad Aijaz
Member Shariah Council




Faraz Younus Bandukda, CFA
Chief Executive



JS Investments Limited
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Saddar Karachi-74400,
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www.jsil.com
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STATEMENT OF COMPLIANCE WITH SHARIAH PRINCIPLES

JS Islamic Pension Savings Fund (the Fund) has fully complied with Shariah Principles specified in the Trust Deed and in the guidelines issued by the Shariah Advisors for its operations, investments, bank accounts and placements made during the year ended June 30, 2023. The Shariah Advisors has also confirmed that the transactions were observed to be compliant with the guidelines laid down by Shariah Advisors.

Karachi: September 20, 2023


Iffat Zehra Mankani
Chief Executive Officer



EY Ford Rhodes
Chartered Accountants
Progressive Plaza, Beaumont Road
P.O. Box 15541, Karachi 75530
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Independent Reasonable Assurance Report to the Unit Holders in respect of Shariah Compliance

1. Introduction

We were engaged by the Board of Directors of JS Investments Limited (the Management Company) to report on the Shariah compliance of **JS Islamic Pension Savings Fund** (the Fund), as set out in the Shariah guidelines duly approved by Shariah advisor in respect of Fund's investments for the year ended **30 June 2023**, in the form of an independent reasonable assurance conclusion. Our engagement was carried out as required under clause 5.9.21 of offering documents of the Fund.

2. Applicable Criteria

The criteria against which the Shariah Compliance of the Fund is assessed is the Shariah guidelines duly approved by Shariah advisor in respect of Fund's investments.

3. Responsibilities of the Management Company

It is the responsibility of the Management Company to ensure Shariah compliance with Shariah guidelines duly approved by Shariah advisor in respect of Fund's investments. This responsibility includes designing, implementing and maintaining appropriate internal controls to ensure that operations of the Fund and its investments and placements have been made in compliance with respect to Shariah guidelines duly approved by Shariah advisor in respect of Fund's investments.

4. Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the *Code of Ethics for Chartered Accountants* issued by the Institute of Chartered Accountants of Pakistan, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies International Standard on Quality Control 1 "Quality Control for firms that perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements" and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

This engagement was conducted by a multidisciplinary team including assurance practitioners and internal Shariah experts.

5. Our Responsibility and Summary of Work Performed

Our responsibility is to carry out an independent reasonable assurance engagement to express a conclusion on Shariah Compliance of the Fund, based on our work performed and the evidences obtained.

We conducted our engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), '*Assurance Engagements other than audits or reviews of historical financial statements*' (ISAE 3000) (Revised) issued by the International Auditing and Assurance Standards Board. ISAE 3000 (Revised) requires that we plan and perform this engagement to obtain reasonable level of assurance about whether the Fund is Shariah Compliant in accordance with its Shariah guidelines duly approved by Shariah advisor in respect of Fund's investments, in all material respects.

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The procedures selected by us for the engagement depended on our judgment, including the assessment of the risks of material non-compliance with the Shariah guidelines duly approved by Shariah advisor in respect of Fund's investments, whether due to fraud or error. In making those risk assessments, we considered internal control relevant to the Fund's compliance with the Shariah guidelines duly approved by Shariah advisor in respect of Fund's investments, in order to design assurance procedures that are appropriate in the circumstances but not for the purpose of expressing a conclusion as to the effectiveness of the Management Company's internal control over the Fund's compliance with the Shariah guidelines duly approved by Shariah advisor in respect of Fund's investments. A system of internal control, because of its nature, may not prevent or detect all instances of non-compliance with the Shariah guidelines duly approved by Shariah advisor in respect of Fund's investments, and consequently cannot provide absolute assurance that the objective of compliance with the Shariah guidelines duly approved by Shariah advisor in respect of Fund's investments will be met. Further, projection of any evaluation of effectiveness to future periods is subject to the risk that the controls may become inadequate or fail.

Amongst others, our scope included procedures to:

- Check compliance of Shariah guidelines duly approved by Shariah advisor in respect of Fund's investments.
- Check that the Shariah Advisor has certified that all the provisions of the scheme and investments made by the Fund for the year ended 30 June 2023 are in compliance with the Shariah principles.

In performing our audit procedures necessary guidance on Shariah matters was provided by the internal Shariah experts.

We believe that the evidence we have obtained through performing our procedures on a sample basis were sufficient and appropriate to provide a basis for our opinion.

6. Conclusion

In our opinion, the Fund was, in all material respects, in compliance with the Shariah guidelines duly approved by Shariah advisor in respect of Fund's investments during the year ended 30 June 2023.

Date: 28 September 2023
Karachi

Signature
Chartered Accountants

Shaikh Ahmed Salman
Assurance Engagement Partner

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

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TRUSTEE REPORT TO THE PARTICIPANTS

JS ISLAMIC PENSION SAVINGS FUND

Report of the Trustee pursuant to Regulation 67D in conjunction with Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of JS Islamic Pension Savings Fund (the Fund) are of the opinion that JS Investment Limited being the Pension Fund Manager has in all material respects managed the Fund during the year ended June 30, 2023 in accordance with the provisions of the constitutive documents of the Fund, the Voluntary Pension System Rules, 2005 and the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

Further, in our opinion, the management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework.

We would like to draw participants' attention towards the fact that the exposure of JS Islamic Pension Savings Fund-Debt Sub Fund in Sukuk certificates of Hub Power Holding Limited exceeded the prescribed limit of 15% of Net Assets during the period October 13, 2022 till June 23, 2023 and reached up to 19.44% of Net Assets during that period due to decline in Net Assets of Debt Sub Fund. Since the excess exposure amounts to Rs. 180,000 (approx.) only therefore Pension Fund Manager was not able to find a buyer to off-load such small quantity, which was subsequently aligned due to increase in Net Assets of the Debt Sub Fund. The matter has also been reported to the Commission.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, September 28, 2023



EY Ford Rhodes
Chartered Accountants
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AUDITORS' REPORT TO THE PARTICIPANTS OF JS ISLAMIC PENSION SAVINGS FUND

We have audited the annexed financial statements comprising:

- i) statement of assets and liabilities;
- ii) income statement;
- iii) statement of comprehensive income;
- iv) statement of cash flows; and
- v) statement of movement in participants' sub-funds.

of JS Islamic Pension Savings Fund (the Fund) as at 30 June 2023 and for the year ended 30 June 2023 together with the notes forming part thereof for the year then ended.

It is the responsibility of the Pension Fund Manager to establish and maintain a system of internal control and prepare and present the financial statements of the Fund in conformity with the accounting and reporting standards as applicable in Pakistan and the requirements of Voluntary Pension System Rules, 2005. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards as applicable in Pakistan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion:

- a) the financial statements prepared for the year have been properly drawn in accordance with the relevant provisions of the trust deed and the Voluntary Pension System Rules, 2005 including the guidelines thereunder;
- b) a true and fair view is given of the disposition of the Fund as at 30 June 2023 and of the transactions of the fund for the year ended 30 June 2023;
- c) the allocation and reallocation of units of the sub-funds for all the participants have been made according to the Voluntary Pension System Rules, 2005;
- d) the cost and expenses debited to the Fund and apportionment of expenses between sub-funds are as specified in the constitutive documents of the Fund;
- e) proper books and records have been kept by the Fund or the financial statements prepared are in agreement with the Fund's books and records, that fact;
- f) we were able to obtain all the information and explanations which, to the best of our knowledge and belief, are necessary for the purpose of the audit; and
- g) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.



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Other Matter

The annual financial statements for the year ended 30 June 2022 were audited by another firm of Chartered Accountants, whose audit report dated 29 September 2022, expressed an unmodified opinion, on the aforementioned financial statements.

The engagement partner on the audit resulting in this independent auditor's report is Shaikh Ahmed Salman.

Chartered Accountants

Date: 28 September 2023

Place: Karachi

UDIN Number: AR202310076OL1JlqUB5





FINANCIAL STATEMENTS





JS Islamic Pension Savings Fund

STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2023

Note	June 30, 2023				June 30, 2022				
	Equity	Debt	Money Market	Total	Equity	Debt	Money Market	Total	
	Sub-Fund	Sub-Fund	Sub-Fund		Sub-Fund	Sub-Fund	Sub-Fund		
(Rupees)				(Rupees)					
ASSETS									
Balance with banks	6	4,725,621	17,986,027	36,940,640	59,652,288	19,659,419	10,875,151	31,466,318	62,000,888
Investments	7	74,473,226	12,619,090	7,000,000	94,092,316	68,409,416	19,475,826	5,000,000	92,885,242
Profit receivable	8	42,391	835,848	725,101	1,603,340	254,272	681,052	579,480	1,514,804
Deposits and other receivable	9	388,910	262,059	219,878	870,847	348,719	111,069	182,636	642,424
Total assets		79,630,148	31,703,024	44,885,619	156,218,791	88,671,826	31,143,098	37,228,434	157,043,358
LIABILITIES									
Payable to JS Investments Limited - Pension Fund Manager	10	937,086	549,291	474,831	1,961,208	935,184	498,105	456,680	1,889,969
Payable to Central Depository Company of Pakistan Limited - Trustee	11	14,874	6,151	8,639	29,664	16,992	6,039	7,216	30,247
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)	12	32,052	11,089	15,578	58,719	36,433	20,562	21,821	78,816
Payable against redemption of units		72,769	43,553	15,872	132,194	72,769	62,225	15,872	150,866
Accrued expenses and other liabilities	13	2,217,653	119,802	121,104	2,458,559	1,109,587	106,810	107,309	1,323,706
Total liabilities		3,274,434	729,886	636,024	4,640,344	2,170,965	693,741	608,898	3,473,604
NET ASSETS		76,355,714	30,973,138	44,249,595	151,578,447	86,500,861	30,449,357	36,619,536	153,569,754
Participants' sub-funds (as per statement attached)		76,355,714	30,973,138	44,249,595	151,578,447	86,500,861	30,449,357	36,619,536	153,569,754
Contingencies and commitments	14								
(Number of units)				(Number of units)					
NUMBER OF UNITS IN ISSUE	19	130,549	103,759	161,682		145,002	114,757	154,890	
(Rupees)				(Rupees)					
NET ASSET VALUE PER UNIT		584.88	298.51	273.68		596.55	265.34	236.42	

The annexed notes from 1 to 28 form an integral part of these financial statements.

