



HALF YEARLY REPORT  
DECEMBER 31, 2023

JS ISLAMIC HYBRID FUND OF FUNDS



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# 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. Umair Khatri

## 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

## 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 Hybrid Fund of Funds** (the Fund) for the half year ended December 31, 2023.

## Economy Review:

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

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

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

## Equity Market Review:

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

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

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

## 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

Total net assets of the Fund as at June 30, 2023 was PKR 139.44 million and both plan of fund, Mutanasib and JSICPAP-8 matured on November 30, 2023 and December 26, 2023 respectively. The total expense ratio (TER) of the Fund for the period ended, is 0.98% and 0.41%, which includes 0.04% and 0.03% of government levies on the Fund respectively.

## Asset Manager Rating

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

## Acknowledgment

The directors express their gratitude to the Securities and Exchange Commission of Pakistan and 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 ISLAMIC HYBRID FUND OF FUNDS

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

JS Islamic Hybrid Fund of Funds, 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 October 27, 2016 whereas the date of execution of the Trust Deed was October 28, 2016.

1. JS Investments Limited, the Management Company of JS Islamic Hybrid Fund of Funds has, in all material respects, managed JS Islamic Hybrid Fund of Funds 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 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 Islamic Hybrid Fund of Funds** (the Fund) as at December 31, 2023 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial statements'), for the half year ended December 31, 2023. The Management Company (JS Investments Limited) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures included in the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2023 and December 31, 2022 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2023.

### Scope of Review

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

### Conclusion

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

### Emphasis of Matter

We draw attention to note 1.7 of the condensed interim financial statements, which indicates that all plans of the Fund have matured during the period ended December 31, 2023. As stated in note 1.7, this event or condition, indicates that a material uncertainty exists that may cast significant doubt on the Fund's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### 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

