



HALF YEARLY REPORT

DECEMBER 31, 2023

JS INCOME FUND



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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

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

DIRECTORS' REPORT TO THE UNIT HOLDERS

The Board of Directors of JS Investments Limited has the pleasure of presenting the unaudited Financial Statements of **JS Income 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 20.09% for the half year ended December 31, 2023, against the benchmark return of 22.53%. Net Assets moved from PKR 942.19 million (June 30, 2023) to PKR 5,864.83 million as of December 31, 2023. The total expense ratio (TER) of the Fund for the half year ended December 31, 2023, is 2.64%, which includes 0.23% of government levies on the Fund.

Fund and 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, PACRA has also maintained Stability rating of 'A+(f)' with stable outlook 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



#MonetizeYourAssets

REPORT OF THE TRUSTEE TO THE UNIT HOLDERS JS INCOME FUND

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

JS Income 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 executed on July 18, 2002 and was approved by the Securities and Exchange Commission of Pakistan on August 22, 2002.

1. JS Investments Limited, the Management Company of JS Income Fund has, in all material respects, managed JS Income Fund during the period ended December 31st, 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 31st, 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 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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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 Income 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

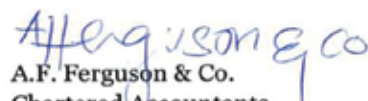
We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial statements consists of making inquiries, primarily of persons responsible 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.

Other Matter

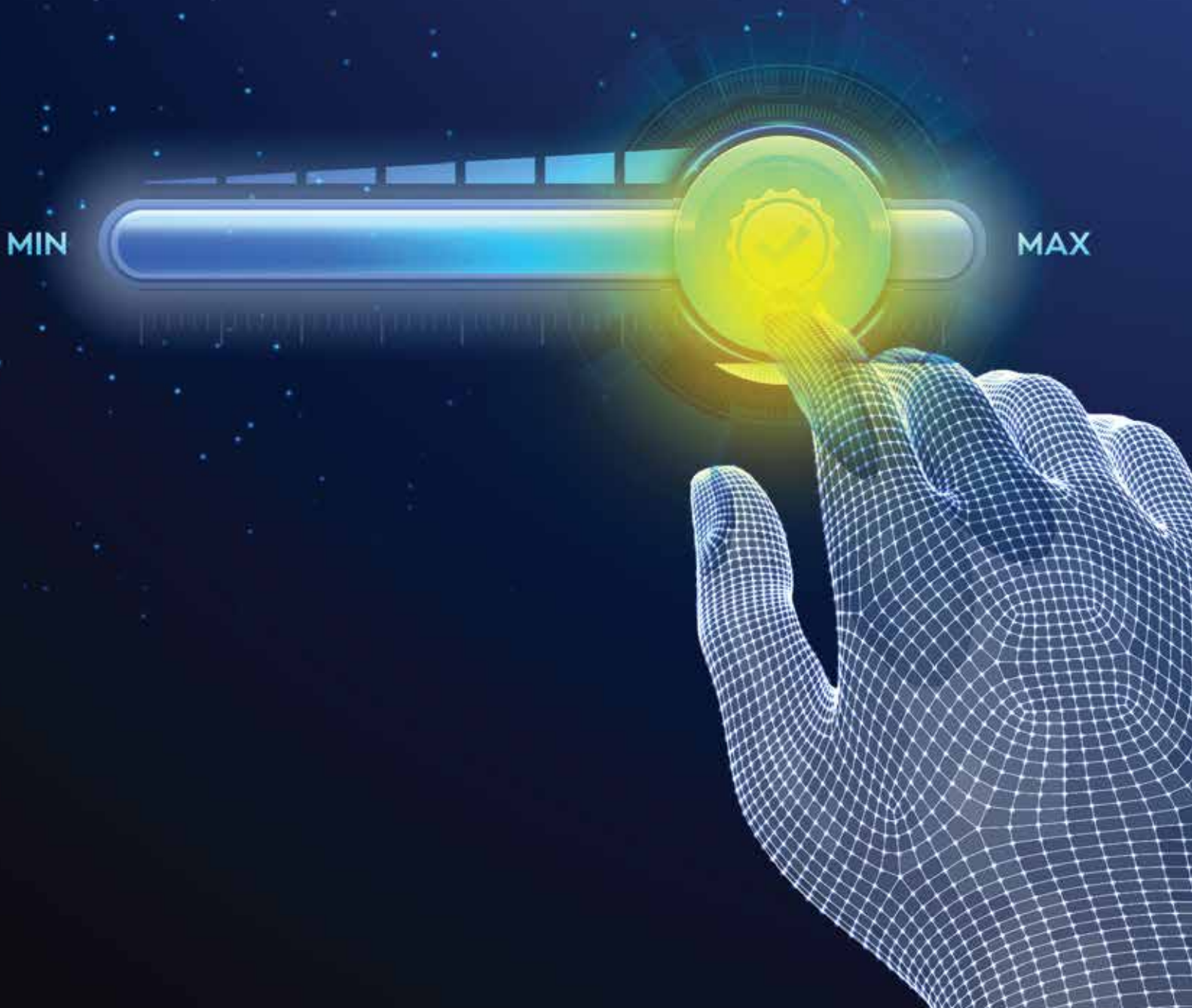
The condensed interim financial statements of the Fund for the half year ended December 31, 2022 and the financial statements for the year ended June 30, 2023 were reviewed and audited respectively by another firm of Chartered Accountants who had expressed an unmodified conclusion and opinion thereon vide their reports dated February 28, 2023 and September 28, 2023 respectively.