For JS Investments Limited
(Pension Fund Manager)

Chief Executive Officer

Chief Financial Officer

Director

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2023

Note	June 30, 2023				June 30, 2022				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	
	(Rupees)				(Rupees)				
INCOME									
Profit on bank balances and investments	15	1,071,760	4,346,061	6,283,866	11,701,687	1,075,658	5,406,174	5,537,629	12,019,461
Dividend income		7,181,010	-	-	7,181,010	7,345,900	-	-	7,345,900
Loss on sale of investments - net		(213,012)	(579,271)	-	(792,283)	(10,099,731)	(979,521)	-	(11,079,252)
Net unrealised loss on revaluation of investments classified 'at fair value through profit or loss'	7.8	(7,350,570)	100,193	-	(7,250,377)	(13,067,667)	(293,082)	-	(13,360,749)
Total income / (loss)		689,188	3,866,983	6,283,866	10,840,037	(14,745,840)	4,133,571	5,537,629	(5,074,640)
EXPENSES									
Remuneration of JS Investments Limited - Pension Fund Manager	10.1	1,201,918	255,710	194,733	1,652,361	1,642,256	309,116	328,062	2,279,434
Sindh sales tax on remuneration of the Pension Fund Manager	10.2	156,249	33,242	25,185	214,676	213,493	40,185	42,648	296,326
Remuneration of Central Depository Company of Pakistan Limited - Trustee	11.1	163,369	47,147	79,699	290,215	179,437	98,002	104,251	381,690
Sindh sales tax on remuneration of the Trustee	11.2	21,237	6,129	10,362	37,728	23,327	12,740	13,553	49,620
Annual fee to the Securities and Exchange Commission of Pakistan (SECP)	12	32,076	11,114	18,410	61,600	36,458	20,587	21,845	78,890
Auditors' remuneration		173,232	171,165	173,237	517,634	143,187	143,187	143,187	429,561
Legal and professional charges		-	-	-	-	66,417	66,417	66,417	199,251
Printing and stationery charges		33,822	33,823	33,819	101,464	25,500	25,500	25,500	76,500
Securities transaction cost		321,023	17,272	367	338,662	251,493	9,050	-	260,543
Bank and settlement charges		16,025	104	6,812	22,941	19,531	12,302	11,913	43,746
Total operating expenses		2,118,951	575,706	542,624	3,237,281	2,601,099	737,086	757,376	4,095,561
Net (loss) / income from operating activities		(1,429,763)	3,291,277	5,741,242	7,602,756	(17,346,939)	3,396,485	4,780,253	(9,170,201)
Reversal of provision for Sindh Workers' Welfare Fund		-	-	-	-	2,219,587	526,597	440,437	3,186,621
Net (loss) / income for the year before taxation		(1,429,763)	3,291,277	5,741,242	7,602,756	(15,127,352)	3,923,082	5,220,690	(5,983,580)
Taxation	17	-	-	-	-	-	-	-	-
Net (loss) / income for the year after taxation		(1,429,763)	3,291,277	5,741,242	7,602,756	(15,127,352)	3,923,082	5,220,690	(5,983,580)
Earnings per unit	18								

The annexed notes from 1 to 28 form an integral part of these financial statements.

For JS Investments Limited
(Pension Fund Manager)

Chief Executive Officer

Chief Financial Officer

Director



JS Islamic Pension Savings Fund

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2023

	June 30, 2023				June 30, 2022			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Rupees)				(Rupees)			
Net (loss) / income for the year after taxation	(1,429,763)	3,291,277	5,741,242	7,602,756	(15,127,352)	3,923,082	5,220,690	(5,983,580)
Other comprehensive income for the year	-	-	-	-	-	-	-	-
Total comprehensive (loss) / income for the year	<u>(1,429,763)</u>	<u>3,291,277</u>	<u>5,741,242</u>	<u>7,602,756</u>	<u>(15,127,352)</u>	<u>3,923,082</u>	<u>5,220,690</u>	<u>(5,983,580)</u>

The annexed notes from 1 to 28 form an integral part of these financial statements.

For JS Investments Limited
(Pension Fund Manager)

Chief Executive Officer

Chief Financial Officer

Director



JS Islamic Pension Savings Fund

CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2023

	June 30, 2023				June 30, 2022			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES	Note ----- (Rupees) ----- (Rupees)							
Net (loss) / income for the year before taxation	(1,429,763)	3,291,277	5,741,242	7,602,756	(15,127,352)	3,923,082	5,220,690	(5,983,580)
Adjustments for:								
Net unrealised loss on revaluation of investments classified at 'fair value through profit or loss'	7.8 7,350,570	(100,193)	-	7,250,377	13,067,667	293,082	-	13,360,749
Loss on sale of investments - net	213,012	579,271	-	792,283	-	-	-	-
Reversal of provision for Sindh Workers' Welfare Fund	-	-	-	-	(2,219,587)	(526,597)	(440,437)	(3,186,621)
	6,133,819	3,770,355	5,741,242	15,645,416	(4,279,272)	3,689,567	4,780,253	4,190,548
(Increase) / Decrease in assets								
Investments-net	(13,627,392)	10,377,658	4,000,000	750,266	47,730,058	29,912,662	(5,000,000)	72,642,720
Profit receivable	211,881	(154,796)	(145,621)	(88,536)	(239,917)	280,958	(50,372)	(9,331)
Deposits and other receivable	(40,191)	(150,990)	(37,242)	(228,423)	-	-	(17,594)	(17,594)
	(13,455,702)	10,071,872	3,817,137	433,307	47,490,141	30,193,620	(5,067,966)	72,615,795
(Decrease) / increase in liabilities								
Payable to JS Investments Limited - Pension Fund Manager	1,902	51,186	18,151	71,239	(45,748)	(520)	2,947	(43,321)
Payable to Central Depository Company of Pakistan Limited - Trustee	(2,118)	112	1,423	(583)	(4,005)	(6,541)	(5,441)	(15,987)
Annual fee payable to the Securities and Exchange Commission of Pakistan	(4,381)	(9,473)	(6,243)	(20,097)	(12,104)	(7,042)	(5,047)	(24,193)
Payable against redemption of units	-	(18,672)	-	(18,672)	-	-	-	-
Accrued expenses and other liabilities	1,108,066	12,992	13,795	1,134,853	831,370	6,225	7,340	844,935
	1,103,469	36,145	27,126	1,166,740	769,513	(7,878)	(201)	761,434
Net cash (used in) / generated from operating activities	(6,218,414)	13,878,372	9,585,505	17,245,463	43,980,382	33,875,309	(287,914)	77,567,777
CASH FLOWS FROM FINANCING ACTIVITIES								
Amount received against issuance of units	5,854,336	18,770,075	57,439,505	82,063,916	8,120,062	17,658,423	48,716,487	74,494,972
Amount paid against redemption of units	(12,543,808)	(20,527,067)	(58,587,104)	(91,657,979)	(37,028,455)	(76,041,720)	(107,010,221)	(220,080,396)
Reallocation of units	(2,025,912)	(1,010,504)	3,036,416	-	(377,644)	(1,370,131)	1,747,775	-
Net cash (used in) / generated from financing activities	(8,715,384)	(2,767,496)	1,888,817	(9,594,063)	(29,286,037)	(59,753,428)	(56,545,959)	(145,585,424)
Net (decrease) / increase in cash and cash equivalents during the year	(14,933,798)	11,110,876	11,474,322	7,651,400	14,694,345	(25,878,119)	(56,833,873)	(68,017,647)
Cash and cash equivalents at the beginning of the year	19,659,419	10,875,151	31,466,318	62,000,888	4,965,074	36,753,270	88,300,191	130,018,535
Cash and cash equivalents at the end of the year	26 4,725,621	21,986,027	42,940,640	69,652,288	19,659,419	10,875,151	31,466,318	62,000,888

The annexed notes from 1 to 28 form an integral part of these financial statements.

For JS Investments Limited
(Pension Fund Manager)

Chief Executive Officer

Chief Financial Officer

Director

STATEMENT OF MOVEMENT IN PARTICIPANTS' SUB-FUNDS

FOR THE YEAR ENDED JUNE 30, 2023

Note	June 30, 2023				June 30, 2022			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Rupees)				(Rupees)			
Net assets at the beginning of the year	86,500,861	30,449,357	36,619,536	153,569,754	130,987,019	86,341,928	87,960,677	305,289,624
Amount received on issuance of units	5,854,336	18,770,075	57,439,505	82,063,916	8,120,062	17,658,423	48,716,487	74,494,972
Amount paid on redemption of units	(12,543,808)	(20,527,067)	(58,587,104)	(91,657,979)	(37,101,224)	(76,103,945)	(107,026,093)	(220,231,262)
Amount (paid) / received on reallocation of units	(2,025,912)	(1,010,504)	3,036,416	-	(377,644)	(1,370,131)	1,747,775	-
	(8,715,384)	(2,767,496)	1,888,817	(9,594,063)	(29,358,806)	(59,815,653)	(56,561,831)	(145,736,290)
Loss on sale of investments - net	(213,012)	(579,271)	-	(792,283)	(10,099,731)	(979,521)	-	(11,079,252)
Net unrealised loss on revaluation of investments classified 'at fair value through profit or loss'	(7,350,570)	100,193	-	(7,250,377)	(13,067,667)	(293,082)	-	(13,360,749)
Other income for the year - net of expenses	6,133,819	3,770,355	5,741,242	15,645,416	8,040,046	5,195,685	5,220,690	18,456,421
Total comprehensive (loss) / income for the year	(1,429,763)	3,291,277	5,741,242	7,602,756	(15,127,352)	3,923,082	5,220,690	(5,983,580)
Net assets at the end of the year	<u>76,355,714</u>	<u>30,973,138</u>	<u>44,249,595</u>	<u>151,578,447</u>	<u>86,500,861</u>	<u>30,449,357</u>	<u>36,619,536</u>	<u>153,569,754</u>

The annexed notes from 1 to 28 form an integral part of these financial statements.

For JS Investments Limited
(Pension Fund Manager)

Chief Executive Officer

Chief Financial Officer

Director



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 JS Islamic Pension Savings Fund ("the Fund") has been established under the Voluntary Pension System Rules, 2005 (the VPS Rules) and has been approved as a pension fund by the Securities and Exchange Commission of Pakistan (the SECP) on February 29, 2008. It has been constituted under a Trust Deed, dated January 08, 2008, between JS Investments Limited as the Pension Fund Manager and Central Depository Company of Pakistan Limited as the Trustee of the Fund. The Pension Fund Manager (PFM) of the Fund has been licensed to act as a Pension Fund Manager under the VPS Rules through a certificate of registration issued by the SECP. The registered office of JS Investments Limited is situated at, 19th Floor, The Centre, Plot No. 28, SB-5, Abdullah Haroon Road, Saddar, Karachi.

The Trust Act, 1882 has been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on September 03, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

1.2 The Fund is an open-end fund and offers units for public subscription on a continuous basis. The units are non-transferable except in the circumstances mentioned in the Voluntary Pension System Rules, 2005 and can be redeemed by surrendering them to the Fund. Further, as per the offering document the Fund shall not distribute any income from the Fund whether in cash or otherwise from any of the Sub-Funds.

1.3 The objective of the Fund is to provide participants with a portable, individualized, Shariah compliant, funded (based on defined contribution) and flexible pension scheme which is managed by professional investment manager to assist them to plan and provide for their retirement. The design of the scheme empowers the participants to decide how much to invest in their pensions and how to invest it, as well as to continue investing in their pension accounts even if they change jobs.

1.4 The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM2+ with stable outlook with effect from 27 December 2022 (June 30, 2022: 'AM2' with 'positive outlook') to the Pension Fund Manager.

1.5 Title to the assets of the Fund is held in the name of Central Depository Company (CDC) of Pakistan Limited as Trustee of the Fund.

1.6 The Fund consists of three sub-funds namely, JS Islamic Pension Savings Fund Equity Sub-Fund (Equity Sub-Fund), JS Islamic Pension Savings Fund Debt Sub-Fund (Debt Sub-Fund) and JS Islamic Pension Savings Fund Money Market Sub-Fund (Money Market Sub-Fund) (collectively the Sub-Funds). Investment policy for each of the Sub-Funds are as follows:

Equity Sub-Fund

Assets of an Equity Sub-Fund shall be invested in equity securities which are listed on the Pakistan Stock Exchange or in securities the application for listing has been approved by the Pakistan Stock Exchange. At least ninety percent (90%) of the Net Assets of an Equity Sub-Fund shall be invested in listed equity securities. Investments may be made in equity securities of any single company upto ten percent (10%) of net assets of an Equity Sub-Fund or paid-up capital of that single company, whichever is lower. The Pension Fund Manager (PFM) may invest up to maximum thirty percent (30%) of net assets of Equity Sub-Fund or the index weight whichever is higher; subject to maximum thirty five percent (35%) of net assets of equity sub-fund in equity securities of companies belonging to a single sector as classified by the Stock Exchange. The PFM may invest any surplus (un-invested) funds in government treasury bills or government securities having less than one year time to maturity or keep as deposits with scheduled commercial banks which are rated not less than "A" by a rating agency registered with the SECP. The PFM shall not deposit more than ten percent (10%) of Net Assets of the Equity Sub-fund in a single bank.



