



HALF YEARLY REPORT  
DECEMBER 31, 2023

JS ISLAMIC PREMIUM 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
<b>CONDENSED INTERIM FINANCIAL STATEMENTS</b>	<b>10</b>
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



# NOISIV

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





# MISSION

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



# 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

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

## Shariah Advisors

AI – Hilal Shariah Advisors (Pvt) Limited

# DIRECTORS' REPORT TO THE UNIT HOLDERS

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

## 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.

## Review of Fund Performance

The Fund's annualized return was 19.89% for the half year ended December 31, 2023, against benchmark return of 10.91%. Net Assets of the fund are PKR 480.96 million as at December 31, 2023. The total expense ratio (TER) of the Fund is 1.09% which includes 0.16% of government levies on the Fund.

## Dividend

The Fund paid an interim dividend of Rs 1.05 per unit for the half year ended 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. Further, Stability Rating of A(f) with a 'stable outlook' has been assigned to the Fund.

### Acknowledgment

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



**Director**

February 20, 2024  
Karachi



**Chief Executive Officer**  
Iffat Zehra Mankani

# TRUSTEE REPORT TO THE UNIT HOLDERS



## REPORT OF THE TRUSTEE TO THE UNIT HOLDERS JS ISLAMIC PREMIUM FUND

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

JS Islamic Premium Fund, an open-end scheme established under a trust deed executed between JS Investments Limited as the Management Company and Digital Custodian Company Limited as the Trustee. The Trust Deed was approved by the Securities and Exchange Commission of Pakistan on February 08, 2023 whereas the date of execution of the Trust Deed was May 29, 2023.

1. JS Investments Limited, the Management Company of JS Islamic Premium Fund has, in all material respects, managed JS Islamic Premium Fund during the period ended December 31<sup>st</sup>, 2023 in accordance with the provisions of the following:
  - (i) Investment limitations imposed on the Asset Management Company and the Trustee under the trust deed and other applicable laws;
  - (ii) the valuation or pricing is carried out in accordance with the deed and any regulatory requirement;
  - (iii) the creation and cancellation of units are carried out in accordance with the deed;
  - (iv) and any regulatory requirement.
2. Statement on the shortcoming(s) that may have impact on the decision of the existing or the potential unit holders remaining or investing in the Collective Investment Scheme; and

#### **Statement**

No short coming has been addressed during the period ended December 31<sup>st</sup>, 2023.

3. Disclosure of the steps taken to address the shortcoming(s) or to prevent the recurrence of the short coming(s).

#### **Disclosure of the steps**

We have critically examine the fund in accordance with circular, directives, NBFC Regulations 2008 and its constitutive documents. However, no shortcoming has been addressed.

4. Trustee's opinion regarding the calculation of the management fee, CIS Monthly Fee Payable to the Commission and other expenses in accordance with the applicable regulatory framework.

#### **Trustee Opinion**

"The Management fee, CIS monthly fee payable to the Commission and other expenses <sup>DKH</sup> has been accurately calculated in accordance with the NBFC Regulations, 2008 and its constitutive documents".



Dabeer Khan  
Manager Compliance

Digital Custodian Company Limited

Karachi: February 26, 2024

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Old Queens Road

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# AUDITOR REPORT TO THE UNIT HOLDERS



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

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

**T** +92 21 35672951-56

### Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of JS Islamic Premium 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 and together with the notes forming part thereof (here-in-after referred to as the "condensed interim financial statements") for the period from November 03, 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.

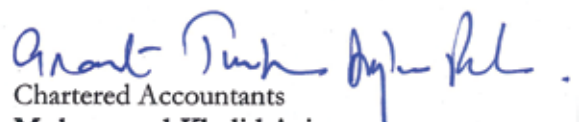
### Scope of Review

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.

