



HALF YEARLY REPORT

DECEMBER 31, 2023

JS ISLAMIC DEDICATED EQUITY FUND



CONTENTS

Vision	03
Mission	04
Company Information	05
Directors' Report to the Unit Holders	06
Trustee Report to the Unit Holders	08
Independent Auditor's Review Report to the Unit Holders	09
CONDENSED INTERIM FINANCIAL STATEMENTS	10
Condensed Interim Statement of Assets and Liabilities	11
Condensed Interim Income Statement	12
Condensed Interim Statement of Comprehensive Income	13
Condensed Interim Statement of Cash Flows	14
Condensed Interim Statement of Movement in Unit Holders' Fund	15
Notes to the Condensed Interim Financial Statements	16

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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

A.F Ferguson & Co., 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

Al – Hilal Shariah Advisors (Pvt) Limited

DIRECTORS' REPORT TO THE UNIT HOLDERS

The Board of Directors of JS Investments Limited has the pleasure in presenting to you the un-audited Financial Statements of **JS Islamic Dedicated Equity Fund** (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.

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.

Review of Fund Performance

The Fund return was -3.73 % for the half year ended December 31, 2023, against the benchmark return of 48.03 %. Net Assets moved from PKR 6.29 million (June 30, 2023) to PKR 6.59 million as of December 31, 2023. The total expense ratio (TER) of the Fund is 4.40%, which includes 0.82% of government levies on the Fund.

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 Management Company for their dedication and hard work and the unit holders 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
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

JS ISLAMIC DEDICATED EQUITY FUND

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

We, Central Depository Company of Pakistan Limited, being the Trustee of JS Islamic Dedicated Equity Fund (the Fund) are of the opinion that JS Investments Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2023 in accordance with the provisions of the following:

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

We would like to highlight that the Fund has been revoked with effect from January 03, 2024 as in the opinion of Management Company the Fund was no longer commercially viable.



Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, February 29, 2024

AUDITOR REPORT TO THE UNIT HOLDERS



A.F. FERGUSON & CO.

REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS TO THE UNIT HOLDERS

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **JS Islamic Dedicated Equity 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 unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial statements'), for the half year ended December 31, 2023. The Management Company (JS Investments Limited) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting 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. The figures included in the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2023 and December 31, 2022 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2023.

Scope of Review

We conducted our review in accordance with the 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 are not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Emphasis of Matter

We draw attention to note 2 of the condensed interim financial statements, which states that the Management Company has written a letter to the Trustee for the revocation of the Fund which is pending. As stated in note 2, this event or condition, indicates that a material uncertainty exists which cast significant doubt on the Fund's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

A.F. Ferguson & Co.