JS Islamic Pension Savings Fund

Debt Sub-Fund

The Debt Sub-Fund shall consist of debt securities and such other assets as specified herein below. The weighted average time to maturity of securities held in the portfolio of a Debt Sub-Fund shall not exceed five (5) years. At least twenty five per cent (25%) Net Assets of the Debt Sub-Fund shall be invested in debt securities issued by the Federal Government and up to 25% may be deposited with banks having not less than "AA plus" rating with stable outlook so that both these investments shall make up a minimum fifty per cent (50%) of net assets of a Debt Sub-Fund. Deposits in a single bank shall not exceed twenty per cent (20%) of Net Assets of the Debt Sub-Fund.

Money Market Sub-Fund

The weighted average time to maturity of net assets of a Money Market Sub-Fund shall not exceed one year. Time to maturity of any asset in the portfolio of Money Market Sub-Fund shall not exceed six (6) months except in the case of shariah compliant Money Market Sub-Fund, where time to maturity of shariah compliant Government securities such as Government Ijarah Sukuks may be up to three (3) years. There shall be no limit with respect to investment in the Federal Government securities. Furthermore, there shall be no limits for deposits with commercial banks having "A Plus" or higher rating provided that deposit with any one bank shall not exceed 20% of net assets of a Money Market Sub-Fund.

- 1.7 The Fund offers four types of allocation schemes, as prescribed by the SECP under the VPS rules vide its Circular no. 36 of 2009 dated December 10, 2009, to the participants of the Fund, namely High Volatility, Medium Volatility, Low Volatility and Lower Volatility. The participant has an option to suggest a minimum percentage of allocation to the above allocation schemes (subject to the minimum percentages prescribed in the offering document). Based on the minimum allocation, the funds are allocated to the above stated sub-funds. The allocation to the Sub-Funds has to be done at the date of the opening of the participant's pension account and on an anniversary date thereafter. The contribution amount may be paid by the participant on a periodic basis such as annual, semi annual, quarterly or monthly basis within 5 days of the close of the period.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. Such standards comprise of:

- International Financial Reporting Standards (IFRS) 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 along with part VIII A of the repealed Companies Ordinance, 1984; and
- Voluntary Pension Rules, 2005 (the VPS Rules) and the requirements of the Trust Deed.

There are certain new amendments to the published accounting and reporting standards that are mandatory for the Fund's accounting period beginning on and after July 01, 2022. However, these do not have any significant impact on the Fund's financial operations and therefore, have not been detailed in these financial statements.

3. BASIS OF MEASUREMENT

These financial statements have been prepared under the historical cost convention except for certain investments which are measured at fair value.

These financial statements are presented in Pakistani Rupee which is the Fund's functional and presentation currency.



4. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making judgments about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

5.1 Initial application of standards, amendments and improvements to the approved accounting and reporting standards

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year except as described below:

5.2 Amendments and improvements to the approved accounting and reporting standards that became effective during the year

The Fund has adopted the following amendments and improvements to the approved accounting and reporting standards which became effective for the current year:

Amendments to approved accounting standards

IFRS 3	Reference to the Conceptual Framework (Amendments)
IAS 16	Property, Plant and Equipment: Proceeds before Intended Use (Amendments)
IAS 37	Onerous Contracts – Costs of Fulfilling a Contract (Amendments)

Improvements to Accounting Standards Issued by the IASB (2018-2020 cycle)

IFRS 9	Fees in the '10 percent' test for the derecognition of financial liabilities
IFRS 16	Leases: Lease incentives
IAS 41	Agriculture - Taxation in fair value measurement

The adoption of the above amendments and improvements to the approved accounting and reporting standards did not have any material effect on these financial statements.

5.3 Standards and amendments to the approved accounting standards that are not yet effective

The following standards, amendments of IFRSs and improvements to accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standards, amendments or improvements:

Amendments		Effective date (annual periods beginning on or after)
IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	January 01, 2023
IAS 8	Definition of Accounting Estimates - Amendments to IAS 8	January 01, 2023
IAS 12	Deferred Tax related to Assets and Liabilities arising - from a Single Transaction - Amendments to IAS 12	January 01, 2023



JS Islamic Pension Savings Fund

Amendments		Effective date (annual periods beginning on or after)
IAS 1	Classification of Liabilities as Current or Non-Current and - Non-Current Liabilities with Covenants - Amendments to IAS 1	January 01, 2024
IFRS 10 / IAS 28	Sale or Contribution of Assets between an Investor and its - Associate or Joint Venture - Amendments to IFRS 10 and IAS 28	Not yet finalised
IAS 7 / IFRS 7	Disclosures: Supplier Finance Agreements - Amendments of IAS 7 - and IFRS 7	January 01, 2024
IAS 12	International Tax Reform - Pillar Two Model Rules - Amendments to IAS 12	Not yet finalised

Further, following new standards have been issued by IASB which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP) for the purpose of applicability in Pakistan:

Standards		IASB Effective date (annual periods beginning on or after)
IFRS 1	First time adoption of IFRS	January 01, 2004
IFRS 17	Insurance Contracts	January 01, 2023

The fund expects that above standards, amendments and improvements to approved accounting standards will not have any material impact on the fund's financial statements in the period of initial application.

5.4 Financial assets

Classification

Debt instruments

A debt instrument is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument held for trading purposes is classified as measured at FVTPL.



In addition, on initial recognition, the Fund may irrevocably designate a debt instrument that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Business model assessment

The Fund determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Fund's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- the objectives for the portfolio, in particular, whether management's strategy focuses on earning contractual revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realizing cash flows through the sale of the assets;
- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed; and
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Fund's original expectations, the Fund does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

Assessments whether contractual cash flows are solely payments of principal and interest (SPPI)

As a second step of its classification process the Fund assesses the contractual terms of financial to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium / discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Fund applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

Initial Measurement

Investments are initially measured at their fair value except in the case of financial assets recorded at FVTPL, transaction costs are added to, or subtracted from, this amount.



JS Islamic Pension Savings Fund

Subsequent Measurement

Debt instruments at amortised cost

After initial measurement, such debt instruments are subsequently measured at amortised cost.

Amortised cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the effective interest rate.

Debt instruments at fair value through profit or loss

Financial assets at FVTPL are recorded in the statement of financial position at fair value. Changes in fair value are recorded in profit and loss.

Debt instruments at fair value through other comprehensive income

Financial assets at FVOCI are recorded in the statement of financial position at fair value. Changes in fair value are recorded in other comprehensive income.

5.5 Impairment

IFRS 9 requires an expected credit loss model which requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

However, SECP through its SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 have deferred the applicability of above impairment requirements in relation to debt securities for mutual funds and accordingly, basis defined in Circular No. 33 of 2012 dated, October 24, 2012 have been followed.

5.6 Derecognition

The Fund derecognises a financial asset when the contractual right to the cash flows from the financial asset expires or it transfers the right to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

5.7 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the statement of assets and liabilities when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

5.8 Expenses

All expenses, including management fee and trustee fee, are recognized in the income statement on accrual basis.

5.9 Preliminary expenses and floatation costs

Preliminary expenses and floatation costs (formation costs) represent expenditure incurred prior to the commencement of operations of the Fund and include underwriting commission, commission to bankers to the issue, brokerage paid to the members of stock exchanges and other expenses. These costs are being amortised over a period of five years starting from the end of the initial offering period as per the requirement set out in the Trust Deed of the Fund and NBFC regulations.



5.10 Provisions

Provisions are recognised when the Fund has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

5.11 Taxation

The income of the Fund is exempt from taxation under clause 57 (3) (viii) of the Part I of the Second Schedule to the Income Tax Ordinance, 2001. Therefore, no provision has been made for current and deferred taxation in these financial statements. The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A(i) of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

5.12 Earnings per unit

Earnings per unit is calculated by dividing the net income / (loss) for the year after taxation of each sub-fund by the weighted average number of units outstanding during the year for the respective sub-fund.

5.13 Net asset value per unit

The net asset value (NAV) per unit, as disclosed on the Statement of Assets and Liabilities, is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

5.14 Unit holders' fund

Unit holders' fund representing the units issued by the Fund, is carried at the net asset value representing the investors' right to a residual interest in the Fund assets.

5.15 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the funds/cash received in Bank during business hours, as of the close of the previous day on which the funds/cash were received in the Bank. The offer price represents the net asset value per unit as of the close of the previous day plus the allowable sales load, provision for transaction costs and any provision for duties and charges, if applicable.

Units redeemed are recorded at the redemption price, applicable to units as of the close of the previous day. The redemption price represents the net asset value per unit as of the close of the previous day on which applications were received less any back-end load, any duties, taxes, charges on redemption and any provision for transaction costs, if applicable.

5.16 Revenue recognition

- Gains / (losses) arising on sale of investments are included in the Income Statement on the date at which the transaction takes place.
- Income on government securities is recognised on a time proportion basis using effective interest rate method.
- Income on commercial papers is recognised on a time proportion basis.
- Unrealised gains / (losses) arising on remeasurement of investments classified as 'at fair value through profit or loss' are included in the Income Statement in the period in which they arise.
- Mark-up on bank deposits and certificate of investments is recognised on time proportion basis.



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- Dividend income is recognised when the right to receive dividend is established i.e. on the date of book closure of the investee company / institution declaring the dividend.

5.17 Cash and cash equivalents

Cash and cash equivalents comprise of saving and current accounts maintained with banks. Cash equivalents are short term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short term cash commitments rather than for investments and other purposes.

Note	June 30, 2023				June 30, 2022				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	
6. BALANCE WITH BANKS	(Rupees)				(Rupees)				
In saving accounts	6.1	4,653,971	17,986,027	36,940,640	59,580,638	19,630,673	10,875,151	31,466,318	61,972,142
In current accounts		71,650	-	-	71,650	28,746	-	-	28,746
		4,725,621	17,986,027	36,940,640	59,652,288	19,659,419	10,875,151	31,466,318	62,000,888

- 6.1 These include bank balances held by Equity Sub-Fund, Debt Sub-Fund and Money Market Sub-Fund maintained with BankIslami Pakistan Limited (a related party) carrying profit at the rate of 19.75% (June 30, 2022: 14.00%) per annum. Other profit and loss sharing accounts carry profit rates ranging from 7.00% to 19.75% (June 30, 2022: 6.60% to 14.50%). Above balances are held with the Islamic Banks / Islamic window operations of the conventional Banks.

7. INVESTMENTS

Note	June 30, 2023				June 30, 2022				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	
Financial assets 'at fair value through profit or loss'	(Rupees)				(Rupees)				
Listed equity securities	7.1	74,473,226	-	-	74,473,226	68,409,416	-	-	68,409,416
GOP Ijarah - Sukuk		-	-	-	-	-	4,674,000	-	4,674,000
Listed debt securities	7.3	-	8,619,090	-	8,619,090	-	4,028,000	-	4,028,000
Unlisted debt securities		-	-	-	-	-	6,773,826	-	6,773,826
Short term sukuk certificates	7.4	-	-	1,000,000	1,000,000	-	4,000,000	5,000,000	9,000,000
Commercial papers	7.5	-	-	-	-	-	-	-	-
Musharaka	7.6	-	4,000,000	6,000,000	10,000,000	-	-	-	-
		74,473,226	12,619,090	7,000,000	94,092,316	68,409,416	19,475,826	5,000,000	92,885,242

7.1 Listed equity securities - 'at fair value through profit or loss'

7.1.1 Equity Sub-Fund

Ordinary shares have a face value of Rs. 10 each unless stated otherwise.