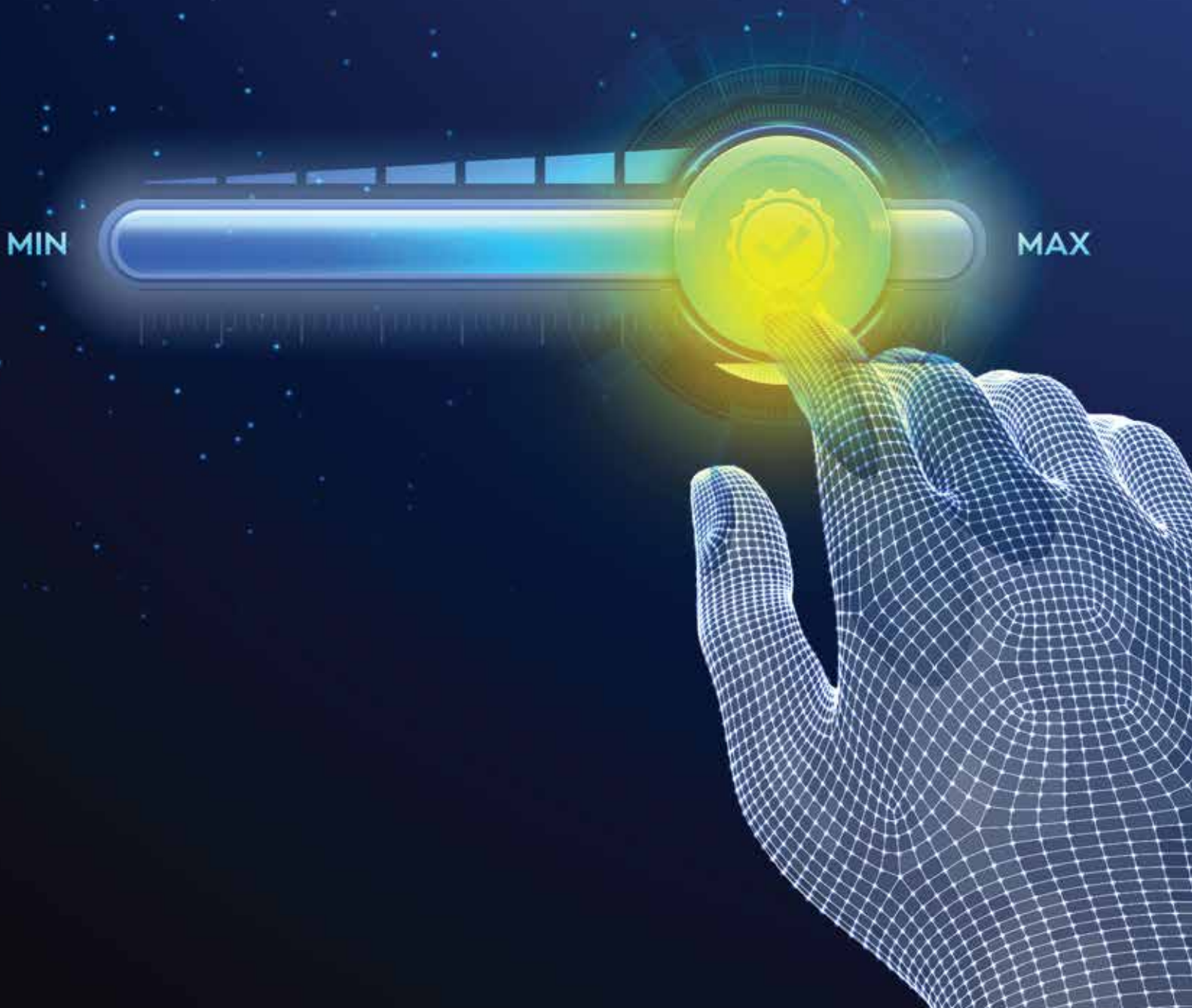
### Conclusion

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: RR20231015469ftCdkK1

  
Chartered Accountants  
**Muhammad Khalid Aziz**  
Engagement Partner

# CONDENSED INTERIM FINANCIAL STATEMENTS



# CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

AS AT DECEMBER 31, 2023

		(Unaudited) December 31, 2023
	Note	----- Rupees -----
<b>Assets</b>		
Bank balances	6	353,359,836
Investments	7	121,971,336
Profit receivable	8	6,817,569
Deferred formation cost		1,052,331
<b>Total assets</b>		<b>483,201,072</b>
<b>Liabilities</b>		
Payable to JS Investments Limited - Management Company	9	1,554,554
Payable to Digital Custodian Company Limited - Trustee	10	34,674
Annual fee payable to Securities and Exchange Commission of Pakistan	11	30,735
Accrued expenses and other liabilities	12	616,031
<b>Total liabilities</b>		<b>2,235,994</b>
<b>Net assets</b>		<b>480,965,078</b>
<b>Unit holders' funds (as per statement attached)</b>		<b>480,965,078</b>
<b>Contingencies and Commitments</b>	13	
		(Number of units)
<b>Number of units in issue</b>		<b>4,711,147</b>
		----- Rupees -----
<b>Net assets value per unit</b>		<b>102.09</b>