A.F. Ferguson & Co.
Chartered Accountants

Engagement Partner: **Noman Abbas Sheikh**

Dated: February 29, 2024

Karachi

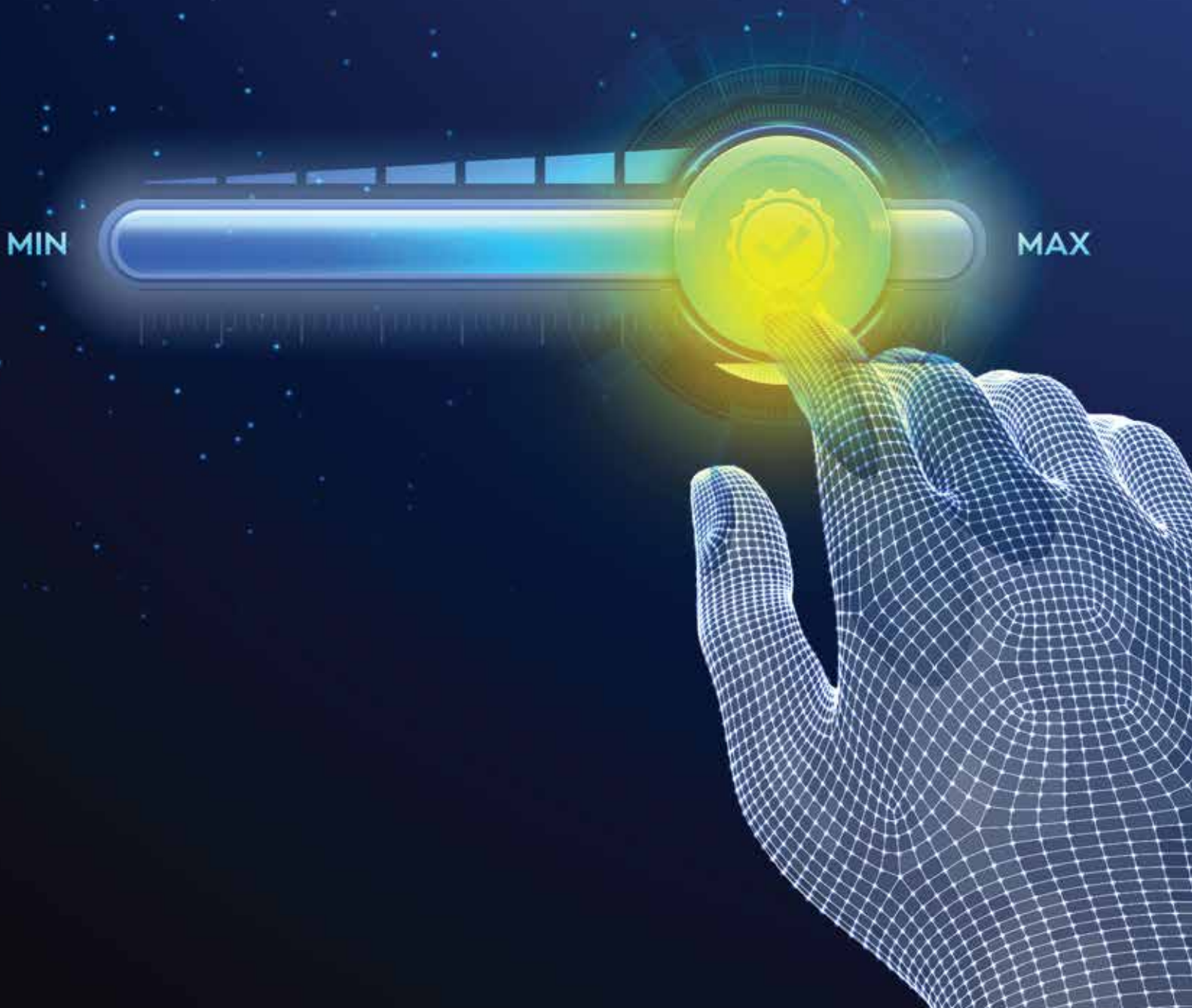
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CONDENSED INTERIM FINANCIAL STATEMENTS



CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

AS AT DECEMBER 31, 2023

	Note	December 31, 2023 (Unaudited)	June 30, 2023 (Audited)
----- Rupees -----			
ASSETS			
Bank balances	6	983,517	1,201,825
Investments	7	-	-
Deposits, prepayments and other receivables	8	6,830,400	6,120,206
Total assets		7,813,917	7,322,031
LIABILITIES			
Payable to JS Investments Limited - Management Company	9	203,686	91,376
Payable to Central Depository Company of Pakistan Limited - Trustee	10	4,965	1,673
Payable to the Securities and Exchange Commission of Pakistan (SECP)	11	1,850	8,826
Accrued expenses and other liabilities	12	1,012,822	932,357
Total liabilities		1,223,323	1,034,232
NET ASSETS		6,590,594	6,287,799
Unit holders' funds (as per statement attached)		6,590,594	6,287,799
Contingencies and commitments	14		
----- Number of units -----			
NUMBER OF UNITS IN ISSUE		143,645	131,926
----- Rupees -----			
NET ASSET VALUE PER UNIT		45.88	47.66

