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**30** YEARS OF TRUST,  
INNOVATION & EXCELLENCE



JS Fixed Term Munafa Fund II

ANNUAL REPORT 2025

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# COMPANY INFORMATION



## BOARD OF DIRECTORS

Mr. Suleman Lalani	Non-Executive Director / Chairman
Ms. Iffat Zehra Mankani	Chief Executive Officer
Mr. Hasan Shahid	Non-Executive Director
Mr. Syed Kazim Raza*	Non-Executive Director
Mr. Faisal Anwar**	Non-Executive Director
Ms. Aisha Fariel Salahuddin	Non-Executive Director
Ms. Mediha Kamal Afsar	Non-Executive Director
Mr. Farooq Ahmed Malik	Non-Executive Director
Mr. Mirza M. Sadeed H. Barlas***	Non-Executive Director
Mr. Atif Salim Malik****	Non-Executive Director

### Chief Executive Officer

Ms. Iffat Zehra Mankani

### Chief Financial Officer

Mr. Raheel Rehman

### Chief Investment Officer

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  
Mr. Faisal Anwar

### Trustee

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

\* Mr. Syed Kazim Raza joined the board on March 06, 2025.

\*\* Mr. Faisal Anwer joined the board on January 07, 2025.

\*\*\* Mr. Mirza M. Sadeed H. Barlas resigned from the board on January 15, 2025.

\*\*\*\* Mr. Atif Salim Malik resigned from the board on November 21, 2024.

# VISION

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.

# DIRECTORS' REPORT TO THE UNITHOLDERS

FOR THE YEAR ENDED JUNE 30, 2025

The Board of Directors of JS Investments Limited, the Management Company of **JS Fixed Term Munafa Fund II** (the Fund) is pleased to present the Annual Report for the period ended from May 7, 2025 to June 30, 2025.

## ECONOMIC REVIEW

FY2025 unfolded against a backdrop of moderating but below-target growth, shaped by persistent challenges in the agriculture sector and only modest expansion in industrial activity. The macroeconomic stabilization program stayed broadly on course, supported by the disbursement of the first and second tranches of USD 1.0 billion and USD 1.1 billion under the IMF's 37-month Extended Fund Facility (EFF) of USD 7 billion. In parallel, a 28-month Resilience and Sustainability Facility (RSF) of USD 1.3 billion was secured to promote climate-resilient investments. A key structural initiative was the launch of the National Minerals Harmonization Framework at the Pakistan Minerals Investment Forum 2025, aimed at unlocking untapped mineral resources through targeted public-private partnerships. Overall, the year reflected continued progress towards macroeconomic stability, albeit with sector-specific headwinds tempering overall momentum.

Inflation eased sharply to 4.49% from 23.41% a year earlier, aided by stable food and energy prices, allowing for a more accommodative monetary stance. The external sector strengthened significantly: foreign exchange reserves reached USD 14.51 billion by year-end, while the current account recorded a surplus of USD 2.1 billion compared to a USD 2.07 billion deficit in the previous year. In terms of the fiscal performance, the Federal Board of Revenue (FBR) tax collections rose 26.13% year-on-year to PKR 11.74 trillion, though the final outturn fell short of the revised target by PKR 165 billion. Lower-than-planned interest and development spending helped contain the fiscal deficit at 5.4% of GDP, below the 5.8% target set at the year's outset.

Looking ahead, the FY2026 Federal Budget targets real GDP growth of 4.2%, up from FY2025's 2.7%, and headline inflation of 7.5%. To achieve these objectives, the FBR has been assigned an ambitious tax collection target of PKR 14.13 trillion, underpinned by broadening the tax base, enhancing compliance, and advancing digitization initiatives.

Globally, uncertainty deepened as trade momentum softened following the U.S. administration's announcement of sweeping tariff measures, dampening sentiment and clouding supply chain resilience. Geopolitical tensions, from Pakistan-India frictions to a brief Iran-Israel flare-up, added to volatility, though ceasefires eased immediate risks. Notably, Pakistan managed the post-India escalation with measured diplomacy, effectively addressing challenges and strengthening its position in subsequent tariff and trade discussions, underscoring its growing adeptness in navigating complex geopolitical and economic currents.

## INCOME / MONEY MARKET REVIEW

The period under review witnessed a significant recalibration in monetary policy, with the State Bank of Pakistan's (SBP) Monetary Policy Committee (MPC) implementing cumulative rate cuts of 950 basis points (bps), bringing the policy rate down to 11%. This easing was underpinned by moderating inflation and stable energy prices, enabling a shift towards growth-supportive measures.

Government securities markets responded with a broad-based decline in yields. Short-term tenors fell sharply, with the 3M, 6M, and 12M closing at 11.01%, 10.89%, and 10.85%, down 896bps, 902bps, and 783bps, respectively. Mid-tenors followed suit, with the 3Y and 5Y ending at 11.15% and 11.40%, reflecting declines of 535bps and 397bps, while the 10Y eased 179bps to 12.30%. For fiscal management, the SBP also conducted Treasury bill buybacks to improve liquidity and manage maturity profiles.

A notable milestone was the issuance of Pakistan's first 15-year zero-coupon bond, raising PKR 288 billion at a 12.70% cut-off, signaling a strategic shift towards long-duration financing. Yield movements ahead will remain closely linked to inflation trends, reform momentum, and external sector conditions.

## REVIEW OF FUND PERFORMANCE

Allocation of Schemes	Net Assets (PKR. In billions)	Return	Benchmark Return
JS Fixed Term Munafa Fund II - JS Fixed Term Munafa Fund II - Plan-1	1.05	10.63	11.28
JS Fixed Term Munafa Fund II - JS Fixed Term Munafa Fund II - Plan-2	2.22	15.48	11.30

## ASSET MANAGER & FUND RATING

The Management Company has an asset manager rating of 'AM2++' with a 'Stable Outlook' from the Pakistan Credit Rating Agency Limited (PACRA). This rating reflects the Company's strong management quality, sound governance framework, and consistent operational performance, underscoring its continued commitment to delivering sustainable value to investors and stakeholders.

## AUDITORS

The external auditors of the Fund M/S. A.F. Ferguson & Co. Chartered Accountant, retire and being eligible offer themselves for reappointment. The Board of Directors, upon recommendation of the Audit Committee of the Board has approved the appointment of M/S. A.F. Ferguson & Co. Chartered Accountants, as the Fund's auditors for the ensuing year ending June 30, 2026.

## ADDITIONAL INFORMATION

- Annexed to the Annual Report is the Fund Manager's Report giving a description of principal risks and uncertainties with a reasonable indication of future prospects of profit.
- The Pattern of Unit holding as at June 30, 2025, is annexed to this annual report.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- A performance table / key financial data is annexed to this annual report.

## 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.

On behalf of the Board



Director



Chief Executive Officer

August 19, 2025  
Karachi



اظہار تشکر:

ڈائریکٹرز پاکستان سکیورٹیز اینڈ ایکسچینج کمیشن اور ڈیجیٹل کسٹوڈین کمپنی لمیٹڈ کے تعاون، رہنمائی اور معاونت پر دلی تشکر کا اظہار کرتے ہیں۔ بورڈ مینجمنٹ کمپنی کے ملازمین کا بھی ان کی محنت اور لگن پر شکریہ ادا کرتا ہے، اور یونٹ ہولڈرز کا مینجمنٹ پر اعتماد رکھنے کے لیے خصوصی طور پر ممنون ہے۔

بورڈ کی جانب سے



چیف ایگزیکٹو آفیسر



ڈائریکٹر

کراچی، 19 اگست 2025

### فنڈ کی کارکردگی کا جائزہ:

ایلوکیشن اسکیمیں	خالص اثاثے (روپے بلین میں)	منافع	بیچ مارک منافع
جے ایس فکسڈ ٹرم منافع فنڈ II - جے ایس فکسڈ ٹرم منافع فنڈ II - پلان 1	1.05	10.63	11.28
جے ایس فکسڈ ٹرم منافع فنڈ II - جے ایس فکسڈ ٹرم منافع فنڈ II - پلان 2	2.22	15.48	11.30

### ایسیٹ مینیجر اور فنڈ ریٹنگ:

مینجمنٹ کمپنی کو پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) کی جانب سے 'AM2++' کی ایسیٹ مینیجر ریٹنگ 'اسٹیل آؤٹ لک' کے ساتھ حاصل ہے۔ یہ ریٹنگ کمپنی کے مضبوط مینجمنٹ کے معیار، مستحکم گورننس فریم ورک اور مسلسل بہتر آپریشنل کارکردگی کی عکاسی کرتی ہے، جو سرمایہ کاروں اور اسٹیک ہولڈرز کو پائیدار قدر فراہم کرنے کے اس کے عزم کو اجاگر کرتی ہے۔

### آڈیٹرز:

فنڈ کے بیرونی آڈیٹرز، میسرز اے ایف فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، اپنی مدت پوری ہونے پر ریٹائر ہو رہے ہیں اور از سر نو تقرری کے لیے اہل ہونے کے ناطے اپنی خدمات دوبارہ پیش کر رہے ہیں۔ بورڈ آف ڈائریکٹرز نے، آڈٹ کمیٹی کی سفارش پر، میسرز اے ایف فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کو آئندہ مالی سال 30 جون 2026 کو ختم ہونے والی مدت کیلئے فنڈ کے آڈیٹرز کے طور پر تقرر کرنے کی منظوری دی ہے۔

### اضافی معلومات:

- الف - سالانہ رپورٹ کے ساتھ فنڈ مینیجر کی رپورٹ منسلک ہے، جس میں اہم خطرات اور غیر یقینی عوامل کی وضاحت کے ساتھ مستقبل کے منافع کے امکانات کی نشاندہی کی گئی ہے۔
- ب - 30 جون 2025 تک یونٹ ہولڈنگ کا پیٹرن اس سالانہ رپورٹ کے ساتھ منسلک ہے۔
- ج - اندرونی کنٹرول کا نظام ڈیزائن کے اعتبار سے مضبوط ہے اور اسے مؤثر طور پر نافذ اور مانٹر کیا گیا ہے۔
- د - کارکردگی کا جدول/کلیدی مالیاتی اعداد و شمار اس سالانہ رپورٹ کے ساتھ منسلک ہیں۔

