



## HALF YEARLY REPORT

DECEMBER 31, 2023

JS KPK ISLAMIC PENSION FUND



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# NOISIV

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of every investor, offering  
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# MISSION

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



# COMPANY INFORMATION

## 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

## Chief Executive Officer

Ms. Iffat Zehra Mankani

## Chief Financial Officer

Mr. Raheel Rehman

## Chief Investment Officer

Mr. Syed Hussain Haider

## Chief Operating Officer & Company Secretary

Mr. Muhammad Khawar Iqbal

## Statutory Auditors

Grant Thornton Anjum Rahman, Chartered Accountants

## Legal Advisors

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

## Audit Committee

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

## 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

## Shariah Advisors

AI – Hilal Shariah Advisors (Pvt) Limited

# DIRECTORS' REPORT TO THE UNIT HOLDERS

The Board of Directors of JS Investments Limited, the Pension Fund Manager of **JS KPK ISLAMIC PENSION FUND** (the Fund), has pleasure in presenting to you the un-audited financial statements of the fund for the half year ended December 31, 2023.

## Economy Review:

During FY23, Pakistan's economy faced severe shocks from floods, Geo-political tensions escalating commodity prices, tightening financing conditions, and policy setbacks, leading to stalled growth, surging inflation, depleted reserves, and acute fiscal pressures. However, during 1HFY24 the country transitioned from a rhetoric of default with no visible solutions toward reform implementation, sustainable policies, and reinforcing external accounts. Guided by SIFC and IMF directives, this shift reoriented the outlook from potential default to sustained growth, signaling an optimistic turn and leaving the worst economic challenges behind.

Asset sales under SIFC are expected to help prevent a significant decline in FX reserves, supported by reforms in the energy sector and SOEs, creating fiscal space. Concurrently, the anticipated influx of FDI is poised to address the country's gross financing needs, bolstering Pakistan's economic stability and growth. In FY24, GDP growth is projected at 2.5%, driven by the post-flood recovery in the agriculture sector. Additionally, sustained policies, effective reforms, and substantial financial support remain pivotal to long-term growth.

The financial inflows under the SIFC asset sale and the IMF program will bolster exchange rate stability, playing a pivotal role in curbing inflation by maintaining a stable PKR. During 1HFY24, the average inflation was recorded at 28.8%, compared to 25.04% in the corresponding period last year. Moving forward monetary policy to remain tightly linked to the external account and inflation outlook while contractionary measures will remain the central theme on the fiscal side.

## Income & Money Market Review:

Money managers strategically focused on the shorter end of the yield curve in 1HFY24, amid high inflation and the resultant tight monetary stance. However, towards the end of the period, the indications of easing inflationary pressures, a notable shift in strategy emerged, increasing exposure towards longer-term instruments in anticipation of prospective rate adjustments.

This shift in money managers' strategy aligns with the broader economic landscape, where monetary policy is poised to closely track the country's external accounts and inflation outlook. The inflation is expected to slow down towards the end of FY24, mainly due to the high base effect, contained aggregate demand, easing supply constraints, and moderation in international commodity prices. However, this slowdown could be countered by the potential currency devaluation and further increases in gas/energy tariffs. Looking ahead, the strategic approach would entail maximizing returns through greater allocation to longer-tenure instruments.

## Equity Market Review:

KSE-100 index began the year on a strong note influenced by the successful agreement with the IMF under the Stand-By Arrangement (SBA) which played a pivotal role in economic stability. In 1HFY24, the KSE-100 Index displayed remarkable growth and optimism, registering an impressive 51% increase, gaining 20,998.35 points, and closing the index at 62,451.04 points at year-end.

The overall trading activity witnessed an increase of ~118% Y-o-Y, as the volumes rose to 477.6mn shares, compared to 219.2mn shares in 1HFY23. Similarly, the value of shares traded displayed growth of 69% Y-o-Y, averaging around USD 50.2mn in 1HFY24. During 1HFY24, Commercial Banks, Oil & Gas Exploration Companies, and Power Generation & Distribution were notable outperformers.

Looking ahead, the equity market's performance would largely be influenced by the government's adherence to the reforms under the IMF program, materialization of FDI flows under SIFC, and political stability amid upcoming general elections.

### Review of Fund Performance

The fund was launched on December 14, 2023 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 four sub-funds that are Equity Sub-Fund, Equity Index Sub-fund, Debt Sub-Fund, and Money Market Sub-Fund.