A.F. Ferguson & Co.
Chartered Accountants
Engagement Partner: **Noman Abbas Sheikh**
Dated: February 29, 2024
Karachi
UDIN: RR202310061LCGoa2czN

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
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CONDENSED INTERIM FINANCIAL STATEMENTS



CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

AS AT DECEMBER 31, 2023

		December 31, 2023 (Unaudited)	June 30, 2023 (Audited)
	Note	Rupees	
ASSETS			
Bank balances	4	2,106,712,442	291,165,486
Investments	5	3,599,548,609	643,206,081
Mark-up receivable	6	177,294,053	23,795,423
Deposits, prepayments and other receivables	7	5,996,181	6,296,702
Total assets		5,889,551,285	964,463,692
LIABILITIES			
Payable to JS Investments Limited - Management Company	8	19,951,640	8,613,060
Payable to Digital Custodian Company Limited - Trustee	9	401,725	78,692
Payable to the Securities and Exchange Commission of Pakistan (SECP)	10	355,359	232,720
Accrued expenses and other liabilities	11	4,014,984	13,342,478
Total liabilities		24,723,708	22,266,950
NET ASSETS		5,864,827,577	942,196,742
Unit holders' fund (as per statement attached)		5,864,827,577	942,196,742
Contingencies and Commitments	12		
		Number of units	
NUMBER OF UNITS IN ISSUE		52,161,044	9,228,478
		Rupees	
NET ASSET VALUE PER UNIT		112.4369	102.0967

The annexed notes from 1 to 19 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 HALF YEAR AND QUARTER ENDED DECEMBER 31, 2023

		Half year ended December 31,		Quarter ended December 31,	
		2023	2022	2023	2022
Note		----- Rupees -----			
INCOME					
Mark-up on bank deposits		74,715,721	31,723,752	59,495,354	14,957,935
Income from government securities		141,152,172	11,927,506	110,910,630	5,034,703
Income from debt securities		62,158,217	44,901,720	55,779,895	24,106,130
Loss on sale of investments - net		(13,036,952)	(5,665,666)	(13,546,466)	(2,191,680)
Net unrealised (diminution) / appreciation on re-measurement of investments classified as financial assets at 'fair value through profit or loss'	5.7	(19,174,768)	919,051	(15,274,353)	1,265,464
Dividend income on spread transactions		-	8,923,500	-	3,418,500
Other income	5.5.2 & 5.5.3	4,477,971	3,881,504	1,869,517	1,805,883
Total income		250,292,361	96,611,367	199,234,577	48,396,935
EXPENSES					
Remuneration to JS Investments Limited - Management Company	8.1	11,577,894	8,288,395	8,152,886	4,527,118
Sindh Sales Tax on Management Company's Remuneration	8.2	1,505,126	1,077,493	1,059,875	588,527
Allocated expenses by the Management Company	8.4	1,158,038	580,946	916,588	276,916
Selling and marketing expenses	8.5	12,658,982	1,161,890	12,012,645	553,832
Remuneration of the Digital Custodian Company Limited - Trustee	9	868,526	435,710	687,440	207,678
Sindh Sales Tax on remuneration of the Trustee		112,908	56,642	89,367	26,998
Fee of the Securities & Exchange Commission of Pakistan (SECP)	10	868,316	116,227	687,156	55,419
Auditors' remuneration		421,997	421,794	210,546	222,884
Mutual fund rating fee		241,962	401,738	120,981	309,658
PSX listing fee		12,569	12,602	6,284	6,344
SECP supervisory fee		1,257	1,260	629	615
Brokerage and settlement charges		599,337	337,547	590,893	131,965
Bank and settlement charges		316,860	352,397	158,874	179,423
Legal and professional charges		-	184,000	-	92,000
Provision for diminution in investment		-	10,000	-	10,000
Printing and stationery		51,021	51,150	25,507	32,021
Total expenses		30,394,793	13,489,791	24,719,671	7,221,398
Net income for the period before taxation		219,897,568	83,121,576	174,514,906	41,175,537
Taxation	13	-	-	-	-
Net income for the period after taxation		219,897,568	83,121,576	174,514,906	41,175,537
Allocation of income for the period:					
Net income for the period after taxation		219,897,568	83,121,576		
Income already paid on units redeemed		(30,426,710)	(10,754,790)		
		189,470,858	72,366,786		
Accounting income available for distribution:					
Relating to capital gain		-	-		
Excluding capital gain		189,470,858	72,366,786		
		189,470,858	72,366,786		