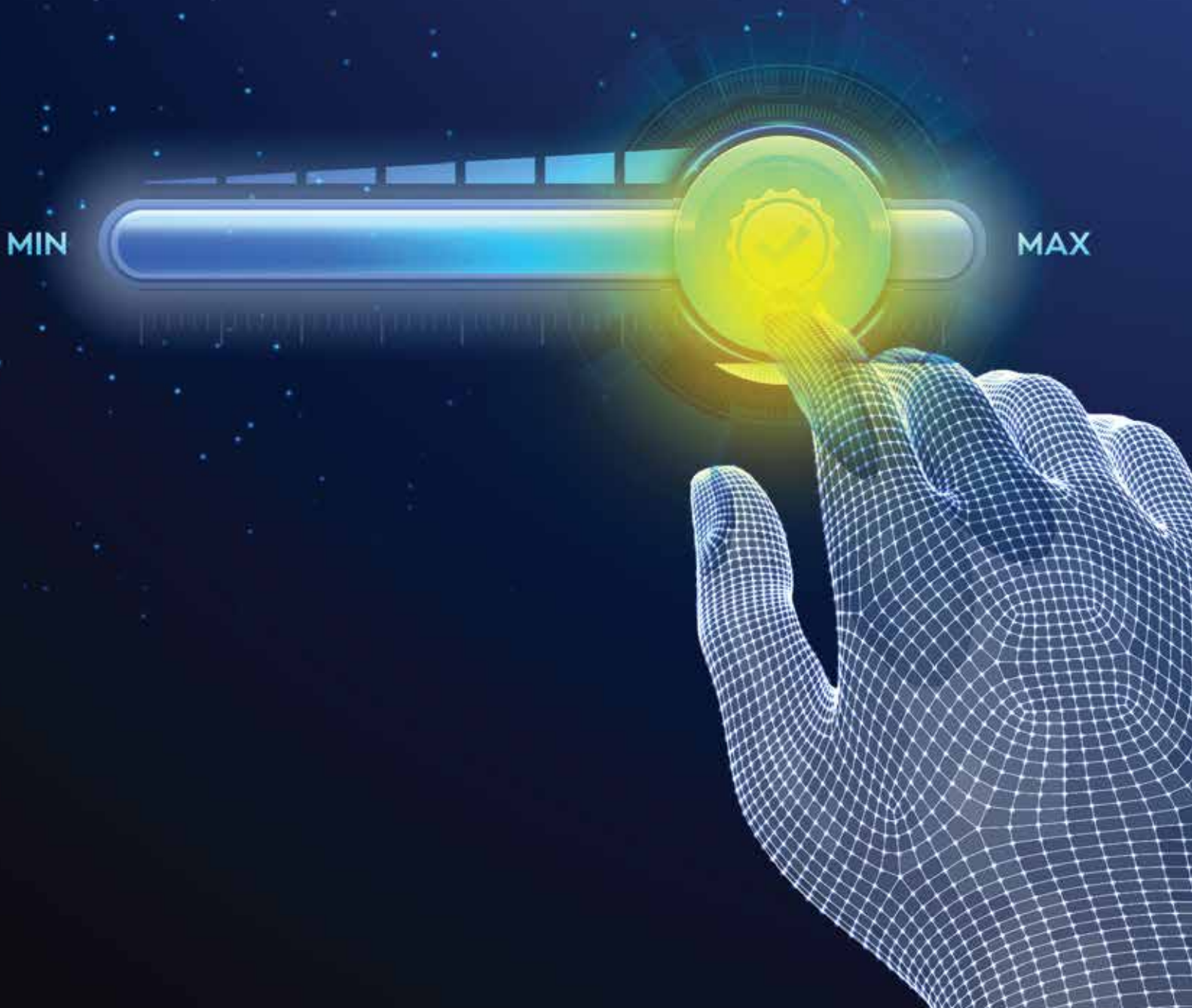
Karachi

UDIN: RR202310061PZKy1qXrb

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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)		
		Mutanasib	JS Islamic Capital Preservation Allocation Plan 8	Total	Mutanasib	JS Islamic Capital Preservation Allocation Plan 8	Total
Note		(Rupees)			(Rupees)		
<b>ASSETS</b>							
Bank balances	5	62,341	2,109,877	2,172,218	102,483	2,831,676	2,934,159
Investments	6	-	-	-	1,625,227	139,239,900	140,865,127
Prepayments and other receivables	7	34,030	11,594	45,624	105,750	7,641	113,391
<b>Total assets</b>		96,371	2,121,471	2,217,842	1,833,460	142,079,217	143,912,677
<b>LIABILITIES</b>							
Payable to JS Investments Limited - Management Company	8	82,686	1,050,022	1,132,708	61,232	1,014,869	1,076,101
Payable to Digital Custodian Company Limited - Trustee	9	2,639	36,124	38,763	518	41,276	41,794
Payable to the Securities and Exchange Commission of Pakistan (SECP)	10	66	1,291	1,357	487	38,857	39,344
Accrued expenses and other liabilities	11	10,980	1,034,034	1,045,014	4,706	3,312,635	3,317,341
<b>Total liabilities</b>		96,371	2,121,471	2,217,842	66,943	4,407,637	4,474,580
<b>NET ASSETS</b>		-	-	-	1,766,517	137,671,580	139,438,097
<b>UNIT HOLDERS' FUNDS</b>							
(as per statement attached)		-	-	-	1,766,517	137,671,580	139,438,097
<b>CONTINGENCIES AND COMMITMENTS</b>	15						
		(Number of units)			(Number of units)		
<b>UNITS IN ISSUE</b>		-	-		41,054	1,583,009	
		(Rupees)			(Rupees)		
<b>NET ASSET VALUE PER UNIT</b>		-	-		43.03	86.97	

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 (UNAUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2023

	Note	For the period from July 1, 2023 to November 30, 2023	For the period from July 1, 2023 to December 26, 2023	Total	For the period from July 1, 2022 to December 31, 2022		
		Mutanasib	JS Islamic Capital Preservation Allocation Plan 8		Mutanasib	JS Islamic Capital Preservation Allocation Plan 8	Total
		(Rupees)			(Rupees)		
<b>INCOME</b>							
Profit on savings accounts		20,822	46,126	66,948	13,096	31,321	44,417
Dividend income		100,244	6,867,106	6,967,350	-	14,261,878	14,261,878
Other Income		-	-	-	28,099	-	28,099
Loss on sale of investments - net		-	(254,617)	(254,617)	(76,518)	(626,341)	(702,859)
Net unrealised diminution on re-measurement of investments classified as 'at fair value through profit or loss'	6.2	-	-	-	(211,513)	(1,457,447)	(1,668,960)
		-	(254,617)	(254,617)	(288,031)	(2,083,788)	(2,371,819)
<b>Total income / (loss)</b>		121,066	6,658,615	6,779,681	(246,836)	12,209,411	11,962,575
<b>EXPENSES</b>							
Remuneration to the JS Investments Limited - Management Company	8.1	-	5,625	5,625	-	3,565	3,565
Sindh sales tax on remuneration to the Management Company	8.2	-	731	731	-	465	465
Accounting and operational charges	8.3	764	-	764	1,716	-	1,716
Remuneration to the Digital Custodian Company Limited - Trustee	9.1	6,491	213,592	220,083	3,132	223,717	226,849
Sindh sales tax on remuneration to the Trustee	9.2	844	27,767	28,611	407	28,607	29,014
Fee to the Securities and Exchange Commission of Pakistan (SECP)	10	573	28,027	28,600	343	23,978	24,321
Bank and settlement charges		-	-	-	565	3,672	4,237
Listing fees		5,885	14,125	20,010	6,250	6,250	12,500
Auditor's remuneration		6,316	358,100	364,416	4,510	260,968	265,478
SECP supervisory fees		521	1,250	1,771	625	625	1,250
Shariah advisory fee		498	24,127	24,625	1,616	114,304	115,920
Amortisation of deferred formation costs		-	-	-	-	213,690	213,690
Printing and stationery charges		21,139	24,685	45,824	19,338	19,338	38,676
<b>Total operating expenses</b>		43,031	698,029	741,060	38,502	899,179	937,681
<b>Net income / (loss) for the period before taxation</b>		78,035	5,960,586	6,038,621	(285,338)	11,310,232	11,024,894
Taxation	12	-	-	-	-	-	-
<b>Net income / (loss) for the period after taxation</b>		78,035	5,960,586	6,038,621	(285,338)	11,310,232	11,024,894
<b>Earnings / (loss) per unit</b>	14						
<b>Allocation of net income for the period</b>							
Net income for the period		78,035	5,960,586	6,038,621			
Income already paid on units redeemed		-	-	-			
		78,035	5,960,586	6,038,621			
<b>Accounting income available for distribution</b>							
Relating to capital gains		-	-	-			
Excluding capital gains		78,035	5,960,586	6,038,621			
		78,035	5,960,586	6,038,621			

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 (UNAUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2023

	For the period from October 1, 2023 to November 30, 2023	For the period from October 1, 2023 to December 26, 2023	Total	For the period from October 1, 2022 to December 31, 2022		
	Mutanasib	JS Islamic Capital Preservation Allocation Plan 8		Mutanasib	JS Islamic Capital Preservation Allocation Plan 8	Total
Note	(Rupees)			(Rupees)		