Name of the investee company	As at July 1, 2022	Purchased during the year	Bonus / right issue	Sold during the year	As at June 30, 2023	Balance as at June 30, 2023			Market value as a percentage of		Paid-up value of shares held as a percentage of total paid-up capital of
						Carrying value	Market value	Unrealised (loss) / gain	Net assets of the Sub-Fund	Total investments of the Sub-Fund	
						(Rupees)					
Cement											
Cherat Cement Company Limited	-	8,500	-	8,500	-	-	-	-	-	-	-
D.G. Khan Cement Company Limited	-	75,000	-	45,000	30,000	1,466,361	1,539,000	72,639	2.02%	2.07%	0.01%
Lucky Cement Limited	11,670	4,750	-	13,250	3,170	1,442,361	1,655,025	212,664	2.17%	2.22%	0.00%
Maple Leaf Cement Factory Limited	52,000	258,250	-	173,000	137,250	3,618,710	3,888,293	269,583	5.09%	5.22%	0.01%
Pioneer Cement Limited	-	5,000	-	5,000	-	-	-	-	-	-	-
						6,527,432	7,082,318	554,886	9.28%	9.51%	0.02%
Chemical											
Engro Polymer & Chemicals Limited	-	16,000	-	-	16,000	751,463	676,000	(75,463)	0.89%	0.91%	0.00%
Lotte Chemical Pakistan Limited	-	110,000	-	110,000	-	-	-	-	-	-	-
						751,463	676,000	(75,463)	0.89%	0.91%	-
Commercial Banks											
BankIslami Pakistan Limited	-	202,000	-	-	202,000	2,981,760	3,587,520	605,760	4.70%	4.82%	0.02%
Faysal Bank Limited	-	153,000	-	153,000	-	-	-	-	-	-	-
Meezan Bank Limited*	45,100	10,000	5,510	-	60,610	6,393,255	5,234,886	(1,158,369)	6.86%	7.03%	-
						9,375,015	8,822,406	(552,609)	11.56%	11.85%	0.02%
Engineering											
Aisha Steel Mills Limited	171,500	-	-	171,500	-	-	-	-	-	-	-
Mughal Iron and Steel Industries Limited	18,115	13,000	-	31,115	-	-	-	-	-	-	-
						-	-	-	-	-	-
Fertilizers											
Engro Corporation Limited	25,500	-	-	21,483	4,017	1,032,730	1,043,977	11,248	1.37%	1.40%	0.00%
Engro Fertilizers Limited	72,700	84,300	-	50,000	107,000	8,860,953	8,830,710	(30,243)	11.57%	11.86%	0.01%
Fauji Fertilizer Bin Qasim Limited	38,000	-	-	38,000	-	-	-	-	-	-	-
						9,893,682	9,874,687	(18,995)	12.94%	13.26%	0.01%
Glass & Ceramics											
Shabbir Tiles & Ceramics Limited (Face value of Rs. 5 each)	55,000	-	-	55,000	-	-	-	-	-	-	-
						-	-	-	-	-	-
Miscellaneous											
Synthetic Product Limited (Face value of Rs. 5 each)	1,504	-	-	-	1,504	21,191	15,642	(5,549)	0.02%	0.02%	0.00%
Tri-Pack Films Limited	6,000	-	-	6,000	-	-	-	-	-	-	-
						21,191	15,642	(5,549)	0.02%	0.02%	0.00%
Oil & Gas Exploration Companies											
Mari Petroleum Company Limited*	4,075	1,550	-	-	5,625	9,338,280	8,519,850	(818,430)	11.16%	11.44%	0.00%
Oil & Gas Development Company Limited	63,619	89,000	-	110,000	42,619	3,475,035	3,324,282	(150,753)	4.35%	4.46%	0.00%
Pakistan Oilfields Limited	13,300	15,500	-	13,350	15,450	6,285,639	6,207,347	(78,292)	8.13%	8.34%	0.01%
Pakistan Petroleum Limited	62,131	79,700	-	106,000	35,831	2,372,339	2,119,045	(253,294)	2.78%	2.85%	0.00%
						21,471,293	20,170,524	(1,300,769)	26.42%	27.09%	0.01%
Oil & Gas Marketing Companies											
Pakistan State Oil Company Limited	13,817	34,000	-	22,391	25,426	3,393,813	2,822,540	(571,273)	3.70%	3.79%	0.01%
Sui Northern Gas Pipelines Limited	18,000	150,500	-	79,250	89,250	3,648,616	3,513,773	(134,843)	4.60%	4.72%	0.01%
						7,042,429	6,336,313	(706,116)	8.30%	8.51%	0.02%

JS Islamic Pension Savings Fund

Name of the investee company	As at July 1, 2022	Purchased during the year	Bonus / right issue	Sold during the year	As at June 30, 2023	Balance as at June 30, 2023			Market value as a percentage of		Paid-up value of shares held as a percentage of total paid-up capital of
						Carrying value	Market value	Unrealised (loss) / gain	Net assets of the Sub-Fund	Total investments of the Sub-Fund	
						(Number of shares)			(Rupees)		
Pharmaceuticals											
AGP Limited	37,600	-	-	-	37,600	3,294,512	2,123,648	(1,170,864)	2.78%	2.85%	0.01%
City Pharma Limited	-	29,000	-	-	29,000	780,505	618,860	(161,645)	0.81%	0.83%	0.01%
Ferozsons Laboratories Limited	-	7,500	1,500	-	9,000	2,003,370	1,231,650	(771,720)	1.61%	1.65%	0.02%
Highnoon Laboratories Limited	5,544	-	1,468	-	7,012	2,937,599	2,357,224	(580,375)	3.09%	3.17%	0.01%
						9,015,986	6,331,382	(2,684,604)	8.29%	8.50%	0.05%
Power Generation & Distribution											
Hub Power Company Limited*	57,715	80,500	-	84,000	54,215	3,646,508	3,772,279	125,771	4.94%	5.07%	0.00%
K-Electric Limited	-	50,000	-	50,000	-	-	-	-	-	-	-
(Face value of Rs. 3.5 each)											
Nishat Chunian Power Limited	-	75,000	-	75,000	-	-	-	-	-	-	-
						3,646,508	3,772,279	125,771	4.94%	5.07%	0.00%
Properties											
TPL Properties Limited	-	20,000	-	20,000	-	-	-	-	-	-	-
						-	-	-	-	-	-
Refinery											
Attock Refinery Limited	-	19,000	-	10,000	9,000	1,603,181	1,544,669	(58,512)	2.02%	2.07%	0.01%
National Refinery Limited	-	14,750	-	14,750	-	-	-	-	-	-	-
						1,603,181	1,544,669	(58,512)	2.02%	2.07%	0.01%
Technology & Communications											
Air Link Communication Limited	23,212	32,500	-	-	55,712	2,149,507	1,104,768	(1,044,739)	1.45%	1.48%	0.01%
Avanceon Limited	-	55,250	3,750	30,250	28,750	1,787,456	1,266,149	(521,307)	1.66%	1.70%	0.01%
Octopus Digital Limited	-	13,000	1,950	-	14,950	894,574	558,980	(335,594)	0.73%	0.75%	0.01%
Systems Limited	-	24,400	-	7,250	17,150	7,644,079	6,917,109	(726,970)	9.06%	9.29%	0.01%
						12,475,616	9,847,006	(2,628,610)	12.90%	13.22%	0.04%
Textile Composite											
Interloop Limited	36,565	-	-	36,565	-	-	-	-	-	-	-
						-	-	-	-	-	-
As at June 30, 2023						81,823,796	74,473,226	(7,350,570)	100.00%	100.00%	
As at June 30, 2022						81,477,083	68,409,416	(13,067,667)			

*Nil figures are due to rounding off

7.1.2 The Finance Act, 2014 introduced an amendment to the Income Tax Ordinance 2001 as a result of which companies were liable to withhold five percent of the bonus shares to be issued. The shares so withheld were only to be released if the Fund deposits tax equivalent to five percent of the value of the bonus shares issued to the Fund including bonus shares withheld, determined on the basis of day-end price on the first day of closure of books of the issuing company.

In this regard, a constitutional petition had been filed by Collective Investment Schemes / Voluntary Pension Schemes (CISs / VPSs) through their Trustees in the High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs / VPSs. The petition was based on the fact that because CISs / VPSs are exempt from deduction of income tax under Clause 99 Part I to the Second Schedule of the Income Tax Ordinance 2001, the withholding tax provision should also not be applicable on bonus shares received by CISs / VPSs. A stay order had been granted by the Honourable High Court of Sindh in favour of CISs / VPSs.

During the year ended June 30, 2018, the Supreme Court of Pakistan passed a judgment on June 27, 2018 whereby the suits which are already pending or shall be filed in future must only be continued / entertained on the condition that a minimum of 50 percent of the tax calculated by the tax authorities is deposited with the authorities. Accordingly, the CISs / VPSs were required to pay minimum 50% of the tax calculated by the tax authorities for the case to remain continued. The CISs / VPSs failed to deposit the minimum 50% of the tax liability and accordingly the stay got



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vacated automatically during the current year. Subsequent to the year ended June 30, 2019, the CISs / VPSs have filed a fresh constitutional petition via CP 4653 dated July 11, 2019. In this regard, on July 15, 2019, the Honourable High Court of Sindh has issued notices to the relevant parties and has ordered that no third party interest on bonus shares issued to the Funds in lieu of their investments be created in the meantime. The matter is still pending adjudication and the Funds have included these shares in their portfolio, as the management is confident that the decision of the constitutional petition will be in favour of the CISs / VPSs.

The Finance Act, 2018 effective from July 01, 2018 has omitted Section 236M of Income Tax Ordinance, 2001 requiring every company quoted on the Pakistan stock exchange issuing bonus shares to the shareholders of the company to withhold five percent of the bonus shares to be issued. Therefore, bonus shares issued to the Equity Sub-Fund during the period were not withheld by the investee companies.

Name of the Company	June 30, 2023		June 30, 2022	
	Bonus Shares			
	Number of shares withheld	Market value as at June 30, 2023	Number of shares withheld	Market value as at June 30, 2022
		(Rupees)		(Rupees)
Synthetic Products Enterprise Limited	1,504	15,642	1,504	21,191

7.2 Government of Pakistan (GoP) - Ijarah Sukuk of Rs. 100 each - 'at fair value through profit or loss'

Debt Sub-Fund

Name of the investee company	Maturity date	Profit / Mark-up Rate	As at July 1, 2022	Purchased during the year	Redeemed / sold during the year	As at June 30, 2023	As at June 30, 2023			Market value as a percentage of	
							Carrying value	Market value	Unrealised loss	net assets of the Sub-Fund	total investments of the Sub-Fund
						(Rupees)					
GoP Ijarah Sukuk FRR - 4 (July 29, 2020) (Face Value : Rs 100 each)	July 29, 2025	8.37%	50,000	-	50,000	-	-	-	-	-	-
Total as at June 30, 2023						-	-	-			
Total as at June 30, 2022						4,978,223	4,674,000	(304,223)			

7.3 Listed debt securities - sukuks of Rs. 5,000 each (unless stated otherwise) - 'at fair value through profit or loss'

7.3.1 Debt Sub-Fund

Name of the investee company	Maturity date	As at July 1, 2022	Purchased during the year	Sold / matured during the year	As at June 30, 2023	Balance as at June 30, 2023			Market value as a percentage of	
						Carrying value	Market value	Unrealised gain / (loss)	net assets of the Sub-Fund	total investments of the sub-fund
						(Rupees)				
Hub Power Holdings Limited (November 12, 2020) Face value: Rs. 100,000	November 12, 2025	70	-	25	45	4,500,000	4,618,350	118,350	14.91%	36.60%
Pakistan Energy Sukuk - II (May 21, 2020)	May 21, 2030	800	-	-	800	4,018,897	4,000,740	(18,157)	12.92%	31.70%
Total as at June 30, 2023		870	-	25	845	8,518,897	8,619,090	100,193	27.83%	68.30%
Total as at June 30, 2022						4,016,859	4,028,000	11,141		

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7.4 Short Term Sukuk Certificate - 'at fair value through profit or loss'