عالمی سطح پر غیر یقینی صورتحال میں اضافہ ہوا کیونکہ امریکی حکومت کی جانب سے وسیع پیمانے پر محصولات (ٹیرف) کے اقدامات کے اعلان کے بعد تجارتی سرگرمیاں کمزور پڑ گئیں، جس سے سرمایہ کاروں کا اعتماد متاثر ہوا اور سپلائی چین کی مضبوطی کمزور ہو گئی۔ جغرافیائی سیاسی تناؤ، جن میں پاکستان اور بھارت کے درمیان کشیدگی اور ایران اسرائیل کے درمیان مختصر جھڑپ شامل تھی، نے بھی اتار چڑھاؤ میں اضافہ کیا، اگرچہ سیز فئر نے فوری خطرات کو کم کرنے میں مدد دی۔ اہم بات یہ رہی کہ پاکستان نے بھارت کے ساتھ بڑھتی ہوئی کشیدگی کے بعد متوازن سفارت کاری کے ذریعے صورتحال کو مؤثر انداز میں سنبھالا۔ اس سے نہ صرف چینجز پر قابو پایا گیا بلکہ بعد ازاں محصولات اور تجارتی مذاکرات میں پاکستان کی پوزیشن مزید مضبوط ہوئی، جو اس بات کی علامت ہے کہ پاکستان پیچیدہ جغرافیائی اور معاشی حالات سے نمٹنے میں بتدریج زیادہ مہارت حاصل کر رہا ہے۔

### آمدنی/مبنی مارکیٹ جائزہ:

زیر جائزہ مدت کے دوران مالیاتی پالیسی میں نمایاں تبدیلی دیکھنے میں آئی۔ اسٹیٹ بینک آف پاکستان (SBP) کی مانیٹری پالیسی کمیٹی (MPC) نے شرح سود میں مجموعی طور پر 950 بیس پوائنٹس کی کمی کی، جس سے پالیسی ریٹ کم ہو کر 11 فیصد پر آ گیا۔ یہ نرمی افراط زر میں کمی اور توانائی کی قیمتوں کے استحکام کے باعث ممکن ہوئی، جس نے ترقی دوست اقدامات کی گنجائش فراہم کی۔

حکومتی سیکورٹیز مارکیٹ نے وسیع پیمانے پر منافع کی شرح میں کمی کے ساتھ رد عمل دیا۔ قلیل مدتی شرحیں نمایاں طور پر کم ہوئیں، جہاں 3 ماہ، 6 ماہ اور 12 ماہ کی شرحیں بالترتیب 11.01%، 10.89% اور 10.85% پر بند ہوئیں، جو کہ 896 بیس پوائنٹس، 902 بیس پوائنٹس اور 783 بیس پوائنٹس کی کمی کو ظاہر کرتی ہیں۔ درمیانی مدت کی شرحوں میں بھی کمی آئی، جہاں 3 سال اور 5 سال کی مدت کے ریٹس بالترتیب 11.15% اور 11.40% پر بند ہوئے، جو کہ 535 اور 397 بیس پوائنٹس کی کمی کو ظاہر کرتے ہیں، جبکہ 10 سالہ شرح 179 بیس پوائنٹس کم ہو کر 12.30% پر آ گئی۔ مالی نظم و نسق کے تحت اسٹیٹ بینک نے لیکویڈیٹی میں بہتری اور میچورٹی پروفائل کے انتظام کے لیے ٹریڈری بل بائی بیک بھی کیے۔

اس دوران پاکستان کے پہلے 15 سالہ زیرو کوپن بانڈ کا اجراء ایک اہم سنگ میل تھا، جس کے ذریعے 12.70 فیصد کٹ آف پر 288 بلین روپے حاصل کیے گئے۔ یہ اقدام طویل المدتی فنانسنگ کی جانب ایک اسٹریٹجک تبدیلی کی علامت ہے۔ آئندہ کے لیے شرح منافع کی سمت کا انحصار افراط زر کے رجحانات، اصلاحاتی عمل کی پیش رفت اور بیرونی شعبے کی صورتحال پر رہے گا۔



## پونٹ ہولڈرز کیلئے ڈائریکٹرز کی رپورٹ

جے ایس انویسٹمنٹس لمیٹڈ کے بورڈ آف ڈائریکٹر 07 مئی 2025 تا 30 جون 2025 تک اختتام پذیر ہونے والی مدت کیلئے مینجمنٹ کمیٹی برائے فکسڈ ٹرم منافع فنڈ II (فنڈ) کی سالانہ رپورٹ پیش کرتے ہوئے پُرسرت ہیں۔

### معاشی جائزہ:

مالی سال 2025 میں شرح نمو میں کچھ بہتری دیکھنے میں آئی، لیکن یہ مقررہ ہدف سے کم رہی۔ زرعی شعبے کو درپیش مستقل مسائل اور صنعتی سرگرمیوں میں محدود اضافے نے اس صورتحال پر اثر ڈالا۔ معیشت کے استحکام کے لیے جاری پروگرام مجموعی طور پر درست سمت میں رہے، جسے آئی ایم ایف کے 37 ماہ پر مشتمل ”ایکٹیوڈ فنڈ فیسلٹی“ (EFF) کے تحت 7 بلین امریکی ڈالر کے پیکیج میں سے پہلی اور دوسری قسط، بالترتیب 1.0 بلین اور 1.1 بلین امریکی ڈالر کی وصولی سے تقویت ملی۔ اسی دوران 28 ماہ کی ”ریزیلیئنس اینڈ سسٹین ایبلٹی فیسلٹی“ (RSF) کے تحت 1.3 بلین امریکی ڈالر کا معاہدہ بھی ہوا، جس کا مقصد ماحول دوست اور موسمیاتی پائیدار سرمایہ کاری کو فروغ دینا ہے۔ اس سال کا ایک نمایاں اقدام ”پاکستان منرلز انویسٹمنٹ فورم 2025“ میں نیشنل منرلز ہارمونی زیشن فریم ورک کا اجراء تھا، جس کا مقصد عوامی و نجی اشتراک کے ذریعے ملک میں موجود غیر استعمال شدہ معدنی وسائل کو بروئے کار لانا ہے۔ مجموعی طور پر، مالی سال کے دوران معیشت استحکام کی جانب پیش رفت کرتی رہی، اگرچہ کچھ شعبہ جاتی رکاوٹوں نے ترقی کی رفتار کو محدود رکھا۔

افراط زر میں نمایاں کمی ہوئی اور یہ گزشتہ سال کی 23.41 فیصد کی شرح کے مقابلے میں کم ہو کر 4.49 فیصد تک ہو گئی، جس میں خوراک اور توانائی کی مستحکم قیمتوں نے اہم کردار ادا کیا۔ اس کے نتیجے میں مالیاتی پالیسی کو نسبتاً نرم رویہ اختیار کرنے کی گنجائش ملی۔ بیرونی شعبہ بھی خاصی حد تک مضبوط ہوا، مالی سال کے اختتام پر زرمبادلہ کے ذخائر بڑھ کر 14.51 بلین امریکی ڈالر تک پہنچ گئے، جبکہ کرنٹ اکاؤنٹ میں 2.1 بلین امریکی ڈالر کا سرپلس ریکارڈ ہوا، جو گزشتہ سال کے 2.07 بلین امریکی ڈالر کے خسارے کے برعکس ہے۔ مالیاتی کارکردگی کے لحاظ سے فیڈرل بورڈ آف ریونیو (ایف بی آر) کی ٹیکس وصولیاں سال بہ سال 26.13 فیصد بڑھ کر 11.74 ٹریلین روپے تک پہنچ گئیں، تاہم حتمی نتائج نظر ثانی شدہ ہدف سے 165 بلین روپے کم رہے۔ سود کی ادائیگی اور ترقیاتی اخراجات میں کمی کے باعث مالی خسارہ مجموعی قومی پیداوار (GDP) کے 5.4 فیصد تک محدود رہا، جو کہ سال کے آغاز میں مقررہ 5.8 فیصد ہدف سے کم تھا۔

آئندہ مالی سال 2026 کے وفاقی بجٹ میں حقیقی شرح نمو (GDP) کا ہدف 4.2 فیصد مقرر کیا گیا ہے، جو مالی سال 2025 کی 2.7 فیصد شرح کے مقابلے میں زیادہ ہے، جبکہ ہیڈ لائن افراط زر کا ہدف 7.5 فیصد رکھا گیا ہے۔ ان اہداف کے حصول کے لیے ایف بی آر کو 14.13 ٹریلین روپے کی بلند سطح کی ٹیکس وصولی کا ہدف دیا گیا ہے، جس کی بنیاد ٹیکس نیٹ کو وسیع کرنے، کمپلائنس میں بہتری لانے اور ڈیجیٹائزیشن اقدامات کو آگے بڑھانے پر رکھی گئی ہے۔

## JS Fixed Term Munafa Fund II

- **Description of the Collective Investment Scheme category and type**  
Fixed Rate/Return Scheme / Open end Fund
- **Statement of Collective Investment Scheme's investment objective**  
JS Fixed Term Munafa Fund II aims to provide promised return to its unit holders subject to holding of the investment till maturity of the respective investment plans.
- **Explanation as to whether the Collective Investment Scheme has achieved its stated objective**  
The collective investment scheme achieved its stated objective.
- **Statement of benchmark(s) relevant to the Collective Investment Scheme**  
JSFTMF\_II P1: 1 Year PKRV rate (at the time of plan launch)  
JSFTMF\_II P2: 6 months PKRV rate (at the time of plan launch)

### Comparison of the Collective Investment Scheme's performance during the period compared with the said benchmarks

	JSFTMF_II P1	JSFTMF_II P2
Jul-24	n/a	n/a
Aug-24	n/a	n/a
Sep-24	n/a	n/a
Oct-24	n/a	n/a
Nov-24	n/a	n/a
Dec-24	n/a	n/a
Jan-25	n/a	n/a
Feb-25	n/a	n/a
Mar-25	n/a	n/a
Apr-25	n/a	n/a
May-25	12.51%	19.24%
Jun-25	8.99%	12.18%
<b>FY25</b>	<b>10.63%</b>	<b>15.48%</b>
<b>Benchmark</b>	<b>11.28%</b>	<b>11.30%</b>