The annexed notes from 1 to 19 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 for the period after taxation	219,897,568	83,121,576	174,514,906	41,175,537
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	219,897,568	83,121,576	174,514,906	41,175,537

The annexed notes from 1 to 19 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

	Note	Half year ended December 31,	
		2023	2022
		Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the period before taxation		219,897,568	83,121,576
Adjustments for:			
Mark-up on bank deposits		(74,715,721)	(31,723,752)
Dividend income		-	(8,923,500)
Net unrealised diminution / (appreciation) in fair value of investments classified as financial assets 'at fair value through profit or loss'		19,174,768	(919,051)
		(55,540,953)	(41,566,303)
(Increase) / decrease in assets			
Investments - net		(2,975,517,296)	(286,390,033)
Dividend received		-	8,923,500
Deposits, prepayments and other receivables		300,521	(2,566,689)
		(2,975,216,775)	(280,033,222)
Increase / (decrease) in liabilities			
Payable to JS Investments Limited - Management Company		11,338,580	(310,424)
Payable to Digital Custodian Company Limited - Trustee		323,033	(20,985)
Payable to the Securities & Exchange Commission of Pakistan (SECP)		122,639	(331,137)
Accrued expenses and other liabilities		(9,327,494)	(14,358,066)
		2,456,758	(15,020,612)
Mark-up received on bank deposits		(78,782,909)	94,743,053
Net cash used in operating activities		(2,887,186,311)	(158,755,508)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts from issuance of units		7,825,390,179	181,135,562
Payments on redemption of units		(3,122,656,912)	(376,731,515)
Net cash generated from / (used in) financing activities		4,702,733,267	(195,595,953)
Net increase / (decrease) in cash and cash equivalents		1,815,546,956	(354,351,461)
Cash and cash equivalents at beginning of the period		291,165,486	630,344,712
Cash and cash equivalents at end of the period	15	2,106,712,442	275,993,251

The annexed notes from 1 to 19 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 (UNAUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2023

	For the half year ended December 31, 2023			For the half year ended December 31, 2022		
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
	Rupees					
Net assets at beginning of the period (audited)	922,242,345	19,954,397	942,196,742	1,247,500,874	2,576,622	1,250,077,496
Issuance of 71,527,984 (2022: 1,779,527) units						
- Capital value (at net asset value per unit at the beginning of the period)	7,302,771,124	-	7,302,771,124	172,649,702	-	172,649,702
- Element of income	522,619,055	-	522,619,055	8,485,860	-	8,485,860
Total proceeds on issuance of units	7,825,390,179	-	7,825,390,179	181,135,562	-	181,135,562
Redemption of 28,595,418 (2022: 3,755,390) units						
- Capital value (at net asset value per unit at the beginning of the period)	(2,919,497,813)	-	(2,919,497,813)	(364,347,962)	-	(364,347,962)
- Element of income	(172,732,389)	(30,426,710)	(203,159,099)	(1,628,763)	(10,754,790)	(12,383,553)
Total payments on redemption of units	(3,092,230,202)	(30,426,710)	(3,122,656,912)	(365,976,725)	(10,754,790)	(376,731,515)
Total comprehensive income for the period	-	219,897,568	219,897,568	-	83,121,576	83,121,576
Net assets at the end of the period (un-audited)	5,655,402,322	209,425,255	5,864,827,577	1,062,659,711	74,943,408	1,137,603,119
Undistributed income brought forward						
- Realised income		7,312,994			8,853,096	
- Unrealised income / (loss)		12,641,403			(6,276,474)	
		19,954,397			2,576,622	
Accounting income available for distribution						
- Relating to capital gains / (loss)		-			-	
- Excluding capital gains		189,470,858			72,366,786	
		189,470,858			72,366,786	
Undistributed income carried forward		209,425,255			74,943,408	
Undistributed income carried forward comprising of:						
- Realised income		228,600,023			74,024,357	
- Unrealised (loss) / income		(19,174,768)			919,051	
		209,425,255			74,943,408	
		(Rupees)			(Rupees)	
Net asset value per unit at beginning of the period		102.0967			97.0183	
Net asset value per unit at end of the period		112.4369			104.2802	

The annexed notes from 1 to 19 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 Income 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 Digital Custodian Company Limited (DCCL) is the Trustee. The Trust Deed was executed on July 18, 2002 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on August 22, 2002.

During the year ended June 30, 2021, The Trust Act, 1882 has been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on August 23, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

- 1.2** The 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.
- 1.3** The Fund is an open end mutual fund categorised as "Income Scheme" and has obtained listing on Pakistan Stock Exchange Limited. The objective of JS Income Fund is to generate competitive returns by investing 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. The investment objectives and policies are explained in the Fund's offering document.
- 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, PACRA has also maintained Stability rating of 'A+(f)' with stable outlook to the Fund.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

FOR THE HALF YEAR ENDED DECEMBER 31, 2023

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of IAS 34. 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.