**The Money Market Sub-fund's** annualized return was 16.95% for the half year ended December 31, 2023. Net Assets were PKR 31.45 million as at December 31, 2023. The total expense ratio (TER) of the Money Market Sub Fund is 0.20%, which includes 0.03% of government levies on the Fund.

The Fund has 58 participants as on December 31, 2023.

### Asset Manager Rating

Pakistan Credit Rating Agency Limited (PACRA) has maintained Management Company's asset manager rating of 'AM2+' with a 'stable outlook' to JS Investments Limited. This rating underscores our dedication to maintaining high-quality management standards, reflecting positively on the overall performance and outlook of our operations.

### 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.



**Director**

February 20, 2024  
Karachi



**Chief Executive Officer**  
Iffat Zehra Mankani



# TRUSTEE REPORT TO THE UNIT HOLDERS

**CENTRAL DEPOSITORY COMPANY  
OF PAKISTAN LIMITED**

**Head Office:**

CDC House, 99-B, Block 'B'  
S.M.C.H.S., Main Shahra-e-Faisal  
Karachi - 74400, Pakistan.  
Tel : (92-21) 111-111-500  
Fax: (92-21) 34326021 - 23  
URL: [www.cdcpakistan.com](http://www.cdcpakistan.com)  
Email: [info@cdcpak.com](mailto:info@cdcpak.com)



## TRUSTEE REPORT TO THE PARTICIPANTS

### JS KPK ISLAMIC PENSION 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 KPK Islamic Pension Fund (the Fund) are of the opinion that JS Investments Limited being the Pension Fund Manager has in all material respects managed the Fund during the period from December 15, 2023 to December 31, 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, February 29, 2024



# AUDITOR REPORT TO THE UNIT HOLDERS



## INDEPENDENT AUDITORS' REVIEW REPORT TO THE UNIT HOLDERS OF JS KPK ISLAMIC PENSION FUND

**Grant Thornton Anjum  
Rahman**

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

### Introduction

**T** +92 21 35672951-56

We have reviewed the accompanying condensed interim statement of assets and liabilities of JS KPK Islamic Pension Fund ("the Fund") as at December 31, 2023 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in participant's sub funds and condensed interim statement of cash flow and together with the notes forming part thereof (here-in-after referred to as the "condensed interim financial statements") for the period from December 15, 2023 to December 31, 2023. Management Company (JS Investments Limited) is responsible for the preparation and presentation of the condensed interim financial statements in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

### Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

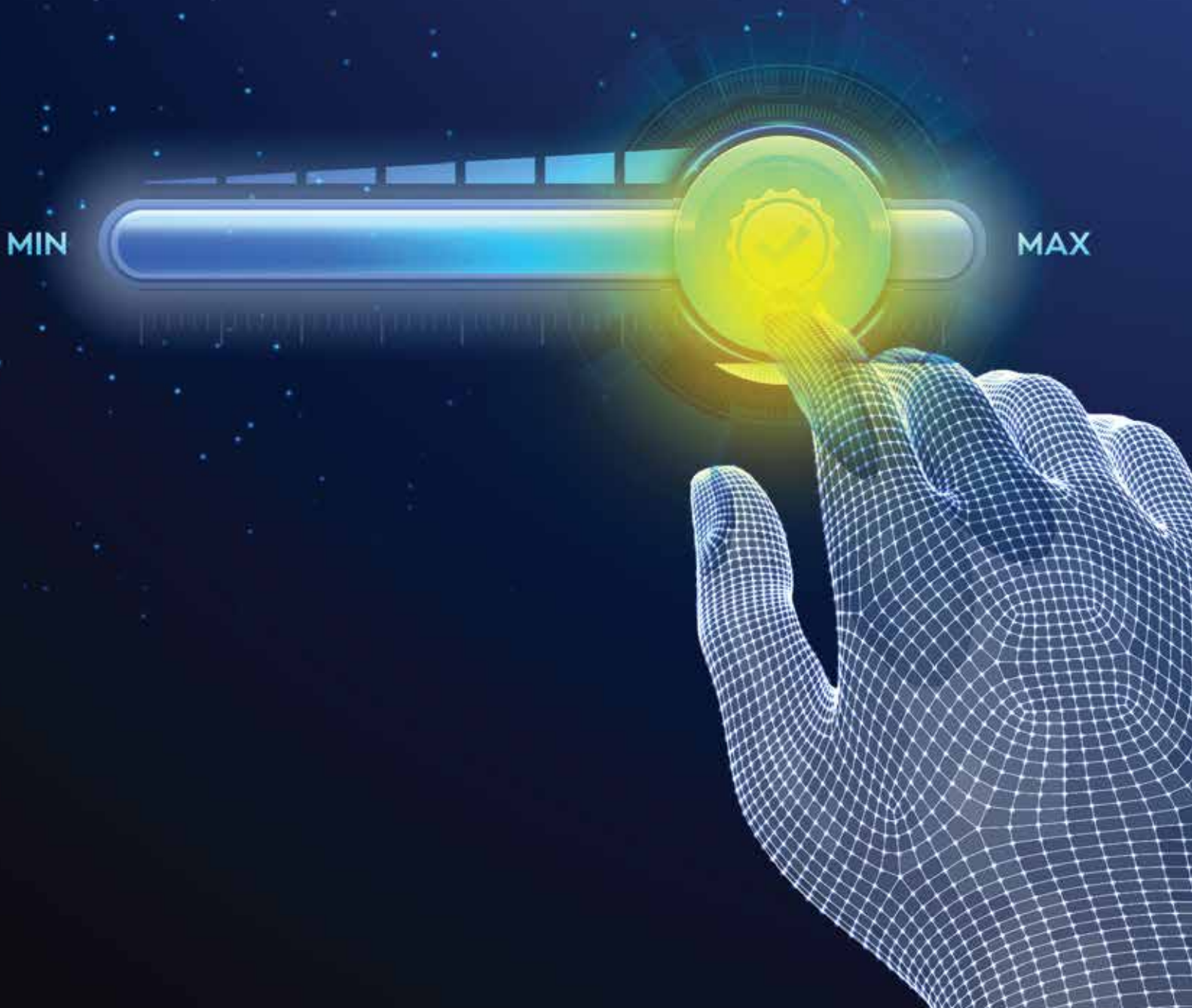
Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements is not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Date: February 28, 2024  
Karachi  
UDIN: RR2023101540eRcnNjiX