The annexed notes from 1 to 20 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 NOVEMBER 03, 2023 TO DECEMBER 31, 2023

	Note	For the period from November 03, 2023 to December 31, 2023
		----- Rupees -----
<b>Income</b>		
Profit income		14,474,589
Net realised gain on sale of investments		1,130,042
Net unrealised gain on investments at fair value through profit or loss		95,576
<b>Total income</b>		<b>15,700,207</b>
<b>Expenses</b>		
Remuneration to JS Investments Limited- Management Company	9.1	605,289
Sindh Sales Tax on Management Company's Remuneration	9.2	78,687
Remuneration of the Digital Custodian Company Limited - Trustee	10.1	55,048
Sindh Sales Tax on remuneration of the Trustee	10.2	7,156
Annual fee to the Securities & Exchange Commission of Pakistan (SECP)	11	55,073
Auditors' remuneration		281,649
Brokerage and settlement charges		27,839
Bank and settlement charges		50
Deferred Formation Cost		26,939
Shariah Advisory Fee		55,163
Printing and stationery		18,950
<b>Total expenses</b>		<b>1,211,843</b>
<b>Net income for the period before taxation</b>		<b>14,488,364</b>
<b>Taxation</b>	14	-
<b>Net income for the period after taxation</b>		<b>14,488,364</b>
<b>Allocation of income for the period:</b>		
Net income for the period after taxation		14,488,364
Income already distributed on units redeemed		(182,445)
		<b>14,305,919</b>
<b>Accounting income available for distribution:</b>		
Relating to capital gain		1,225,618
Excluding capital gain		13,080,301
		<b>14,305,919</b>

The annexed notes from 1 to 20 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 NOVEMBER 03, 2023 TO DECEMBER 31, 2023

For the period  
from November  
03, 2023 to  
December 31, 2023

----- Rupees -----

**Net income for the period after taxation**

14,488,364

Other comprehensive income for the period

-

**Total comprehensive income for the period**

14,488,364

The annexed notes from 1 to 20 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 NOVEMBER 03, 2023 TO DECEMBER 31, 2023

For the period  
from November  
03, 2023 to  
December 31, 2023

----- Rupees -----

## CASH FLOWS FROM OPERATING ACTIVITIES

Net income for the period before taxation

14,488,364

### Adjustments for:

Net unrealised (gain) /loss on investments  
at fair value through profit or loss

(95,576)

Net realised loss / (gain) on sale of investments

(1,130,042)

Deferred Formation Cost

26,939

### Operating loss before working capital changes

(1,198,679)

### (Increase) / decrease in assets

Investments - net

(120,745,718)

Profit receivable

(6,817,569)

Deferred formation cost

(1,079,270)

(128,642,557)

### (Decrease) / increase in liabilities

Payable to JS Investments Limited - Management Company

1,554,554

Payable to Digital Custodian Company Limited - Trustee

34,674

Annual fee payable to Securities and Exchange Commission of Pakistan

30,735

Accrued and other liabilities

616,031

2,235,994

### Net cash used in operating activities

(113,116,878)

## CASH FLOWS FROM FINANCING ACTIVITIES

Amounts received against issue of units

520,802,012

Payment made against redemption of units

(49,735,406)

Dividend paid

(4,589,892)

### Net cash generated from financing activities

466,476,714

### Net increase in cash and cash equivalents

353,359,836

Cash and cash equivalents at beginning of the period

-

### Cash and cash equivalents at end of the period

353,359,836

The annexed notes from 1 to 20 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' (UN-AUDITED)

