

## QUARTERLY REPORT 2023

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# Fund Information

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## Management Company

JS Global Capital Limited  
17 & 18th Floor, The Center, Plot No. 28, SB-5,  
Abdullah Haroon Road, Saddar, Karachi, 74400, Pakistan  
Phone: + 92 21 111 574 111  
Fax: +92 21 3563 2574  
Website: [www.jsgcl.com/jsgbetf.aspx](http://www.jsgcl.com/jsgbetf.aspx)

## Board of Directors of the Management Company

Mr. Shahab Anwar Khawaja  
Mr. Imtiaz Gadar  
Mr. Maximilian Felix Scheder  
Mr. Fahad Viqar Siddiqui  
Mr. Amin Muhammad Virani  
Mr. Waqas Anis  
Syed Jafar Raza  
Ms. Rabiya Javeri Agha

Chairman & Independent Director  
Chief Executive Officer  
Independent Director  
Non-Executive Director  
Non-Executive Director  
Non-Executive Director  
Non-Executive Director  
Independent Director

## Audit Committee

Mr. Maximilian Felix Scheder  
Mr. Amin Muhammad Virani  
Syed Jafar Raza

Chairman  
Member  
Member

Mr. Fahad Muslim  
Muhammad Farukh

Chief Financial Officer  
Company Secretary

## 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

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**External Auditor**

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

**Legal Adviser**

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

**Banker**

JS Bank Limited

# Vision

**To be the Leader in the  
financial services sector**

# Mission

**To ensure growth of various  
financial services by creating  
new products and services in  
financial sector**



# Directors' Report

## Directors' Report to the Unit Holders

The Board of Directors of JS Global Capital Limited is pleased to present the un-audited financial statements of JS Global Banking Sector Exchange Traded Fund (the Fund) for the quarter ended September 30, 2023.

### Economic Review

Economic challenges faced by Pakistan met with a breather at the start of 1QFY24 as Pakistan signed IMF's 9-month Stand-By Arrangement (SBA) worth US\$3 billion. The agreement led to disbursement of IMF's first tranche of US\$1bn from the SBA, in addition to unlocking external assistance of other lenders, which led to State Bank of Pakistan's (SBP) reserves rising by US\$4.3 billion to US\$8.7 billion within two weeks, a level last witnessed almost nine months ago. These reserve levels were, however, not maintained throughout the quarter over a cumulative US\$3 billion decline, closing at US\$7.6 billion. The depletion was on account of debt obligations.

Moreover, pressure was also exerted from a deficit Current account balance in Jul-Aug 2023 (US\$935 million), which was at surplus from Mar-2023 to Jun-2023. The deficit was led by imports beginning to normalize, while exports and remittances both remaining sticky around US\$2.1 billion.

The quarter, however, witnessed a volatile trend in PKR movement against the US\$, which was led by factors beyond the movement in foreign exchange reserves. While the home currency strengthened post SBA agreement with IMF, concerns over impact of normalization of imports and higher global oil prices kept the PKR appreciation short-lived. PKR witnessed a sharp plunge against US\$, depreciating by 7% to its low marked at 307 during the quarter. Albeit, swift and apt actions towards reforms that pertained to exchange companies and the foreign exchange market arrested the sharp decline in the later part of the quarter, leading to a quick recovery. PKR eventually closed at 1% down on a QoQ basis against US\$.

On the inflation front, the anticipated impact of higher base leading to disinflation from Jun-2023 continued in this quarter as 3QCY23 CPI averaged 29%, compared to 35% during 2QCY23. The most notable disinflation trend was observed in food and energy segments. Moreover, on a forward-looking basis as SBP's Monetary Policy Committee (MPC) views the country to have entered into a positive real interest rate zone, it kept the Policy Rate unchanged at 22% in both the MPC meetings held during the quarter – one in Jul-2023 and one in Sep-2023.

On the fiscal side, data for FY23 were published during the quarter. Fiscal deficit for 4QFY23 clocked in at Rs3.4 trillion or 4.1% of GDP, taking FY23 fiscal deficit to Rs6.5 trillion or 7.7% of GDP. Higher mark-up expenses in FY23 remained a key concern in fiscal accounts, which were a result of record-high interest rates (12.25% to 22% during FY23) and larger government borrowings. The sharp increase in mark-up payments of 83% YoY in FY23 led to the expense taking 61% of the total revenue alone.