  
Chartered Accountants  
**Muhammad Khalid Aziz**  
Engagement Partner



# CONDENSED INTERIM FINANCIAL STATEMENTS



# CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

AS AT DECEMBER 31, 2023

		Un-audited December 31, 2023				
		Equity Sub-fund	Equity Index Sub-fund	Debt Sub-fund	Money Market Sub-fund	Total
Note		------(Rupees)-----				
<b>Assets</b>						
Balances with banks	5	-	-	-	31,202,101	31,202,101
Profit and other receivables		-	-	-	266,118	266,118
Defferd formation cost		-	-	-	134,836	134,836
<b>Total assets</b>		-	-	-	31,603,055	31,603,055
<b>Liabilities</b>						
Payable to JS Investment Limited Pension Fund Manager		-	-	-	144,836	144,836
Payable to Central Depository Company of Pakistan Limited - Trustee	8	-	-	-	2,467	2,467
Payable to the Securities and Exchange Commission of Pakistan	9	-	-	-	582	582
<b>Total liabilities</b>		-	-	-	147,885	147,885
<b>Contingencies and commitments</b>	10					
<b>Net assets</b>		-	-	-	31,455,170	31,455,170
<b>Participants' sub-funds</b>		-	-	-	31,455,170	31,455,170
<b>(as per the statement attached)</b>						
		------(Number of units)-----				
<b>Number of units in issue</b>		-	-	-	311,944	
		------(Rupees)-----				
<b>Net asset value per unit</b>		-	-	-	100.84	

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.



Chief Financial Officer



Chief Executive Officer



Director



# CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)

FOR THE PERIOD FROM DECEMBER 15, 2023 TO DECEMBER 31, 2023

		For the period from December 15, 2023 to December 31, 2023				
		Equity Sub-fund	Equity Index Sub-fund	Debt Sub-fund	Money Market Sub-fund	Total
Note		------(Rupees)-----				
<b>Income</b>						
Profit on balances with banks		-	-	-	266,118	266,118
<b>Expenses</b>						
Remuneration of Central Depository Company of Pakistan Limited - Trustee	8.1	-	-	-	2,183	2,183
Sindh sales tax on remuneration of the Trustee	8.2	-	-	-	284	284
Annual fee of the Securities and Exchange Commission of Pakistan	9.1	-	-	-	582	582
Bank charges		-	-	-	2,260	2,260
<b>Total expenses</b>		-	-	-	5,309	5,309
<b>Net income for the period before taxation</b>		-	-	-	260,809	260,809
Taxation	11	-	-	-	-	-
<b>Net income for the period after taxation</b>		-	-	-	260,809	260,809
<b>Earnings per unit</b>		12				

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.