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



Chief Financial Officer



Chief Executive Officer



Director



FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2023

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 HALF YEAR AND QUARTER ENDED DECEMBER 31, 2023

	Half year ended December 31,		Quarter ended December 31,	
	2023	2022	2023	2022
	----- Rupees -----			
Net income / (loss) for the period after taxation	335,777	(3,141,333)	404,949	203,591
Other comprehensive income for the period	-	-	-	-
Total comprehensive income / (loss) for the period	335,777	(3,141,333)	404,949	203,591

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 FLOWS STATEMENT (UN-AUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2023

		Half year ended December 31,	
		2023	2022
Note		Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit / (loss) for the period before taxation		335,777	(3,141,333)
Adjustments for:			
Loss on sale of investments - net		-	1,800,182
Net unrealised diminution in fair value of investments classified as financial assets 'at fair value through profit or loss'		-	6,474,861
Deferred formation costs		-	29,838
		335,777	5,163,548
(Increase) / decrease in assets			
Investments - net		-	84,394,043
Deposits, prepayments and other receivables		(710,194)	1,736,468
		(710,194)	86,130,511
Increase / (decrease) in liabilities			
Payable to JS Investments Limited - Management Company		112,310	(2,541,377)
Payable to Central Depository Company of Pakistan Limited - Trustee		3,292	(21,314)
Payable to the Securities and Exchange Commission of Pakistan (SECP)		(6,976)	(26,180)
Accrued expenses and other liabilities		80,465	384,839
		189,091	(2,204,032)
Net cash (used in) / generated from operating activities		(185,326)	89,090,027
CASH FLOWS FROM FINANCING ACTIVITIES			
Amount received from issuance of units		180,000,000	282,734,292
Amount paid on redemption of units		(180,032,982)	(402,646,034)
Net cash (used in) from financing activities		(32,982)	(119,911,742)
Decrease in cash and cash equivalents during the period		(218,308)	(30,821,715)
Cash and cash equivalents at beginning of the period		1,201,825	34,701,934
Cash and cash equivalents at end of the period		983,517	3,880,219

16

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 IN UNIT HOLDERS' FUND (UN-AUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2023

	Half year ended December 31, 2023			Half year ended December 31, 2022		
	Capital value	Accumulated loss	Total	Capital value	Accumulated loss	Total
	----- Rupees -----					
Net assets at beginning of the period (audited)	971,911,311	(965,623,512)	6,287,799	1,107,264,923	(961,357,468)	145,907,455
Issuance of 3,936,147 units (2022: 5,105,251 units)						
- Capital value (at net asset value per unit at the beginning of the period)	187,596,764	-	187,596,764	301,841,418	-	301,841,418
- Element of loss	(7,596,764)	-	(7,596,764)	(19,107,126)	-	(19,107,126)
Total proceeds on issuance of units	180,000,000	-	180,000,000	282,734,292	-	282,734,292
Redemption of 3,924,428 units (2022: 7,132,903 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(187,038,252)	-	(187,038,252)	(421,723,728)	-	(421,723,728)
- Element of income	7,005,270	-	7,005,270	19,077,694	-	19,077,694
Total payments on redemption of units	(180,032,982)	-	(180,032,982)	(402,646,034)	-	(402,646,034)
Total comprehensive income / (loss) for the period	-	335,777	335,777	-	(3,141,333)	(3,141,333)
Net assets at end of the period (unaudited)	971,878,329	(965,287,735)	6,590,594	987,353,181	(964,498,801)	22,854,380
Accumulated loss brought forward comprising of:						
- Realised loss		(949,784,026)			(945,517,982)	
- Unrealised loss		(15,839,486)			(15,839,486)	
Undistributed income brought forward		(965,623,512)			(961,357,468)	
Accounting income available for distribution						
- Relating to capital gains		-			-	
- Excluding capital gains		335,777			(3,141,333)	
		335,777			(3,141,333)	
Accumulated loss carried forward		(965,287,735)			(964,498,801)	
Accumulated loss carried forward comprising of:						
- Realised loss at the end of the period		(965,287,735)			(958,023,940)	
- Unrealised loss at the end of period		-			(6,474,861)	
		(965,287,735)			(964,498,801)	
		(Rupees)			(Rupees)	
Net asset value per unit at beginning of the period		47.66			59.12	
Net asset value per unit at end of the period		45.88			51.92	