In other major events, the quarter also witnessed a smooth transition from the end of Pakistan's previous National Assembly's term, to a caretaker set-up till elections are held. The new set-up has continued with ongoing economic policies and increased focus on documentation and other recommendations put up by IMF in its latest report for Pakistan in Jul-2023.

### Equity Market Review

Revival of investor confidence post IMF's new Stand-By Arrangement program with Pakistan, led to one of the longest uninterrupted rallies witnessed by Pakistan Stock Exchange (PSX). The KSE100 Index rallied 18% within the first month of 1QFY24, as it crossed 48,500 level for the first time in 6 years, out of which 8% gain was accumulated in 10 consecutive trading sessions closing positive.



Concerns emerging later on over macroeconomic challenges of the country, trimmed away some of the gains, where the quarter's gains clocked in at 12% QoQ. Despite some correction in the later part of the quarter, 1QFY24 posted the highest quarterly gains reported in the past 12 quarters, and among the highest in equity gains based on home currency among other regional peers during the quarter.

Banks (+20% QoQ), Power (+17% QoQ) and Oil & Gas Exploration Companies (+15% QoQ) stood among outperformers during the quarter over rebound in investor confidence from the recent IMF agreement, robust results and higher payout announcements.

The confidence rebound of investors was also reflected in higher participation this quarter. KSE100 Index volumes jumped 84% QoQ to 281 million shares/day. The higher jump though came off from a lower base, where 4QFY23 average volumes had stooped to 153 million shares/day, volumes recorded in 1QFY24 marked a 7-quarter high. Value shares participation witnessed a higher increase of 2x QoQ as blue-chip stocks were preferred.

Segment-wise participation reflected foreigners not only turned net buyers this quarter, but also reported the highest net buying in 16 quarters, with Foreign Investors Portfolio Investment (FIPI) segment reporting net buying of US\$22 million. On the local investor segment front, Insurance (US\$45 million) and Companies (US\$25 million) were highest net buyers this quarter, while Banks (US\$43 million) and Mutual Funds (US\$38 million) emerged as highest net sellers in the equity markets.

Equity markets outlook is much dependent on deliverables on IMF's recommendations - among which are discipline in the country's fiscal account, reforms in the energy sector and maintaining market-based exchange rate with a gap of not more than 1.25% with open market rates. While equity market multiples remain at a deep discount when compared to regional peers and to own's recent mean, continuing to meet with IMF's benchmarks is expected to further boost investor confidence as the same would assist Pakistan in meeting its external financing needs. Adding to investor confidence would be other fundamental reforms continued by the current government set-up till elections are held.

### Review of the Fund performance

The Fund's net assets value per unit as at September 30, 2023 was Rs. 9.8783 translating into return was -0.90% against the benchmark return of -0.95%. Net Assets as at September 30, 2023 were Rs. 47.02 million. The total expense ratio (TER) of the Fund is 0.13%, which includes 0.01% of government levies on the Fund.

### Acknowledgement

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

Director

Karachi  
October 19, 2023

Chief Executive Officer



# Financial Statements



CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES  
AS AT SEPTEMBER 30, 2023

	Note	(Unaudited) September 30, 2023 Rupees
<b>Assets</b>		
Bank balances	4	80,588
Investments	5	47,013,095
Deposits and prepayments	6	344,936
<b>Total assets</b>		<b>47,438,619</b>
<b>Liabilities</b>		
Payable to JS Global Capital Limited - Management Company	7	371,970
Payable to Central Depository Company of Pakistan Limited - Trustee	8	1,743
Payable to Securities and Exchange Commission of Pakistan	9	1,619
Accrued expenses and other liabilities	10	42,811
<b>Total liabilities</b>		<b>418,143</b>
Contingencies and Commitments	11	
<b>Net assets</b>		<b>47,020,476</b>
Unit holders' funds (As per statement attached)		<b>4,760,000</b>
Number of units in issue		<b>4,760,000</b>
Net assets value per unit	12	<b>9.8783</b>