- **Description of the strategies and policies employed during the period under review in relation to the Collective Investment Scheme's performance**  
During the review period, JS Fixed-Term Munafa Fund II invested in government securities across plans with varying maturities, focusing on floating and fixed-rate PIBs to capture higher yields. The fund maintained a higher duration in anticipation of monetary easing, positioning for capital appreciation as interest rates declined. Strong risk management mitigated interest rate volatility and ensured liquidity, enabling the fund to deliver consistent returns while effectively managing risks in a declining interest rate environment.
- **Disclosure of the Collective Investment Scheme's asset allocation as at the date of the report and particulars of significant changes in asset allocation since the last report (if applicable)**

	JSFTMF_II P1		JSFTMF_II P2	
	Jun-25	Jun-24	Jun-25	Jun-24
Cash	13.96%	n/a	2.47%	n/a
PIBs	0.00%	n/a	62.54%	n/a
T Bills	85.64%	n/a	32.50%	n/a
Other including receivables	0.40%	n/a	2.48%	n/a
<b>Total</b>	<b>100.00%</b>	<b>n/a</b>	<b>100.00%</b>	<b>n/a</b>

- **Analysis of the Collective Investment Scheme's performance**

Plans	Expense Ratio	Government levy & SECP fee*	Selling & marketing expenses*
JSFTMF_II P1	0.32%	0.04%	0.00%
JSFTMF_II P2	0.32%	0.12%	0.00%

\* Included in Expense Ratio; All number are annualized

- **Based on changes in total NAV and NAV per unit since the last review period or since commencement (in the case of newly established Collective Investment Scheme)**

JSFTMF_II P1	Net Assets Excluding JSIL FoFs (PKR mn)	NAV per Unit (PKR)
30-Jun-25	1,053	101.60
30-Jun-24	n/a	n/a

JSFTMF_II P2	Net Assets Excluding JSIL FoFs (PKR mn)	NAV per Unit (PKR)
30-Jun-25	2,224	102.33
30-Jun-24	n/a	n/a

- **Disclosure of the markets that the Collective Investment Scheme has invested in:**

JS Fixed Term Munafa Fund II mainly invests in government securities. Other allowable investment avenues include money market placements, bank deposits, certificates of deposit, certificates of Musharaka, Term Deposit Receipts (TDRs), and any other securities or instruments approved under the SECP's rules, regulations, or directives from time to time.

- **Disclosure on distribution (if any), comprising:-**

- Particulars of income distribution or other forms of distribution made and proposed during the period; and
- Statement on effects on the NAV before and after distribution is made

## Distribution

JSFTMF\_II P1: Nil

JSFTMF\_II P2: Nil

### NAVs per unit as on June 30, 2025

	Cum NAV (PKR)	Ex-NAV (PKR)
JSFTMF_II P1	101.60	101.60
JSFTMF_II P2	102.33	102.33

- **Description and explanation of any significant changes in the state of affairs of the Collective Investment Scheme during the period and up till the date of the manager's report, not otherwise disclosed in the financial statements**

There were no significant changes in the state of affairs during the year under review.



- **Breakdown of unit holdings by size**

Fund Name	Ranges			Number of Folios
<b>JS Fixed Term Munafa Fund II Plan-1</b>	0.0001	to	9,999.9999	2
	10,000.0000	to	49,999.9999	2
	50,000.0000	to	99,999.9999	1
	100,000.0000	to	499,999.9999	2
	500,000.0000	&	above	2
			<b>Total</b>	<b>9</b>

Fund Name	Ranges			Number of Folios
<b>JS Fixed Term Munafa Fund II Plan-2</b>	0.0001	to	9,999.9999	4
	10,000.0000	to	49,999.9999	1
	50,000.0000	to	99,999.9999	1
	100,000.0000	to	499,999.9999	1
	500,000.0000	&	above	5
			<b>Total</b>	<b>12</b>

- **Disclosure on unit split (if any), comprising:-**

The Fund has not carried out any unit split exercise during the year.

- **Disclosure of circumstances that materially affect any interests of the unit holders**

Investment is subject to market risk.

- **Disclosure if the Asset Management Company or its delegate, if any, receives any soft commission (i.e. goods and services) from its broker(s) or dealer(s) by virtue of transactions conducted by the Collective Investment Scheme, disclosure of the following:-**

The Management Company and / or any of its delegates have not received any soft commission from its brokers / dealers by virtue of transactions conducted by the Fund.

## JS FIXED TERM MUNAFA FUND II PERFORMANCE TABLE

		Year 2025	
		JS Fixed Term Munafa Fund II Plan-1	JS Fixed Term Munafa Fund II Plan-2
Net assets - Rupees in '000'	Rs.	1,052,792	2,224,421
Net income - Rupees in '000'	Rs.	22,898	57,672
Total return of the Fund	%	10.63	15.48
Total dividend distribution	%	-	-
Capital Growth	%	10.63	15.48
Average annual return	%	10.63	15.48
NAV per unit	Rs.	101.60	102.33
Offer price per unit at launched date	Rs.	100.00	100.00
Highest repurchase price per unit	Rs.	101.60	102.33
Lowest repurchase price per unit	Rs.	100.08	100.09
Year-end repurchase price per unit	Rs.	101.60	102.33

### Notes

- JS FIXED TERM MUNAFA FUND II'S PLANS were launched:  
 JS Fixed Term Munafa Fund II Plan-1 was launched on May 6, 2025.  
 JS Fixed Term Munafa Fund II Plan-2 was launched on May 6, 2025.
- Units have par value of Rs. 100/- each.
- Investment portfolio composition of the Fund is disclosed in note 5 of the financial statements.

### Disclaimer

- Past performance is not necessarily indicative of future performance and that unit prices and investment returns may go down, as well as up.



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## REPORT OF THE TRUSTEE TO THE UNIT HOLDERS JS FIXED TERM MUNAFA FUND II

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

JS Fixed Term Munafa Fund II (the Fund) was established and registered under the Trust Deed and under section 16 of the Sindh Trusts Act, 2020 respectively executed between JS Investments Limited as the Management Company and Digital Custodian Company Limited as the Trustee. The Trust Deed was executed on January 29, 2025 in accordance with the requirement of Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules). The Fund commenced its operations from May 7, 2025.

1. JS Investments Limited, the Management Company of JS Fixed Term Munafa Fund II has, in all material respects, managed JS Fixed Term Munafa II Fund during the year ended June 30, 2025 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 year ended June 30, 2025. 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: September 29, 2025

#### **ONLINE**

+923-111-322-228

 digitalcustodian.co

 / digitalcustodian

#### **LAHORE**

LSE Plaza, 508

Kashmir Egerton Road

+92 42 3630 4406

#### **KARACHI**

Perdesi House

Old Queens Road

+92 21 3241 9770



## INDEPENDENT AUDITOR'S REPORT

To the Unit holders of JS Fixed Term Munafa Fund II

Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of JS Fixed Term Munafa Fund II (the Fund / Collective Investment Scheme), which comprise the statement of assets and liabilities as at June 30, 2025, and the income statement, the statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the period from May 7, 2025 to June 30, 2025, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2025, and of its financial performance and its cash flows for the period from May 7, 2025 to June 30, 2025 in accordance with the accounting and reporting standards as applicable in Pakistan.

### Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
1	<p><b>Net Asset Value (NAV)</b> (Refer note 5 to the annexed financial statements)</p> <p>Investments constitute the most significant component of the net assets value. Investments of the Fund amounted to Rs. 3,036.50 million as at June 30, 2025.</p> <p>The existence and proper valuation of investments for the determination of NAV of the Fund as at June 30, 2025 was considered a high risk area and therefore we considered this as a key audit matter.</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> <li>Obtained independent confirmations for verifying the existence of the investment portfolio as at June 30, 2025 and traced it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed; and</li> <li>Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies.</li> </ul>

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A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network  
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan  
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>





### Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and Board of Directors of the Management Company for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of directors of the Management Company is responsible for overseeing the Fund's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with board of directors of the Management Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide board of directors of the Management Company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with board of directors of the Management Company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

Based on our audit, we further report that in our opinion:

- a) the financial statements have been properly prepared in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008;
- b) proper books and records have been kept by the Collective Investment Scheme and the financial statements prepared are in agreement with the books and records of the Collective Investment Scheme; and
- c) we were able to obtain all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of the audit.

The engagement partner on the audit resulting in this independent auditor's report is **Noman Abbas Sheikh**.

*A. Ferguson & Co.*

A. F. Ferguson & Co.  
Chartered Accountants

Dated: September 30, 2025

Karachi

UDIN: AR2025100619e0nLPX8w



# FINANCIAL STATEMENTS

## STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2025

		As at June 30, 2025		
		JS Fixed Term Munafa Fund II Plan - 1	JS Fixed Term Munafa Fund II Plan - 2	
Note		----- (Rupees) -----		
<b>ASSETS</b>				
	Bank balances	4	148,058,145	55,324,102
	Investments	5	908,579,500	2,127,925,024
	Mark-up / profit receivable	6	4,009,161	55,349,775
	Deferred formation cost	7	275,843	397,015
	Total assets		1,060,922,649	2,238,995,916
<b>LIABILITIES</b>				
	Payable to JS Investments Limited - Management Company	8	3,487,663	6,308,107
	Payable to Digital Custodian Company Limited - Trustee	9	103,448	183,257
	Payable to the Securities and Exchange Commission of Pakistan	10	89,930	159,329
	Accrued expenses and other liabilities	11	4,449,668	7,923,783
	<b>Total liabilities</b>		8,130,709	14,574,476
<b>NET ASSETS</b>			1,052,791,940	2,224,421,440
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>			1,052,791,940	2,224,421,440
<b>CONTINGENCIES AND COMMITMENTS</b>				
		12	----- (Number of units) -----	
<b>NUMBER OF UNITS IN ISSUE</b>		14	10,361,943	21,737,304
<b>NET ASSET VALUE PER UNIT</b>			101.60	102.33

The annexed notes from 1 to 28 form an integral part of these financial statements.



