

Shaping Tomorrow's Solutions, Today!

JS CASH FUND

ANNUAL REPORT 2024



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COMPANY INFORMATION

Management Company

JS Investments Limited
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SB-5 Abdullah Haroon Road, Saddar,
Karachi-75600
Tel: (92-21) 111-222-626 Fax: (92-21) 35165540
E-mail: info@jsil.com
Website: www.jsil.com

Board of Directors

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

Chief Executive Officer

Ms. Iffat Zehra Mankani

Chief Financial Officer

Mr. Raheel Rehman

Chief Investment Officer

Mr. Syed Hussain Haider

Chief Operating Officer & Company Secretary

Mr. Muhammad Khawar Iqbal

Statutory Auditors

A.F Ferguson & Co., Chartered Accountants

Legal Advisors

Bawaney and Partners
3rd & 4th Floor, 68-C, Lane-13
Bokhari Commercial Area
Phase-VI DHA, Karachi

Audit Committee

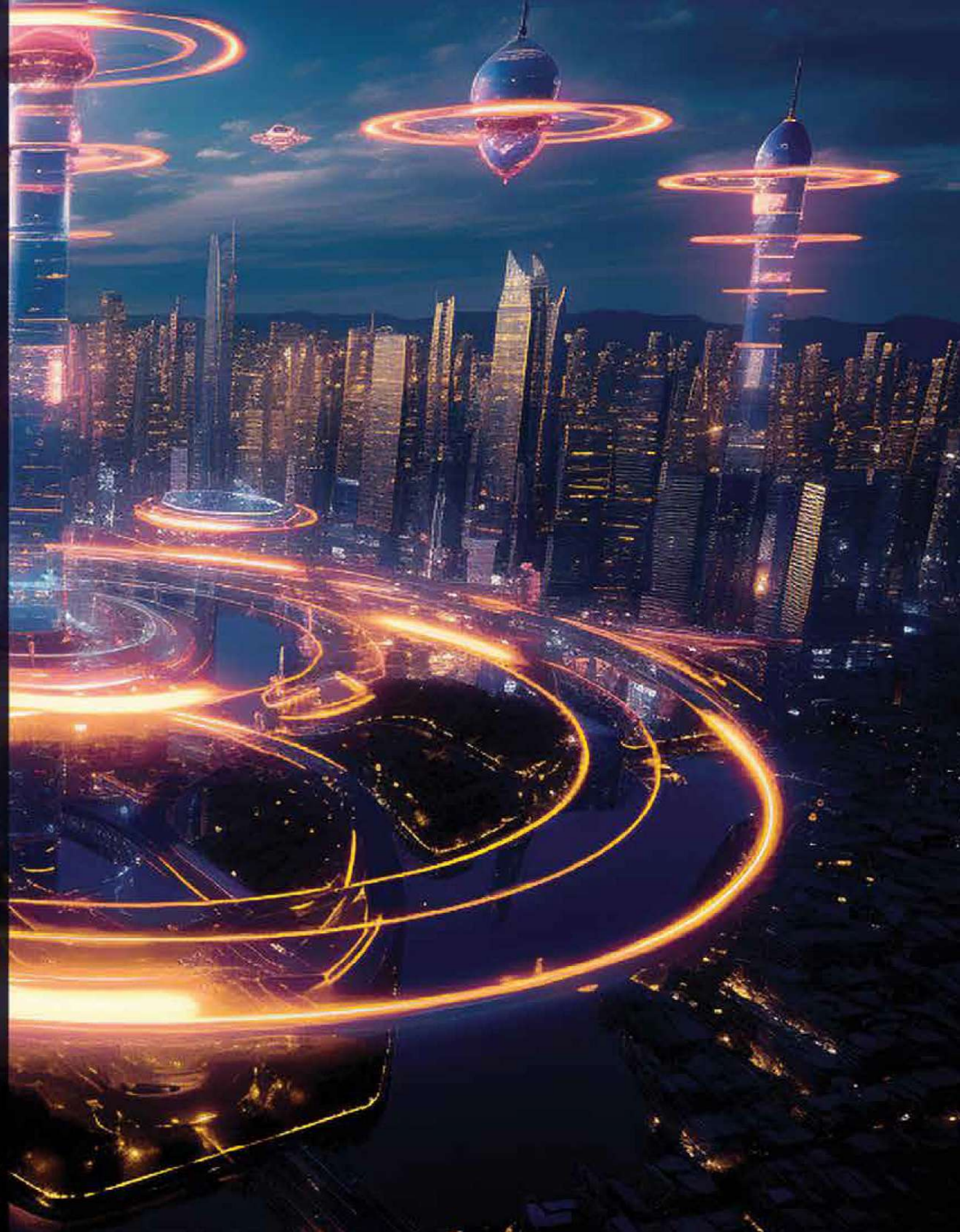
Ms. Mediha Kamal Afsar (Chairperson)
Mr. Hasan Shahid (Member)
Mr. Mirza M. Sadeed H. Barlas (Member)