FOR THE PERIOD FROM NOVEMBER 03, 2023 TO DECEMBER 31, 2023

For the period from November 03, 2023 to December 31, 2023		
Capital Value	Undistributed income	Total
Rupees		
<b>Issuance of units 5,204,466</b>		
Capital value (at net asset value per unit at the beginning of the period)		
520,446,621	-	520,446,621
Element of income		
355,391	-	355,391
<b>Total proceeds on issuance of units</b>		
520,802,012	-	520,802,012
<b>Redemption of units 493,319</b>		
Capital value (at net asset value per unit at the beginning of the period)		
(49,331,918)	-	(49,331,918)
Amount paid out of element of income		
-	(182,445)	(182,445)
Refund / adjustment on units as element of income		
(221,044)	-	(221,044)
(49,552,961)	(182,445)	(49,735,406)
Total comprehensive income for the period		
-	14,488,364	14,488,364
Distribution during the period @1.05 per units		
-	(4,589,892)	(4,589,892)
<b>Net assets at end of the period</b>		
471,249,051	9,716,027	480,965,078
Undistributed income brought forward		
- Realized income		
- Unrealized gain		
	-	
	-	
	-	
<b>Accounting income available for distribution</b>		
- Relating to capital gains		
- Excluding capital gains		
	1,225,618	
	13,080,301	
Net income for the period after taxation		
	14,305,919	
Distribution during the period		
	(4,589,892)	
Undistributed income carried forward		
	9,716,027	
Undistributed income carried forward		
- Realized income		
- Unrealized income		
	9,620,451	
	95,576	
	9,716,027	
		<b>Rupees</b>
Net assets value per unit at beginning of the period		100.00
Net assets value per unit at end of the period		102.09

The annexed notes from 1 to 20 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 NOVEMBER 03, 2023 TO DECEMBER 31, 2023

## 1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** JS Income Fund (the Fund) was established under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations) and was approved as an open-end mutual fund by the Securities and Exchange Commission of Pakistan (SECP). It was constituted under the Trust Deed registered under the Sindh Trust Act, 2020, dated May 29 2023 between JS Investments Limited (a subsidiary company of JS Bank Limited) as the Management Company, a company incorporated under the Companies Act 2017 and Digital Custodian Company Limited (DCCL) as the Trustee.
- 1.2** The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through certificate of registration issued by SECP. The registered office of the Management Company is situated at 19th Floor, the Centre, Saddar, Karachi, Pakistan.
- 1.3** The Fund is income scheme and units of the Fund are listed on the Pakistan Stock Exchange. Units are offered for public subscription on a continuous basis. The units of the Fund can be transferred to / from other funds managed by the Management Company and can also be redeemed by surrendering to the Fund. As per the offering document, the Fund shall invest in a diversified portfolio of Government securities, investment grade term finance certificates (TFCs), rated corporate debts, spread transactions (including spread on equity transactions) and other money market instruments.
- 1.4** Title to the assets of the Fund is held in the name of Digital Custodian Company Limited (DCCL) as a Trustee of the Fund.
- 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. Further, Stability Rating of A(f) with a 'stable outlook' has been assigned to the Fund.
- 1.6** There are no significant events or transactions during the period.
- 1.7** These are the first condensed interim financial statements for the period November 03, 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 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 requirements of the Trust Deed.

- 2.1.1** Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the 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 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.

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

FOR THE PERIOD FROM NOVEMBER 03, 2023 TO DECEMBER 31, 2023

## 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 to the Fund and adopted in the Fund

There are certain new and amended standards, interpretations and amendments that are mandatory for the Fund's accounting periods beginning on or after July 01, 2023 but are considered not to be relevant or do not have any significant effect on the Fund's operations and therefore are not detailed in these condensed interim financial information.

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

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

### 2.5 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 MATERIAL ACCOUNTING POLICIES INFORMATION

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.

### 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.



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

FOR THE PERIOD FROM NOVEMBER 03, 2023 TO DECEMBER 31, 2023

## 4.1.2 Classification and subsequent measurement

### Debt instruments

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

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

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

## 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 forecast of future economic conditions.

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

## 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 Management Company in accordance with the guidelines issued by the SECP. Impairment losses recognised on debt securities can be reversed through the Income Statement.

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

## 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 on derecognition of financial assets is taken to the Income Statement.

## 4.2 Derivatives

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

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

FOR THE PERIOD FROM NOVEMBER 03, 2023 TO DECEMBER 31, 2023

## 4.3 Financial liabilities

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

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

## 4.4 Offsetting of financial assets and financial liabilities

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

## 4.5 Provisions

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

## 4.6 Cash and cash equivalents

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

## 4.7 Taxation

### Current

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

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

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

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

## 4.9 Issue and redemption of units

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

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



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

FOR THE PERIOD FROM NOVEMBER 03, 2023 TO DECEMBER 31, 2023

## 4.10 Distribution to unit holders

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

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

## 4.11 Revenue recognition

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

## 4.12 Expenses

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

## 4.13 Net asset value per unit

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

## 4.14 Earning/(loss) per unit

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

## 5 TOTAL EXPENSE RATIO

The total expense ratio (TER) of the Fund for the period from November 03, 2023 to December 31, 2023 is 1.09% which includes 0.16% representing government levies on the Fund such as sales taxes, Sindh Workers' Welfare Fund, annual fee payable to the SECP, etc. This ratio is within the maximum limit of 2.50% (excluding government levies) prescribed under the NBFC Regulations for a collective investment scheme categorised as an "income" scheme.