Chief Financial Officer



Chief Executive Officer



Director



# CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

FOR THE PERIOD FROM DECEMBER 15, 2023 TO DECEMBER 31, 2023

For the period from December 15, 2023 to December 31, 2023					
	Equity Sub-fund	Equity Index Sub-fund	Debt Sub-fund	Money Market Sub-fund	Total
	----- (Rupees) -----				
Net income for the period after taxation	-	-	-	260,809	260,809
Other comprehensive income for the period	-	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>260,809</b>	<b>260,809</b>

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.



Chief Financial Officer



Chief Executive Officer



Director



# CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE PERIOD FROM DECEMBER 15, 2023 TO DECEMBER 31, 2023

For the period from December 15, 2023 to December 31, 2023					
	Equity Sub-fund	Equity Index Sub-fund	Debt Sub-fund	Money Market Sub-fund	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	----- (Rupees) -----				
Net income for the period before taxation	-	-	-	260,809	260,809
<b>Increase in assets</b>					
Profit and other receivables	-	-	-	(266,118)	(266,118)
Deferred formation cost	-	-	-	(134,836)	(134,836)
				(400,954)	(400,954)
<b>Increase in liabilities</b>					
Payable to JS Investment Limited Pension Fund Manager	-	-	-	144,836	144,836
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	2,467	2,467
Payable to the Securities and Exchange Commission of Pakistan	-	-	-	582	582
	-	-	-	147,885	147,885
<b>Net cash used in operating activities</b>	-	-	-	7,740	7,740
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Amounts received against issuance of units	-	-	-	31,194,361	31,194,361
<b>Net cash generated from financing activities</b>	-	-	-	31,194,361	31,194,361
<b>Net increase in cash and cash equivalents during the period</b>	-	-	-	31,202,101	31,202,101
<b>Cash and cash equivalents at the end of the period</b>	-	-	-	31,202,101	31,202,101

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.



Chief Financial Officer



Chief Executive Officer



Director





# CONDENSED INTERIM STATEMENT OF MOVEMENT PARTICIPANTS' SUB-FUNDS (UN-AUDITED)

FOR THE PERIOD FROM DECEMBER 15, 2023 TO DECEMBER 31, 2023

For the period from December 15, 2023 to December 31, 2023														
Equity Sub-fund			Equity Index Sub-fund			Debt Sub-fund			Money Market Sub-fund			Total		
Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
------(Rupees)-----														
Issuance of units at start of the Fund	-	-	-	-	-	-	-	-	31,194,361	-	31,194,361	31,194,361	-	31,194,361
Issuance Of units	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Redemption of units	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Relocation of units	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	-	-	31,194,361	-	31,194,361	31,194,361	-	31,194,361
Net assets at the end of the period	-	-	-	-	-	-	-	-	31,194,361	260,809	31,455,170	31,194,361	260,809	31,455,170
(Rupees)			(Rupees)			(Rupees)			(Rupees)			(Rupees)		
Net asset value per unit at beginning of the period	-	-	-	-	-	-	-	-	-	-	-	100	-	-
Net asset value per unit at the end of the period	-	-	-	-	-	-	-	-	-	-	-	100.84	-	-

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.

Chief Financial Officer

Chief Executive Officer

Director

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

FOR THE PERIOD FROM DECEMBER 15, 2023 TO DECEMBER 31, 2023

## 1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 JS KPK Pension 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 September 26, 2023. It has been constituted under the Sindh Trust Act, 2020 between JS Investments Limited as the Pension Fund Manager and Central Depository Company of Pakistan Limited as the Trustee dated July 21, 2023. 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.

Currently the Fund is of four sub-Funds as under

- JS KPK Islamic Pension Fund - Equity Sub Fund (the Equity Sub Fund);
- JS KPK Islamic Pension Fund - Equity Index Sub Fund (the Equity Index Sub Fund)
- JS KPK Islamic Pension Fund - Debt Sub Fund (the Debt Sub Fund); and
- JS KPK Islamic Pension Fund - Money Market Sub Fund (the Money Market Sub Fund).

1.2 The Fund is an open-end mutual fund and offers units for public subscription on a continuous basis. The units are nontransferable 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 Pakistan Credit Rating Agency Limited (PACRA) has maintained Management Company's asset manager rating of 'AM2+' with a 'stable outlook' to JS Investments Limited. This rating underscores our dedication to maintaining high-quality management standards, reflecting positively on the overall performance and outlook of our operations.