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements

Director

Chief Executive Officer

Chief Financial Officer

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)  
FOR THE PERIOD FROM SEPTEMBER 11, 2023 TO SEPTEMBER 30, 2023

	Note	For the period from September 11, 2023 to September 30, 2023 Rupees
<b>Income</b>		
Net unrealized diminution on re-measurement of investment classified as "fair value through profit or loss"		(99,369)
<b>Total Income / (Loss)</b>		<b>(99,369)</b>
<b>Expenses</b>		
Remuneration to JS Global Capital Limited - Management Company		10,392
Sindh sales tax on Management Company's remuneration		1,351
Remuneration to Central Depository Company of Pakistan Limited- Trustee		1,686
Sindh sales tax on Trustee remuneration		219
Annual fee to the Securities and Exchange Commission of Pakistan		1,602
PSX charges		5,145
Bank and settlement charges		516
Registrar Fees		11,795
Auditors' remuneration		22,006
Printing Charges		8,493
		<b>63,205</b>
<b>Net loss for the period from operating activities</b>		<b>(162,574)</b>
Element of losses and capital losses included in prices of units issued less those in units redeemed - net		(416,950)
<b>Net loss for the period before taxation</b>		<b>(579,524)</b>
Taxation	13	-
<b>Net loss for the period after taxation</b>		<b>(579,524)</b>
Earnings per unit	14	
<b>Accounting income available for distribution:</b>		
-Relating to capital gains		-
-Excluding capital gains		-
		-

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements

Director

Chief Executive Officer

Chief Financial Officer

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE PERIOD FROM SEPTEMBER 11, 2023 TO SEPTEMBER 30, 2023

	<b>For the period from September 11, 2023 to September 30, 2023 Rupees</b>
Net loss for the period after taxation	<b>(579,524)</b>
Other comprehensive income for the period	-
Total comprehensive loss for the period	<b><u>(579,524)</u></b>

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements

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Director

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Chief Executive Officer

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Chief Financial Officer

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)  
FOR THE PERIOD FROM SEPTEMBER 11, 2023 TO SEPTEMBER 30, 2023

	Note	For the period from September 11, 2023 to September 30, 2023 Rupees
<b>Cash Flow From Operating Activities</b>		
Net loss for the period		(579,524)
Adjustments		
Element of losses and capital losses included in prices of units issued less those in units redeemed - net		416,950
Net unrealized diminution on re-measurement of investment classified as "fair value through profit or loss"		99,369
		<u>(63,205)</u>
<b>Decrease in current assets</b>		
Investments		(47,112,464)
Deposits and prepayments		(344,936)
		<u>(47,457,400)</u>
<b>Increase in current liabilities</b>		
Payable to the Management Company		371,970
Payable to the Trustee		1,743
Payable to the Securities and Exchange Commission of Pakistan		1,619
Accrued expenses and other liabilities		42,811
		<u>418,143</u>
<b>Net cash used in operating activities</b>		<u>(47,102,462)</u>
<b>Cash Flow From Financing Activities</b>		
Amount received from issuance of units		48,948,025
Amount paid on redemption of units		(1,764,975)
Net cash generated from financing activities		<u>47,183,050</u>
<b>Net increase in cash and cash equivalents</b>		80,588
Cash and cash equivalents at the beginning of the period		-
Cash and cash equivalents at the end of the period		<u>80,588</u>

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements

Director

Chief Executive Officer

Chief Financial Officer

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED)  
FOR THE PERIOD FROM SEPTEMBER 11, 2023 TO SEPTEMBER 30, 2023

For the period from September 11, 2023 to September 30, 2023		
Capital value	Undistributed income / (loss)	Total

	-----Rupees-----		
Net assets at beginning of the period	-	-	-
Issue of 4,940,000 units	49,400,000		49,400,000
- Element of Loss	(451,975)		(451,975)
Total proceeds on issuance of units	48,948,025	-	48,948,025
Redemption of 180,000 units	1,800,000	-	1,800,000
- Element of Income	(35,025)	-	(35,025)
Total payments on redemption of units	1,764,975	-	1,764,975
Element of losses and capital losses included in prices of units issued less those in units redeemed - net	416,950	-	416,950
Total comprehensive loss for the period	-	(579,524)	(579,524)
Net assets at end of the period	47,600,000	(579,524)	47,020,476
Undistributed (loss) / income brought forward			
- Realised income / (loss)		-	
- Unrealised income / (loss)		-	
Accounting income available for distribution			
- Relating to capital gains		-	
- Excluding capital gains		-	
Net loss for the period after taxation		(579,524)	
Undistributed loss carried forward		(579,524)	
Undistributed loss carried forward			
'- Realised loss		(480,155)	
'- Unrealised loss		(99,369)	
		(579,524)	
Net assets value per unit at beginning of the period			-
Net assets value per unit at end of the period			9.8783