Chief Financial Officer



Chief Executive Officer



Director

# INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2025

		For the period from May 7, 2025 to June 30, 2025	
		JS Fixed Term Munafa Fund II Plan - 1	JS Fixed Term Munafa Fund II Plan - 2
Note		(Rupees)	
<b>INCOME</b>			
	Profit on:		
	- Bank deposits	3,722,125	4,120,263
	- Government securities	16,869,149	33,809,811
	Gain on sale of investments - net	5,848,071	6,813,962
	Net unrealised appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss'	5.3 1,168,778	21,326,436
	<b>Total income</b>	<b>27,608,123</b>	<b>66,070,472</b>
<b>EXPENSES</b>			
	Remuneration of JS Investments Limited - Management Company	8.1 3,314,225	5,987,737
	Sindh Sales Tax on remuneration of the Management Company	8.2 497,133	898,161
	Remuneration of Digital Custodian Company Limited - Trustee	9.1 170,728	297,274
	Sindh Sales Tax on remuneration of the Trustee	9.2 25,609	44,591
	Fee to the Securities and Exchange Commission of Pakistan	10.1 170,728	297,274
	Auditors' remuneration	13 175,649	299,551
	Brokerage and settlement charges	287,168	400,652
	Printing and stationery charges	25,000	25,000
	Amortisation of deferred formation cost	7 43,953	148,714
	<b>Total expenses</b>	<b>4,710,193</b>	<b>8,398,954</b>
	<b>Net income for the period before taxation</b>	<b>22,897,930</b>	<b>57,671,518</b>
	Taxation	17 -	-
	<b>Net income for the period after taxation</b>	<b>22,897,930</b>	<b>57,671,518</b>
<b>Allocation of net income for the period</b>			
	Net income for the period after taxation	22,897,930	57,671,518
	Income already paid on units redeemed	(19,705,023)	(37,180,294)
		<b>3,192,907</b>	<b>20,491,224</b>
<b>Accounting income available for distribution</b>			
	- Relating to capital gain	3,192,907	20,491,224
	- Excluding capital gain	-	-
		<b>3,192,907</b>	<b>20,491,224</b>

The annexed notes from 1 to 28 form an integral part of these financial statements.

Chief Financial Officer

Chief Executive Officer

Director

## STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2025

	For the period from May 7, 2025 to June 30, 2025	
	JS Fixed Term Munafa Fund II Plan - 1	JS Fixed Term Munafa Fund II Plan - 2
Note	(Rupees)	
Net income for the period after taxation	22,897,930	57,671,518
Other comprehensive income for the period	-	-
<b>Total comprehensive income for the period</b>	<b>22,897,930</b>	<b>57,671,518</b>

The annexed notes from 1 to 28 form an integral part of these financial statements.



Chief Financial Officer



Chief Executive Officer



Director



# STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND

FOR THE YEAR ENDED JUNE 30, 2025

	For the period from May 7, 2025 to June 30, 2025			For the period from May 7, 2025 to June 30, 2025		
	JS Fixed Term Munafa Fund II Plan - 1			JS Fixed Term Munafa Fund II Plan - 2		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees)			(Rupees)		
Issuance of units:						
JSFTMFII P1 31,251,221 /						
JSFTMFII P2 48,439,695 units						
- Capital value (at net asset value per unit at the beginning of the period)	3,125,122,090	-	3,125,122,090	4,843,969,518	-	4,843,969,518
- Element of income	19,652,637	-	19,652,637	30,199,798	-	30,199,798
<b>Total proceeds on issuance of units</b>	3,144,774,727	-	3,144,774,727	4,874,169,316	-	4,874,169,316
Redemption of units:						
JSFTMFII P1 20,889,278 /						
JSFTMFII P2 26,702,391 units						
- Capital value (at net asset value per unit at the beginning of the period)	(2,088,927,800)	-	(2,088,927,800)	(2,670,239,100)	-	(2,670,239,100)
- Element of loss	(6,247,894)	(19,705,023)	(25,952,917)	-	(37,180,294)	(37,180,294)
<b>Total payments on redemption of units</b>	(2,095,175,694)	(19,705,023)	(2,114,880,717)	(2,670,239,100)	(37,180,294)	(2,707,419,394)
<b>Total comprehensive income for the period</b>	-	22,897,930	22,897,930	-	57,671,518	57,671,518
<b>Net assets at the end of the period</b>	1,049,599,033	3,192,907	1,052,791,940	2,203,930,216	20,491,224	2,224,421,440
<b>Accounting income available for distribution</b>						
- Relating to capital gains	3,192,907			20,491,224		
- Excluding capital gains	-			-		
	3,192,907			20,491,224		
Total distribution during the period	-			-		
Undistributed income carried forward	3,192,907			20,491,224		
<b>Undistributed income carried forward</b>						
- Realised income	2,024,129			-		
- Unrealised income	1,168,778			20,491,224		
	3,192,907			20,491,224		
		<b>Rupees</b>			<b>Rupees</b>	
Net asset value per unit at the end of the period		101.60			102.33	

The annexed notes from 1 to 28 form an integral part of these financial statements.

Chief Financial Officer

Chief Executive Officer

Director

## CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2025

For the period from May 7, 2025 to June 30, 2025	
JS Fixed Term Munafa Fund II Plan - 1	JS Fixed Term Munafa Fund II Plan - 2

Note ----- (Rupees) -----

### CASH FLOWS FROM OPERATING ACTIVITIES

Net income for the period before taxation	22,897,930	57,671,518
<b>Adjustments for:</b>		
Profit on bank deposits and investments	(20,591,274)	(37,930,074)
Gain on sale of investments - net	(5,848,071)	(6,813,962)
Net unrealised appreciation on re-measurement of investments classified as financial assets at 'fair value through profit or loss'	(1,168,778)	(21,326,436)
	(27,608,123)	(66,070,472)
Increase in assets		
Investments - net	(901,562,651)	(2,099,784,626)
Mark-up / profit receivable	(287,036)	(29,874,019)
Deferred formation cost	(275,843)	(397,015)
	(902,125,530)	(2,130,055,660)
Increase in liabilities		
Payable to JS Investments Limited - Management Company	3,487,663	6,308,107
Payable to Digital Custodian Company Limited - Trustee	103,448	183,257
Payable to the Securities and Exchange Commission of Pakistan	89,930	159,329
Accrued expenses and other liabilities	4,449,668	7,923,783
	8,130,709	14,574,476
Mark-up / profit received	16,869,149	12,454,318
Net cash used in operating activities	(881,835,865)	(2,111,425,820)

### CASH FLOWS FROM FINANCING ACTIVITIES

Receipts against issuance of units	3,144,774,727	4,874,169,316
Payments against redemption of units	(2,114,880,717)	(2,707,419,394)
Net cash generated from financing activities	1,029,894,010	2,166,749,922
Net increase in cash and cash equivalents during the period	148,058,145	55,324,102
Cash and cash equivalents at the beginning of the period	-	-
Cash and cash equivalents at end of the period	148,058,145	55,324,102

The annexed notes from 1 to 28 form an integral part of these financial statements.



Chief Financial Officer



Chief Executive Officer



Director

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

## 1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** JS Fixed Term Munafa Fund II (the Fund) was established and registered under the Trust Deed and under section 16 of the Sindh Trusts Act, 2020 respectively executed between JS Investments Limited as the Management Company and Digital Custodian Company Limited as the Trustee. The Trust Deed was executed on January 29, 2025 in accordance with the requirement of Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules). The Fund commenced its operations from May 7, 2025.
- 1.2** The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the Securities and Exchange Commission of Pakistan (SECP). The registered office of the Management Company is situated at The Centre, 19th Floor, Plot No. 28 SB-5, Abdullah Haroon Road, Saddar, Karachi, Pakistan.
- 1.3** The Fund is an open end mutual fund categorised as “Fixed Rate / Return Scheme” and is listed on the Pakistan Stock Exchange Limited. The investment objectives and policies are explained in the Fund’s offering document. The units of the Fund were initially offered for public subscription at par value of Rs. 100 per unit.
- 1.4** As per the offering document, the Fund shall invest in investment grade debt securities and government securities, including money market instruments.
- 1.5** The objective of the Fund is to provide promised returns to its unitholders subject to the holding of the investments till maturity of the respective plans.
- 1.6** The maturity of the Fund is perpetual, however plans may have a set time frame. The issue and maturity dates of the return plans are as follows:

Plans	JS Fixed Term Munafa Fund II Plan - 1	JS Fixed Term Munafa Fund II Plan - 2
Issue date (close of subscription period)	May 7, 2025	May 7, 2025
Maturity date	1 year after the close of subscription period.	6 months after the close of the subscription period

The management company measured the assets and liabilities of both the plans in accordance with material accounting policy information as disclosed in note 3 to these financial statements. In preparing these financial statements, the management has given due consideration to the fact that the measurement of assets and liabilities of the Plan may be affected by changes in judgements that can arise when the going concern assumption ceases to be valid.

- 1.7** Pakistan Credit Rating Agency Limited (PACRA) has upgraded to asset manager rating to ‘AM2++’ with ‘stable outlook’ dated November 30, 2024 of the Management Company.
- 1.8** Title to the assets of the Fund is held in the name of Digital Custodian Company Limited (DCCL) as Trustee of the Fund.
- 1.9** These are the first annual financial statements of the Fund for the period from May 7, 2025 to June 30, 2025. Therefore, comparative figures are not reported in these financial statements.

## 2 BASIS OF PREPARATION

### 2.1 Statement of compliance

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

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

- International Financial Reporting Standards (IFRS Accounting Standards) 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 Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and 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 IFRS Accounting Standards, 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.