2.1.1 The comparative statement of asset and liabilities presented in these condensed interim financial statements have been extracted from the annual audited financial statements of the Fund for the year ended June 30, 2023, whereas the comparative condensed interim income statement, condensed interim statement of comprehensive income, condensed interim cash flows statement, condensed interim statement of movement in unit holders' fund are extracted from the unaudited condensed interim financial statements for the half year ended December 31, 2022.

2.1.2 In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that these condensed interim financial statements give a true and fair view of the state of the Fund's affairs as at December 31, 2023.

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

3.1 The accounting policies, basis of accounting estimates applied and method of computation adopted 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.

3.2 The preparation of these condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of accounting 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 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 of the Fund 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.

3.3 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.

3.4 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)	June 30, 2023 (Audited)
4 BANK BALANCES		-----Rupees-----	
In savings accounts	4.1	2,106,712,442	291,165,486
		<u>2,106,712,442</u>	<u>291,165,486</u>

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

FOR THE HALF YEAR ENDED DECEMBER 31, 2023

- 4.1** This includes bank balance with JS Bank Limited (a related party) and BankIslami Pakistan Limited (a related party) carrying profit at the rate of 20.82% (June 30, 2023: 19.60%) and 19.00% (June 30, 2023: 19.75%) per annum respectively. Other profit and loss sharing accounts carry mark-up rate ranging from 18.50% to 24.00% (June 30, 2023: 12.40% to 22.00%) per annum.

		Note	December 31, 2023 (Un-Audited)	June 30, 2023 (Audited)
5	INVESTMENTS			
			-----Rupees-----	
	At fair value through profit or loss			
	Market Treasury Bills	5.1	-	24,818,300
	Pakistan Investment Bonds	5.2	2,865,205,057	48,320,000
	Listed debt securities	5.3	588,442,302	416,894,448
	Unlisted debt securities	5.4	145,901,250	153,173,333
			3,599,548,609	643,206,081
	At amortised cost			
	Unlisted debt securities	5.5	-	-
		-	-	
		3,599,548,609	643,206,081	

5.1 Market Treasury Bills - 'at fair value through profit or loss'

Name of security	Issue date	Face value				Balance as at December 31, 2023			Market value as a percentage of	
		As at July 01, 2023	Purchased during the period	Sold / matured during the period	As at December 31, 2023	Carrying value	Market value	Unrealised diminution	net assets of the fund	total investments
Rupees									%	
Market Treasury Bills										
- 3 months	April 20, 2023	250,000,000	-	(250,000,000)	-	-	-	-	-	-
- 3 months	July 13, 2023	-	250,000,000	(250,000,000)	-	-	-	-	-	-
- 3 months	August 10, 2023	-	230,000,000	(230,000,000)	-	-	-	-	-	-
- 3 months	August 24, 2023	-	1,150,000,000	(1,150,000,000)	-	-	-	-	-	-
- 3 months	September 7, 2023	-	500,000,000	(500,000,000)	-	-	-	-	-	-
- 3 months	October 5, 2023	-	525,000,000	(525,000,000)	-	-	-	-	-	-
- 3 months	October 19, 2023	-	110,000,000	(110,000,000)	-	-	-	-	-	-
Market Treasury Bills										
- 6 months	November 16, 2023	-	500,000,000	(500,000,000)	-	-	-	-	-	-
Market Treasury Bills										
- 12 months	November 2, 2023	-	1,000,000,000	(1,000,000,000)	-	-	-	-	-	-
- 12 months	November 16, 2023	-	500,000,000	(500,000,000)	-	-	-	-	-	-
- 12 months	November 30, 2023	-	500,000,000	(500,000,000)	-	-	-	-	-	-
- 12 months	December 14, 2023	-	500,000,000	(500,000,000)	-	-	-	-	-	-
Total as at December 31, 2023 (un-audited)						-	-	-		
Total as at June 30, 2023 (audited)						24,825,614	24,818,300	(7,314)		

5.2 Pakistan Investment Bonds - 'at fair value through profit or loss'

Name of security	Issue date	----- Face value -----				Balance as at December 31, 2023			Market value as a percentage of	
		As at July 01, 2023	Purchased during the period	Sold / matured during the period	As at December 31, 2023	Carrying value	Market value	Unrealised diminution	net assets of the fund	total investments
		----- Rupees -----							----- % -----	
Pakistan Investment Bonds										
- 3 years	July 4, 2023	-	450,000,000	-	450,000,000	408,314,906	403,020,057	(5,294,849)	6.87%	11.20%
Pakistan Investment Bonds										
- 5 years	May 6, 2021	50,000,000	-	(50,000,000)	-	-	-	-	-	-
- 5 years	September 21, 2023	-	1,550,000,000	(1,000,000,000)	550,000,000	540,066,657	534,435,000	(5,631,657)	9.11%	14.85%
- 5 years	October 19, 2023	-	1,500,000,000	-	1,500,000,000	1,463,731,235	1,453,950,000	(9,781,235)	24.79%	40.39%
Pakistan Investment Bonds										
- 10 years	November 11, 2021	-	500,000,000	-	500,000,000	477,693,881	473,800,000	(3,893,881)	8.08%	13.16%
Total as at December 31, 2023 (un-audited)						<u>2,889,806,679</u>	<u>2,865,205,057</u>	<u>(24,601,622)</u>		
Total as at June 30, 2023 (audited)						48,156,661	48,320,000	163,339		

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These will mature latest by November 10, 2031 (June 30, 2023: May6, 2026) and carry effective yield rates ranging from 12.00% to 24.79% (June 30, 2023: 21.96%) per annum.