## INCOME

Profit on savings accounts	16,521	29,852	46,373	8,074	11,508	19,582
Dividend income	18,811	1,207,189	1,226,000	-	7,795,536	7,795,536
Other income	-	-	-	12,891	-	12,891
Loss on sale of investments - net	-	(6,596)	(6,596)	(15,866)	(626,341)	(642,207)
Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'at fair value through profit or loss'	-	-	-	(169,965)	(196,387)	(366,352)
	-	(6,596)	(6,596)	(185,831)	(822,728)	(1,008,559)
<b>Total income / (loss)</b>	<b>35,332</b>	<b>1,230,445</b>	<b>1,265,777</b>	<b>(164,866)</b>	<b>6,984,316</b>	<b>6,819,450</b>

## EXPENSES

Remuneration to the JS Investments Limited - Management Company	-	1,048	1,048	-	1,554	1,554
Sindh sales tax on remuneration to the Management Company	-	136	136	-	202	202
Remuneration to the Digital Custodian Company Limited - Trustee	4,190	102,779	106,969	1,020	112,404	113,424
Sindh sales tax on remuneration to the Trustee	545	13,361	13,906	132	14,136	14,268
Fee to the Securities and Exchange Commission of Pakistan (SECP)	234	5,944	6,178	103	11,394	11,497
Listing fees	2,354	10,594	12,948	3,125	3,125	6,250
Auditor's remuneration	3,833	165,921	169,754	643	58,205	58,848
SECP supervisory fees	208	937	1,145	313	313	626
Shariah advisory fee	211	5,387	5,598	474	52,354	52,828
Amortisation of deferred formation costs	-	-	-	-	104,461	104,461
Printing and stationery charges	8,456	12,002	20,458	9,775	9,775	19,550
Accounting and operational charges	312	-	-	517	-	517
<b>Total operating expenses</b>	<b>20,343</b>	<b>318,109</b>	<b>338,140</b>	<b>16,102</b>	<b>367,923</b>	<b>384,025</b>

<b>Net income / (loss) for the period before taxation</b>	<b>14,989</b>	<b>912,336</b>	<b>927,637</b>	<b>(180,968)</b>	<b>6,616,393</b>	<b>6,435,425</b>
Taxation	12	-	-	-	-	-
<b>Net income / (loss) for the period after taxation</b>	<b>14,989</b>	<b>912,336</b>	<b>927,637</b>	<b>(180,968)</b>	<b>6,616,393</b>	<b>6,435,425</b>

**Earnings / (loss) per unit** 14

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 (UNAUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2023

For the period from July 1, 2023 to November 30, 2023	For the period from July 1, 2023 to December 26, 2023	Total	For the period from July 1, 2022 to December 31, 2022		
Mutanasib	JS Islamic Capital Preservation Allocation Plan 8		Mutanasib	JS Islamic Capital Preservation Allocation Plan 8	Total
(Rupees)			(Rupees)		

<b>Net income / (loss) for the period after taxation</b>	78,035	5,960,586	6,038,621	(285,338)	11,310,232	11,024,894
Other comprehensive income for the period	-	-	-	-	-	-
<b>Total comprehensive income / (loss) for the period</b>	<u>78,035</u>	<u>5,960,586</u>	<u>6,038,621</u>	<u>(285,338)</u>	<u>11,310,232</u>	<u>11,024,894</u>

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 (UNAUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2023

For the period from October 1, 2023 to November 30, 2023	For the period from October 1, 2023 to December 26, 2023	Total	For the period from October 1, 2022 to December 31, 2022		
Mutanasib	JS Islamic Capital Preservation Allocation Plan 8		Mutanasib	JS Islamic Capital Preservation Allocation Plan 8	Total
(Rupees)			(Rupees)		

<b>Net income / (loss) for the period after taxation</b>	14,989	912,336	927,637	(180,968)	6,616,393	6,435,425
Other comprehensive income for the period	-	-	-	-	-	-
<b>Total comprehensive income / (loss) for the period</b>	<u>14,989</u>	<u>912,336</u>	<u>927,637</u>	<u>(180,968)</u>	<u>6,616,393</u>	<u>6,435,425</u>

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' FUND

FOR THE HALF YEAR ENDED DECEMBER 31, 2023

For the period from July 1, 2023 to November 30, 2023			For the period from July 1, 2023 to December 26, 2023			Total		
Mutanasib			JS Islamic Capital Preservation Allocation Plan 8					
Capital value	Accumulated losses	Total	Capital value	Accumulated losses	Total	Capital value	Accumulated losses	Total
(Rupees)								

Net assets at the beginning of the period (audited) 19,769,353 (18,002,836) 1,766,517 231,480,521 (93,808,941) 137,671,580 251,249,874 (111,811,777) 139,438,097

Issuance of units:

Mutasib: Nil (2022: Nil) units

JS ICPAP 8: Nil (2022: Nil) units

- Capital value

- Element of income

-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-

Redemption of units:

Mutasib: 41,054 (2022: 131,639) units

JS ICPAP 8: 1,583,009 (2022: 803,699) units

- Capital value

- Element of loss

(1,766,517)	-	(1,766,517)	(137,671,580)	-	(137,671,580)	(139,438,097)	-	(139,438,097)
(78,035)	-	(78,035)	(5,960,586)	-	(5,960,586)	(6,038,621)	-	(6,038,621)
(1,844,552)	-	(1,844,552)	(143,632,166)	-	(143,632,166)	(145,476,718)	-	(145,476,718)

Total comprehensive income for the period - 78,035 78,035 - 5,960,586 5,960,586 - 6,038,621 6,038,621

Net assets at the end of the period (unaudited) 17,924,801 (17,924,801) - 87,848,355 (87,848,355) - 105,773,156 (105,773,156) -

Undistributed loss brought forward comprising of:

- Realised loss

- Unrealised loss

(18,002,836)	(92,297,068)	(110,299,904)
-	(1,511,873)	(1,511,873)
(18,002,836)	(93,808,941)	(111,811,777)

Accounting income available for distribution:

Relating to capital gains

Excluding capital gains

-	-	-
78,035	5,960,586	6,038,621
78,035	5,960,586	6,038,621

Undistributed loss carried forward

(17,924,801)	(87,848,355)	(105,773,156)
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Undistributed loss carried forward comprising of:

Realised loss

Unrealised (loss) / income

(17,924,801)	(87,848,355)	(105,773,156)
-	-	-
(17,924,801)	(87,848,355)	(105,773,156)

(Rupees)

(Rupees)

Net asset value per unit at the beginning of the period

43.03

86.97

Net asset value per unit at the end of the period

-

-

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' FUND

## FOR THE HALF YEAR ENDED DECEMBER 31, 2023

For the half year ended December 31, 2022								
Mutasab			JS Islamic Capital Preservation Allocation Plan 8			Total		
Capital value	Accumulated losses	Total	Capital value	Accumulated losses	Total	Capital value	Accumulated losses	Total
(Rupees)								

**Net assets at the beginning of the period (audited)** 25,946,902 (17,709,686) 8,237,216 344,197,980 (94,430,468) 249,767,512 370,144,882 (112,140,154) 258,004,728

Issuance of units:

Mutasab: Nil (2021: Nil) units

JS ICAP 8: Nil (2021: Nil) units

- Capital value

- Element of income

-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-

Redemption of units:

Mutasab: Nil (2021: 1,838) units

JS ICAP 8: Nil (2021: 761,739) units

- Capital value

- Element of income

(6,278,997)	-	(6,278,997)	(69,675,112)	-	(69,675,112)	(75,954,109)	-	(75,954,109)
101,448	-	101,448	(56,274)	(2,423,244)	(2,479,518)	45,174	(2,423,244)	(2,378,070)
(6,177,549)	-	(6,177,549)	(69,731,386)	(2,423,244)	(72,154,630)	(75,908,935)	(2,423,244)	(78,332,179)

**Total comprehensive (loss) / income for the period** - (285,338) (285,338) - 11,310,232 11,310,232 - 11,024,894 11,024,894

**Net assets at the end of the period (unaudited)** 19,769,353 (17,995,024) 1,774,329 274,466,594 (85,543,480) 188,923,114 294,235,947 (103,538,504) 190,697,443

**Undistributed loss brought forward comprising of:**

Realised loss

Unrealised loss

(15,201,162)	(89,509,051)	(104,710,213)
(2,508,524)	(4,921,417)	(7,429,941)
(17,709,686)	(94,430,468)	(112,140,154)

**Accounting income available for distribution**

Relating to capital gains

Excluding capital gains

-	-	-
-	(2,423,244)	(2,423,244)
-	(2,423,244)	(2,423,244)

**Total comprehensive loss for the period** (285,338) 11,310,232 11,024,894

**Undistributed loss carried forward** (17,995,024) (85,543,480) (101,115,260)

**Undistributed loss carried forward comprising of:**

- Realised loss

- Unrealised loss

(17,783,511)	(84,086,033)	(101,869,544)
(211,513)	(1,457,447)	(1,668,960)
(17,995,024)	(85,543,480)	(103,538,504)

**Net asset value per unit at the beginning of the period** 47.70 86.69

**Net asset value per unit at the end of the period** 43.22 90.94

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 (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		
		Mutanasib	JS Islamic Capital Preservation Allocation Plan 8	Total	Mutanasib	JS Islamic Capital Preservation Allocation Plan 8	Total
Note		(Rupees)			(Rupees)		
CASH FLOWS FROM OPERATING ACTIVITIES							
Net income / (loss) for the period before taxation		78,035	5,960,586	6,038,621	(285,338)	11,310,232	11,024,894
Adjustments for:							
Net unrealised diminution on re-measurement of investments classified as 'at fair value through profit or loss'		6.2	-	-	288,031	2,083,788	2,371,819
Profit on savings accounts		(20,822)	(46,126)	(66,948)	(13,096)	(31,321)	(44,417)
Dividend Income		(100,244)	(6,867,106)	(6,967,350)			
Other income		-	-	-	(28,099)	-	(28,099)
Amortisation of deferred costs		-	-	-	-	213,690	213,690
		(43,031)	(952,646)	(995,677)	(38,502)	13,576,389	13,537,887
Decrease in assets							
Investments		1,625,227	139,239,900	140,865,127	6,125,000	59,826,241	65,951,241
Prepayments and other receivables		85,153	-	85,153	147,047	(6,875)	140,172
		1,710,380	139,239,900	140,950,280	6,272,047	59,819,366	66,091,413
Increase / (decrease) in liabilities							
Payable to JS Investments Limited - Management Company		21,454	35,153	56,607	(9,689)	(20,609)	(30,298)
Payable to Digital Custodian Company Limited - Trustee		2,121	(5,152)	(3,031)	(838)	1,750	912
Payable to the Securities and Exchange Exchange Commission of Pakistan		(421)	(37,566)	(37,987)	(1,501)	(48,036)	(49,537)
Accrued expenses and other liabilities		6,274	(2,278,601)	(2,272,327)	(4,864)	(1,257,738)	(1,262,602)
		29,428	(2,286,166)	(2,256,738)	(16,892)	(1,324,633)	(1,341,525)
Interest income received		7,389	42,173	49,562	12,628	32,273	44,901
Dividend received		100,244	6,867,106	6,967,350	-	-	-
Net cash generated from operating acitivites		1,804,410	142,910,367	144,714,777	6,229,281	72,103,395	78,332,676
CASH FLOWS FROM FINANCING ACTIVITIES							
Amount paid on redemption of units		(1,844,552)	(143,632,166)	(145,476,718)	(6,177,549)	(72,154,630)	(78,332,179)
Net cash used in financing activities		(1,844,552)	(143,632,166)	(145,476,718)	(6,177,549)	(72,154,630)	(78,332,179)
Net (decrease) / increase in cash and cash equivalents during the period		(40,142)	(721,799)	(761,941)	51,732	(51,235)	497
Cash and cash equivalents at beginning of the period		102,483	2,831,676	2,934,159	142,533	259,384	401,917
Cash and cash equivalents at end of the period		62,341	2,109,877	2,172,218	194,265	208,149	402,414

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 AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2023

## 1. LEGAL STATUS AND NATURE OF BUSINESS

**1.1** JS Islamic Hybrid Fund of Funds (the Fund) was 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 October 28, 2016 and was approved by Securities and Exchange Commission of Pakistan (the SECP) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations). The Management Company has been licensed by the Securities and Exchange Commission of Pakistan (SECP) to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of JS Investment Limited is situated at 19th Floor, The Centre, Plot No. 28 SB-5, Abdullah Haroon Road, Saddar, Karachi.