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

There are certain new standards and amendments to the published accounting and reporting standards that will be applicable to the Fund for its annual periods beginning on or after July 1, 2025. However, these are not considered to be relevant or will not have any material effect on the Fund's financial statements except for:

- the new standard - IFRS 18 Presentation and Disclosure in Financial Statements (IFRS 18) (published in April 2024) with applicability date of January 1, 2027 by IASB. IFRS 18 when adopted and applicable shall impact the presentation of 'Income Statement' with certain additional disclosures in the financial statements; and
- amendments to IFRS 9 'Financial Instruments' which clarify the date of recognition and derecognition of a financial asset or financial liability including settlement of liabilities through banking instruments and channels including electronic transfers with effective date of January 1, 2026. The amendment when applied may impact the timing of recognition and derecognition of financial liabilities.

## 2.3 Critical accounting estimates and judgments

The preparation of financial statements in accordance with the accounting and reporting standards as applicable in Pakistan requires the management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates, judgments and associated assumptions are based on historical experience and various other factors including expectations of future events that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

The estimates and judgments that have a significant effect on the financial statements of the Fund relate to classification and valuation of financial assets (notes 3.2 and 5).

## 2.4 Accounting convention

These financial statements have been prepared under the historical cost convention except for certain investments which have been classified as 'at fair value through profit or loss' and which are measured at fair value. The details in respect of valuation techniques under IFRS 13 'Fair Value Measurement' used for the fair valuation of financial assets has been disclosed in note 21.3.



# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

## 2.5 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistan Rupee, which is the Fund's functional and presentation currency.

## 3 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of these financial statements are set out below.

### 3.1 Cash and cash equivalents

These comprise balances with banks in savings and current accounts and other short-term highly liquid investments with original maturities of three months or less.

### 3.2 Financial assets

#### 3.2.1 Initial recognition and measurement

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the "Income Statement".

#### 3.2.2 Classification and subsequent measurement

##### 3.2.2.1 Debt instruments

IFRS 9 has provided a criteria for debt securities whereby these debt securities are either classified as:

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

based on the business model of the entity.

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

##### 3.2.3 Impairment (other than debt securities)

The Fund assesses on a forward-looking basis the expected credit losses (ECL) associated with its financial assets (other than debt instruments) carried at amortised cost and FVOCI. The Fund recognises loss allowances for such losses at each reporting date. The measurement of ECL reflects:

- an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The 12 months ECL is recorded for all financial assets in which there is no significant increase in credit risk from the date of initial recognition, whereas a lifetime ECL is recorded for all remaining financial assets.

The Fund considers that a financial asset is in default when the counterparty fails to make contractual payments within 90 days of when they fall due. Further, financial assets are written off by the Fund, in whole or part, when it has exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery.

## 3.2.4 Impairment loss on debt securities

Provision for non-performing debt securities is made on the basis of time-based criteria as prescribed by the SECP and based on management's assessment made in line with its provisioning policy approved by the Board of Directors of the Management Company in accordance with the guidelines issued by the SECP. Impairment losses recognised on debt securities can be reversed through the "Income Statement".

As allowed by the SECP, the Management Company may make provision against debt securities over and above the minimum provision requirement prescribed by the SECP, considering the specific credit and financial condition of the debt security issuer and in accordance with the provisioning policy duly approved by the Board of Directors of the Management Company. The provisioning policy approved by the Board of Directors has also been placed on the Management Company's website as required under the SECP's Circular.

## 3.2.5 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset.

## 3.2.6 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred, the Fund has transferred substantially all the risks and rewards of ownership or the Fund neither transfers nor retains substantially all the risks and rewards of ownership and the Fund has not retained control. Any gain or loss on derecognition of financial assets is taken to the "Income Statement".

## 3.3 Financial liabilities

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. These are initially recognised at fair values and subsequently measured at amortised cost using the effective interest method.

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

## 3.4 Offsetting of financial assets and financial liabilities

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

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

## 3.5 Provisions

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

## 3.6 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 percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. Furthermore, for the purpose of determining distribution of at least 90 percent of the accounting income, the income distributed through bonus units shall not be taken into account.

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.

## 3.7 Net asset value per unit

The Net Asset Value (NAV) per unit, as disclosed in the "Statement of Assets and Liabilities", is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

## 3.8 Issue and redemption of units

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

Units redeemed are recorded at the redemption price prevalent on the date on which the Management Company receives redemption applications during business hours on that date. The redemption price represents NAV as on the close of business day, less any duties, taxes, charges on redemption and provision for transactions costs, if applicable.

## 3.9 Distributions to unit holders

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

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

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

Element of income represents the difference between Net Asset Value (NAV) per unit on the issuance or redemption date, as the case may be, of units and the NAV per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

to unit holders' fund. However, to maintain the same ex-dividend NAV of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders' fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

## 3.11 Revenue recognition

- Gain or (loss) arising on sale of investments classified as financial assets at 'fair value through profit or loss' are recognised in the "Income Statement" at the date on which the transaction takes place.
- Unrealised gain / loss arising on remeasurement of investments classified as financial assets 'at fair value through profit or loss' included in Income Statement in the period in which they arise.
- Income on government securities is recognised on a time proportionate basis using the effective yield method.
- Profit on bank balances is recognised on an accrual basis.

## 3.12 Expenses

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

## 4 BANK BALANCES

As at June 30, 2025	
JS Fixed Term Munafa Fund II Plan - 1	JS Fixed Term Munafa Fund II Plan - 2
Note	(Rupees)
4.1	<u>148,058,145</u> <u>55,324,102</u>

4.1 These represent balances maintained with JS Bank Limited (a related party) and carry profit at the rate of 9.00% per annum.

## 5 INVESTMENTS

As at June 30, 2025	
JS Fixed Term Munafa Fund II Plan - 1	JS Fixed Term Munafa Fund II Plan - 2
Note	(Rupees)
At fair value through profit or loss	
Market Treasury Bills	5.1 <u>908,579,500</u> <u>727,656,900</u>
Pakistan Investment Bonds	5.2      - <u>1,400,268,124</u>
	<u>908,579,500</u> <u>2,127,925,024</u>



# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

## 5.1 Market Treasury Bills

### JS Fixed Term Munafa Fund II Plan - 1

Tenure	Issue date	Face value				Balance as at June 30, 2025			Market value as a percentage of	
		As at May 7, 2025	Purchased during the period	Sold / matured during the period	As at June 30, 2025	Carrying value	Market value	Unrealised appreciation	net assets of the Fund	total investments of the
Rupees										%
Market Treasury Bills										
- 1 Month	April 17, 2025	-	1,000,000,000	1,000,000,000	-	-	-	-	-	-
- 1 Month	May 15, 2025	-	3,000,000,000	3,000,000,000	-	-	-	-	-	-
Market Treasury Bills										
- 6 months	May 29, 2025	-	500,000,000	500,000,000	-	-	-	-	-	-
Market Treasury Bills										
- 12 Months	May 2, 2025	-	1,500,000,000	1,500,000,000	-	-	-	-	-	-
- 12 Months	May 29, 2025	-	500,000,000	-	500,000,000	454,020,564	455,087,500	1,066,936	43.23%	50.09%
- 12 Months	June 12, 2025	-	500,000,000	-	500,000,000	453,390,158	453,492,000	101,842	43.08%	49.91%
Total as at June 30, 2025						907,410,722	908,579,500	1,168,778		

These will mature latest by June 11, 2026 and carry effective yields ranging from 10.89% to 11.16% per annum.

### JS Fixed Term Munafa Fund II Plan - 2

Tenure	Issue date	Face value				Balance as at June 30, 2025			Market value as a percentage of	
		As at May 7, 2025	Purchased during the period	Sold / matured during the period	As at June 30, 2025	Carrying value	Market value	Unrealised appreciation	net assets of the Fund	total investments of the Fund
		Rupees							%	
Market Treasury Bills										
- 1 Month	April 17, 2025	-	3,000,000,000	3,000,000,000	-	-	-	-	-	-
- 1 Month	May 15, 2025	-	4,800,000,000	4,800,000,000	-	-	-	-	-	-
Market Treasury Bills										
- 6 months	May 2, 2025	-	1,000,000,000	1,000,000,000	-	-	-	-	-	-
Market Treasury Bills										
- 12 Months	October 3, 2024	-	500,000,000	500,000,000	-	-	-	-	-	-
- 12 Months	May 2, 2025	-	2,000,000,000	2,000,000,000	-	-	-	-	-	-
- 12 Months	May 15, 2025	-	300,000,000	-	300,000,000	273,302,839	274,164,900	862,061	12.33%	12.88%
- 12 Months	May 29, 2025	-	500,000,000	500,000,000	-	-	-	-	-	-
- 12 Months	June 12, 2025	-	500,000,000	-	500,000,000	453,401,679	453,492,000	90,321	20.39%	21.31%
Total as at June 30, 2025						726,704,518	727,656,900	952,382		

These will mature latest by June 11, 2026 and carry effective yields ranging from 10.89% to 11.29% per annum.

## 5.2 Pakistan Investment Bonds

### JS Fixed Term Munafa Fund II Plan - 1

Tenure	Issue date	Face value				Balance as at June 30, 2025			Market value as a percentage of		
		As at May 7, 2025	Purchased during the period	Sold / matured during the period	As at June 30, 2025	Carrying value	Market value	Unrealised appreciation	net assets of the Fund	total investments of the	
(Rupees)								%			
Pakistan Investment Bonds											
- 2 Years	January 16, 2025	-	1,000,000,000	1,000,000,000	-	-	-	-	-	-	
Total as at June 30, 2025						-	-	-			

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

## JS Fixed Term Munafa Fund II Plan - 2

Tenure	Issue date	Face value				Balance as at June 30, 2025			Market value as a percentage of	
		As at May 7, 2025	Purchased during the period	Sold / matured during the period	As at June 30, 2025	Carrying value	Market value	Unrealised appreciation	net assets of the Fund	total investments of the Fund
		(Rupees)							%	
Pakistan Investment Bonds										
- 2 Years	September 20, 2024	-	250,000,000	250,000,000	-	-	-	-	-	-
Pakistan Investment Bonds										
- 3 Years	September 20, 2024	-	250,000,000	250,000,000	-	-	-	-	-	-
- 3 Years	January 16, 2025	-	250,000,000	250,000,000	-	-	-	-	-	-
Pakistan Investment Bonds										
- 5 Years	February 7, 2024	-	500,000,000	500,000,000	-	-	-	-	-	-
- 5 Years	September 20, 2024	-	1,500,000,000	210,000,000	1,290,000,000	1,379,894,070	1,400,268,124	20,374,054	62.95%	65.80%
Total as at June 30, 2025						1,379,894,070	1,400,268,124	20,374,054		

These will mature latest by September 20, 2029 and carry effective yield of 11.84% per annum.