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements

Director

Chief Executive Officer

Chief Financial Officer



NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE PERIOD FROM SEPTEMBER 11, 2023 TO SEPTEMBER 30, 2023

**1 LEGAL STATUS AND NATURE OF BUSINESS**

JS Global Banking Sector Exchange Traded Fund (the Fund) has been established under a Trust Deed, executed between JS Global Capital Limited as the Management Company and Central Depository Company of Pakistan Limited as the Trustee. The Trust Deed was executed on January 30, 2023 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on February 24, 2023.

The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non-Banking Finance Companies and Notified Entities Regulations, 2008, Securities Brokers Licensing & Operations Regulations, 2016 and Sandbox Guidelines, 2019 - Third Cohort, issued by Securities and Exchange Commission of Pakistan. The registered office of Management Company is situated at 18th Floor, the Centre, Plot No. 28, SB-5, Abdullah Haroon Road, Saddar, Karachi, Pakistan.

The fund has been categorized as an open-ended exchange traded fund, that aims to provide investors an opportunity to track the performance of JS Global Banking Sector Index, constituted by the Management Company and comprises of top 8 equity securities selected based on the equal weights to all stocks in the index.

The title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as the Trustee of the Fund.

**2 BASIS OF PREPARATION**

**2.1 Statement of compliance**

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, 'Interim Financial Reporting', issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the 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 with the requirements of IAS 34, 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** In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company declare that these condensed interim financial information give a true and fair view of the state of the Fund's affairs as at September 30, 2023.

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE PERIOD FROM SEPTEMBER 11, 2023 TO SEPTEMBER 30, 2023

### 2.3 Standards, interpretations and amendments to the accounting and reporting standards as applicable in Pakistan that are not yet effective:

There are certain new standards, interpretations and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting periods beginning on or after January 1, 2023. However, these will not have any significant effects on the Fund's operations and are, therefore, not detailed in these condensed interim financial statements.

### 2.4 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective:

The following standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

Standards, interpretations and amendments	Effective date
Classification of liabilities as current or non-current - Amendment to IAS 1	01 January 2024
Lease Liability in a Sale and Leaseback - Amendments to IFRS 16	01 January 2024

The above standards and amendments are not expected to have any material impact on the Fund's financial statements in the period of initial application.

Further, following 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	01 July 2009
International Financial Reporting Standards IFRS 17 – Insurance Contracts	01 January 2023

### 2.5 Basis of Measurement

These condensed interim financial statements have been prepared under the historical cost convention except that certain financial assets are measured at fair value.

### 2.6 Functional and presentation currency

Items included in these condensed interim financial statements are measured using the currency of the primary economic environment in which the Fund operates. These condensed interim financial statements are presented in Pakistan Rupee, which is the Fund's functional and presentation currency.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE PERIOD FROM SEPTEMBER 11, 2023 TO SEPTEMBER 30, 2023

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these condensed interim financial statements are set out below.

#### 3.1 Cash and cash equivalents

These comprise bank balances in savings and current accounts, cheques in hand and other short-term highly liquid investment with original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to an insignificant risk of change in value.

#### 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

###### 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 'fair value through other comprehensive income' (FVOCI). Accordingly, the irrevocable option has not been considered.

The dividend income for equity securities classified under 'fair value through profit and loss' (FVTPL) is recognised in the Income Statement.

Since all investments in equity instruments have been designated as FVTPL, 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.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE PERIOD FROM SEPTEMBER 11, 2023 TO SEPTEMBER 30, 2023

**3.2.4 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.

**3.2.5 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.

**3.3 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. Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expired).

**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 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 / period end.

**3.7 Issue and redemption of units**

Authorized Participant can purchase the units at the offer price and redeem at the redemption price during business hours.

The offer price shall be equal to:

- The Net Asset Value (NAV) as of the close of the previous business day (historical pricing);

Units of the Fund may be acquired or redeemed directly from the Fund only in Creation Units lot size or multiples thereof as mentioned in the offering document. Investors can sell the units at market prices on PSX which may be above or below actual NAV of the Fund.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE PERIOD FROM SEPTEMBER 11, 2023 TO SEPTEMBER 30, 2023

**3.8 Distributions to unit holders**

Distributions to unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company.