Trustee

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

Vision

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





DIRECTORS' REPORT TO THE UNIT HOLDERS

FOR THE PERIOD ENDING JUNE 30, 2024

The Board of Directors of JS Investments Limited, the Management Company of **JS Cash Fund** (the Fund), is pleased to present the Annual Report for the year ended June 30, 2024.

Economic Review:

The fiscal year 2024 has been a period of significant transition for the country, moving from a precarious trajectory towards a path of relative stability in both political and economic spheres. The caretaker setup initially introduced a stabilization agenda that guided much of the year. Following this, a new government was formed post-Federal elections, providing a clearer direction for the country despite some initial uncertainties during the election process. This transition offered some reassurance, given the significant challenges the nation has faced in recent years. The macroeconomic framework under the IMF's Stand-By Agreement (SBA), which included a short-term US\$3 billion funding facility signed in June of the previous year and largely executed by the caretaker government, concluded at the end of April with a final disbursement of US\$1 billion.

Turning to the real economy, the robust growth of 6.5% in agriculture, encompassing all major crops and livestock, significantly boosted the provisional GDP growth for FY24 to 2.38%, surpassing the projections of the IMF (2%), ADB (1.9%), and the World Bank (1.8%). This underscores the resilience of the economy. Against this backdrop, two key macroeconomic events during the period were the easing of monetary policy and the simultaneous tightening of fiscal policy, trends expected to continue into the next fiscal year. Observing how these policies will ultimately impact overall economic growth will be critical, especially as the industry has been under unprecedented pressure from a highly challenging business environment characterized by cost-push inflation and sluggish demand.

The Federal Budget for FY25 envisions a substantial 40% increase in FBR revenues, with the government projecting an inflation rate of 12% and a real GDP growth rate of 3.6%. According to the government's estimates presented in the budget, the fiscal deficit, expected to close at 7.4% for the current year—revised from the previous year's budgeted target of 6.5%—is projected to decrease to 5.9% for FY25.

The external account experienced considerable strengthening, with SBP FX Reserves more than doubling from their lows at the end of June 2023 to reach US\$9.4 billion by the end of June 2024. The Pakistani rupee appreciated by 2.8%, closing at 278 against the US dollar. The current account deficit has decreased markedly to US\$ 464 million for the 11 months up to May 2024, compared to US\$ 3.76 billion during the same period last year, instilling confidence in the balance of payments situation. Building on this, Pakistan's upcoming new and larger funding program with the IMF holds paramount importance, as it will significantly strengthen the country's fundamental macroeconomic pillars, particularly fiscal operations, while also providing essential support for managing external debt obligations.

Income / Money Market Review:

During the fiscal year 2024, the yield curve shifted markedly downward, with yields falling across all tenors. The most notable decline was observed in the 12-month paper, which closed at 18.68%, down by 425 basis points from the end of June 2023. The SBP's Monetary Policy Committee (MPC) cut the policy rate by 150 basis points in its June 10th meeting. This decision followed a more-than-expected drop in the headline inflation rate for May, which stood at 11.8%, primarily due to a decline in food inflation.

The steady accumulation of FX reserves and the softening inflation outlook gradually instilled market confidence, reflected in higher levels of participation in 12M T-Bill in recent auctions. The offer-to-target ratio in the auctions for 12M tenor almost doubled to 5.9x during the year's second half compared to the preceding first half. M2 growth continued to be driven by government borrowings, as evident in the continuously rising trend of net outstanding liquidity injections via open market operations (OMOs).