7.4.1 Debt Sub-Fund

Particulars	Maturity date	Yield per annum	As at July 1, 2022	Purchased during the year	Matured during the year	As at June 30, 2023	Balance as at June 30, 2023			Market value as a percentage of	
							Carrying value	Market value	Unrealised (diminution) / appreciation	Net Assets of the sub-fund	Total investments of the sub-fund
						------(Units)-----			------(Rupees)-----		
K-Electric Limited (Sukuk) STS-IV (March 25, 2022) (Face Value : Rs 1,000,000 each)	September 29, 2022	13.32%	4	-	4	-	-	-	-	-	-
Total as at June 30, 2023							-	-	-	-	-
Total as at June 30, 2022							4,000,000	4,000,000	-	-	-

7.4.2 Money Market Sub-Fund

Particulars	Maturity date	Yield per annum	As at July 1, 2022	Purchased during the year	Matured during the year	As at June 30, 2023	Balance as at June 30, 2023			Market value as a percentage of	
							Carrying value	Market value	Unrealised (diminution) / appreciation	Net Assets of the sub-fund	Total investments of the sub-fund
						------(Units)-----			------(Rupees)-----		
K-Electric Limited (Sukuk) STS-IV (March 25, 2022) (Face Value : Rs 1,000,000 each)	September 23, 2022	13.32%	5	-	5	-	-	-	-	-	
K-Electric Limited (Sukuk) STS-XIII (December 13, 2022) (Face Value : Rs 1,000,000 each)	June 13, 2023	18.34%	-	4	4	-	-	-	-	-	
The Hub Power Company Running Finance (May 18, 2023) (Face Value : Rs 1,000,000 each)	November 17, 2023	22.34%	-	1	-	1	1,000,000	1,000,000	-	2.26%	14.29%
Total as at June 30, 2023							1,000,000	1,000,000	-	2.26%	14.29%
Total as at June 30, 2022							-	-	-	-	-

7.5 Commercial Paper - 'at fair value through profit or loss'

7.5.1 Money Market Sub-Fund

Particulars	Yield per annum	Maturity date	As at July 1, 2022	Purchased during the year	Matured during the year	As at June 30, 2023	Balance as at June 30, 2023			Market value as a percentage of	
							Carrying value	Market value	Unrealised gain / (loss)	net assets of the sub-fund	total investments of the sub-fund
						------(Units)-----			------(Rupees)-----		
Roushe Pakistan Power Company Limited (December 01, 2020) (Face Value : Rs 1,000,000 each)	18.05%	June 01, 2023	-	5	5	-	-	-	-	-	
Total as at June 30, 2023							-	-	-	-	-
Total as at June 30, 2022							-	-	-	-	-

7.6 Musharaka
7.6.1 Debt Sub-Fund

Name of Investee Company	Maturity Date	Face Value			
		As at 01 July 2022	Purchased during the year	Matured during the year	As at 30 June 2023
----- (Rupees in '000) -----					
UBL Ameen	July 24, 2023	-	4,000,000	-	4,000,000
As at June 30, 2023		-	4,000,000	-	4,000,000
As at June 30, 2022					-

7.6.2 Money Market Sub-Fund

Name of Investee Company	Maturity Date	Face Value			
		As at 01 July 2022	Purchased during the year	Matured during the year	As at 30 June 2023
----- (Rupees in '000) -----					
UBL Ameen	July 24, 2023	-	6,000,000	-	6,000,000
As at June 30, 2023		-	6,000,000	-	6,000,000
As at June 30, 2022					-

7.7 Significant terms and conditions of sukuku outstanding as at June 30, 2023 are as follows:

Name of security	Number of certificates	Face value per unit	Face value / redemption value in total	Interest rate per annum	Maturity date	Secured / unsecured	Rating
----- (Rupees) -----							

Listed debt securities

Pakistan Energy Sukuk - II	800	5,000	4,000,000	6 months KIBOR - 0.1%	May 21, 2030	Secured	unrated
Hub Power Holdings Limited (Sukuk)	45	100,000	4,500,000	6 Months KIBOR + 2.50%	November 12, 2025	Unsecured	AA+

7.8 Net unrealised (loss) / gain on revaluation of investments classified 'at fair value through profit or loss'

	June 30, 2023				June 30, 2022			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
----- (Rupees) -----								
Market value of investments	74,473,226	8,619,090	7,000,000	90,092,316	68,409,416	19,475,826	5,000,000	92,885,242
Less: carrying value of investments	(81,823,796)	(8,518,897)	(7,000,000)	(97,342,693)	(81,477,083)	(19,768,908)	(5,000,000)	(106,245,991)
	(7,350,570)	100,193	-	(7,250,377)	(13,067,667)	(293,082)	-	(13,360,749)

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8 PROFIT RECEIVABLE

	June 30, 2023				June 30, 2022			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Rupees)				(Rupees)			
Profit receivable on:								
Bank balances	42,391	334,027	668,430	1,044,848	254,272	114,241	402,122	770,635
Investments	-	501,821	56,671	558,492	-	566,811	177,358	744,169
	42,391	835,848	725,101	1,603,340	254,272	681,052	579,480	1,514,804

9 DEPOSITS AND OTHER RECEIVABLE

Note	June 30, 2023				June 30, 2022			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Rupees)				(Rupees)			
Security Deposit with Central Depository								
Company of Pakistan Limited	100,000	100,000	100,000	300,000	100,000	100,000	100,000	300,000
Advance tax	288,910	162,059	119,878	570,847	248,719	11,069	82,636	342,424
	388,910	262,059	219,878	870,847	348,719	111,069	182,636	642,424

9.1 As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 151 and 150. However, withholding taxes on dividend, profit on bank deposits and profit on debt securities paid to the Fund were deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated May 12, 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholders. The aggregate tax withheld on dividends, profit on bank deposits and profit on debt securities amounts to Rs.0.571 million (2022: Rs.0.342 million).

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Pension Fund Manager) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. A petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Pension Fund Manager and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgment of the SHC. Pending resolution of the matter, the amount of withholding taxes deducted on dividends, profit on bank deposits and profit on debt securities have been shown as other receivable as at June 30, 2023 as, in the opinion of the management, the amount of tax deducted at source will likely be refunded.

10 PAYABLE TO JS INVESTMENTS LIMITED - PENSION FUND MANAGER

Note	June 30, 2023				June 30, 2022			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Rupees)				(Rupees)			
Remuneration payable to the Pension Fund Manager	94,501	24,502	17,741	136,744	106,223	12,238	14,972	133,433
Sindh sales tax payable on remuneration of the Pension Fund Manager	114,243	66,134	55,846	236,223	115,769	61,035	55,614	232,418
Federal excise duty payable on remuneration of the Pension Fund Manager	687,692	399,332	360,594	1,447,618	687,692	399,332	360,594	1,447,618
Printing and stationery charges payable	40,650	59,323	40,650	140,623	25,500	25,500	25,500	76,500
	937,086	549,291	474,831	1,961,208	935,184	498,105	456,680	1,889,969



JS Islamic Pension Savings Fund

- 10.1** As per the provisions of the Voluntary Pension System Rules, 2005, JS Investments Limited, the Pension Fund Manager of the Fund, is allowed to charge annual management fee at the rate of 1.50% of average daily net assets of each of the Sub-Funds. During the period, the Pension Fund Manager charged management fee at the rate of 1.50% (June 30, 2022: 1.50%) per annum for Equity Sub-Fund, 0.50% - 1.00% (June 30, 2022: 0.50%) per annum for Debt Sub-Fund and 0.50% (June 30, 2022: 0.50%) per annum for Money Market Sub-Fund of the average daily net assets of the Sub-Funds. Remuneration is paid to the Pension Fund Manager monthly in arrears.
- 10.2** The Provincial Government of Sindh has levied Sindh Sales Tax at the rate of 13% (June 30, 2022:13%) on the remuneration of the Pension Fund Manager through the Sindh Sales Tax on Services Act, 2011.
- 10.3** The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Pension Fund Managers as a result of which FED at the rate of 16 percent on the remuneration of the Pension Fund Manager and sales load was applicable with effect from June 13, 2013. The Pension Fund Manager was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Pension Fund Manager together with various other pension fund managers challenging the levy of FED.

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

During the year ended June 30, 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Pension Fund Manager with effect from July 1, 2016. However, as a matter of abundant caution the provisions for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs. 0.69 million (June 30, 2022: Rs. 0.69 million) for Equity Sub-Fund, Rs. 0.40 million (June 30, 2022: Rs. 0.40 million) for Debt Sub-Fund and Rs. 0.36 million (June 30, 2022: Rs. 0.36 million) for Money Market Sub-Fund are being retained in the financial statements of the respective Sub-Funds as the matter is pending before the Supreme Court of Pakistan. Had the provision for FED not been recorded in these financial statements of the Fund, the net asset value of the Fund as at June 30, 2023 would have been higher by Rs. 5.27 (June 30, 2022: Rs. 4.74) per unit, Rs. 3.85 (June 30, 2022: Rs. 3.48) per unit and Rs. 2.23 (June 30, 2022: Rs. 2.33) per unit per unit for Equity Sub-Fund, Debt Sub-Fund and Money Market Sub-Fund respectively.

11 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

Note	June 30, 2023				June 30, 2022			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Rupees)				(Rupees)			
Remuneration payable to the Trustee	12,632	4,912	7,114	24,658	14,281	4,844	5,886	25,011
Sindh sales tax payable on remuneration of the Trustee	1,642	639	925	3,206	1,857	630	765	3,252
Settlement charges payable	600	600	600	1,800	854	565	565	1,984
	14,874	6,151	8,639	29,664	16,992	6,039	7,216	30,247

- 11.1** The Trustee is entitled to remuneration of Rs. 300,000 or 0.15% per annum of the average value of net assets values of the Fund, whichever is higher up to net assets of Rs. 1 billion. The rates applicable for Trustee's remuneration on net assets exceeding Rs. 1 billion are as follows:

-above Rs. 1 billion to Rs. 3 billion	Rs. 1.5 million plus 0.10% per annum of net assets, on amount exceeding Rs. 1 billion.
-above Rs. 3 billion to Rs. 6 billion	Rs. 3.5 million plus 0.08% per annum of net assets, on amount exceeding Rs. 3 billion.
-above Rs. 6 billion	Rs. 5.9 million plus 0.06% per annum of net assets, on amount exceeding Rs. 6 billion.



JS Islamic Pension Savings Fund

11.2 The Provincial Government of Sindh has levied Sindh sales tax at the rate of 13% (June 30, 2022: 13%) on remuneration of the Trustee through the Sindh Sales Tax on Services Act, 2011.

12 ANNUAL FEE PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)

This represents annual fee payable to the Securities and Exchange Commission of Pakistan (the SECP) in accordance with rule 36 of the Voluntary Pension System Rules, 2005 whereby the Fund is required to pay the SECP an amount equal to one twenty fifth of 1% of the average annual net assets of each of the Sub-Funds.

13 ACCRUED EXPENSES AND OTHER LIABILITIES

Note	June 30, 2023				June 30, 2022			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Rupees)				(Rupees)			
Auditors' remuneration payable	103,997	103,997	104,001	311,995	93,067	93,067	93,067	279,201
Withholding tax payable	72,582	2,006	1,647	76,235	10,866	8,200	10,992	30,058
Charity payable	841,586	-	-	841,586	247,323	-	-	247,323
Zakat payable	3,549	13,799	15,456	32,804	2,511	5,543	3,250	11,304
Brokerage and equity settlement payable	1,195,939	-	-	1,195,939	755,820	-	-	755,820
Other Liabilities	-	-	-	-	-	-	-	-
	2,217,653	119,802	121,104	2,458,559	1,109,587	106,810	107,309	1,323,706

14 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2023 and June 30, 2022.