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 Trusts Act). The Fund was required to be registered under the Sindh Trusts Act. Accordingly, on August 23, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trusts Act.

**1.2** JS Islamic Hybrid Fund of Funds is a 'Shariah Compliant Fund of Funds Scheme' in the Fund of Funds category as per the criteria for categorisation of open-end collective investment schemes specified by SECP.

**1.3** The Fund is an open-ended mutual fund categorised as "Asset Allocation Fund of Funds scheme" and the Fund is listed on Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis. The units are transferrable and can be redeemed by surrendering them to the Fund. The Fund's primary activity is to invest in the leading equity, fixed income, money market and balanced funds, including funds managed by JS Investments Limited, and provide investors an opportunity to gain from the performance of these funds through one investment in the Fund. Under the Securities and Exchange Commission of Pakistan's (SECP's) guidelines, the Fund is also allowed to maintain balance with banks.

**1.4** 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 a Stability rating of 'AA+(f)' with stable outlook to the Fund.

**1.5** Title to the assets of the Fund are held in the name of Digital Custodian Company Limited as Trustee of the Fund.

**1.6** JS Islamic Hybrid Fund of Funds comprises of the following allocation basket / plans:

### **1.6.1 Mufeed**

Mufeed is a Balanced Basket / Plan with equity preference. The aim of Mufeed Basket / Plan is to offer an enhanced growth potential to its Investors by taking high exposure in Shariah Compliant Equity Funds (Equity Portion), while keeping an appropriate exposure to Shariah Compliant Sovereign, Income and Money Market Funds (Income Portion), to optimize the risk. Under the offering document, the Basket can invest / maintain balances up to 30% of Net Assets based on rolling 90 days average under the Income Portion, up to 100% of Net Assets based on rolling 90 days average under Equity Portion up to 10% of Net Assets based on rolling 90 days average in cash or near cash instrument. All units of this plan were redeemed and the plan was wound up with effect from September 02, 2021.

### **1.6.2 Mustahkem**

Mustahkem is a Balanced Basket / Plan and aims to provide its investors with a low risk Basket / Plan primarily investing in Shariah compliant sovereign / income / money market funds (Income portion) up to 100% of its Net Assets on 90 days average rolling basis. The basket / plan attempts to enhance the returns through limited exposure to Shariah compliant Equity Funds (Equity Portion) up to 30% of the net assets on a 90 days average rolling basis. In addition this Basket can also maintain up to 10% of its net assets on 90 days average rolling basis in cash or near cash instruments. All units of this plan were redeemed and the plan was wound up with effect from December 30, 2021.



# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2023

## 1.6.3 Mutanasib

Mutanasib is an Active Allocation Basket / Plan and follows an active asset allocation strategy between Shariah Compliant Equity Funds and Shariah Compliant Sovereign Income and Money Market Funds, to achieve high risk-adjusted returns. This basket / plan was launched on June 7, 2017 for perpetual term. Under the offering document, the Basket can invest / maintain balances up to 100% of Net Assets based on rolling 90 days average under Income and Equity Portion and up to 10% of net assets based on rolling 90 days average in cash or near cash instruments. During the current period, all units of the plan were redeemed and the plan was wound up with effect from November 30, 2023.

## 1.6.4 Mustanad

Mustanad is an income focused Basket / Plan and aims to provide its investors a stable stream of income by investing solely in Shariah compliant Sovereign / Income and Money Market Funds (Income portion) up to 100% of its Net Assets on 90 days average rolling basis and cash or near cash instruments up to 10% of its net assets. All units of this plan were redeemed and the plan was wound up with effect from November 08, 2020.

## 1.6.5 JS Islamic Active Allocation Plan 1

JS Islamic Active Allocation Plan 1 aimed to generate superior returns by dynamically managing the plan's exposure in "Income Portion" and "Equity Portion" based on the investment view on the different asset classes. All the units of this plan were redeemed and the plan was wound up with effect from September 21, 2019.

## 1.6.6 JS Islamic Capital Preservation Allocation Plan-8

JS Islamic Capital Preservation Allocation Plan – 8 aims to earn a potentially high return through dynamic asset allocation between Shariah Compliant Equities, Shariah Compliant Sovereign Income / Money Market based Collective Investment Schemes and Shariah Compliant bank saving accounts / term deposits, while providing principal preservation of the Initial Investment Value at completion of the life of the Plan. This basket / plan was launched on December 27, 2019 initially for a period of two years maturity from the clearance of all outstanding proceeds from Pre-Initial Offering Period (Pre-IOP) and Initial Offering Period (IOP) i.e. from October 15, 2019 to December 20, 2019. The Management Company (Wakeel) had extended the maturity further for a period for two years, which shall end on December 26, 2023. During the extended period, unit holders had the option to either remain invested in the allocation plan or exit the allocation plan without any applicable Back End Load / Contingent Load. During the current period, all units of the plan were redeemed and the plan was wound up with effect from December 26, 2023.