5.3 Listed debt securities - Term Finance Certificates and Sukuk Certificates of Rs.5,000 each (unless stated otherwise)

Name of investee company	Number of certificates				Balance as at December 31, 2023			Market value as a percentage of	
	As at July 01, 2023	Purchased during the period	Sold during the period	As at December 31, 2023	Carrying value	Market value	Unrealised (diminution) / appreciation	net assets	total investments
					Rupees			%	
Power generation and distribution									
HUB Power Holdings Limited *	2,150	1,643	-	3,793	388,240,500	386,848,070	(1,392,430)	6.60%	10.75%
Commercial Banks									
Bank Alfalah Limited	20,000	-	-	20,000	94,502,500	99,432,516	4,930,016	1.70%	2.76%
Bank Al-Habib Limited	20,000	-	-	20,000	101,717,448	102,161,716	444,268	1.74%	2.84%
Total as at December 31, 2023 (un-audited)					<u>584,460,448</u>	<u>588,442,302</u>	<u>3,981,854</u>		
Total as at June 30, 2023 (audited)					<u>406,707,400</u>	<u>416,894,448</u>	<u>10,187,048</u>		

*These certificate have a face value of Rs 100,000 each.

5.4 Unlisted debt securities - term finance certificates and sukuk certificates of Rs. 5,000 each (unless stated otherwise)

Name of investee company	Number of certificates				Balance as at December 31, 2023			Market value as a percentage of	
	As at July 01, 2023	Purchased during the period	Sold during the period	As at December 31, 2023	Carrying value	Market value	Unrealised (diminution) / appreciation	net assets	total investments
					Rupees			%	
Pharmaceutical									
OBS AGP (Private) Limited *	500	-	-	500	34,456,250	34,581,250	125,000	0.59%	0.96%
Power Generation & Distribution									
K-Electric Limited	22,000	-	22,000	-	-	-	-	-	-
Power Generation & Distribution									
K-Electric Limited *	-	1,100	-	1,100	110,000,000	111,320,000	1,320,000	1.90%	3.09%
Total as at December 31, 2023 (un-audited)					<u>144,456,250</u>	<u>145,901,250</u>	<u>1,445,000</u>		
Total as at June 30, 2023 (audited)					<u>150,875,000</u>	<u>153,173,333</u>	<u>2,298,333</u>		

*These certificate have a face value of Rs 100,000 each.

5.5 Unlisted debt securities - Term Finance Certificates and Sukuk certificates of Rs.5,000 each (unless stated otherwise) - 'at Amortised cost'

Name of investee company	Note	Number of certificates				Balance as at December 31, 2023			Market value as a percentage of	
		As at July 01, 2023	Purchased during the period	Sold during the period	As at December 31, 2023	Carrying value	Market value	Unrealised appreciation / (diminution)	net assets	total investments
							Rupees			%
Chemicals										
Agritech Limited - Privately Placed Provision held	5.6.4	2,249	-	-	2,249	11,245,000 (11,245,000)	- -	- -	- -	- -
Personal Goods										
Azgard Nine Limited - Privately placed 6th issue Provision held	5.5.2	5,844	-	-	5,844	24,837,000 (24,837,000)	- -	- -	- -	- -
Azgard Nine Limited - Privately placed 7th issue Provision held	5.5.2	12,408	-	-	12,408	62,040,000 (62,040,000)	- -	- -	- -	- -
Chemicals										
Agritech Limited - Privately placed Provision held	5.6.3	12,484	-	-	12,484	54,409,240 (54,409,240)	- -	- -	- -	- -
Total as at December 31, 2023 (un-audited)						<u>-</u>	<u>-</u>	<u>-</u>		
Total as at June 30, 2023 (audited)						-	-	-		



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5.5.1 Due to non-recoverability of these investments, the Fund has classified these as non-performing securities and recognized full provision in accordance with circular 33 of 2012 issued by SECP.

5.5.2 On April 29, 2021, the facility was restructured through approved scheme of arrangement ("Approved Scheme") under the terms of Honorable Lahore High Court. According to the arrangement the principal outstanding on TFC is payable starting from April 29, 2021 over a period of 10 years. Further, new zero coupon PPTFCs were issued for the existing PPTFC and interest accrued on TFC and PPTFC till the date of restructuring on the existing TFC and PPTFC, having redemption of principal through bullet payment on the 10th anniversary of the issuance date. During the period, Rs. 2.92 million received against principal redemptions till December 31, 2023.