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

**3.9 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 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.

As clarified by the SECP vide its letter no. SCD/AMCW/ETF/240/2020 dated March 2, 2020 that 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.

**3.10 Revenue recognition**

- Gains / (losses) arising on sale of investments are recorded at 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.
- Profit on bank deposits is recognised on an accrual basis.
- Dividend income is recognised when the right to receive the dividend is established.

**3.11 Expenses**

All expenses including management fee and trustee fee are recognised in the income statement on an accrual basis.

**3.12 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 period end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

**3.13 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 as cash dividend 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.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE PERIOD FROM SEPTEMBER 11, 2023 TO SEPTEMBER 30, 2023

**3.14 Earnings per unit**

Earnings per unit is calculated by dividing the net income of the period before taxation of the Fund by the weighted average number of units outstanding during the period. The determination of earning per unit is not practicable as disclosed in note 14.

**(Un-audited)  
September 30, 2023  
Rupees**

**4 BANK BALANCES**

Savings accounts

**80,588**

**5 INVESTMENTS**

At fair value through profit or loss  
Quoted equity securities

**47,013,095**

**5.1 Investments in equity securities - listed**

Name of the Investee Company	Purchased during the period	Bonus / right shares received during the period	Sold during the period	As at September 30, 2023	As at September 30, 2023		Market value as a percentage of		Holding as a percentage of the paid-up capital of investee company
					Carrying value	Market value	Net assets of the fund	Total market value of investments	
<b>COMMERCIAL BANKS</b>									
Bank Alfalah Limited	151,164	-	(5,508)	145,656	5,764,927	5,603,386	11.92%	11.92%	0.01%
Bank Al-Habib Limited	134,862	-	(4,914)	129,948	5,842,743	5,851,558	12.44%	12.45%	0.01%
Bank of Punjab	1,710,228	-	(62,316)	1,647,912	6,033,816	6,542,211	13.91%	13.92%	0.05%
Faysal Bank	280,592	-	(10,224)	270,368	5,915,521	6,029,206	12.82%	12.82%	0.02%
Habib Bank Limited	63,232	-	(2,304)	60,928	5,876,184	5,510,328	11.72%	11.72%	0.004%
MCB Bank Limited	46,436	-	(1,692)	44,744	5,795,272	5,787,636	12.31%	12.31%	0.004%
Meezan Bank Limited	51,376	-	(1,872)	49,504	5,848,685	5,673,653	12.07%	12.07%	0.003%
United Bank Limited	43,472	-	(1,584)	41,888	6,035,316	6,015,117	12.79%	12.79%	0.003%
					47,112,464	47,013,095	99.98%	100.00%	

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE PERIOD FROM SEPTEMBER 11, 2023 TO SEPTEMBER 30, 2023

		(Un-audited) September 30, 2023 Rupees
<b>5.2</b>	<b>Unrealised diminution on re-measurement of investments classified as financial assets at fair value through profit or loss' - net</b>	
	Market value of investments	47,013,095
	Less: carrying value of investments	47,112,464
		<u>(99,369)</u>
<b>6</b>	<b>DEPOSITS AND PREPAYMENTS</b>	
	Security Deposits	200,000
	Prepaid expenses	144,936
		<u>344,936</u>
<b>7</b>	<b>PAYABLE TO JS GLOBAL CAPITAL LIMITED - MANAGEMENT COMPANY</b>	
	Remuneration of the Management Company	10,392
	Sindh Sales Tax on remuneration of the Management Company	1,351
	Other payable to the Management Company	360,227
		<u>371,970</u>
<b>7.1</b>	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 0.8% per annum of average net assets of the Fund during the period from September 11, 2023 to September 30, 2023. The remuneration is payable to the Management Company monthly in arrears.	
<b>7.2</b>	Sales tax at the rate of 13% on value of management fee is applied under the provisions of Sindh Sales Tax on Services Act, 2011.	
		(Un-audited) September 30, 2023 Rupees
<b>8</b>	<b>PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE</b>	
	Remuneration payable to the Trustees	1,524
	Sindh sales tax payable on Trustee's remuneration	219
		<u>1,743</u>
<b>8.1</b>	As per the Trust Deed and Offering Document, the tariff structure applicable to the Fund in respect of the trustee fee for the period is 0.1% of the average daily net assets.	
<b>8.2</b>	Sales tax at the rate of 13% on the remuneration of the Trustee is applied under the provisions of Sindh Sales Tax on Services Act, 2011.	