15 PROFIT ON BANK BALANCES AND INVESTMENTS

	June 30, 2023				June 30, 2022			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Rupees)				(Rupees)			
Profit on:								
- Balance with banks	1,071,760	2,387,880	5,213,066	8,672,706	1,075,658	1,843,585	5,329,389	8,248,632
- Musharaka	-	41,671	62,507	104,178	-	19,218	30,882	50,100
- Commercial papers	-	-	412,856	412,856	-	-	-	-
- Sukuks	-	1,916,510	595,437	2,511,947	-	3,543,371	177,358	3,720,729
	1,071,760	4,346,061	6,283,866	11,701,687	1,075,658	5,406,174	5,537,629	12,019,461

16 AUDITORS' REMUNERATION

	June 30, 2023				June 30, 2022			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Rupees)				(Rupees)			
Annual audit fee	85,867	85,867	85,867	257,600	76,667	76,667	76,667	230,001
Fee for half yearly review of condensed interim financial statements	44,800	44,800	44,800	134,400	40,000	40,000	40,000	120,000
Out of pocket expenses and Sindh Sales Tax	42,565	40,498	42,570	125,634	26,520	26,520	26,520	79,560
	173,232	171,165	173,237	517,634	143,187	143,187	143,187	429,561

17 TAXATION

The income of the Fund is exempt from taxation under clause 57 (3) (viii) of the Part I of the Second Schedule to the Income Tax Ordinance, 2001. Therefore, no provision has been made for current and deferred taxation in these financial statements

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A(i) of Part IV of the Second Schedule to the Income Tax Ordinance, 2001

18 EARNINGS PER UNIT

Earnings per unit (EPU) has not been disclosed as, in the opinion of the Pension Fund Manager, the determination of weighted average units for calculating EPU is not practicable.

19 NUMBER OF UNITS IN ISSUE

	June 30, 2023			June 30, 2022		
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund
Total units in issue at the beginning of the year	145,002	114,757	154,890	190,040	344,085	404,447
Units issued during the year	9,890	66,635	225,192	12,451	68,130	215,681
Units redeemed during the year	(20,882)	(73,902)	(230,600)	(56,929)	(292,249)	(472,921)
Reallocation of units	(3,461)	(3,731)	12,200	(560)	(5,209)	7,683
Total units in issue at the end of the year	<u>130,549</u>	<u>103,759</u>	<u>161,682</u>	<u>145,002</u>	<u>114,757</u>	<u>154,890</u>

20 CONTRIBUTION TABLE

	June 30, 2023							
	Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund		Total	
	Units	Rupees	Units	Rupees	Units	Rupees	Units	Rupees
From:								
Individuals / Corporate	<u>9,890</u>	<u>5,854,336</u>	<u>66,635</u>	<u>18,770,075</u>	<u>225,192</u>	<u>57,439,505</u>	<u>301,716</u>	<u>82,063,916</u>

	June 30, 2022							
	Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund		Total	
	Units	Rupees	Units	Rupees	Units	Rupees	Units	Rupees
From:								
Individuals / Corporate	<u>12,451</u>	<u>8,120,062</u>	<u>68,130</u>	<u>17,658,423</u>	<u>215,681</u>	<u>48,716,487</u>	<u>296,262</u>	<u>74,494,972</u>

21 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Sub-Funds for the year ended June 30, 2023 are: Equity Sub-Fund 2.64% (June 30, 2022: 2.38), Debt Sub-Fund 2.11% (June 30, 2022: 1.2%) and Money Market Sub-Fund 1.39% (June 30, 2022: 1.15%), which includes 0.33%, 0.25%, 0.19% (June 30, 2022: 0.29%, 0.14%, 0.13%) respectively representing government levies on the Sub-Funds such as Sales Taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 4.5%, 2.5% and 2% (excluding government levies) respectively for Equity Sub-Fund, Debt Sub-Fund and Money Market Sub-Fund respectively prescribed under the NBFC Regulations for a pension scheme.

22 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons / related parties of the Fund include JS Investments Limited (JSIL) being the Pension Fund Manager of the Fund, Central Depository Company of Pakistan Limited (CDC) being the Trustee of the Fund, JS Bank Limited (JSBL - which is the holding company of the Pension Fund Manager - holding 84.56% shares of JS Investments Limited) being the Holding Company of JSIL, Jahangir Siddiqui and Company Limited (JSCL which is holding 75.02% shares of JS Bank Limited) being the Holding Company of JSBL, JS Global Capital Limited (JSGCL which is a fellow subsidiary of JSBL - 92.90% shares held by JS Bank Limited) 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 June 30, 2023. It also includes staff retirement benefit funds of the above connected persons / related parties.



JS Islamic Pension Savings Fund

Fund, other charges, sale and purchase of investment and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with the market rates.

Remunerations to the Pension Fund Manager and the Trustee of the Fund are determined in accordance with the provisions of the VPS Rules and the Trust Deed respectively.

The details of transactions during the period and balances at year end with connected persons / related parties are as follows:

22.1 Details of transactions with connected persons / related parties during the year are as follows:

	June 30, 2023				June 30, 2022			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total

----- (Rupees) -----

JS Investments Limited - Pension Fund Manager

Remuneration for the period	1,201,918	255,710	194,733	1,652,361	1,642,256	309,116	328,062	2,279,434
Sindh sales tax on remuneration of the Pension Fund Manager	156,249	33,242	25,185	214,676	213,493	40,185	42,648	296,326
Printing and stationery charges	33,822	33,823	33,819	101,464	25,500	25,500	25,500	76,500
Legal and professional charges	-	-	-	-	66,417	66,417	66,417	199,251
Amount paid against redemption of units	-	-	-	-	30,000,000	50,000,000	50,000,000	130,000,000
Units redeemed	-	-	-	-	46,145	191,124	220,328	457,597

	June 30, 2023				June 30, 2022			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total

----- (Rupees) -----

Central Depository Company of Pakistan Limited - Trustee

Remuneration for the period	163,369	47,147	79,699	290,215	179,437	98,002	104,251	381,690
Sindh sales tax on remuneration of the Trustee	21,237	6,129	10,362	37,728	23,327	12,740	13,553	49,620
Settlement charges	14,221	16,947	6,812	37,980	13,094	7,720	6,780	27,594

Bank Islami Pakistan Limited (Associate of JSCL)

Profit on bank balances	2,796	-	2,254	5,050	3,240	3,277	864	7,381
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JS Global Capital Limited (Fellow subsidiary of JSBL)

Brokerage expense	56,202	-	-	56,202	20,352	-	-	20,352
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Key Management Personnel

Amount received against issuance of units	1,239,868	483,533	2,465,613	4,189,014	830,415	262,519	65,630	1,158,564
Units issued (Number of units)	2,099	1,711	9,490	13,300	1,383	1,012	290	2,685
Amount paid against redemption of units	1,488,224	417,134	2,587,875	4,493,233	1,330,485	709,412	179,648	2,219,545
Units redeemed (Number of units)	2,499	1,494	9,593	13,586	2,064	2,731	786	5,581

22.2 Details of balances with connected persons / related parties as at year end:

	June 30, 2023				June 30, 2022			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Rupees)				(Rupees)			
JS Investments Limited - Pension Fund Manager								
Remuneration payable to the Pension Fund Manager	94,501	24,502	17,741	136,744	106,223	12,238	14,972	133,433
Sindh sales tax payable on remuneration of the Pension Fund Manager	114,243	66,134	55,846	236,223	115,769	61,035	55,614	232,418
Federal excise duty payable on remuneration of the Pension Fund Manager	687,692	399,332	360,594	1,447,618	687,692	399,332	360,594	1,447,618
Printing and stationery charges payable	40,650	59,323	40,650	140,623	25,500	25,500	25,500	76,500
Investment at period / year end	59,514,582	6,784,347	540,727	66,839,656	60,702,066	6,030,480	467,110	67,199,656
Units outstanding (Number of units)	101,755	22,727	1,976	126,458	101,755	22,727	1,976	126,458
Central Depository Company of Pakistan Limited - Trustee								
Remuneration of Trustee	12,632	4,912	7,114	24,658	14,281	4,844	5,886	25,011
Sindh sales tax on remuneration of the Trustee	1,642	639	925	3,206	1,857	630	765	3,252
Settlement charges payable	600	600	600	1,800	854	565	565	1,984
Security deposit	100,000	100,000	100,000	300,000	100,000	100,000	100,000	300,000
Bank Islami Pakistan Limited (Associate of JSCL)								
Bank balances	43,087	-	2,254	45,341	80,483	-	-	80,483
Profit receivable on bank balances	-	-	-	-	-	-	676	676
JS Global Capital Limited (Fellow subsidiary of JSBL)								
Brokerage Payable	316	-	-	316	-	-	-	-
Key management personnel								
Investment at period / year end	-	-	174,656	174,656	238,467	97,658	24,416	360,541
Units outstanding (Number of units)	-	-	585	585	400	368	103	871

23 Financial Instruments By Category

Particulars	June 30, 2023									
	Equity Sub-Fund			Debt Sub-Fund			Money Market Sub-Fund			Total
	At amortised cost	At fair value through profit or loss	Sub Total	At amortised cost	At fair value through profit or loss	Sub Total	At amortised cost	At fair value through profit or loss	Sub Total	
	(Rupees)									
Financial assets										
Bank balances	4,725,621	-	4,725,621	17,986,027	-	17,986,027	36,940,640	-	36,940,640	59,652,288
Investments	-	74,473,226	74,473,226	-	12,619,090	12,619,090	-	7,000,000	7,000,000	94,092,316
Profit receivable	42,391	-	42,391	835,848	-	835,848	725,101	-	725,101	1,603,340
Deposit	100,000	-	100,000	100,000	-	100,000	100,000	-	100,000	300,000
	<u>4,868,012</u>	<u>74,473,226</u>	<u>79,341,238</u>	<u>18,921,875</u>	<u>12,619,090</u>	<u>31,540,965</u>	<u>37,765,741</u>	<u>7,000,000</u>	<u>44,765,741</u>	<u>155,647,944</u>

JS Islamic Pension Savings Fund

Particulars	June 30, 2023									Total
	Equity Sub-Fund			Debt Sub-Fund			Money Market Sub-Fund			
	At fair value through profit or loss	At amortised cost	Sub Total	At fair value through profit or loss	At amortised cost	Sub Total	At fair value through profit or loss	At amortised cost	Sub Total	
(Rupees)										
Financial liabilities										
Payable to JS Investments Limited - Pension Fund Manager	-	135,151	135,151	-	83,825	83,825	-	58,391	58,391	277,367
Payable to Central Depository Company of Pakistan Limited - Trustee	-	14,874	14,874	-	6,151	6,151	-	8,639	8,639	29,664
Accrued expenses and other liabilities	-	2,141,522	2,141,522	-	103,997	103,997	-	104,001	104,001	2,349,520
	-	2,291,547	2,291,547	-	193,973	193,973	-	171,031	171,031	2,656,551

Particulars	June 30, 2022									Total
	Equity Sub-Fund			Debt Sub-Fund			Money Market Sub-Fund			
	At amortised cost	At fair value through profit or loss	Sub Total	At amortised cost	At fair value through profit or loss	Sub Total	At amortised cost	At fair value through profit or loss	Sub Total	
(Rupees)										
Financial assets										
Bank balances	19,659,419	-	19,659,419	10,875,151	-	10,875,151	31,466,318	-	31,466,318	62,000,888
Investments	-	68,409,416	68,409,416	-	19,475,826	19,475,826	-	5,000,000	5,000,000	92,885,242
Profit receivable	254,272	-	254,272	681,052	-	681,052	579,480	-	579,480	1,514,804
Deposit	100,000	-	100,000	100,000	-	100,000	100,000	-	100,000	300,000
	20,013,691	68,409,416	88,423,107	11,656,203	19,475,826	31,132,029	32,145,798	5,000,000	37,145,798	156,700,934

Particulars	June 30, 2022									Total
	Equity Sub-Fund			Debt Sub-Fund			Money Market Sub-Fund			
	At fair value through profit or loss	At amortised cost	Sub Total	At fair value through profit or loss	At amortised cost	Sub Total	At fair value through profit or loss	At amortised cost	Sub Total	
(Rupees)										
Financial liabilities										
Payable to JS Investments Limited - Pension Fund Manager	-	935,184	935,184	-	498,105	498,105	-	456,680	456,680	1,889,969
Payable to Central Depository Company of Pakistan Limited - Trustee	-	16,992	16,992	-	6,039	6,039	-	7,216	7,216	30,247
Accrued expenses and other liabilities	-	1,096,210	1,096,210	-	93,067	93,067	-	93,067	93,067	1,282,344
	-	2,048,386	2,048,386	-	597,211	597,211	-	556,963	556,963	3,202,560

24 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund's objective in managing risk is the creation and protection of participants' value. Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily set up to be performed based on limits established by the Pension Fund Manager, the constitutive documents of the Fund and the regulations and directives of the SECP. These limits reflect the business strategy and market environment of the Fund as well as the level of the risk that the Fund is willing to accept. The Board of Directors of the Pension Fund Manager supervises the overall risk management approach within the Fund. The Fund is exposed to market risk, liquidity risk and credit risk arising from the financial instruments it holds.