As at June 30, 2025	
JS Fixed Term Munafa Fund II Plan - 1	JS Fixed Term Munafa Fund II Plan - 2

### 5.3 Unrealised appreciation on re-measurement of investments classified as financial assets at 'fair value through profit or loss' - net

Note ----- (Rupees) -----

Market value of investments	5.1 & 5.2	<b>908,579,500</b>	<b>2,127,925,024</b>
Less: carrying value of investments	5.1 & 5.2	<b>(907,410,722)</b>	<b>(2,106,598,588)</b>
		<u><b>1,168,778</b></u>	<u><b>21,326,436</b></u>

## 6 MARK-UP / PROFIT RECEIVABLE

Mark-up / return receivable on:

Bank balances	<b>4,009,161</b>	<b>4,801,405</b>
Investments	<b>-</b>	<b>50,548,370</b>
	<u><b>4,009,161</b></u>	<u><b>55,349,775</b></u>

## 7 DEFERRED FORMATION COST

Preliminary expenses and formation costs	7.1	<b>319,796</b>	<b>545,729</b>
Less: amortisation during the period		<b>(43,953)</b>	<b>(148,714)</b>
		<u><b>275,843</b></u>	<u><b>397,015</b></u>

**7.1** Preliminary expenses and formation costs represent expenditure incurred prior to the commencement of the operations of the Fund and are being amortised over a period of five years commencing from May 7, 2025 as per the requirements set out in the Trust Deed of the Fund.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

		As at June 30, 2025	
		JS Fixed Term Munafa Fund II Plan - 1	JS Fixed Term Munafa Fund II Plan - 2
8	PAYABLE TO JS INVESTMENTS LIMITED - MANAGEMENT COMPANY	Note	(Rupees)
	Remuneration payable to Management Company	8.1	2,724,233
	Sindh Sales Tax payable on management remuneration	8.2	408,634
	Preliminary expenses and formation costs		319,796
	Printing, stationery and other payable		35,000
			<u>3,487,663</u>

**8.1** As per Regulation 61 of NBFC Regulations, 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 remuneration not exceeding 1.5% for Plan-1 and 1.5% for Plan-2 per annum of average daily net assets during the period ended June 30, 2025. The remuneration is payable to the Management Company in arrears within thirty business days after the end of each calendar month.

During the period ended June 30, 2025, the SECP, vide S.R.O.600(I)/2025 dated April 10, 2025, revised the management fee cap to 1% to be calculated on a per annum basis of the average daily net assets, applicable to a "Fixed Rate/Return Scheme". This revision is effective from July 01, 2025.

**8.2** The Provincial Government of Sindh has levied Sindh Sales Tax at the rate of 15% on the remuneration of Management Company through the Sindh Sales Tax on Services Act, 2011.

		As at June 30, 2025	
		JS Fixed Term Munafa Fund II Plan - 1	JS Fixed Term Munafa Fund II Plan - 2
9	PAYABLE TO DIGITAL CUSTODIAN COMPANY LIMITED - TRUSTEE	Note	(Rupees)
	Trustee remuneration payable	9.1	89,955
	Sindh Sales Tax payable on trustee remuneration	9.2	13,493
			<u>103,448</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% 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 15% on the remuneration of the Trustee through the Sindh Sales Tax on Services Act, 2011.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

		As at June 30, 2025	
		JS Fixed Term Munafa Fund II Plan - 1	JS Fixed Term Munafa Fund II Plan - 2
<b>10</b>	<b>PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN</b>	<b>Note ----- (Rupees) -----</b>	
	Fee payable	10.1 <u>89,930</u>	<u>159,329</u>

- 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). Accordingly, the Fund has charged SECP fee at the rate of 0.075% per annum of the daily net assets during the period. Further, the Fund is required to pay SECP fee within fifteen days of the close of every calendar month.

		As at June 30, 2025	
		JS Fixed Term Munafa Fund II Plan - 1	JS Fixed Term Munafa Fund II Plan - 2
<b>11</b>	<b>ACCRUED EXPENSES AND OTHER LIABILITIES</b>	<b>----- (Rupees) -----</b>	
	Brokerage payable	63,923	89,270
	Auditors' remuneration payable	175,649	299,551
	Capital gain tax and other payables	4,210,096	7,534,962
		<u>4,449,668</u>	<u>7,923,783</u>

## **12 CONTINGENCIES AND COMMITMENTS**

There were no contingencies and commitments outstanding as at June 30, 2025.

		For the period from May 7, 2025 to June 30, 2025	
		JS Fixed Term Munafa Fund II Plan - 1	JS Fixed Term Munafa Fund II Plan - 2
<b>13</b>	<b>AUDITORS' REMUNERATION</b>	<b>----- (Rupees) -----</b>	
	Annual audit fee	138,853	236,799
	Out of pocket expenses	13,885	23,680
	Sindh Sales Tax	22,911	39,072
		<u>175,649</u>	<u>299,551</u>

		As at June 30, 2025	
		JS Fixed Term Munafa Fund II Plan - 1	JS Fixed Term Munafa Fund II Plan - 2
<b>14</b>	<b>NUMBER OF UNITS IN ISSUE</b>	<b>----- (Number of units)-----</b>	
	Units issued during the period	31,251,221	48,439,695
	Units redeemed during the period	(20,889,278)	(26,702,391)
	Total units in issue at the end of the period	<u>10,361,943</u>	<u>21,737,304</u>



# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

		As at June 30, 2025	
		JS Fixed Term Munafa Fund II Plan - 1	JS Fixed Term Munafa Fund II Plan - 2
15	CASH AND CASH EQUIVALENTS	Note	(Rupees)
	Bank balances	4	
			<u>148,058,145</u> <u>55,324,102</u>

## 16 TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund as at June 30, 2025 is 0.32% for JS Fixed Term Munafa Fund II Plan - 1 and 0.32% for JS Fixed Term Munafa Fund II Plan - 2 which included 0.04% for JS Fixed Term Munafa Fund II Plan - 1 and 0.12% for JS Fixed Term Munafa Fund II Plan - 2 representing Government levies on the Fund such as provision for sales taxes, federal excise duties, annual fee to the SECP, etc. This ratio is within the maximum limit of 2.50% (excluding government levies) prescribed under the NBFC Regulations for a collective investment scheme categorised as an "Fixed Rate / Return scheme".

During the year ended June 30, 2025, the Securities and Exchange Commission of Pakistan (SECP), vide S.R.O. 600(I)/2025 dated April 10, 2025, amended the previously applicable Total Expense Ratio (TER) caps. With effect from July 1, 2025, this amendment replaces the earlier TER-based cap structure with a direct cap on the management fee, irrespective of the scheme's overall expense ratio. The revised management fee limits have been disclosed in Note 8.1 to these financial statements.

## 17 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 gains, whether realised or unrealised, is distributed amongst the unit holders. Furthermore, as per Regulation 63 of the NBFC Regulations, 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 has distributed the required minimum percentage of income earned by the Fund for the period ended June 30, 2025 to the unit holders in a manner as explained above, no provision for taxation has been made in these financial statements during the period.

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

## 18 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

Connected persons / related parties include JS Investments Limited (JSIL) being the Management Company of the Fund, Digital Custodian Company Limited being the Trustee of the Fund, JS Bank Limited (JSBL) being the holding company of the Management Company - holding 84.56% shares of JS Investments Limited, Jahangir Siddiqui & Co. Limited (JSCL) being the holding company of JSBL - holding 71.20 % shares of JS Bank Limited, BankIslami Pakistan Limited (BIPL) which is a fellow subsidiary of JSBL - 75.12% shares are held by JS Bank Limited, JS Global Capital Limited (JSGCL) which is a fellow subsidiary of JSBL - 92.90% shares are held by JS Bank Limited and other associated companies of JSBL, JSGCL, JSIL and its subsidiaries, key management personnel, directors and their close family members of the above entities and other funds being managed by JSIL and includes entities holding 10% or more in the units of the Fund as at June 30, 2025. It also includes staff retirement benefit funds 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 FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Remunerations to the Management Company and the Trustee of the Fund are determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

The details of transactions carried out by the Fund with related parties / connected persons, during the period ended June 30, 2025 and balances with them as at period end are as follows:

		For the period from May 7, 2025 to June 30, 2025	
		JS Fixed Term Munafa Fund II Plan - 1	JS Fixed Term Munafa Fund II Plan - 2
		----- (Rupees) -----	
<b>18.1</b>	<b>Transactions with related parties / connected persons during the period</b>		
	<b>JS Investments Limited (Management Company)</b>		
	Remuneration of JS Investments Limited - Management Company	3,314,225	5,987,737
	Sindh Sales Tax on Management Company's Remuneration	497,133	898,161
	Printing and stationery charges	25,000	25,000
	<b>Digital Custodian Company Limited (Trustee)</b>		
	Remuneration of the Digital Custodian Company Limited - Trustee	170,728	297,274
	Sindh Sales Tax on remuneration of the Trustee	25,609	44,591
	<b>JS Bank Limited (Parent Company of JSIL)</b>		
	Mark-up on bank balances	3,722,125	4,120,263
	<b>Al-Abbas Sugar Mills Limited (Common Directorship of Ultimate Parent Company and Management Company)</b>		
	Amount received against issuance of units	-	804,368,288
	Units issued (Number of units)	-	7,988,260
	Amount paid against redemption of units	-	405,660,001
	Units redeemed (Number of units)	-	4,000,986
	<b>Unit holder holding 10% or more of units in issue</b>		
	Amount received against issuance of units	2,000,425,884	3,515,745,249
	Units issued (Number of units)	19,879,215	34,915,138
	Amount paid against redemption of units	1,008,052,577	1,772,546,365
	Units redeemed (Number of units)	9,955,092	17,482,457
		As at June 30, 2025	
		JS Fixed Term Munafa Fund II Plan - 1	JS Fixed Term Munafa Fund II Plan - 2
<b>18.2</b>	<b>Amounts / balances outstanding as at period end</b>	----- (Rupees) -----	
	<b>JS Investments Limited (Management Company)</b>		
	Remuneration payable to Management Company	2,724,233	4,980,327
	Sindh Sales Tax payable on Management Company's remuneration	408,634	747,051
	Preliminary expenses and formation costs	319,796	545,729
	Printing, stationery and other payable	35,000	35,000