		(Unaudited) December 31, 2023
		----- Rupees -----
<b>6</b>	<b>BALANCES WITH BANKS</b>	
	Note	
	6.1	<b>353,359,836</b>
<b>6.1</b>	This represents bank balance with BankIslami Pakistan Limited (a related party) carrying profit at the rate of 19.00% per annum.	
<b>7</b>	<b>INVESTMENTS</b>	
	<i>At fair value through profit or loss</i>	
	Government securities - Pakistan Ijara Sukuks	<b>50,875,000</b>
	<i>At amortised cost</i>	
	Bai Muajjal- Unquoted	<b>71,096,336</b>
		<b>121,971,336</b>



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

FOR THE PERIOD FROM NOVEMBER 03, 2023 TO DECEMBER 31, 2023

						Value as at December 31, 2023				
Note	As at November 03, 2023	Purchased during the period	Sold during the period	As at Decemebr 31, 2023	Carrying value	Market value	Unrealised loss	Market value as a % of net assets	Market value as a % of total investments	
----- (Number of holding) -----					-----Rupees-----			----- %	-----	
7.1 Government securities - Pakistan Ijara Sukuks										
Sukuks - 1 years	5.2.1	-	100	-	100	10,158,742	10,163,000	4,258	2.11	8.33
Sukuks - 5 years	5.2.1	-	2,780	(2,380)	400	40,620,682	40,712,000	91,318	8.46	33.38
						50,779,424	50,875,000	95,576	10.58	41.71

7.1.1 Significant terms and conditions of Pakistan Ijara Sukuks outstanding at the period end are as follows:

## Floating rate Instruments

### Sukuks

	Year	Number of bonds	Face value	Interest rate (Per annum)	Maturity
Pakistan Ijara Sukuk	1 Years	100	10,000,000	22.49%	9-Oct-24
Pakistan Ijara Sukuk	5 Years	300	30,000,000	15.7298%	17-Nov-27

Note					Value as at December 31, 2023				
	As at November 03, 2023	Purchased during the period	Sold during the period	As at Decemebr 31, 2023	Carrying value	Market value	Unrealised loss	Market value as a % of net assets	Market value as a % of total investments
	----- (Number of holding) -----				-----Rupees-----			----- % -----	
<b>7.2 Bai Muajjal- Unquoted</b>	-	680	-	680	71,096,336	71,096,336	-	0.15	58.29%

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

FOR THE PERIOD FROM NOVEMBER 03, 2023 TO DECEMBER 31, 2023

		(Unaudited) December 31, 2023
		----- Rupees -----
<b>8</b>	<b>PROFIT RECEIVABLE</b>	
	Mark-up / return receivable on:	
	- Bank balances	3,577,036
	- Debt securities	3,240,533
		<b>6,817,569</b>
<b>9</b>	<b>PAYABLE TO JS INVESTMENTS LIMITED - MANAGEMENT COMPANY</b>	
	Remuneration payable to Management Company	9.1 280,454
	Sales tax payable on management company's remuneration	9.2 36,459
	Payable against printing and stationery	18,950
	Sales load payable to management company	44,258
	Payable against shariah advisory fee	55,163
	Payable against deferred formation cost	1,079,270
	Payable against bank account opening	40,000
		<b>1,554,554</b>

**9.1** According to the provisions of the Trust Deed of the Fund, the Management Company has prescribed a maximum rate of 2.00% of average daily net assets. The Management Company has charged Nil to 1% from November 03, 2023 to December 31, 2023 per annum on the average annual net assets of the Fund calculated on a daily basis.

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

		(Unaudited) December 31, 2023
		----- Rupees -----
<b>10</b>	<b>PAYABLE TO DIGITAL CUSTODIAN COMPANY LIMITED - TRUSTEE</b>	
	Remuneration payable to Management Company	10.1 30,685
	Sales tax payable on management company's remuneration	10.2 3,989
		<b>34,674</b>

**10.1** The Trustee is entitled to a remuneration for services rendered to the Fund under the provisions of the Trust Deed and Offering Document as per the tariff specified therein, based on the daily net assets value of the Fund. The remunerations paid to the Trustee on monthly basis in arrears. The applicable tariff is 0.075% per annum on the average annual net assets of the Fund calculated on a daily basis.