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE PERIOD FROM SEPTEMBER 11, 2023 TO SEPTEMBER 30, 2023

**9 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN**

Annual fee payable	1,619
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**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% of the average annual net assets of the Fund.

**10 ACCRUED EXPENSES AND OTHER LIABILITIES**

	22,006
	11,795
Auditors' remuneration payable	8,493
Registrar fee payable	517
Printing and Stationery	42,811
Others	

**11 CONTINGENCIES AND COMMITMENTS**

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

**12 NET ASSET VALUE PER UNIT**

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

**13 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 there is no profit earned by the Fund for the period ending September 30, 2023, therefore, no provision for taxation has been made in these condensed interim financial statements during the period.

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.

**14 EARNINGS PER UNIT**

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

**15 TOTAL EXPENSE RATIO**

The total expense ratio (TER) of the Fund for the current period ended September 30, 2023 is 0.13% which includes 0.01% 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 2.50% prescribed under the NBFC Regulations for a collective investment scheme categorised as an "Index" scheme.



NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE PERIOD FROM SEPTEMBER 11, 2023 TO SEPTEMBER 30, 2023

**16 RELATED PARTY TRANSACTIONS**

**16.1** Following are the name of associated companies, related parties and associated undertakings;

Name of Related parties	Relationship	Aggregate shareholding by related parties in the Company
JS Global Capital Limited	Management Company	0%
Jahangir Siddiqui and Co. Limited	Group Company	0%
JS Bank Limited	Parent company	0%
BankIslami Pakistan Limited	Group Company	0%
JS Investments Limited	Group Company	0%

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

**16.3** Remuneration of the Trustee is determined in accordance with the provisions of the Trust Deed.

**For the period from  
September 11, 2023 to  
September 30, 2023  
Rupees**

**16.4 Details of transactions with related parties / connected persons during the period are as follows:**

JS Global Capital Limited - Management Company	
Remuneration - Management Fee	10,392
Sindh Sales Tax on Management Fee	1,351
Central Depository Company of Pakistan Limited - Trustee	
Remuneration - Trustee Fee	1,686
Sindh Sales Tax on Trustee Fee	219
Registrar Fee	11,795

**(Un-audited)  
September 30, 2023  
Rupees**

**16.5 Balances outstanding as at period end are as follows**

JS Global Capital Limited - Management Company	
Management fee payable	10,392
Sindh Sales Tax on Management Fee payable	1,351
Other payable	360,227

**(Un-audited)  
September 30, 2023  
Rupees**

Central Depository Company of Pakistan Limited - Trustee	
Remuneration - Trustee Fee	1,524
Sindh Sales Tax on Trustee Fee	219
Registrar fee payable	11,795

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE PERIOD FROM SEPTEMBER 11, 2023 TO SEPTEMBER 30, 2023

**16.6** Other balances due to / from related parties / connected persons are included in the respective notes to these condensed interim financial statements.

**17 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 tradeable in an open market are revalued at market prices prevailing on the reporting date. The estimated fair value of all other financial assets and financial liabilities is considered not to be significantly different from the respective book values as the items are either short-term in nature or repriced periodically.

**17.1 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:** 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 September 30, 2023 the Fund held the following financial instruments measured at fair value:

	Un-audited			
	As at September 30, 2023			
	Level 1	Level 2	Level 3	Total
	----- (Rupees) -----			
At fair value through profit or loss				
Quoted equity securities	47,013,095	-	-	47,013,095
	47,013,095	-	-	47,013,095

**18 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'.

The Fund has no restriction 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.

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
FOR THE PERIOD FROM SEPTEMBER 11, 2023 TO SEPTEMBER 30, 2023

In accordance with the risk management policies as stated in note 14, the Fund endeavours to invest the subscriptions received in appropriate investment avenues while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by disposal of investments or short-term borrowings, where necessary.

**19 GENERAL**

Figures have been rounded off to the nearest Rupee.

**20 DATE OF AUTHORISATION FOR ISSUE**

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on October 19, 2023.

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Director

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Chief Executive Officer

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Chief Financial Officer



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