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

1.5 The objective of the Fund is to provide Employees with an individualized, funded (based on defined contribution) as well as flexible pension scheme which is managed by professional investment managers to assist them to plan and provide for their retirement. The design of the allocation scheme empowers the Employees to invest their pension savings as per their desired asset allocations.

The Fund shall invest assets of the Pension Fund in those securities which are declared eligible by the Commission.

The Pension Fund Manager shall invest assets of the Pension Fund in those securities which are declared eligible by the Commission.

Prior to the Contribution Date the Trustee shall hold the Trust Property in respect of each Sub-Fund in cash in a separate account for each Sub-Fund with a Commercial Bank having at least the minimum rating by a credit rating agency as specified by the Commission or shall invest such cash in short term money market investments, as advised by the Pension Fund Manager. Any income from such investments shall accrue to the Sub Fund to which it pertains. After the Contribution Date all cash shall be invested by the Trustee strictly in compliance with the Investment Policy at the direction of the Pension Fund Manager, in Authorized Investments or in cash.

All the investments of the Pension Fund shall be strictly in compliance with the Prescribed Investment Policy (subject to relaxations if any, granted by the Commission from time to time). Subject to prior approval of the Commission, the Pension Fund may invest in foreign securities issued, listed or otherwise and traded outside Pakistan on such terms, guidelines and directions as may be prescribed by the Commission and the State Bank of Pakistan from time to time.

### 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 90% of Net Assets of an Equity Sub-Fund shall remain invested in listed Shariah Compliant equity securities. Pension fund manager may make investment maximum up to 5% of net assets of equity sub fund in units of Shariah Compliant Private equity and venture Capital funds registered under Private Funds Regulations, 2015. The Pension Fund Manager may make investment maximum up to 10% of net assets of Equity Sub Fund in public offering and and pre initial public offering of equity securities. Investment in equity securities of any single company shall not exceed fifteen percent (15%) of Net Assets of Equity Sub-Fund or paid-up capital of that single company.

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

FOR THE PERIOD FROM DECEMBER 15, 2023 TO DECEMBER 31, 2023

Pension fund manager may invest up to 35% or the index weight, whichever is higher, subject to maximum of 40% of net assets of an Equity Sub-Fund in Shariah Compliant equity securities of companies belonging to a single sector as classified by Pakistan Stock Exchange. The Pension Fund Manager may invest any surplus funds in government securities having less than one-year time to maturity or keep as deposits with scheduled commercial banks.

There were no transaction and balances in the Equity Sub-fund for the period ended December 15, 2023 to December 31, 2023.

## Equity Index Sub Fund

The Investment Objective of the Equity Index Sub-Fund is to provide investors an opportunity to track closely the performance of the KMI – 30 index by investing in companies of the Index in proportion to their weightages. Exposure to any security shall not exceed weight of security in the index or its subset. Exposure to securities issued by entities of a single sector shall not exceed weight of sector in the index or its subset. Index Sub-fund may select an index (or a subset thereof) established by a recognized independent third party.

There were no transaction and balances in the Equity index Sub-fund for the period ended December 15, 2023 to December 31, 2023.

## Debt Sub Fund

The Debt Sub-Fund shall consist of debt securities and such other assets as specified in the offering documents. The weighted average time to maturity of securities held in the portfolio of a Debt Sub-Fund shall not exceed 5 years. At least 25% Net Assets of the Debt Sub-Fund shall be invested in deposits with scheduled Commercial banks (excluding TDRs) or government securities not exceeding 90 days' maturity. Exposure to any single entity shall not exceed 15% of net assets of debt sub fund. Exposure in debt security of an entity shall not exceed 15% of net assets for debt sub fund or 10% of size of the issue of that debt security, whichever is lower. Exposure to securities issued by entities of a single sector shall not exceed 25% of Net Assets of Debt Sub-fund. A pension fund manager shall not place funds (including TDR, PLS Saving Deposit, COD, COM, COI and money market placements) of more than 25% of net assets of debt sub-fund with all microfinance banks, non-bank finance companies and Modarabas. The Rating of any security in the portfolio, bank, and DFI with which funds are placed should not be lower than A+ and that of NBFC and Modaraba with which funds are placed should not be lower than AA.

There were no transaction and balances in the debt Sub-fund for the period ended December 15, 2023 to December 31, 2023.