5.6 Details of non-compliant investments with the investment criteria as specified by the SECP

In accordance with clause (v) of the investment criteria laid down for 'income scheme' in Circular No. 7 of 2009, the Fund is required to invest in any security having rating not lower than the investment grade (credit rating of BBB and above). However, as at December 31, 2023, the Fund is non-compliant with the above mentioned requirement in respect of the following investments. The securities were in compliance with the circular (i.e. investment grade) at the time of purchase and were subsequently downgraded to non investment grade by MUFAP on default by the respective issuer at the time of repayment of coupon due on the respective dates.

Name of non-compliant security	Note	Type of investment	Un-audited				
			Value of investment before provision	Provision held, if any	Value of investment after provision	Percentage of net assets	Percentage of total investments
			Rupees			%	
Azgard Nine Limited - PPTFCs 6th issue - restructured	5.6.1	Privately Placed TFC	24,837,000	(24,837,000)	-	-	-
Azgard Nine Limited - PPTFCs 7th issue	5.6.2	Privately Placed TFC	62,040,000	(62,040,000)	-	-	-
Agritech Limited	5.6.3	Sukuk Certificates	54,409,240	(54,409,240)	-	-	-
Agritech Limited	5.6.4	Privately Placed TFC	11,245,000	(11,245,000)	-	-	-
Dewan Cement Limited	5.6.5	Pre-IPO Investment	50,000,000	(50,000,000)	-	-	-

5.6.1 The Fund received 5,844 zero coupon PPTFCs against interest receivable of listed and unlisted ANL TFCs. Since these PPTFCs are received against already defaulted securities and have non-performing status in MUFAP, therefore the management as a matter of prudence maintained the provision against the said PPTFCs. These PPTFCs are valued at zero but original cost is carried at Rs. 29,220,000.

5.6.2 The Fund received 12,408 zero coupon PPTFCs against interest receivable of listed and unlisted ANL TFCs. Since these PPTFCs are received against already defaulted securities and have non-performing status in MUFAP, therefore the management as a matter of prudence maintained the provision against the said PPTFCs. These PPTFCs are valued at zero but cost is carried at Rs. 62,040,000.

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

SoA has two options for the settlement of liabilities and the Fund has elected for option 2 as mentioned in 'schedule F' of the Scheme for the settlement of fund outstanding liability. As per option 2 of the SOA, the outstanding principal against Sukuk certificate and zero coupon PPTFCs will be converted into preference shares as reduced by application of unutilized Cash Flow Available for Debt Servicing (CFADs). The overdue / outstanding markup amounting to Rs. 19,750,888 shall be converted into Zero coupon PPTFCs payable at the end of FY 2026 as bullet payment. The instruments have not yet been issued by Agritech as at December 31, 2023.



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In this regard, the Fund received fourth tranche of CFADS amounting to Rs. 1,147,454 on September 28, 2023 and final tranche of CFADS amounting to Rs. 408,517 on December 28, 2023 which have been written back to income in accordance with the requirement of circular 1 of 2009 and circular 33 of 2012 issued by SECP.

5.6.4 The Fund has made a full provision against the principal amount of Agritech Limited's Sukuk of amount Rs. 54.41 million in accordance with the requirements of Circular 1 of 2009 issued by the SECP and the provisioning policy of the Fund. The Fund has received Agritech Limited's PPTFC of face value of Rs. 11.245 million against interest due on Agritech Limited's Sukuk which is not recognized as income by the Fund and these PPTFCs are valued at zero. These PPTFCs will be converted into preference shares as explained in note 5.5.3 above.

5.6.5 This represent Pre-IPO disbursement to Dewan Cement Limited (the Company) made on January 14, 2008. As per the requirement of the Trust Deed, the IPO was to take place within 270 days of the initial disbursement, however, the Company has not yet arranged the IPO. Accordingly, the Management Company decided to suspend mark-up on this placement from October 29, 2008 and has made a full provision of Rs. 50 million against the actual amount disbursed which is without prejudice to the Fund's claim against the above entire exposure, unrecognized mark-up and other charges etc.

	Note	December 31, 2023 (Un-Audited)	December 31, 2022 (Audited)
5.7 Net unrealised (diminution) / appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss' - net		-----Rupees-----	
Market value of investments	5.1 - 5.5	3,599,548,609	836,639,068
Less: carrying value of investments	5.1 - 5.5	3,618,723,377	835,720,017
		(19,174,768)	919,051

5.8 Significant terms and conditions of term finance certificates and sukuks outstanding at the period end are as follows:

Name of security	Number of certificates	Face value per certificate	Face value / redemption value in total	Interest rate per annum	Maturity	Secured / unsecured	Rating
		Rupees	Rupees				
HUB Power Holdings Limited	3,793	100,000	100,000	6M KIBOR + 2.5%	November 12, 2025	Unsecured	AA+
OBS AGP (Private) Limited	500	100,000	68,750	3M KIBOR + 1.55%	July 15, 2026	Unsecured	A+
Bank Alfalah Limited	20,000	5,000	5,000	3M KIBOR + 0.75%	January 15, 2024	Secured	AAA
Bank Al-Habib Limited	20,000	5,000	4,998	6M KIBOR + 1.35%	December 23, 2032	Unsecured	AAA
K-Electric Limited	1,100	100,000	100,000	3M KIBOR + 1.70%	November 23, 2029	Secured	AA