**10.2** The Sindh Provincial Government levied Sindh Sales Tax at the rate of 13% (June 30, 2023: 13%) on the remuneration of the Trustee through Sindh Sales Tax on Services Act, 2011.

## **11 ANNUAL FEE PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)**

The annual SECP fee has been revised in accordance with policy board directive vide SRO # 592 (I) 2023 dated May 17, 2023. The fee have been charged, at the rate of 0.075% on the net asset of the Fund, during the quarter ended December 31, 2023.



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

FOR THE PERIOD FROM NOVEMBER 03, 2023 TO DECEMBER 31, 2023

		(Unaudited) December 31, 2023
		----- Rupees -----
<b>12</b>	<b>ACCRUED EXPENSES AND OTHER LIABILITIES</b>	
	Payable against Purchase of Securities / Brokerage	13,968
	Audit fee payable	281,649
	Other liabilities	963
	Sales load payable	319,451
		<b>616,031</b>

## 13 CONTINGENCIES AND COMMITMENTS

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

## 14 TAXATION

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

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

## 15 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

Connected persons / related parties include JS Investments Limited (JSIL) being the Management Company of the Fund, Digital Custodian Company Limited being the Trustee of the Fund, JS Bank Limited (JSBL) 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, BankIslami 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 September 30, 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:

		For the period from November 03, 2023 to December 31, 2023
		----- Rupees -----
<b>15.1</b>	<b>Transactions during the period ended</b>	
	<b>JS Investments Limited (Management Company)</b>	
	Remuneration to JS Investments Limited - Management Company	605,289
	Sindh Sales Tax on Management Company's Remuneration	78,687
	Printing and stationery	18,950
	Sales load	353,745
	Shariah Advisory Fee	55,163
	<b>Digital Custodian Company Limited (Trustee)</b>	
	Remuneration of the Digital Custodian Company Limited - Trustee	55,048
	Sindh Sales Tax on remuneration of the Trustee	7,156



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

FOR THE PERIOD FROM NOVEMBER 03, 2023 TO DECEMBER 31, 2023

		For the period from November 03, 2023 to December 31, 2023
		----- Rupees -----
	Note	
<b>BankIslami Pakistan Limited</b> <b>(Fellow subsidiary of Parent Company)</b>		
Return on bank balances		8,987,475
<b>Key Management Personnel of the Management Company</b>		
Issue of units: 4071		407,777
Redemption of units: 4071		410,307
		(Unaudited) December 31, 2023
		----- Rupees -----
<b>15.2 Balance as at period / year ended</b>		
<b>JS Investments Limited (Management Company)</b>		
Remuneration payable to Management Company		280,454
Sales tax payable on management company's remuneration		36,459
Payable against printing and stationery		18,950
Sales load payable to management company		44,258
Payable against shariah advisory fee		55,163
Payable against deferred formation cost		1,079,270
Payable against bank account opening		40,000
<b>Digital Custodian Company Limited (Trustee)</b>		
Payable to Digital Custodian Company Limited - Trustee		30,685
Sales tax payable to Digital Custodian Company Limited - Trustee		3,989
<b>BankIslami Pakistan Limited</b> <b>(Fellow subsidiary of Parent Company)</b>		
Bank balances		353,359,836
Profits receivable on bank balances		3,577,036
<b>Unitholders holding 10% or more of units in issue</b>		
Units held: 3,919,389		400,130,433

**15.3** 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.

## 16 FINANCIAL RISK MANAGEMENT

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

### Risk management framework

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



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

FOR THE PERIOD FROM NOVEMBER 03, 2023 TO DECEMBER 31, 2023

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

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

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

## 16.1 Market risk

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

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

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

### 16.1.1 Currency risk

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

### 16.1.2 Profit rate risk

Yield / profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates.

#### a) Sensitivity analysis for variable rate instruments

Presently, the Fund does not hold any variable profit based investment except balances with banks in profit and loss (PLS) sharing account and Pakistan Investment Bonds exposing the Fund to cash flow profit rate risk. The Fund is also exposed to mark-up rate risk on bank deposits. In case of 100 basis points increase / decrease in KIBOR at year end, the net income for the year and the net assets would be higher / lower by Rs. 4.75 million.