## Money Market Sub Fund

The Money market Sub Fund shall consist of debt securities and such other assets as specified in the offering documents. The weighted average time to maturity of net assets of a Money Market Sub-Fund shall be up to 1 year. Time to maturity of any asset in the portfolio of Money Market Sub-Fund shall not exceed 6 months except in case of Shariah Compliant Government Securities such as Government Ijarah Sukuks which may be up to five 5 years. Exposure to securities issued by entities of a single sector shall not exceed twenty five percent 25% of Net Assets of a money market Sub-fund. Exposure in security of entity shall not exceed 15% of net assets for money market sub fund or 10% of size of the issue of that security. Exposure in security of entity shall not exceed 15% of net assets for money market sub fund or 10% of size of the issue of that security. The Rating of any security in the portfolio, bank and DFI with which funds are placed should not be lower than AA and that of NBFC and Modaraba with which funds are placed should not be lower than AAA.

- 1.6 These are the first condensed interim financial statements for the period December 15, 2023 to December 31, 2023 and therefore, comparative figures have not been included.

## 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 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;





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

FOR THE PERIOD FROM DECEMBER 15, 2023 TO DECEMBER 31, 2023

- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Voluntary Pension Rules, 2005 (the VPS Rules) 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 VPS Rules 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 VPS Rules and the requirements of the Trust Deed have been followed.

## 2.2 Basis of measurement

This condensed interim financial information has been prepared under the historical cost convention, except investment property which is stated at fair value. The figures have been rounded off to the nearest rupees.

### Functional and presentation currency

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

## 2.3 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 Scheme is in the process of assessing the impact of these Standards, amendments and interpretations to the published standards on the condensed interim financial statements of the Fund.

## 2.4 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.

## 3 CRITICAL ACCOUNTING ESTIMATE AND JUDGEMENT

The preparation of these condensed interim financial statements in accordance with the accounting and reporting standards as applicable in Pakistan requires the management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, 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 result 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 recognized in the period in which the estimates is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future period.

The areas involving a degree of judgment or complexity, or areas where estimates and assumption are significant to these condensed interim financial statements relate to:

- Impairment of financial assets (note 4.1.3)
- Provisions (note 4.4)

## 4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

FOR THE PERIOD FROM DECEMBER 15, 2023 TO DECEMBER 31, 2023

## 4.1 Financial assets

### 4.1.1 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.

### 4.1.2 Classification and subsequent measurement

#### 4.1.2.1 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.

#### 4.1.2.2 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.

### 4.1.3 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 forecasts of future economic conditions.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVPL :

#### 4.1.4 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 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.



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

FOR THE PERIOD FROM DECEMBER 15, 2023 TO DECEMBER 31, 2023

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.

## 4.1.5 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.

## 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. Any gain or loss arising on derecognition of financial assets is taken to the Income Statement.

## 4.2 Financial liabilities

### 4.2.1 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.

#### 4.2.1.2 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.

## 4.3 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

## 4.4 Provisions

Provisions are recognised when the Scheme 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.

## 4.5 Taxation

The income of the Scheme is exempt from income tax under Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001.

The Scheme 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.

## 4.6 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.





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

FOR THE PERIOD FROM DECEMBER 15, 2023 TO DECEMBER 31, 2023

- Realised gains / (losses) arising on sale of investments are included in Income Statement and are recognised when transaction
- 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.

## 4.7 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.

## 4.8 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 Manager 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

### Net asset value (NAV) per unit

- 4.9 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.

## 4.10 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.

## 4.11 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.

## 4.12 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.

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

FOR THE PERIOD FROM DECEMBER 15, 2023 TO DECEMBER 31, 2023

			December 31, 2023 Un-audited				
			Equity Sub-fund	Equity Index Sub-fund	Debt Sub-fund	Money Market Sub-fund	Total
			------(Rupees)-----				
<b>5</b>	<b>BALANCES WITH BANKS</b>	<b>Note</b>					
	Balance with banks in savings accounts	5.1	-	-	-	31,202,101	31,202,101

5.1 This carries a profit rate of 18.5% per annum.

			December 31, 2023 Un-audited				
			Equity Sub-fund	Equity Index Sub-fund	Debt Sub-fund	Money Market Sub-fund	Total
			------(Rupees)-----				
<b>6</b>	<b>DEFERRED FORMATION COST</b>						
	Preliminary Expenses and formation costs		-	-	-	134,836	134,836
	Less: amortization during the period		-	-	-	-	-
			-	-	-	134,836	134,836

## 7 PAYABLE TO JS INVESTMENTS LIMITED - PENSION FUND MANAGER

			December 31, 2023 Un-audited				
			Equity Sub-fund	Equity Index Sub-fund	Debt Sub-fund	Money Market Sub-fund	Total
			------(Rupees)-----				
		<b>Notes</b>					
	Payable Against defferd formation cost	7.1	-	-	-	134,836	134,836
	Payable Against Account opening		-	-	-	10,000	10,000
			-	-	-	144,836	144,836

7.1 This includes amount payable to pension fund manager against deferred formation cost.

7.2 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, selling and marketing fee and accounting and operational fee up to rate as decided by the Pension Fund Manager within the limits of total expense ratio of the average daily net assets of each of the Sub-Funds. During the period, no fee were charged from the Sub-Funds.