24.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices.

The Pension Fund Manager manages the market risk through diversification of the investment portfolio and by following the internal guidelines established by the Investment Committee and the Regulations laid down by SECP.

Market risk comprises of three types of risk: currency risk, profit / interest rate risk and price risk.



JS Islamic Pension Savings Fund

24.2 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. The Sub-Funds does not have any financial instruments in foreign currencies and hence is not exposed to such risk.

24.3 Profit / interest rate risk

Profit / interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. As of June 30, 2023, the Fund is exposed to such risk on its balances held with banks and sukuk certificates. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

	June 30, 2023			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	----- (Rupees) -----			
Variable rate instruments (financial assets)				
Balance with Banks	4,653,971	17,986,027	36,940,640	59,580,638
Sukuk certificates - listed	-	8,619,090	-	8,619,090
Sukuk certificates - unlisted	-	-	-	-
	4,653,971	26,605,117	36,940,640	68,199,728
Fixed rate instruments (financial assets)				
Short term sukuk certificates	-	-	1,000,000	1,000,000
Musharaka	-	4,000,000	6,000,000	10,000,000
	-	4,000,000	7,000,000	11,000,000

Sensitivity analysis of variable rate instruments

The Fund hold balances with bank and investment in debt securities which expose the Fund to cash flow profit rate risk. In case of 100 basis points increase / decrease in applicable rates at the reporting date with all other variables held constant, the net income / loss for the year and net assets of the Funds would have been higher by Rs. 681,998 (2022: Rs. 727,740).

Change in basis points

	Effect on total comprehensive income and net assets			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	----- (Rupees) -----			
Increase in 100 basis points	46,540	266,051	369,406	681,997
Decrease in 100 basis points	(46,540)	(266,051)	(369,406)	(681,997)

Sensitivity analysis of fixed rate instruments

The Fund hold investment in GOP ijarah sukuk certificates and short term sukuk certificates which expose the Fund to cash flow profit rate risk. In case of 100 basis points increase / decrease in applicable rates at the reporting date with all other variables held constant, the net income / loss for the year and net assets of the Funds would have been higher by Rs. 110,000 (2022: Rs. 136,740).

Change in basis points

	Effect on total comprehensive income and net assets			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	----- (Rupees) -----			
Increase in 100 basis points	-	40,000	70,000	110,000
Decrease in 100 basis points	-	(40,000)	(70,000)	(110,000)

JS Islamic Pension Savings Fund

The composition of the Fund's investment portfolio, KIBOR rates and the rates announced by the Financial Markets Association of Pakistan (FMAP) are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2023 is not necessarily indicative of the impact on the Fund's net assets of future movements in profit rates.

Profit rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off-balance sheet financial instruments is based on the settlement date.

The Fund's profit / interest rate sensitivity related to financial assets and financial liabilities as at June 30, 2023 can be determined as follows:

JS Islamic Pension Savings Fund - Equity Sub Fund

Particulars	June 30, 2023					June 30, 2022						
	Effective interest rate	Exposed to yield / Profit rate risk			Not exposed to yield / profit rate risk	Total	Effective interest rate	Exposed to yield / Profit rate risk			Not exposed to yield / profit rate risk	Total
		Upto three months	More than three months and upto one year	More than one year				Upto three months	More than three months and upto one year	More than one year		
	-----%-----	(Rupees)				-----%-----	(Rupees)					
Financial assets												
Bank balances	7 - 19.75	4,653,971	-	-	71,650	4,725,621	6.6 - 14.5	19,630,673	-	-	28,746	19,659,419
Investments		-	-	-	74,473,226	74,473,226		-	-	-	68,409,416	68,409,416
Profit receivable		-	-	-	42,391	42,391		-	-	-	254,272	254,272
Deposit		-	-	-	100,000	100,000		-	-	-	100,000	100,000
Sub total		4,653,971	-	-	74,687,267	79,341,238		19,630,673	-	-	68,792,434	88,423,107
Financial liabilities												
Payable to JS Investments Limited - Pension Fund Manager		-	-	-	135,151	135,151		-	-	-	935,184	935,184
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	14,874	14,874		-	-	-	16,992	16,992
Accrued expenses and other liabilities		-	-	-	2,141,522	2,141,522		-	-	-	1,096,210	1,096,210
Sub total		-	-	-	2,291,547	2,291,547		-	-	-	2,048,386	2,048,386
On-balance sheet gap		4,653,971	-	-				19,630,673	-	-		
Total profit rate sensitivity gap		4,653,971	-	-				19,630,673	-	-		
Cumulative profit rate sensitivity gap		4,653,971	4,653,971	4,653,971				19,630,673	19,630,673	19,630,673		

JS Islamic Pension Savings Fund - Debt Sub Fund

Particulars	June 30, 2023					June 30, 2022						
	Effective interest rate	Exposed to effective interest rate			Not exposed to effective interest rate	Total	Effective interest rate	Exposed to effective interest rate			Not exposed to effective interest rate	Total
		Upto three months	More than three months and upto one year	More than one year				Upto three months	More than three months and upto one year	More than one year		
	-----%-----	(Rupees)				-----%-----	(Rupees)					
Financial assets												
Bank balances	7 - 19.75	17,986,027	-	-	-	17,986,027	12.2 - 14.5	10,875,151	-	-	-	10,875,151
Investments	15.60-24.58	4,000,000	8,619,090	-	-	12,619,090	8.37 - 13.32	-	10,801,826	-	8,674,000	19,475,826
Profit receivable		-	-	-	835,848	835,848		-	-	-	681,052	681,052
Deposit		-	-	-	100,000	100,000		-	-	-	100,000	100,000
Sub total		21,986,027	8,619,090	-	935,848	31,540,965		10,875,151	10,801,826	-	9,455,052	31,132,029
Financial liabilities												
Payable to JS Investments Limited - Pension Fund Manager		-	-	-	83,825	83,825		-	-	-	498,105	498,105
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	6,151	6,151		-	-	-	6,039	6,039
Accrued expenses and other liabilities		-	-	-	103,997	103,997		-	-	-	93,067	93,067
Sub total		-	-	-	193,973	193,973		-	-	-	597,211	597,211
On-balance sheet gap		21,986,027	8,619,090	-				10,875,151	10,801,826	-		
Total profit rate sensitivity gap		21,986,027	8,619,090	-				10,875,151	10,801,826	-		
Cumulative profit rate sensitivity gap		21,986,027	30,605,117	30,605,117				10,875,151	21,676,977	21,676,977		

JS Islamic Pension Savings Fund - Money Market Sub Fund

Particulars	June 30, 2023					June 30, 2022						
	Effective interest rate	Exposed to effective interest rate			Not exposed to effective interest rate	Total	Effective interest rate	Exposed to effective interest rate			Not exposed to effective interest rate	Total
		Upto three months	More than three months and upto one year	More than one year				Upto three months	More than three months and upto one year	More than one year		
	-----%-----	(Rupees)				-----%-----	(Rupees)					
Financial assets												
Bank balances	7 - 19.75	36,940,640	-	-	-	36,940,640	6.6 - 14.5	31,466,318	-	-	-	31,466,318
Investments	20.25-22.34	6,000,000	1,000,000	-	-	7,000,000	13.32	-	5,000,000	-	-	5,000,000
Profit receivable		-	-	-	725,101	725,101		-	-	-	579,480	579,480
Deposit		-	-	-	100,000	100,000		-	-	-	100,000	100,000
Sub total		42,940,640	1,000,000	-	825,101	44,765,741		31,466,318	5,000,000	-	679,480	37,145,798
Financial liabilities												
Payable to JS Investments Limited - Pension Fund Manager		-	-	-	58,391	58,391		-	-	-	456,680	456,680
Remuneration payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	8,639	8,639		-	-	-	7,216	7,216
Accrued expenses and other liabilities		-	-	-	104,001	104,001		-	-	-	93,067	93,067
Sub total		-	-	-	171,031	171,031		-	-	-	556,963	556,963
On-balance sheet gap		42,940,640	1,000,000	-				31,466,318	5,000,000	-		
Total profit rate sensitivity gap		42,940,640	1,000,000	-				31,466,318	5,000,000	-		
Cumulative profit rate sensitivity gap		42,940,640	43,940,640	43,940,640				31,466,318	36,466,318	36,466,318		

24.4 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from profit rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Equity Sub-Fund is exposed to equity price risk on investment held by the Sub-Fund and classified as 'at fair value through profit or loss'. To manage its price risk arising from investments in equity securities, the Sub-Fund diversifies its portfolio within the eligible stocks prescribed in the Trust Deed. The NBFC Regulations also limit individual equity securities to no more than 15% of net assets or paid-up capital of the investee company whichever is lower and sector exposure limit to 40% of the net assets.

The table below summarises the sensitivity of the Equity Sub-Fund net assets attributable to unit holders to the equity price movements as at June 30, 2023. The analysis is based on the assumption that the KMI 30 index increased / decreased by 5%, with all other variables held constant and that the fair value of its portfolio of equity securities moved according to their historical correlation with the index. This represents managements' best estimate of a reasonable possible shift in the KMI 30 index, having regard to the historical volatility of the index of the past three years.

At June 30, 2023, the fair value of equity securities exposed to price risk are concentrated in the sectors disclosed in note 5.1.

	2023	2022
	-----Rupees-----	
Effect due to increase / decrease in KMI 30 index		
Investment and net assets	3,723,661	3,420,471
Income statement	3,723,661	3,420,471



JS Islamic Pension Savings Fund

24.5 Credit risk

Credit risk represents the risk of a loss if the counter parties fail to perform as contracted. Credit risk in Sub-Funds mainly arises from deposits with banks, credit exposure arising as a result of profit receivable on deposits with banks, deposits and investment in debt securities. For banks and financial institutions balances are kept with reputed parties. Credit risk on deposit receivable is minimal due to statutory protection. All transactions in listed securities are settled / paid for upon delivery as per market clearing system. The risk of default is considered minimal due to inherent systematic measures taken therein. Debt securities held by the debt sub fund and money market sub fund mainly consist of government securities that are government backed and therefore not exposed to credit risk. The remaining debts securities are with reputable counter parties and therefore credit risk is minimal.

Credit risk is managed and controlled by the Pension Fund Manager of the Fund in the following manner:

- The Fund limits its exposure to credit risk by only investing in liquid debt securities that have at minimum an investment grade as rated by a credit rating agency approved by the SECP. In the absence of issue rating, the Fund ensures that the entity has an investment grade as rated by a credit rating agency approved by the SECP.
- The risk of counter party exposure due to failed trades causing a loss to the Fund is mitigated by a periodic review of trade reports, credit ratings and financial statements on a regular basis.