	Note	December 31, 2023 (Unaudited)	June 30, 2023 (Audited)
6 MARK-UP RECEIVABLE		-----Rupees-----	
Mark-up / return receivable on:			
- Bank balances		4,331,131	5,426,974
- Government securities		151,547,100	-
- Debt securities		21,415,822	18,368,449
		177,294,053	23,795,423

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	Note	December 31, 2023 (Unaudited)	June 30, 2023 (Audited)
7	DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES	-----Rupees-----	
Advance tax	7.1	3,115,249	3,115,249
Security deposit with Central Depository Company of Pakistan Limited		100,000	100,000
Security deposit with National Clearing Company of Pakistan Limited		2,750,000	2,750,000
Prepayments and other receivables		30,932	331,453
		<u>5,996,181</u>	<u>6,296,702</u>

- 7.1** As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 151 and 150. However, withholding tax on profit on government securities and profit on bank deposits paid to the Fund was deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated 12 May 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholder. The tax withheld on profit on debt securities and profit on bank deposits amounts to Rs. 3.115 million.

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. A petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgment of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on profit on debt securities and profit on bank deposits has been shown as other receivables as at December 31, 2023 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

	Note	December 31, 2023 (Unaudited)	June 30, 2023 (Audited)
8	PAYABLE TO JS INVESTMENTS LIMITED - MANAGEMENT COMPANY	-----Rupees-----	
Remuneration payable to Management Company	8.1	3,126,021	1,057,035
Sindh Sales Tax payable on Management Company			
Company's remuneration	8.2	879,577	610,608
Federal excise duty on Management Company's remuneration	8.3	3,143,283	3,143,283
Allocated expenses payable	8.4	474,012	92,852
Payable against Selling and marketing expenses	8.5	12,012,645	3,587,334
Payable against printing and stationery		172,967	121,948
Sales load payable to the Management Company		143,135	-
		<u>19,951,640</u>	<u>8,613,060</u>

- 8.1** As per Regulation 61 of NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in Offering Document subject to total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged remuneration not exceeding 2% of average daily net assets of the Fund, during the half year ended December 31, 2023.

The remuneration is paid to the Management Company on a monthly basis in arrears.

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

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

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- 8.3** The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

During the year ended June 30, 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company and sales load with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs. 3.143 million is being retained in these condensed interim financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision not been made, the NAV per unit of the Fund would have been higher by Re. 0.06 (June 30, 2023: Re. 0.34)

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

Accordingly, the Management Company has charged allocated expenses to the Fund based on its discretion subject to not being higher than actual expense incurred.

- 8.5** The SECP has allowed the Asset Management companies to charge selling and marketing expenses to all categories of open-end mutual funds upto a maximum limit approved by the Board of Directors of Management Company as part of annual plan.

The Management Company has charged selling and marketing expenses to the fund to the extent as it has think expedient on its discretion subject to not being higher than actual expenses, which has also been approved by the Board of Directors of the Management Company.

	Note	December 31, 2023 (Unaudited)	June 30, 2023 (Audited)
		-----Rupees-----	
9 PAYABLE TO DIGITAL CUSTODIAN COMPANY LIMITED - TRUSTEE			
Remuneration payable to the Trustee	9.1	355,509	69,639
Sindh Sales Tax payable on remuneration of the Trustee	9.2	46,216	9,053
		<u>401,725</u>	<u>78,692</u>

- 9.1** The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the trust deed at 0.075% (June 30, 2023: 0.075%) per annum on the average annual net assets of the Fund calculated on a daily basis.

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

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	Note	December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
10 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN		-----Rupees-----	
Securities and Exchange Commission Of Pakistan (SECP)	10.1	355,359	232,720

- 10.1** 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 0.075% of net assets, applicable on "Income 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 0.075% of net assets during the current period.

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

	December 31, 2023 (Unaudited)	June 30, 2023 (Audited)
11 ACCRUED EXPENSES AND OTHER LIABILITIES	-----Rupees-----	
Brokerage payable	355,034	61,599
Auditors' remuneration payable	928,779	506,782
Zakat payable	-	38,838
Tax on dividend payable	-	12,352,191
Other payable	2,731,171	383,068
	<u>4,014,984</u>	<u>13,342,478</u>

12 CONTINGENCIES AND COMMITMENTS

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

13 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.

14 TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund based on the current period result is 2.64% (December 31, 2022: 2.32%), which includes 0.23% (December 31, 2022: 0.22%) representing government levy and the SECP fee. This ratio is within the maximum limit of 2.5% (excluding government levies) prescribed under the NBFC Regulations for a collective investment scheme categorised as an "Income Scheme".