			December 31, 2023 Un-audited				
			Equity Sub-fund	Equity Index Sub-fund	Debt Sub-fund	Money Market Sub-fund	Total
			------(Rupees)-----				
<b>8</b>	<b>PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE</b>	<b>Note</b>					
	Trustee fee payable	8.1	-	-	-	2,183	2,183
	Sindh Sales Tax on remuneration of the Trustee	8.2	-	-	-	284	284
			-	-	-	2,467	2,467

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

FOR THE PERIOD FROM DECEMBER 15, 2023 TO DECEMBER 31, 2023

**8.1** The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the trust deed at the rate of 0.15% per annum of net assets of the Fund.

**8.2** The Sindh Provincial Government levied Sindh Sales Tax at the rate of 13% on the remuneration of the Trustee through Sindh Sales Tax on Services Act, 2011.

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

December 31, 2023 Un-audited				
Equity Sub-fund	Equity Index Sub-fund	Debt Sub-fund	Money Market Sub-fund	Total
----- (Rupees) -----				
-	-	-	582	582

**9.1** 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 0.075% per annum of average annual net assets of the Fund.

## 10 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2023.

## 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 of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

## 12 EARNINGS PER UNIT

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

## 13 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Money market Sub-fund is 0.20% including government levies of 0.03% on the Sub-Funds such as Sales Taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 0.75% (excluding insurance charges and government levies) and the maximum insurance charges is 0.25% of Money Market Sub-Fund as prescribed under the pension scheme. There are no transactions and balances in the other Sub Funds of the Fund.

## 14 NUMBER OF UNITS IN ISSUE

December 31, 2023 Un-audited				
Equity Sub-fund	Equity Index Sub-fund	Debt Sub-fund	Money Market Sub-fund	Total
----- (Rupees) -----				
Units issued during the year	-	-	311,944	311,944
Total units in issue at the end of the year	-	-	311,944	311,944

## 15 CONTRIBUTION TABLE

Equity Sub fund		Equity Index Sub fund		Debt Sub fund		Money Market Sub fund		Total
Units	Rupees	Units	Rupees	Units	Rupees	Units	Rupees	Rupees

From:

Individuals/ corporates      -      -      -      -      -      -      311,944      31,194,361      31,194,361

FOR THE PERIOD FROM DECEMBER 15, 2023 TO DECEMBER 31, 2023

**16.1** Related parties / connected persons include JS Investments Limited (JSIL) being the Management Company of the Fund, 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 71.20% shares of JS Bank Ltd.) being the Holding Company of JSBL, Bank Islami Pakistan Limited (BIPL) (75.12% shares held by JS Bank) being the fellow subsidiary 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 December 31, 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:

**16.3** Remuneration 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.

**Transactions during the period:**

Remuneration of the Trustee

Sindh sales tax on remuneration of the Trustee

December 31, 2023 Un-audited				
Equity Sub-fund	Equity Index Sub-fund	Debt Sub-fund	Money Market Sub-fund	Total
----- (Rupees) -----				

**Balances outstanding as at period end:**

Payable against deferred formations cost	-	-	-	<b>134,837</b>	<b>134,837</b>
Payable against bank account opening	-	-	-	<b>10.000</b>	<b>10.000</b>

Trustee fee payable	-	-	-	2,183	2,183
Sindh Sales Tax on remuneration of the Trustee	-	-	-	284	284



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

FOR THE PERIOD FROM DECEMBER 15, 2023 TO DECEMBER 31, 2023

## 17 FINANCIAL INSTRUMENTS BY CATEGORY

### Financial assets

Balances with banks

Profit and other receivables

### Financial liabilities

Payable to Central Depository Company of

Pakistan Limited - Trustee

Payable to the Securities and Exchange

Commission of Pakistan

December 31, 2023 Un-audited				
Equity Sub-fund	Equity Index Sub-fund	Debt Sub-fund	Money Market Sub-fund	Total
(Rupees)				
-	-	-	31,202,101	31,202,101
-	-	-	266,118	266,118
-	-	-	31,468,219	31,468,219
-	-	-	2,467	2,467
-	-	-	582	582
-	-	-	3,049	3,049

## 18 FINANCIAL INSTRUMENTS BY CATEGORY

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.