Review of Fund Performance

The Fund's return was 22.39% for the year ended June 30, 2023, against the benchmark return of 20.88%. Net Assets increased from PKR 15.77 billion as of June 30, 2023, to PKR 22.99 billion as of June 30, 2024. The Fund's total expense ratio is 1.22%, which includes 0.16% of government levies on the Fund.

Dividend

The Fund paid an interim cash dividend of Rs 19.30 per unit during the year ended June 30, 2024.

Asset Manager & Fund Rating

Pakistan Credit Rating Agency Limited (PACRA) has maintained our Management Company's asset manager rating of 'AM2+' with a 'stable outlook'. This rating underscores our dedication to maintaining high-quality management standards and reflects positively on the overall performance and outlook of our operations. The Fund has maintained a stability rating of 'AA+(f)' by PACRA on April 05, 2024.

Auditors

The Fund's external auditors, M/s. A.F. Ferguson & Co. Chartered Accountants, retired and, have completed their tenure as per the Companies Act, 2017. The Board of Directors, upon recommendation of the Audit Committee of the Board, has approved the appointment of Messrs Grant Thornton Anjum Rahman, Chartered Accountants as the Fund's auditors for the ensuing year ending June 30, 2025.

Additional Information

- a. Annexed to the Annual Report is the Fund Manager's Report, providing a description of principal risks and uncertainties along with a reasonable indication of future yield prospects.
- b. The Pattern of Unit holding as of June 30, 2024, is annexed to this annual report.
- c. The system of internal control is sound in design and has been effectively implemented and monitored.
- d. 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.



Chief Executive Officer



Director

Karachi: August 20, 2024

شراکت داروں کے لیے ڈائریکٹرز رپورٹ

جے ایس انوسٹمنٹس لمیٹڈ کے بورڈ آف ڈائریکٹرز، JS کیش فنڈ (دی فنڈ) کی منجمنٹ کمپنی نے 30 جون 2024 کو ختم ہونے والے سال کے لیے سالانہ رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

معاشی جائزہ

مالی سال 2024 ملک کے لیے اہم تبدیلی کا دور رہا ہے، جو ایک غیر یقینی راستے سے سیاسی اور معاشی دونوں شعبوں میں نسبتاً استحکام کی راہ پر گامزن ہے۔ نگران سیٹ اپ نے ابتدائی طور پر استحکام کا ایجنڈا متعارف کرایا جس نے سال کے زیادہ تر حصے کے رہنمائی کی۔ اس کے بعد، وفاقی انتخابات کے بعد ایک نئی حکومت تشکیل دی گئی، جس نے انتخابی عمل کے دوران کچھ ابتدائی غیر یقینی صورتحال کے باوجود ملک کو ایک واضح سمت فراہم کی۔ حالیہ برسوں میں قوم کو درپیش اہم چیلنجوں کے پیش نظر اس تبدیلی نے کچھ یقین دہانی کرائی ہے۔ آئی ایم ایف کے اسٹینڈ بائی ایگریمنٹ (SBA) کے تحت میکرو اکنامک فریم ورک، جس میں گزشتہ سال جون میں دستخط شدہ 3 بلین امریکی ڈالر کی قلیل مدتی فنڈنگ سہولت شامل تھی اور جس پر نگران حکومت نے بڑے پیمانے پر عمل درآمد کیا تھا، 1 بلین امریکی ڈالر کی حتمی تقسیم کے ساتھ اپریل کے آخر میں اختتام پذیر ہوئی۔