## 1.6.7 Munafa

Munafa Basket / Plan was wound up with effect from October 10, 2019 and all units of this plan were redeemed and were settled in the previous period.

1.7 During the period, all units of JS Islamic Capital Preservation Allocation Plan - 8 and Mutanasib ("the Plan") have been redeemed on December 26, 2023 and November 30, 2023 respectively. However, the duration of the Fund is perpetual hence, these condensed interim financial statements have been prepared for the half year ended December 31, 2023. Since these Plans will cease to operate, therefore, these Plans are no longer a going concern. The management has continued to measure the Plan's assets and liabilities principally in accordance with the summary of significant accounting policies as disclosed in note 4 to the annual audited financial statements of the Fund for the year ended June 30, 2023. However, in preparing these condensed interim financial statements, the management has given due consideration to the fact that the measurement of assets and liabilities of these Plans may be affected by the changes in judgements that can arise when the going concern assumption ceases to be valid.

## 2 BASIS OF PRESENTATION

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





# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2023

## 3 BASIS OF PREPARATION

### 3.1 Statement of compliance

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

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

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

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

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

## 4 SUMMARY OF SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES, ESTIMATES AND JUDGMENTS AND CHANGES THEREIN

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

4.2 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 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.

4.3 Standards and amendments to published accounting and reporting standards that are effective in the current period

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2023

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

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

There are certain new amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after 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 (Unaudited)			June 30, 2023 (Audited)		
		Mutasib	JS ICPAP 8	Total	Mutasib	JS ICPAP 8	Total
		(Rupees)			(Rupees)		
<b>5 BANK BALANCES</b>							
In savings accounts	5.1	52,341	2,109,877	2,162,218	92,483	2,831,676	2,924,159
In current accounts	5.2	10,000	-	10,000	10,000	-	10,000
		<u>62,341</u>	<u>2,109,877</u>	<u>2,172,218</u>	<u>102,483</u>	<u>2,831,676</u>	<u>2,934,159</u>

- 5.1** This includes a bank balance held by Mutasib plan amounting to Rs. 1,029 (June 30, 2023: 0.042 million) maintained with BankIslami Pakistan Limited (a related party). This carries profit at the rate of 19.00% (June 30, 2023: 19.75%) per annum. Other savings accounts of the Fund carry profit rates ranging between 18.50% to 20.82% (June 30, 2023: 14.50% to 19.00%) per annum.
- 5.2** This represent balance held with JS Bank Limited (a related party).

	Note	December 31, 2023 (Unaudited)			June 30, 2023 (Audited)		
		Mutasib	JS ICPAP 8	Total	Mutasib	JS ICPAP 8	Total
		(Rupees)			(Rupees)		
<b>6 INVESTMENTS</b>							
<b>Financial assets 'at fair value through profit or loss'</b>							
Units of open-end mutual funds	6.1	-	-	-	1,625,227	139,239,900	140,865,127

## 6.1 Units of open-end mutual funds - 'at fair value through profit or loss'

### Mutasib

Name of the fund	As at July 1, 2023	Purchased during the period	Sold during the period	As at December 31, 2023	Balance as at December 31, 2023			Market value as a percentage of	
					Carrying value	Market value	Unrealised (diminution) / appreciation	net assets of the Fund	total investments of the Fund
					(Rupees)			(%)	
JS Islamic Daily Dividend Fund*	16,252	1,273	17,525	-	-	-	-	-	-
<b>Total value as at December 31, 2023 (Unaudited)</b>					-	-	-		
<b>Total value as at June 30, 2023 (Audited)</b>					1,625,227	1,625,227	-		

\*These represent investments held in related parties i.e funds under common management.

### JS Islamic Capital Preservation Allocation Plan 8

Name of the fund	As at July 1, 2023	Purchased during the period	Sold during the period	As at December 31, 2023	Balance as at December 31, 2023			Market value as a percentage of	
					Carrying value	Market value	Unrealised (diminution) / appreciation	net assets of the Fund	total investments of the Fund
					(Rupees)			(%)	
JS Islamic Daily Dividend Fund*	1,329,523	68,671	1,398,194	-	-	-	-	-	-
JS Islamic Dedicated Equity Fund*	131,926	-	131,926	-	-	-	-	-	-
<b>Total value as at December 31, 2023 (Unaudited)</b>					-	-	-		
<b>Total value as at June 30, 2023 (Audited)</b>					140,751,773	139,239,900	(1,511,873)		

\*These represent investments held in related parties i.e funds under common management.

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2023

## 6.2 Net unrealised diminution on re-measurement of investments classified as 'at fair value through profit or loss'

	Note	December 31, 2023 (Unaudited)			December 31, 2022 (Unaudited)		
		Mutanasib	JS ICPAP 8	Total	Mutanasib	JS ICPAP 8	Total
		(Rupees)			(Rupees)		
Market value of investments	6.1	-	-	-	1,551,733	190,338,034	191,889,767
Less: carrying value of investments	6.1	-	-	-	1,763,246	191,795,481	193,558,727
		-	-	-	(211,513)	(1,457,447)	(1,668,960)

## 7 PREPAYMENTS AND OTHER RECEIVABLES

Accrued markup on bank balances		15,113	11,594	26,707	1,680	7,641	9,321
Advance tax	7.1	-	-	-	34,454	-	34,454
Receivable from Management Company	7.2	18,917	-	18,917	69,616	-	69,616
		34,030	11,594	45,624	105,750	7,641	113,391

**7.1** This represents withholding tax deducted by certain investee companies on dividends and profit on bank balances. The management is in the process of recovering this amount from the tax authorities.