### 18.1 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.

#### 18.1.1 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.

#### 18.1.2 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 December 31, 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.

December 31, 2023 Un-audited				
Equity Sub-fund	Equity Index Sub-fund	Debt Sub-fund	Money Market Sub-fund	Total
(Rupees)				
-	-	-	31,202,101	31,202,101

### Variable rate instruments (financial assets)

Balances with banks

-	-	-	31,202,101	31,202,101
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# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE PERIOD FROM DECEMBER 15, 2023 TO DECEMBER 31, 2023

## 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:

	December 31, 2023 Un-audited				
	Equity Sub-fund	Equity Index Sub-fund	Debt Sub-fund	Money Market Sub-fund	Total
<b>Change in basis points</b>	------(Rupees)-----				
Increase in 100 basis points	-	-	-	312,021	312,021
Decrease in 100 basis point	-	-	-	(312,021)	(312,021)

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 December 31, 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 KPK Islamic Pension Fund - Money Market Sub Fund (the Money Market Sub Fund).

Particulars	December 31, 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	18.5	31,202,101	31,202,101	-	-	-
Profit and other receivables		266,118	266,118	-	-	-
		31,468,219	31,468,219	-	-	-

### Financial liabilities

Payable to JS Investment Limited		144,836	-	-	-	-
Pension Fund Manager						
Payable to Central Depository Company of Pakistan Limited - Trustee		2,467	-	-	-	2,467
Payable to the Securities and Exchange Commission of Pakistan		582	-	-	-	582
		147,885	-	-	-	3,049

<b>On-balance sheet gap (a)</b>		31,320,334	31,468,219	-	-	(3,049)
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## Off-balance sheet financial instruments

<b>Off-balance sheet gap (b)</b>		-	-	-	-	-
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<b>Total interest rate sensitivity gap (a+b)</b>		31,320,334	31,468,219	-	-	(3,049)
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<b>Cumulative interest rate sensitivity gap</b>			31,468,219	-	-	
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# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE PERIOD FROM DECEMBER 15, 2023 TO DECEMBER 31, 2023

There are no financial assets in the remaining sub funds of the Fund.

## 18.1.3 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 Sub Funds are not exposed to any price risk.

## 18.2 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

### 18.2.1 The Sub Funds' maximum exposure to credit risk are as follows

December 31, 2023 Un-audited				
Equity Sub-fund	Equity Index Sub-fund	Debt Sub-fund	Money Market Sub-fund	Total
------(Rupees)-----				
Balances with banks	-	-	31,202,101	31,202,101
Profit and other receivables	-	-	266,118	266,118
	-	-	31,468,219	31,468,219

### 18.2.2 The analysis below summaries the available published credit ratings of the Fund's financial assets as at December 31, 2023:

#### JS KPK Islamic Pension Fund - Money Market Sub Fund (the Money Market Sub Fund).

Name Of The Bank	Rating agency	Latest available published rating	Percentage
Dubai Islamic Bank	PACRA	AA	100%

### 18.2.3 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 risks

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

FOR THE PERIOD FROM DECEMBER 15, 2023 TO DECEMBER 31, 2023

## 18.3 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 redemption 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 up to 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, liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month.

### JS KPK Islamic Pension Fund - Money Market Sub Fund (the Money Market Sub Fund).

Particulars	December 31, 2023			
	Total	Upto three months	Over three months and upto one year	Over one year
----- Rupees -----				
<b>Financial Liabilities</b>				
Payable to JS Investment Limited	144,836	144,836	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	2,467	2,467	-	-
Payable to the Securities and Exchange Commission of Pakistan	582	582	-	-
	<b>147,885</b>	<b>147,885</b>	-	-

There are no financial liabilities in the remaining sub funds of the Fund.

## 19 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 at the reporting 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 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:



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

FOR THE PERIOD FROM DECEMBER 15, 2023 TO DECEMBER 31, 2023

'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).

The Fund has not disclosed the fair value of the financial assets and liabilities as their fair values are approximately equal to their carrying value.

## 20 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.

## 21 GENERAL

Figures have been rounded off to the nearest rupee.

## 22 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on February 20, 2024.



Chief Financial Officer



Chief Executive Officer



Director





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