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

FOR THE HALF YEAR ENDED DECEMBER 31, 2023

15 CASH AND CASH EQUIVALENTS

Bank balances

December 31, 2023 (Unaudited)	December 31, 2022 (Audited)
-----Rupees-----	
2,106,712,442	275,993,251
<u>2,106,712,442</u>	<u>275,993,251</u>

16 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

Related party / connected person include JS Investments Limited being the Management Company, Digital Custodian Company 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 / persons 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 of the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

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

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

16.1 Transactions during the period ended

JS Investments Limited (Management Company)

Remuneration to JS Investments Limited - Management Company
Sindh Sales Tax on Management Company's Remuneration
Sales load
Allocated expenses by the Management Company
Printing and stationery
Selling and marketing expenses
Issuance of: 4,259,851 (2022: 499,052) units
Redemption of: 4,259,851 (2022: 984,308) units

December 31 2023 (Un-audited)	December 31 2022 (Un-audited)
-----Rupees-----	
11,577,894	8,288,395
1,505,126	1,077,493
292,218	-
1,158,038	580,946
51,021	51,150
12,658,982	1,161,890
453,375,974	50,000,000
454,100,149	98,453,338

Digital Custodian Company Limited (Trustee)

Remuneration of the Digital Custodian Company Limited - Trustee
Sindh Sales Tax on remuneration of the Trustee

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 Bank Limited (Parent Company of JSIL)		
Mark-up on bank balances	6,684,918	1,544,206
Issuance of: 845,626 (2022: Nil) units	90,000,000	-
Redemption of: 845,626 (2022: Nil) units	90,143,756	-
BankIslami Pakistan Limited (Fellow subsidiary of Parent Company)		
Mark-up on bank balances	6,970	1,677
Azgard Nine Limited (Other related party)		
Mark-up received (Non Performing - ANL PPTFC)	-	364,249
Principal redemption	2,922,000	-
JS Fund of Funds (Fund Under JSIL Management)		
Issuance of: 1,697,591 (2022: 970,090) units	180,674,627	100,685,593
Redemption of: 1,697,591 (2022: NIL) units	180,963,218	-
Key Management Personnel of the Management Company		
Issuance of: NIL (December 31, 2022: NIL) units	-	-
Redemption of: NIL (December 31, 2022: 20,292) units	-	2,000,000

16.2 Amounts / balances outstanding as at period / year end

	December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
	-----Rupees-----	
JS Investments Limited (Management Company)		
Remuneration payable to Management Company	3,126,021	1,057,035
Sindh Sales Tax payable on Management Company's remuneration	879,577	610,608
Allocated expenses payable	474,012	92,852
Payable against Selling and marketing expenses	12,012,645	3,587,334
Payable against printing and stationery	172,967	121,948
Federal excise duty on Management Company's remuneration	3,143,283	3,143,283
Sales load payable to Management Company	143,135	-
Digital Custodian Company Limited (Trustee)		
Payable to Digital Custodian Company Limited - Trustee	355,509	69,639
Sindh Sales Tax payable to Digital Custodian Company Limited - Trustee	46,216	9,053
JS Bank Limited (Parent Company of JSIL)		
Bank balances	156,928,385	23,090,297
Profits receivable on bank balances	-	279,726
BankIslami Pakistan Limited (Fellow subsidiary of Parent Company)		
Bank balance	43,289	36,319

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

FOR THE HALF YEAR ENDED DECEMBER 31, 2023

Key Management Personnel & Directors

54,421 (June 30, 2023: 54,421) units held

Unit holder holding 10% or more of units in issue

25,133,683 (June 30, 2023: 2,765,150) units held

December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
-----Rupees-----	
6,119,117	5,556,402
2,826,031,366	282,321,814

- 16.3** 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.

17. FAIR VALUE MEASUREMENT

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

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

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

17.1 Fair value hierarchy

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

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

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

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

The following table shows the carrying amounts of fair values of financial assets and financial liabilities including the levels in the fair value hierarchy:

Financial assets measured 'at fair value through profit or loss'

	Level 1	Level 2	Level 3	Total
----- Rupees -----				
- Listed debt securities	-	588,442,302	-	588,442,302
- Unlisted debt securities	-	145,901,250	-	145,901,250
- Pakistan Investment Bonds	-	2,865,205,057	-	2,865,205,057
	-	3,599,548,609	-	3,599,548,609

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

FOR THE HALF YEAR ENDED DECEMBER 31, 2023

Financial assets measured 'at fair value through profit or loss'

	----- Audited ----- ----- June 30, 2023 -----			
	Level 1	Level 2	Level 3	Total
	----- Rupees -----			
- Listed debt securities	-	416,894,448	-	416,894,448
- Unlisted debt securities	-	153,173,333	-	153,173,333
- Pakistan Investment Bonds	-	48,320,000	-	48,320,000
- Market Treasury Bills	-	24,818,300	-	24,818,300
	-	643,206,081	-	643,206,081

During the half year ended December 31, 2023 and year ended June 30, 2023, there were no transfers between level 1 and level 2 fair value measurement, and no transfer into and out of level 3 fair value measurements.

18. GENERAL

18.1 Figures have been rounded off to the nearest Rupees unless stated otherwise.

19. DATE OF AUTHORISATION FOR ISSUE

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



Chief Financial Officer



Chief Executive Officer



Director





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