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 HALF YEAR ENDED DECEMBER 31, 2023

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 JS Islamic Dedicated Equity Fund ("the Fund") was established under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) as an open-end unit trust scheme. The Fund is governed under Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations). JS Investments Limited is the Management Company of the Fund, and Central Depository Company of Pakistan Limited is the Trustee. The Trust Deed was executed on January 25, 2018 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on January 16, 2018.

During the year ended June 30, 2021, The Trust Act, 1882 has been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on August 20, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

- 1.2 Being an Islamic Fund, all the activities of the Fund are undertaken in accordance with the Islamic Shariah rules and principles. The Management Company has appointed a Shariah Supervisory Council whose advice is followed to ensure that activities of the Fund are in compliance with Shariah.
- 1.3 The Fund is an open end mutual fund categorised as "Equity Scheme" and has obtained listing on Pakistan Stock Exchange. The objective of JS Islamic Dedicated Equity Fund is to provide other 'Fund of Funds' schemes a Shariah Compliant avenue for taking exposure in Shariah Complaint Equities. Only other Fund of Funds' schemes may submit applications for the purchase of units of the JS Islamic Dedicated Equity Fund. The Fund is not actively selling its units to retail or institutional investors. The Fund is required to maintain at least 70% of its net assets invested in listed equity securities.
- 1.4 The Management Company of the Fund has been licensed by the SECP to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 through a certificate of registration issued by the Securities and Exchange Commission of Pakistan (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.
- 1.5 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.
- 1.6 Title to the assets of the Fund is held in the name of Central Depository Company Limited as 'Trustee' of the Fund.

2. GOING CONCERN

Subsequent to the period ended December 31, 2023, the Management Company through its letter JSIL/CDC/2024/1789 dated January 3, 2024 has requested the Central Depository Company of Pakistan Limited - Trustee to revoke the Fund pursuant to the Sub Regulation (d) of Regulation 45A of the NBFC & Notified Entities Regulations, 2008 read with clause 10.4 (iii) of the offering document of the Fund. However, the Management Company is awaiting the response from the Trustee. Therefore, the Fund is no longer a going concern as at December 31, 2023. The Management has continued to measure the Fund's assets and liabilities principally in accordance with the summary of significant accounting policies as disclosed in note 3 to the annual audited financial statements of the Fund for the year ended June 30, 2023. However, in preparing these condensed interim financial statements, the management has given due consideration to the fact that the measurement of assets and liabilities of the Fund may be affected by changes in judgements that can arise when the going concern assumption ceases to be valid.

3. BASIS OF PRESENTATION

The transactions undertaken by the Fund are in accordance with the process prescribed under the Shariah guidelines issued by the Shariah Advisor and are accounted for on substance rather than the form prescribed by the earlier referred guidelines. This practice is being followed to comply with the requirements of the accounting and reporting standards as applicable in Pakistan.

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

FOR THE HALF YEAR ENDED DECEMBER 31, 2023

4 BASIS OF PREPARATION

4.1 Statement of compliance

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017, along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

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.

The disclosures made in these condensed interim financial statements are limited, based on the requirements of IAS 34 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2023.

- 4.2 These condensed interim financial statements are unaudited. However, a limited scope review has been performed by the statutory auditors. In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at December 31, 2023.

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES, JUDGMENTS AND RISK MANAGEMENT POLICIES

- 5.1 The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2023.

- 5.2 The preparation of these condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires the management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing these condensed interim financial statements, the significant judgments made by the management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2023. The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the year ended June 30, 2023.