#### b) Sensitivity analysis for fixed rate instruments

As at June 30, 2023, the Fund does not hold any instrument exposing the Fund to mark-up interest rate risk.

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

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

FOR THE PERIOD FROM NOVEMBER 03, 2023 TO DECEMBER 31, 2023

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 bank	19.00%	353,359,836	353,359,836	-	-	-
Investments	21.85% - 23.00%	121,971,336	121,971,336	-	-	-
Profit receivables		6,817,569	6,817,569			
		482,148,741	482,148,741	-	-	-
Financial liabilities						
Payable to JS Investments Limited - Management Company		1,554,554	1,554,554	-	-	-
Payable to Digital Custodian Company Limited - Trustee		34,674	34,674	-	-	-
Annual fee payable to Securities and Exchange Commission of Pakistan		30,735	30,735	-	-	-
Accrued expenses and other liabilities		616,031	616,031	-	-	-
		2,235,994	2,235,994	-	-	-
On-balance sheet gap (a)		479,912,747	479,912,747	-	-	-
Off-balance sheet financial instruments						
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a+b)		479,912,747	479,912,747	-	-	-
Cumulative interest rate sensitivity gap			479,912,747	-	-	

## 16.1.3 Price risk

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

## 16.2 Credit risk

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

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

Balances with bank  
Investments  
Profit receivables

Note

(Unaudited) December 31, 2023
----- Rupees -----
353,359,836
121,971,336
6,817,569
<b>482,148,741</b>

### Management of credit risk

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

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

FOR THE PERIOD FROM NOVEMBER 03, 2023 TO DECEMBER 31, 2023

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

- Where the investment committee makes an investment decision, the credit rating and credit worthiness of the issuer is taken into account along with the financial background so as to minimise the risk of default.
- Analyses of credit ratings and obtaining adequate collaterals wherever appropriate / relevant.
- The risk of counterparty exposure due to failed trades causing a loss to the Fund is mitigated by a periodic review of the credit ratings and financial statements of the counter party on a regular basis.
- Cash is held only with reputable banks with high quality external credit enhancements.
- Investment transactions are carried out with a large number of brokers, whose credit worthiness is taken into account so as to minimise the risk of default and transactions are settled or paid for only upon delivery.
- The Fund's policy is to enter into financial contracts in accordance with the internal risk management policies and investment guidelines approved by the Investment Committee. The Fund does not expect to incur material credit losses on its financial assets.

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

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

Name of the Bank	Rating agency	Latest available published rating	Percentage
Bank Islami Pakistan Limited	PACRA	A+	100.00%

## 16.2.2 Concentration of credit risk

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

## 16.3 Liquidity risk

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

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

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

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

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

FOR THE PERIOD FROM NOVEMBER 03, 2023 TO DECEMBER 31, 2023

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 Investments Limited - Management Company	1,554,554	1,554,554		
Payable to Digital Custodian Company Limited - Trustee	34,674	34,674		
Annual fee payable to Securities and Exchange Commission of Pakistan	30,735	30,735	-	-
Accrued expenses and other liabilities	616,031	616,031	-	-
	<b>2,235,994</b>	<b>2,235,994</b>	-	-

## 17 UNIT HOLDERS' FUND RISK MANAGEMENT

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

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

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

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

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

## 18 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.

### 18.1 Fair value hierarchy

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



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

FOR THE PERIOD FROM NOVEMBER 03, 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).

As at December 31, 2023 the Fund held the following financial instruments measured at fair values:

	Level 1	Level 2	Level 3	Total
	-----Rupees-----			
<b>December 31, 2023 ('Unaudited)</b>				
<b>Investment at fair value through P&amp;L</b>				
Government securities - Pakistan Ijara				
Sukuks (note 20.2)	-	121,971,336	-	121,971,336
	-	121,971,336	-	121,971,336

**18.2** The valuation has been done based on PKRV valuation technique taken by MUFAP.

**18.3** As at December 31, 2023, the carrying value of all other financial assets and liabilities approximate their fair value since these are short term in nature and are placed with counterparties which have high credit rating.

## 19 GENERAL

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

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

## 20 DATE OF AUTHORISATION FOR ISSUE

These 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





#### JS INVESTMENTS OFFICES

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