24.5.1 Exposure to credit risk

The maximum exposure to credit risk as at June 30, 2023 are as follows:

	June 30, 2023		June 30, 2022	
	Balance as per statement of assets and liabilities	Maximum exposure	Balance as per statement of assets and liabilities	Maximum exposure
----- Rupees -----				
Bank balances	4,725,621	4,725,621	19,659,419	19,659,419
Investments	74,473,226	-	68,409,416	-
Profit receivable	42,391	42,391	254,272	254,272
Deposits	100,000	100,000	100,000	100,000
	79,341,238	4,868,012	88,423,107	20,013,691

JS Islamic Pension Savings Fund - Equity Sub Fund

Difference in the balance as per the statement of assets and liabilities and maximum exposure is due to the fact that investments in listed equity securities of Rs 74.473 million (June 30, 2022: 68.409 million) are not exposed to credit risk.

JS Islamic Pension Savings Fund

JS Islamic Pension Savings Fund- Debt Sub Fund

	June 30, 2023		June 30, 2022	
	Balance as per statement of assets and liabilities	Maximum exposure	Balance as per statement of assets and liabilities	Maximum exposure
Bank balances	17,986,027	17,986,027	10,875,151	10,875,151
Investments	12,619,090	12,619,090	19,475,826	14,801,826
Profit receivable	835,848	835,848	681,052	681,052
Deposits	100,000	100,000	100,000	100,000
	31,540,965	31,540,965	87,496,850	77,548,850

Rupees

JS Islamic Pension Savings Fund- Money Market Sub Fund

	June 30, 2023		June 30, 2022	
	Balance as per statement of assets and liabilities	Maximum exposure	Balance as per statement of assets and liabilities	Maximum exposure
Bank balances	36,940,640	36,940,640	31,466,318	31,466,318
Investments	7,000,000	7,000,000	5,000,000	5,000,000
Profit receivable	725,101	725,101	579,480	579,480
Deposits	100,000	100,000	100,000	100,000
	44,765,741	44,765,741	88,929,299	88,929,299

Rupees

No financial assets were considered to be past due or impaired as at June 30, 2023.

24.5.2 The analysis below summarises the available published credit ratings of the Fund's financial assets as at June 30, 2023:

Balances with banks by rating category	June 30, 2023			June 30, 2022		
	Rating agency	Published rating	Percentage of bank balance	Rating agency	Published rating	Percentage of bank balance
JS Islamic Pension Savings Fund - Equity Sub Fund						
Bank Alfalah Limited	PACRA	AA+	0.62%	PACRA	AA+	0.15%
Habib Metropolitan Bank Limited	PACRA	AA+	50.31%	PACRA	AA+	11.33%
BankIslami Pakistan Limited	PACRA	AA-	0.91%	PACRA	A+	0.41%
Dubai Islami Bank Pakistan Limited	VIS	AA	37.81%	VIS	AA-	85.28%
Soneri Bank Limited	PACRA	AA-	10.35%	PACRA	AA-	2.83%
JS Islamic Pension Savings Fund - Debt Sub Fund						
Bank Alfalah Limited	PACRA	AA+	0.00%	PACRA	AA+	0.13%
Habib Metropolitan Bank Limited	PACRA	AA+	0.05%	PACRA	AA+	0.24%
Allied Bank Limited	PACRA	AAA	0.23%	PACRA	AAA	0.36%
BankIslami Pakistan Limited	PACRA	AA-	-	PACRA	A+	0.00%
Faysal Bank Limited	PACRA	AA	1.77%	PACRA	AA	83.03%



JS Islamic Pension Savings Fund

Balances with banks by rating category	June 30, 2023			June 30, 2022		
	Rating agency	Published rating	Percentage of bank balance	Rating agency	Published rating	Percentage of bank balance
Askari Bank Limited	PACRA	AA+	0.16%	PACRA	AA+	1.05%
Dubai Islamic Bank Pakistan Limited	VIS	AA	97.67%	VIS	AA	15.02%
Al Baraka Bank (Pakistan) Limited	VIS	A+	-	VIS	A+	0.00%
United Bank Limited	VIS	AAA	0.12%	VIS	AAA	0.17%
Meezan Bank Limited	VIS	AAA	0.00%	VIS	AAA	-
JS Islamic Pension Savings Fund - Money Market Sub Fund						
Bank Alfalah Limited	PACRA	AA+	0.03%	VIS	AA-	0.04%
Habib Metropolitan Bank Limited	PACRA	AA+	0.03%	PACRA	AA+	0.01%
Allied Bank Limited	PACRA	AAA	0.03%	PACRA	AAA	0.01%
BankIslami Pakistan Limited	PACRA	AA-	0.01%	PACRA	A+	2.17%
Faysal Bank Limited	PACRA	AA	0.90%	PACRA	AA	0.72%
Askari Bank Limited	PACRA	AA+	0.05%	PACRA	AA+	0.02%
Dubai Islami Bank Pakistan Limited	VIS	AA	98.92%	VIS	AA-	71.85%
Al Baraka Bank (Pakistan) Limited	VIS	A+	-	VIS	A+	0.02%
United Bank Limited	VIS	AAA	0.03%	VIS	AAA	0.01%
Soneri Bank Limited	PACRA	AA-	-	PACRA	AA-	25.15%

24.5.3 Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counter parties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial assets is mainly held with credit worthy counterparties thereby mitigating any credit risk.

24.6 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to redemptions of its redeemable units on a regular basis. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is, therefore, to invest the majority of its assets either in short term instruments or in investments that are traded in an active market and can be readily disposed and are considered readily realisable in order to maintain liquidity.

The Fund can borrow in the short term to ensure settlement in Sub-Funds. The maximum amount available to the Sub-Funds from the borrowing would be limited to fifteen percent of its net assets upto 90 days and would be secured by the assets of the Sub-Funds. The facility would bear borrowing cost at commercial rates. However, no borrowing was obtained by any Sub-Fund during the current year.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the year.



JS Islamic Pension Savings Fund

The table below summarises the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining year at the end of the reporting year to the contractual maturity date. However, assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month.

JS Islamic Pension Savings Fund - Equity Sub Fund

	June 30, 2023				June 30, 2022			
	Upto three months	More than three months and upto one year	More than one year	Total	Upto three months	More than three months and upto one year	More than one year	Total
	----- (Rupees) -----				----- (Rupees) -----			
Financial liabilities								
Payable to JS Investments Limited - Pension Fund Manager	135,151	-	-	135,151	935,184	-	-	935,184
Payable to Central Depository Company of Pakistan Limited - Trustee	14,874	-	-	14,874	16,992	-	-	16,992
Payable against redemption of units								
Accrued expenses and other liabilities	2,141,522	-	-	2,141,522	1,096,210	-	-	1,096,210
	2,291,547	-	-	2,291,547	2,048,386	-	-	2,048,386

JS Islamic Pension Savings Fund - Debt Sub Fund

	June 30, 2023				June 30, 2022			
	Upto three months	More than three months and upto one year	More than one year	Total	Upto three months	More than three months and upto one year	More than one year	Total
	----- (Rupees) -----				----- (Rupees) -----			
Financial liabilities								
Payable to JS Investments Limited - Pension Fund Manager	83,825	-	-	83,825	498,105	-	-	498,105
Payable to Central Depository Company of Pakistan Limited - Trustee	6,151	-	-	6,151	6,039	-	-	6,039
Accrued expenses and other liabilities	103,997	-	-	103,997	93,067	-	-	93,067
	193,973	-	-	193,973	597,211	-	-	597,211

JS Islamic Pension Savings Fund

JS Islamic Pension Savings Fund - Money Market Sub Fund

	June 30, 2023				June 30, 2022			
	Upto three months	More than three months and upto one year	More than one year	Total	Upto three months	More than three months and upto one year	More than one year	Total
	----- (Rupees) -----				----- (Rupees) -----			
Financial liabilities								
Payable to JS Investments Limited - Pension Fund Manager	58,391	-	-	58,391	456,680	-	-	456,680
Payable to Central Depository Company of Pakistan Limited - Trustee	8,639	-	-	8,639	7,216	-	-	7,216
Accrued expenses and other liabilities	104,001	-	-	104,001	93,067	-	-	93,067
	171,031	-	-	171,031	556,963	-	-	556,963

25 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. Consequently, differences can arise between carrying values and the fair value estimates.

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.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

25.1 Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets 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:

- Level 1: Fair value measurements using quoted price (unadjusted) in an active market for identical assets or liabilities.
- Level 2: Fair value measurements using inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Fair value measurement using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at June 30, 2023 and June 30, 2022, the Fund held the following financial instruments measured at fair value:



JS Islamic Pension Savings Fund

	As at June 30, 2023				As at June 30, 2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
ASSETS	(Rupees)				(Rupees)			
Equity Sub-Fund								
Financial assets classified 'at fair value through profit or loss'								
Listed equity securities	74,473,226	-	-	74,473,226	68,409,416	-	-	68,409,416
	74,473,226	-	-	74,473,226	68,409,416	-	-	68,409,416

	As at June 30, 2023				As at June 30, 2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
ASSETS	(Rupees)				(Rupees)			
Debt Sub-Fund								
Financial assets classified 'at fair value through profit or loss'								
GoP Ijarah - Sukuk	-	-	-	-	-	4,674,000	-	4,674,000
Listed debt securities	-	8,619,090	-	8,619,090	-	4,028,000	-	4,028,000
Unlisted debt securities	-	-	-	-	-	6,773,826	-	6,773,826
Short term sukuk certificates	-	-	-	-	-	4,000,000	-	4,000,000
Musharaka	-	4,000,000	-	4,000,000	-	-	-	-
Commercial papers	-	-	-	-	-	-	-	-
	-	12,619,090	-	12,619,090	-	19,475,826	-	19,475,826

	As at June 30, 2023				As at June 30, 2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
ASSETS	(Rupees)				(Rupees)			
Money Market Sub-Fund								
Financial assets classified 'at fair value through profit or loss'								
Short term sukuk	-	1,000,000	-	1,000,000	-	5,000,000	-	5,000,000
Commercial papers	-	-	-	-	-	-	-	-
Musharaka	-	6,000,000	-	6,000,000	-	-	-	-
	-	7,000,000	-	7,000,000	-	5,000,000	-	5,000,000

* The carrying value of these securities approximate their fair value since these are short-term in nature and are placed with counter parties which have high credit ratings.



JS Islamic Pension Savings Fund

26 CASH AND CASH EQUIVALENTS

	June 30, 2023				June 30, 2022			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
Balance with Banks	4,725,621	17,986,027	36,940,640	59,652,288	19,659,419	10,875,151	31,466,318	62,000,888
Musharaka (with original maturity of three months or less)	-	4,000,000	6,000,000	10,000,000	-	-	-	-
	4,725,621	21,986,027	42,940,640	69,652,288	19,659,419	10,875,151	31,466,318	62,000,888

27 GENERAL

27.1 Figures have been rounded off to the nearest rupees unless otherwise stated.

27.2 Corresponding figures have been reclassified and rearranged in these financial statements, wherever necessary, for the purpose of better presentation. No significant rearrangements or reclassifications were made in these financial statements.

28 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by Board of Directors of Pension Fund Manager on August 18, 2023.

For JS Investments Limited
(Pension Fund Manager)

Chief Executive Officer

Chief Financial Officer

Director



**SUPPLEMENTARY NON FINANCIAL INFORMATION
AS REQUIRED UNDER CLAUSE 38A (g)
OF THE NBFC & NE REGULATION**

SUMMARY OF ACTUAL PROXY VOTED BY JS ISLAMIC PENSION SAVINGS FUND

	Resolutions	For	Against	Abstain
Number	3	3	Nil	N/A
(% ages)	100	100	-	-

Note:

The Proxy voting policy of the Collective Investment Scheme (CIS) is available on the website of JS Investments Limited, the Company and detailed information regarding actual proxies voted by the Company in respect of the CIS is also available without charge, upon request, to all unit holders.

We did not participate in any shareholders' meetings on behalf of CIS during the year.



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