- 5.3 **Standards, interpretations and amendments to the published accounting and reporting standards that are effective in the current period**

There are certain amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2023. However, these are considered either not to be relevant or do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.



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

FOR THE HALF YEAR ENDED DECEMBER 31, 2023

5.4 Standards, interpretations and amendments to the published accounting and reporting standards 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 period beginning on July 1, 2024. However, these will not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

	Note	December 31, 2023 (Un-audited)	30 June 2023 (Audited)
------(Rupees)-----			
6 BANK BALANCES			
- In savings accounts	6.1	319,125	715,250
- In current account		664,392	486,575
		<u>983,517</u>	<u>1,201,825</u>

6.1 These include a balance of Rs. 16,289 (June 30, 2023: Rs. 80,800) with BankIslami Pakistan Limited (a related party) and carries profit at the rate of 19.00% (June 30, 2023: 19.75%) per annum. Other PLS accounts of the Fund carry profit at the rates ranging between 18.00% to 18.50% (June 30, 2023: 14.00% to 19.60%) per annum. Above balances are held with the Islamic Banks / Islamic window operations of the conventional Banks.

7 INVESTMENTS

The Fund does not have any investments as at December 31, 2023 and June 30, 2023. There was no movement in the investments during the period.

	Note	December 31, 2023 (Un-audited)	30 June 2023 (Audited)
------(Rupees)-----			
8 DEPOSITS, PREPAYMENT AND OTHER RECEIVABLES			
Accrued profit on savings accounts		704,633	9,814
Advance tax		5,010,392	5,010,392
Security deposit with Central Depository Company of Pakistan Limited		100,000	100,000
Security deposit with National Clearing Company of Pakistan Limited		1,000,000	1,000,000
Prepaid listing fee		15,375	-
		<u>6,830,400</u>	<u>6,120,206</u>
9 PAYABLE TO JS INVESTMENTS LIMITED - MANAGEMENT COMPANY - RELATED PARTY			
Remuneration payable to the Management Company	9.1	38,941	10,384
Sindh sales tax payable on remuneration payable to the Management Company	9.2	5,062	1,350
Accounting and operational charges payable	9.3	1,947	519
Printing and stationery charges payable		155,990	78,741
Shariah advisory fee payable		1,746	382
		<u>203,686</u>	<u>91,376</u>

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

FOR THE HALF YEAR ENDED DECEMBER 31, 2023

9.1 As per Regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to amount not exceeding the maximum rate of management fee as disclosed in the offering document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 2% (December 31, 2022: 2%) per annum of the average annual net assets of the Fund during the half year ended December 31, 2023. The remuneration is payable to the Management Company in arrears.

9.2 The Provincial Government of Sindh has levied Sindh Sales Tax at the rate of 13% (December 31, 2022: 13%) on the remuneration of the Management Company under the Sindh Sales Tax on Services Act, 2011.

9.3 In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

Accordingly, the Management Company has charged allocated expenses to the Fund at the rate of 0.1% (December 31, 2023) on the average net assets of the Fund based on its discretion subject to not being higher than actual expense incurred.

10	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note	December 31, 2023 (Un-audited)	30 June 2023 (Audited)
			----- (Rupees) -----	
	Remuneration payable to the Trustee	10.1	3,894	1,038
	Sindh sales tax payable on remuneration of the Trustee	10.2	506	135
	Custodian charges payable		565	500
			<u>4,965</u>	<u>1,673</u>

10.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed. The remuneration was charged at the following rates during the half year ended December 31, 2023:

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

10.2 The Provincial Government of Sindh has levied Sindh Sales Tax at the rate of 13% (December 31, 2022: 13%) on the remuneration of Trustee through the Sindh Sales Tax on Services Act, 2011.

11 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

11.1 In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay non-refundable fee to the Securities and Exchange Commission of Pakistan (SECP).