**7.2** Under the SECP's direction No. 23 of 2016, dated July 28, 2016, the Asset Management Company (AMC) shall adjust the NAV of the collective investment scheme (CIS) on the basis of Total Expense Ratio (TER) at the end of each quarter during the financial year for the amount of expenses in excess of TER limit prescribed in regulation 60(5) of the Regulations for that collective investment scheme (CIS) by booking liability against (AMC). Moreover, the reimbursement (if any) by an AMC to CIS shall be made on the basis of annual TER calculated at the end of each financial year and NAV shall be adjusted accordingly.

	Note	December 31, 2023 (Unaudited)			June 30, 2023 (Audited)		
		Mutanasib	JS ICPAP 8	Total	Mutanasib	JS ICPAP 8	Total
		(Rupees)			(Rupees)		
<b>8 PAYABLE TO JS INVESTMENTS LIMITED - MANAGEMENT COMPANY - RELATED PARTY</b>							

Remuneration payable to the Management Company	8.1	-	737	737	-	555	555
Sindh sales tax on remuneration payable to the Management Company	8.2	-	94	94	-	-	-
Accounting and operational charges payable	8.3	154	-	154	144	-	144
Deferred formation cost		-	944,302	944,302	-	944,302	944,302
Shariah advisory fee		414	19,228	19,642	-	-	-
Printing and stationery charges payable		82,118	85,661	167,779	60,979	60,977	121,956
Other payables		-	-	-	109	9,035	9,144
		82,686	1,050,022	1,132,708	61,232	1,014,869	1,076,101

**8.1** As per Regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 1% (December 31, 2022: 1%) per annum for Mutanasib and JS ICPAP 8 of average daily net assets of the allocation baskets.

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

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2023

- 8.3** Under clause 60(s) of the NBFC Regulations, 2008 the Management Company (Wakeel) is allowed to charge fees and expenses relating to registrar services, accounting, operation and valuation services related to the CIS up to the actual expenses. During the period, the management has charged accounting and operational charges at the rate of 0.01% (December 31, 2022: 0.01%) for Mutanasib whereas the management has decided not to charge any accounting and operational charges for JS Islamic Capital Preservation Allocation Plan 8 effective from September 01, 2020 and onward.

9	PAYABLE TO DIGITAL CUSTODIAN COMPANY LIMITED - TRUSTEE	Note	December 31, 2023 (Unaudited)			June 30, 2023 (Audited)		
			Mutanasib	JS ICPAP 8	Total	Mutanasib	JS ICPAP 8	Total
			(Rupees)			(Rupees)		
	Remuneration payable to the Trustee	9.1	2,337	31,968	34,305	458	36,527	36,985
	Sindh sales tax payable on remuneration payable to the Trustee	9.2	302	4,156	4,458	60	4,749	4,809
			<u>2,639</u>	<u>36,124</u>	<u>38,763</u>	<u>518</u>	<u>41,276</u>	<u>41,794</u>

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

- up to rupees one billion	Rs. 0.45 million or 0.0875% per annum of daily average net assets of the fund, whichever is higher.
- exceeding rupees one billion	Rs. 0.875 million plus 0.0645% per annum of daily average net assets of the fund exceeding Rs. one billion.

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

## 10 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)

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 'Shariah Compliant Fund of Funds' 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.

11	ACCRUED EXPENSES AND OTHER LIABILITIES	December 31, 2023 (Unaudited)			June 30, 2023 (Audited)		
		Mutanasib	JS ICPAP 8	Total	Mutanasib	JS ICPAP 8	Total
		(Rupees)			(Rupees)		
	Auditors' remuneration	10,553	1,024,689	1,035,242	4,237	666,588	670,825
	Capital gain tax payable	18	-	18	18	-	18
	Withholding tax payable	409	9,345	9,754	451	2,612,963	2,613,414
	Zakat payable	-	-	-	-	33,084	33,084
		<u>10,980</u>	<u>1,034,034</u>	<u>1,045,014</u>	<u>4,706</u>	<u>3,312,635</u>	<u>3,317,341</u>

## 12 TAXATION

The income of the Fund is exempt from income tax under Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital



# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2023

gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the Management Company intends to distribute at least 90% of the Fund's accounting income for the year ending June 30, 2024 as reduced by capital gains (whether realised or unrealised) to its unit holders, therefore no provision for taxation has been made in these condensed interim financial statements during the period.

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

13	CASH AND CASH EQUIVALENTS	Note	December 31, 2023 (Unaudited)			December 31, 2022 (Unaudited)		
			Mutanasib	JS ICPAP 8	Total	Mutanasib	JS ICPAP 8	Total
			(Rupees)			(Rupees)		
	Bank balances	5	62,341	2,109,877	2,172,218	194,265	208,149	402,414

## 14 EARNINGS / (LOSS) PER UNIT

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

## 15 CONTINGENCIES AND COMMITMENTS

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

## 16 TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund based on the current period results is 0.98% and 0.41% (December 31, 2022: 0.61% and 0.81%) which includes 0.04% and 0.03% (December 31, 2022: 0.11% and 0.08 representing government levies and SECP Fee for Mutanasib and JS ICPAP 8 respectively. The prescribed limit for the ratio is 0.5% and 2.5% for Mutanasib and JS ICPAP 8 respectively under the NBFC Regulations for a collective investment scheme categorised as an "Shariah Compliant Fund of Funds scheme" which is required to be complied on annual basis. However, the Management Company has not reimbursed any expenses to the Fund during the period ended December 31, 2023 (December 31, 2022: Rs. 28,099 in Mutanasib).

## 17 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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 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.