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

## Digital Custodian Company Limited (Trustee)

Payable to Digital Custodian Company Limited - Trustee  
Sindh Sales Tax payable to Digital Custodian Company Limited - Trustee

As at June 30, 2025	
JS Fixed Term Munafa Fund II Plan - 1	JS Fixed Term Munafa Fund II Plan - 2

(Rupees)	
89,955	159,354
13,493	23,903

## JS Bank Limited (Parent Company of JSIL)

Bank balances  
Mark-up receivable on bank balances

148,058,145	55,324,102
4,009,161	4,801,405

## Al-Abbas Sugar Mills Limited (Common Directorship of Ultimate

Parent Company and Management Company)

Amount held	-	408,017,695
Units held (Number of units)	-	3,987,273

## Unit holder holding 10% or more of units in issue

Amount held	1,008,290,925	1,783,886,220
Units held (Number of units)	9,924,123	17,432,681

## 19 FINANCIAL INSTRUMENTS BY CATEGORY

Particulars	As at June 30, 2025						
	JS Fixed Term Munafa Fund II Plan - 1			JS Fixed Term Munafa Fund II Plan - 2			Total
	At amortised cost	At fair value through profit or loss	Sub total	At amortised cost	At fair value through profit or loss	Sub total	
	(Rupees)						
Financial assets							
Bank balances	148,058,145	-	148,058,145	55,324,102	-	55,324,102	203,382,247
Investments	-	908,579,500	908,579,500	-	2,127,925,024	2,127,925,024	3,036,504,524
Mark-up / profit receivable	4,009,161	-	4,009,161	55,349,775	-	55,349,775	59,358,936
	152,067,306	908,579,500	1,060,646,806	110,673,877	2,127,925,024	2,238,598,901	3,299,245,707
Financial liabilities							
Payable to JS Investment Limited - Management Company	3,487,663	-	3,487,663	6,308,107	-	6,308,107	9,795,770
Payable to Digital Custodian Company Limited - Trustee	103,448	-	103,448	183,257	-	183,257	286,705
Accrued expenses and other liabilities	239,572	-	239,572	388,821	-	388,821	628,393
	3,830,683	-	3,830,683	6,880,185	-	6,880,185	10,710,868

## 20 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund's objective in managing risk is the creation and protection of unit holders' value. Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily set up to be performed based on limits established by the Management Company, the constitutive documents of the Fund and the regulations and directives of the SECP. These limits reflect the business strategy and market environment of the Fund as well as the level of the risk that the Fund is willing to accept. The Board of Directors of the Management Company supervises the overall risk management approach within the Fund. The Fund is exposed to market risk, liquidity risk and credit risk arising from the financial instruments it holds.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

## 20.1 Market risk

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

The Management Company manages the market risk through diversification of the investment portfolio and by following the internal guidelines established by the Investment Committee and regulations laid down by the SECP.

Market risk comprises of three types of: currency risk, yield / interest rate risk and price risk.

### 20.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. The Fund does not have any financial instruments in foreign currencies and hence is not exposed to such risk.

### 20.1.2 Yield / Interest rate risk

Yield / interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market yield / interest rates. As of June 30, 2025, the Fund is exposed to such risk on its balances held with banks and Pakistan investment bonds. The Investment Committee of the Management Company reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

	As at June 30, 2025	
	JS Fixed Term Munafa Fund II Plan - 1	JS Fixed Term Munafa Fund II Plan - 2
	----- (Rupees) -----	
Variable rate instruments (financial assets)		
Bank balances	148,058,145	55,324,102
	148,058,145	55,324,102

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

Presently, the Fund holds balances with banks which expose the Fund to Yield / interest rate risk. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the net income for the period and net assets of the Fund would have been higher / lower by Rs. 1.48 million for JS Fixed Term Munafa Fund II Plan - 1 and Rs. 0.55 million for JS Fixed Term Munafa Fund II Plan - 2.

The composition of the Fund's investment portfolio and profit rates are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2025 is not necessarily indicative of the impact on the Fund's net assets of future movements in profit rates. Yield / interest rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off-balance sheet instruments is based on the settlement date.

The Fund's interest rate sensitivity related to financial assets and financial liabilities as at June 30, 2025 can be determined as follows:



# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

## 21.1.2 Yield / Interest rate risk

### JS Fixed Term Munafa Fund II Plan - 1

As at June 30, 2025					
Yield / effective interest rate	Exposed to yield / interest rate risk			Not exposed to yield / interest risk	Total
	Upto three months	More than three months and upto one year	More than one year		
-----%-----	----- (Rupees) -----				
On-balance sheet financial instruments					
Financial assets					
Bank balances	9%	148,058,145	-	-	148,058,145
Investments	10.89% to 11.16%	-	908,579,500	-	908,579,500
Mark-up / profit receivable		-	-	4,009,161	4,009,161
		148,058,145	908,579,500	-	1,060,646,806
Financial liabilities					
Payable to JS Investment Limited - Management Company		-	-	3,487,663	3,487,663
Payable to Digital Custodian Company Limited - Trustee		-	-	103,448	103,448
Accrued and other liabilities		-	-	239,572	239,572
		-	-	3,830,683	3,830,683
On-balance sheet gap		148,058,145	908,579,500	-	1,056,816,123
Total interest rate sensitivity gap		148,058,145	908,579,500	-	1,056,816,123
Cumulative interest rate sensitivity gap		148,058,145	1,056,637,645	1,056,637,645	

### JS Fixed Term Munafa Fund II Plan - 2

As at June 30, 2025					
Yield / effective interest rate	Exposed to yield / interest rate risk			Not exposed to yield / interest risk	Total
	Upto three months	More than three months and upto one year	More than one year		
-----%-----	----- (Rupees) -----				
On-balance sheet financial instruments					
Financial assets					
Bank balances	9%	55,324,102	-	-	55,324,102
Investments **	10.89% to 11.84%	-	2,127,925,024	-	2,127,925,024
Mark-up / profit receivable		-	-	55,349,775	55,349,775
		55,324,102	2,127,925,024	55,349,775	2,238,598,901
Financial liabilities					
Payable to JS Investment Limited - Management Company		-	-	6,308,107	6,308,107
Payable to Digital Custodian Company Limited - Trustee		-	-	183,257	183,257
Accrued and other liabilities		-	-	388,821	388,821
		-	-	6,880,185	6,880,185
On-balance sheet gap		55,324,102	2,127,925,024	48,469,590	2,231,718,716
Total interest rate sensitivity gap		55,324,102	2,127,925,024	48,469,590	2,231,718,716
Cumulative interest rate sensitivity gap		55,324,102	2,183,249,126	2,183,249,126	

\* There is no off-balance sheet financial instrument that existed as at year ended June 30, 2025.

\*\* There are certain investments having contractual maturities exceeding one year but are classified in the 'more than three months and upto one year' category, as the plan will mature on November 7, 2025.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

## 20.1.3 Price risk

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

Equity price risk is the risk that the fair value of equity instruments decreases as a result of changes in the level of equity indices and the value of individual stocks. The Fund does not hold any investment in equity securities that expose it to price risk as of June 30, 2025.

## 20.2 Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge its obligation as it falls due. Credit risk arises from deposits with banks, Mark-up / profit receivable on bank deposits thereon.

Credit risk arising on financial assets is monitored through a regular analysis of financial position of brokers and other parties. In accordance with the risk management policy of the Fund, the investment manager monitors the credit position on a daily basis which is reviewed by the Board of Directors of the Management Company on a quarterly basis.

### 20.2.1 Exposure to credit risk

The table below analyses the Fund's maximum exposure to credit risk:

	As at June 30, 2025			
	JS Fixed Term Munafa Fund II Plan - 1		JS Fixed Term Munafa Fund II Plan - 2	
	Balance as per statement of assets and liabilities	Maximum exposure to credit risk	Balance as per statement of assets and liabilities	Maximum exposure to credit risk
----- (Rupees) -----				
Bank balances	148,058,145	148,058,145	55,324,102	55,324,102
Investments	908,579,500	-	2,127,925,024	-
Mark-up / profit receivable	4,009,161	4,009,161	55,349,775	4,801,405
	<u>1,060,646,806</u>	<u>152,067,306</u>	<u>2,238,598,901</u>	<u>60,125,507</u>

The difference in the balance of investments and mark-up / profit receivable as per the statement of assets and liabilities and maximum exposure is due to the fact that investments in Government Securities and mark-up / profit receivable thereon amounting to Rs. 908.58 million and Nil for JS Fixed Term Munafa Fund II Plan - 1 and Rs. 2,127.93 million and Rs. 50.548 million for JS Fixed Term Munafa Fund II Plan - 2 respectively.

The maximum exposure to credit risk before any credit enhancement as at June 30, 2025 is the carrying amount of the financial assets.

### 20.2.2 Credit quality of financial assets

The Fund's significant credit risk arises mainly on account of its placements in banks and related profit receivable thereon. The credit rating profile of balances with banks is as follows:

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

## Bank balances

The Fund held bank balances at June 30, 2025 with banks having following credit ratings:

Name of bank	Rating agency	Rating (Long term)	As at June 30, 2025	
			JS Fixed Term Munafa Fund II Plan - 1	JS Fixed Term Munafa Fund II Plan - 2
JS Bank Limited	PACRA	AA	100.00% 100.00%	100.00% 100.00%

Above rates are on the basis of available ratings assigned by PACRA as of June 30, 2025.