Effective from July 1, 2023, the SECP vide SRO No. 592(I)/2023 dated May 17, 2023, revised the rate of annual fee to 0.095% of net assets, applicable on 'Equity' scheme. Previously, the rate of fee applicable on all categories of CISs was 0.02% per annum of the daily net assets of the Fund. Accordingly, the Fund has charged SECP Fee at the rate of 0.095% (December 31, 2022: 0.095%) of net assets during the period ended December 31, 2023.

Further, the Fund is required to pay the SECP fee within fifteen days of the close of every calendar month. Previously, the Fund was required to pay the SECP fee within three months of the close of accounting year.

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

FOR THE HALF YEAR ENDED DECEMBER 31, 2023

	Note	December 31, 2023 (Un-audited)	30 June 2023 (Audited)
12 ACCRUED EXPENSES AND OTHER LIABILITIES		------(Rupees)-----	
Charity payable	12.1	464,392	588,306
Auditors' remuneration		520,830	315,900
Other liabilities		27,600	28,151
		<u>1,012,822</u>	<u>932,357</u>

12.1 According to the instructions of Shariah Advisor, income earned by the Fund from investment in non-shariah compliant / prohibited sources should be donated to charitable purposes. During the period, non-shariah compliant income amounting to Rs. 464,392 (December 31, 2022: Rs. 352,579) was charged as charity expense in the books of the Fund.

13 TOTAL EXPENSE RATIO

13.1 The annualised total expense ratio (TER) of the Fund as at December 31, 2023 based on the current period results is 4.40% (December 31, 2022: 4.22%) which includes 0.82% (December 31, 2022: 0.40%) representing government levies on the Fund such as sales taxes, fees to the SECP etc. The maximum ratio limit as prescribed under NBFC Regulation for the collective Investment Scheme categorised as an 'Equity Scheme' is 4.5% which is required to be complied on an annual basis by the Fund.

13.2 During the period, the Management Company has reimbursed the expenses amounting of Rs. 0.18 million (December 31, 2022: Rs. 2.28 million) to comply with the maximum ratio limit of the Fund.

14 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2023 and June 30, 2023.

15 TAXATION

The income of the Fund is exempt from 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 percent 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 NBFC Regulations, the Fund is required to distribute not less than 90 percent of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the management intends to distribute the required minimum percentage of income earned by the Fund for the year ending June 30, 2024 to the unit holders in the manner as explained above, 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.

	Note	December 31, 2023 (Un-audited)	December 31, 2022 (Un-audited)
16 CASH AND CASH EQUIVALENTS		------(Rupees)-----	
Bank balances	6	<u>983,517</u>	<u>3,880,219</u>

17 EARNINGS / (LOSS) PER UNIT

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

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

FOR THE HALF YEAR ENDED DECEMBER 31, 2023

18 TRANSACTIONS WITH CONNECTED PERSONS / OTHER RELATED PARTIES

Related party / connected person include JS Investments Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, Jahangir Siddiqui & Co. Limited (holding 71.20% shares of JS Bank Limited) being the holding company of JS Bank Limited (JSBL - which is the holding company of the Management Company - holding 84.56% shares of JS Investments Limited), BankIslami Pakistan Limited (which is a fellow subsidiary of JSBL - 75.12% shares held by JS Bank Limited), JS Global Capital Limited (which is a fellow subsidiary of JSBL - 92.90% shares held by JS Bank Limited) and other associated companies of the Management Company and its subsidiaries, Key Management Personnel of the Management Company and other funds being managed by the Management Company and includes entities holding 10% or more in the units of the Fund as at December 31, 2023. It also includes the staff retirement benefits of the above related parties / connected persons.

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, other charges, sale and purchase of investments and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

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

Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the Trust Deed.