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

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

## 17.1 Details of transactions with connected persons / related parties during the period:

Details of transactions with connected persons / related parties during the period:	December 31, 2023 (Unaudited)			December 31, 2022 (Unaudited)		
	Mutanasib	JS ICPAP 8	Total	Mutanasib	JS ICPAP 8	Total
	(Rupees)			(Rupees)		
<b>JS Investments Limited - Management Company</b>						
Remuneration of the Management Company	-	5,625	5,625	-	3,565	3,565
Sindh sales tax on remuneration of the Management Company	-	731	731	-	465	465
Accounting and operational charges	764	-	764	1,716	-	1,716
Printing and stationery charges	21,139	24,685	45,824	19,338	19,338	38,676
Shariah advisory fee	498	24,127	24,625	1,616	114,304	115,920
Deferred formation cost	-	-	-	-	213,690	213,690
Transfer of units (Number of units)	-	-	-	-	26,026	26,026
Disposal by the Management Company	-	-	-	2,951,129	2,324,406	5,275,535
Redemption of units (Number of units)	-	-	-	61,443	26,026	87,469
<b>Digital Custodian Company Limited -Trustee</b>						
Remuneration of the Trustee	6,491	213,592	220,083	3,132	223,717	226,849
Sindh sales tax on remuneration of the Trustee	844	27,767	28,611	407	28,607	29,014
<b>JS Islamic Dedicated Equity Fund (Fund Under JS Investment Limited Management)</b>						
Investment by the Plan	-	-	-	150,000	-	150,000
Issuance of units (Number of units)	-	-	-	2,610	-	2,610
Disposal by the Plan	-	6,032,980	6,032,980	6,275,000	45,200,000	51,475,000
Redemption of units (Number of units)	-	131,926	131,926	107,445	775,143	882,588
<b>JS Islamic Daily Dividend Fund (Fund Under JS Investment Limited Management)</b>						
Investment by the Plan	-	-	-	-	45,200,000	45,200,000
Issuance of units (Number of units)	-	-	-	-	452,000	452,000
Reinvest in lieu of Dividend paid	127,321	6,867,601	6,994,922	-	14,261,878	14,261,878
Reinvested units (Number of units)	1,273	68,671	69,944	-	142,619	142,619
Disposal by the Plan	1,752,549	139,819,408	141,571,957	-	74,088,000	74,088,000
Redemption of units (Number of units)	17,525	1,398,194	1,415,719	-	740,880	740,880
<b>BankIslami Pakistan Limited</b>						
Profit income	3,623	-	3,623	3,124	-	3,124



# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2023

## 17.2 Details of balances with connected persons / related parties as at period / year end:

### JS Investments Limited - Management Company

	December 31, 2023 (Unaudited)			June 30, 2023 (Audited)		
	Mutanasib	JS ICPAP 8	Total	Mutanasib	JS ICPAP 8	Total
	(Rupees)			(Rupees)		
Remuneration payable to the Management Company	-	737	737	-	494	494
Sindh sales tax payable on remuneration to the Management Company	-	94	94	-	61	61
Accounting and operational charges payable	154	-	154	144	-	144
Shariah advisory fee	414	19,228	19,642	-	-	-
Printing and stationery charges payable	82,118	85,661	167,779	60,979	60,979	121,958
Deferred formation cost	-	944,302	-	-	944,302	944,302
Receivable from the Management Company	18,917	-	18,917	69,616	-	69,616

### Digital Custodian Company Limited - Trustee

Remuneration payable to the Trustee	2,337	31,968	34,305	458	36,527	36,985
Sindh sales tax payable on remuneration to the Trustee	302	4,156	4,458	60	4,749	4,809

### BankIslami Pakistan Limited

Bank balance	1,029	-	1,029	42,406	-	42,406
Accrued profit	450	-	450	450	-	450

### JS Bank Pakistan Limited

Bank balance	10,000	-	10,000	10,000	-	10,000
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### JS Islamic Dedicated Equity Fund (Fund Under JS Investments Limited Management Company)

Amount invested	-	-	-	-	6,287,598	6,287,598
Units held (Number of units)	-	-	-	-	131,926	131,926

### JS Islamic Daily Dividend Fund (Fund Under JS Investments Limited Management Company)

Amount invested	-	-	-	1,625,227	132,952,302	134,577,529
Units held (Number of units)	-	-	-	16,252	1,329,523	1,345,775

### Unit holders holding 10% or more

Amount held	-	-	-	1,404,338	100,627,944	102,032,282
Units held (Number of units)	-	-	-	32,636	1,157,042	1,189,678

## 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.

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2023

## 18.1 Fair value hierarchy

International Financial Reporting Standard IFRS 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 assets or liability that are not based on observable market data (i.e. unobservable inputs).

As at December 31, 2023 and June 30, 2023, the Fund held the following financial instruments measured at fair values:

	December 31, 2023 (Unaudited) <sup>1</sup>				June 30, 2023 (Audited)			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>ASSETS</b>	(Rupees)				(Rupees)			
<b>Mutanasib</b>								
<b>Financial assets measured at fair value through profit or loss</b>								
Units of open-end mutual funds	-	-	-	-	-	1,625,227	-	1,625,227
	-	-	-	-	-	1,625,227	-	1,625,227

	December 31, 2023 (Unaudited) <sup>1</sup>				June 30, 2023 (Audited)			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>ASSETS</b>	(Rupees)				(Rupees)			
<b>JS Islamic Capital Preservation Allocation Plan 8</b>								
<b>Financial assets measured at fair value through profit or loss</b>								
Units of open-end mutual funds	-	-	-	-	-	139,239,900	-	139,239,900
	-	-	-	-	-	139,239,900	-	139,239,900

During the period ended December 31, 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 measurement.

## 19 GENERAL

19.1 Figures have been rounded off to the nearest Rupee unless stated otherwise.

19.2 Corresponding figures have been reclassified and rearranged in these condensed interim financial statements, wherever necessary, for the purpose of better presentation. No significant rearrangements or reclassifications were made in these condensed interim financial statements.

## 20 DATE OF AUTHORISATION FOR ISSUE

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



Chief Financial Officer



Chief Executive Officer



Director







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