## 20.2.3 Concentration of credit risk

Concentration of credit risk exists when changes in economic and industry factors similarly affect groups of counter parties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. As transactions are entered with credit worthy parties and are within the regulatory limits, therefore any significant concentration of credit risk is mitigated.

All financial assets of the Fund as at June 30, 2025 are unsecured and are not impaired.

## 20.3 Liquidity risk

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

The Fund is exposed to redemptions of its redeemable units on a regular basis. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is, therefore, to invest the majority of its assets either in short term instruments or in investments that are traded in an active market and can be readily disposed and are considered readily realisable in order to maintain liquidity.

As per the NBFC Regulations, the Fund can borrow in the short-term to ensure settlement. The maximum amount available to the Fund from the borrowing would be limited to fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund. The facility would bear interest at commercial rates. However, no borrowing was required to be obtained by the Fund during the current period.

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

The table below summaries the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity date. However, the assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

## JS Fixed Term Munafa Fund II Plan - 1

As at June 30, 2025						
Within one month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than five years	Financial Instruments with no fixed maturity	Total

(Rupees)

### Financial liabilities

Payable to JS Investment

Limited - Management Company

Payable to Digital Custodian

Company Limited - Trustee

Accrued and other liabilities

3,487,663	-	-	-	-	-	3,487,663
103,448	-	-	-	-	-	103,448
239,572	-	-	-	-	-	239,572
3,830,683	-	-	-	-	-	3,830,683

## JS Fixed Term Munafa Fund II Plan - 2

As at June 30, 2025						
Within one month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than five years	Financial Instruments with no fixed maturity	Total

(Rupees)

### Financial liabilities

Payable to JS Investment

Limited - Management Company

Payable to Digital Custodian

Company Limited - Trustee

Accrued and other liabilities

6,308,107	-	-	-	-	-	6,308,107
183,257	-	-	-	-	-	183,257
388,821	-	-	-	-	-	388,821
6,880,185	-	-	-	-	-	6,880,185

## 21 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 reporting date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.



# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

## 21.1 Fair value hierarchy

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

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

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

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

As at June 30, 2025, the Fund held the following financial instruments measured at fair values:

As at June 30, 2025				
JS Fixed Term Munafa Fund II Plan - 1				
	Level 1	Level 2	Level 3	Total
<b>Financial assets 'at fair value through profit or loss'</b>	<b>(Rupees)</b>			
Market Treasury Bills	-	908,579,500	-	908,579,500
	-	908,579,500	-	908,579,500

As at June 30, 2025				
JS Fixed Term Munafa Fund II Plan - 2				
	Level 1	Level 2	Level 3	Total
<b>Financial assets 'at fair value through profit or loss'</b>	<b>(Rupees)</b>			
Market Treasury Bills	-	727,656,900	-	727,656,900
	-	1,400,268,124	-	1,400,268,124
	-	2,127,925,024	-	2,127,925,024

**21.2** During the period ended June 30, 2025, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements.

**21.3** Valuation techniques used in determination of fair values are as follows:

Items	Valuation technique
Market Treasury Bills	The fair value of Market Treasury Bills have been derived using PKRV rates as on June 30, 2025. The PKRV rates are announced by FMA (Financial Market Association) daily through Reuters.
Pakistan Investment Bonds - Fixed Rate	The fair value of Pakistan Investment Bonds have been derived using PKRV rates as on June 30, 2025. The PKRV rates are announced by FMA (Financial Market Association) daily through Reuters.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

## 22 UNIT HOLDING PATTERN OF THE FUND

### JS Fixed Term Munafa Fund II Plan - 1

Category	As at June 30, 2025			
	Number of unitholders	Number of units held	Investment amount (Rupees)	Percentage of total investment (%)
Individuals	7	437,820	44,483,285	4.23%
Others	2	9,924,123	1,008,308,655	95.77%
	9	10,361,943	1,052,791,940	100.00%

### JS Fixed Term Munafa Fund II Plan - 2

Category	As at June 30, 2025			
	Number of unitholders	Number of units held	Investment amount (Rupees)	Percentage of total investment (%)
Individuals	9	7,699,905	787,946,565	35.42%
Associated Companies and Directors	1	3,987,273	408,025,553	18.34%
Others	2	10,050,126	1,028,449,322	46.23%
	12	21,737,304	2,224,421,440	100.00%

## 23 DETAILS OF MEMBERS OF INVESTMENT COMMITTEE AND FUND MANAGER

Details of the members of Investment Committee and Fund Manager of the Fund are as follows:

S.NO.	Name	Designation	Overall Experience	Qualification
1	Ms. Iffat Zehra Mankani	Chief Executive Officer	24	MBA
2	Mr. Khawar Iqbal	Chief Operating Officer & Company Secretary	32	MBA
3	Ms. Samina Faisal	Country head Business development	34	MBA
4	Syed Hussain Haider	Chief Investment Officer	23	CFA / CIPM
5	Mr. Safdar Raza	Fund Manager	9	B.COM

### 23.1 Name and qualification of the Fund Manager

Name	Designation	Qualification	Other funds managed by the Fund Manager
Mr. Safdar Raza	Fund Manager	Bachelor's in Commerce	JS Income Fund, JS Government Securities Fund, JS Microfinance Sector Fund, JS Islamic Income Fund, JS Islamic Money Market Fund (Formerly JSIDDF), JS Cash Fund, JS Money Market Fund and JS Fixed Term Munafa Fund

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

## 24 LIST OF TOP BROKERS BY PERCENTAGE OF COMMISSION PAID

### JS Fixed Term Munafa Fund II Plan - 1

2025	
Name of broker	Percentage of commission paid
K Trade Securities Limited	34.73%
Optimus Capital Management (Private) Limited	19.73%
Summit Capital (Private) Limited	19.73%
C & M Management (Private) Limited	15.94%
Currency Market Associates (Private) Limited	9.87%

### JS Fixed Term Munafa Fund II Plan - 2

2025	
Name of broker	Percentage of commission paid
Summit Capital (Private) Limited	26.63%
Alfalah Securities (Private) Limited	24.38%
Currency Market Associates (Private) Limited	14.12%
Optimus Capital Management (Private) Limited	14.12%
BMA Capital Management Limited	12.84%
C & M Management (Private) Limited	7.91%

## 25 MEETINGS OF THE BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Following is the analysis of attendance in the meetings of Board of Directors of the management committee during the period:

S.No.	Name of Directors	Meetings attended	Meetings held on						
			July 30, 2024	August 20, 2024	September 11, 2024	October 22, 2024	December 26, 2024	February 25, 2025	April 22, 2025
1	Mr. Suleman Lalani	7	✓	✓	✓	✓	✓	✓	✓
2	Ms. Iffat Zehra Mankani	7	✓	✓	✓	✓	✓	✓	✓
3	Mr. Hasan Shahid	7	✓	✓	✓	✓	✓	✓	✓
4	Ms. Aisha Fariel Salahuddin	1	✓	x	x	x	x	x	x
5	Ms. Mediha Kamal Afsar	7	✓	✓	✓	✓	✓	✓	✓
6	Mr. Faisal Anwar*	2	x	x	x	x	x	✓	✓
7	Mr. Farooq Ahmed Malik	6	x	✓	✓	✓	✓	✓	✓
8	Mr. Atif Salim Malik**	4	✓	✓	✓	✓	x	x	x
9	Mr. Mirza M. Sadeed H. Barlas***	5	✓	✓	✓	✓	✓	x	x
10	Mr. Syed Kazim Raza****	1	x	x	x	x	x	x	✓
			6	7	7	7	6	6	7

\* Mr. Faisal Anwar joined the Board on January 7, 2025.

\*\* Mr. Atif Salim Malik resigned from the Board on November 21, 2024.

\*\*\* Mr. Mirza M. Sadeed H. Barlas resigned from the board on January 15, 2025.

\*\*\*\* Mr. Syed Kazim Raza joined the Board on March 6, 2025.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

## 26 UNIT HOLDER'S FUND RISK MANAGEMENT

The Fund is an open end collective investment scheme. The unit holders' fund of open end schemes is represented by net assets attributable to unit holders. The risk in case of an open end scheme is that the amount of net assets attributable to unit holders can change significantly on daily basis as the Fund is subject to daily issuance and redemption of units at the discretion of the unit holders and occurrence of unexpected losses in investment portfolio which may cause adverse effects on the Fund's continuation as a going concern.

The Fund's objective when managing net assets attributable to unit holders is to safeguard the Fund's ability to continue as a going concern so that it can continue to provide optimum returns to its unit holders and to ensure reasonable safety of unit holders' fund. In order to maintain or adjust the unit holder fund structure, the Fund performs the following:

- Monitors the level of daily issuance and redemptions relative to liquid assets;
- Redeems and issues units in accordance with the constitutive documents of the Fund, which include the ability to restrict redemptions as allowed under the rules and regulations; and
- Monitors portfolio allocations and return on net assets and where required makes necessary adjustments in portfolio allocations in light of changes in market conditions.

The Fund Manager / Investment Committee members and the Chief Executive Officer of the Management Company critically monitors capital of the Fund on the basis of the value of net assets attributable to the unit holders and tracks the movement of "Assets under Management" as well as returns earned on the net assets to maintain investors' confidence and achieve future growth in business. Further, the Board of Directors are updated about the Fund's yield and movement of net asset value and total size at the end of each quarter.

In accordance with the NBFC Regulations, the Fund is required to distribute at least ninety percent of its income from sources other than capital gains as reduced by such expenses as are chargeable to the Fund.

Under the NBFC Regulations, the minimum size of an open end scheme shall be one hundred million rupees at all the times during the life of the scheme. The Fund has maintained minimum size of one hundred million rupees at all times during the period.

## 27 GENERAL

Figures have been rounded off to the nearest rupee, unless otherwise stated.

## 28 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on 19, August 2025 by the Board of Directors of the Management Company.



Chief Financial Officer



Chief Executive Officer



Director





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