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

18.1 Details of transactions with related parties / connected persons during the year

	December 31, 2023 (Un-audited)	December 31, 2022 (Un-audited)
	------(Rupees)-----	
JS Investments Limited - Management Company		
Remuneration of the Management Company	90,394	801,909
Sindh Sales Tax on remuneration to the Management Company	11,751	104,258
Accounting and operating expenses	4,520	40,094
Shariah advisory fee	2,730	38,951
Formation cost	-	29,838
Printing and stationery charges	77,249	34,035
Expense adjustment against TER	182,818	-
Central Depository Company of Pakistan Limited - Trustee		
Remuneration to the Trustee	8,928	80,181
Sindh Sales Tax on remuneration of the Trustee	1,161	10,424
Settlement charges	3,455	7,065
BankIslami Pakistan Limited (Fellow subsidiary of JSBL)		
Accrued profit on savings accounts	5,216	29,956
JS Global Capital Limited (Fellow subsidiary of JSBL)		
Brokerage expense	-	17,756
JS Islamic Hybrid Fund of Funds - Mutanasib (Fund Under JSIL Management)		
Issuance of: Nil (2022: 2,610) units	-	150,000
Redemption of: Nil (2022: 107,445) units	-	6,275,000

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

FOR THE HALF YEAR ENDED DECEMBER 31, 2023

	December 31, 2023 (Un-audited)	December 31, 2022 (Un-audited)
	------(Rupees)-----	
JS Fund of Funds		
(Fund Under JSIL Management)		
Issuance of: 3,936,147 (2022: 5,102,642) units	180,000,000	282,584,292
Redemption of: 3,792,502 (2022: 5,747,843) units	174,000,000	321,871,033
JS Islamic Hybrid Fund of Funds 3 - JSICPAP 6		
(Fund Under JSIL Management)		
Redemption of: Nil (2022: 288,114) units	-	16,800,000
JS Islamic Hybrid Fund of Funds 3 - JSICPAP 7		
(Fund Under JSIL Management)		
Redemption of: Nil (2022: 214,359) units	-	12,500,000
JS Islamic Hybrid Fund of Funds - JSICPAP 8		
(Fund Under JSIL Management)		
Redemption of: 131,926 (2022: 775,143) units	6,032,980	45,200,000
18.2 Details of balances with connected persons / related parties as at period / year end		
	December 31, 2023 (Un-audited)	30 June 2023 (Audited)
	------(Rupees)-----	
JS Investments Limited - Management Company		
Remuneration payable to the Management Company	38,941	10,384
Sindh Sales Tax payable on the Management Company's remuneration	5,062	1,350
Accounting and operational charges payable	1,947	519
Printing and stationery charges payable	155,990	78,741
Shariah advisory fee payable	1,746	382
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable to the Trustee	3,894	1,038
Sindh Sales Tax payable on Trustee remuneration	506	135
Securities transactions cost	565	500
Security deposit	100,000	100,000
BankIslami Pakistan Limited		
(Fellow subsidiary of JSBL)		
Bank balance	16,289	80,800
Profit receivable	263	419
JS Fund of Funds		
(Fund Under JSIL Management)		
143,645 (June 30, 2023: Nil) units held	6,590,433	-
JS Islamic Hybrid Fund of Funds - JSICPAP 8		
(Fund Under JSIL Management)		
Nil (June 30, 2023: 131,926) units held	-	6,287,799

18.3 The transactions with related parties / connected persons are in the normal course of business at contracted rates and terms, determined in accordance with market rates.

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

FOR THE HALF YEAR ENDED DECEMBER 31, 2023

19 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

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

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

19.1 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 reporting date, the Fund does not have any financial assets carried at fair value that required categorization in level 1, level 2 and level 3.

20 FUND MANAGEMENT

The Fund's objectives when managing capital are to safeguard the Fund's ability to continue as a going concern in order to provide return for unit holders. Subsequent to the period ended December 31, 2023, the Management Company through its letter JSIL/CDC/2024/1789 dated January 3, 2024 has requested Central Depository Company of Pakistan Limited - Trustee to revoke the Fund. However, the Management Company is awaiting the response from the Trustee. Therefore, the Fund is not considered as a going concern as at December 31, 2023.

21 GENERAL

21.1 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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