حقیقی معیشت کی طرف گامزن ہوتے ہوئے، زراعت میں 6.5 فیصد کی مضبوط نمو، بشمول تمام اہم فصلیں اور لائیو اسٹاک، نے مالی سال 2024 کے لیے عبوری GDP کی نمو کو نمایاں طور پر بڑھا کر 2.38 فیصد کر دیا، جو IMF (2 فیصد)، ایشیائی ترقیاتی بینک (1.9 فیصد) اور عالمی بینک (1.8 فیصد) کے تخمینوں سے زیادہ ہے۔ اس سے معیشت کی لچک کی نشاندہی ہوتی ہے۔ اس پس منظر میں، اس مدت کے دوران زرعی پالیسی میں نرمی اور بیک وقت مالیاتی پالیسی میں سختی دو اہم میکرو اکنامک واقعات تھے، ان رجحانات کا اگلے مالی سال تک جاری رہنے کی توقعات ہیں۔ یہ دیکھنا کہ یہ پالیسیاں بالآخر مجموعی معاشی ترقی کو کس طرح متاثر کریں گی، اہم ہوں گا، خاص طور پر جب صنعت کو انتہائی چیلنجنگ کاروباری ماحول کا سامنا ہے جو لاگت میں اضافے والی افراط زر اور سست طلب سے موصوم ہے۔

مالی سال 2025 کے وفاقی بجٹ میں ایف بی آر (FBR) کے محصولات میں 40 فیصد اضافے کا تخمینہ لگایا گیا ہے، حکومت نے افراط زر کی شرح 12 فیصد اور حقیقی جی ڈی پی (GDP) کی شرح نمو 3.6 فیصد پیش کی ہے۔ بجٹ میں پیش کی گئی حکومتی تخمینوں کے مطابق مالی خسارہ رواں مالی سال میں 7.4 فیصد رہنے کا امکان ہے جو گزشتہ سال کے بعد 6.5 فیصد کے بجٹ ہدف سے نظر ثانی شدہ۔ مالی سال 2025 کے لیے کم ہو کر 5.9 فیصد رہ جائے گا۔

بیرونی کھاتے میں کافی مضبوطی دیکھی گئی اور اسٹیٹ بینک آف پاکستان کے غیر ملکی زرمبادلہ کے ذخائر جون 2023 کے اختتام پر اپنی کم ترین سطح سے دگنا ہو کر جون 2024 کے اختتام پر 9.4 بلین امریکی ڈالر تک پہنچ گئے۔ پاکستانی روپے امریکی ڈالر کے مقابلے میں 2.8 فیصد کے اضافے سے 278 پر بند ہوا۔ مئی 2024 تک 11 ماہ کے دوران کرنٹ اکاؤنٹ خسارہ نمایاں طور پر کم ہو کر 464 بلین امریکی ڈالر رہ گیا ہے جو گزشتہ سال کے اسی مدت کے دوران 3.76 بلین امریکی ڈالر تھا، جس سے ادائیگیوں کے توازن کی صورتحال پر اعتماد پیدا ہوا۔ اس کی بنیاد پر، پاکستان کا آئی ایم ایف (IMF) کے ساتھ آئندہ آنے والا نیا اور بڑا فنڈنگ پروگرام انتہائی اہمیت کا حامل ہے، کیونکہ یہ ملک کی میکرو اکنامک بنیادوں بالخصوص مالی آپریشنز کو نمایاں طور پر مضبوط کرے گا، بیرونی قرضوں کی ذمہ داریوں کے انتظام کے لیے ضروری معاونت مہیا کرے گا۔

انکم / منی مارکیٹ کا جائزہ

مالی سال 2024 کے دوران، پیداوار کی قوس واضح طور پر نیچے کی جانب منتقل ہو گئی، اور پیداوار تمام مدتوں میں زوال پذیر ہوئی۔ 12 ماہ کے سرمایہ کاری کے پیپر میں سب سے واضح کمی دیکھنے میں آئی، جو دسمبر 2023 کے اختتام سے 425 بیس پوائنٹس کی کمی کے ساتھ 18.68 فیصد پر بند ہوا۔ اسٹیٹ بینک آف پاکستان کی مانیٹری پالیسی کمیٹی (MPC) نے 10 جون کو اپنے اجلاس میں پالیسی کی شرح میں 150 بیس پوائنٹس کی کمی کی تھی۔ یہ فیصلہ مئی کی کلیدی افراط زر کی شرح میں توقع سے زیادہ کمی کے بعد کیا گیا تھا، جو 11.8 فیصد رہی، جس کی بنیاد پر وہ غذائی افراط زر میں کمی تھی۔

زرمبادلہ کے ذخائر کی مستحکم جمع ہونے اور افراط زر میں کمی نے آہستہ آہستہ مارکیٹ کا اعتماد پیدا کیا، جس کی عکاسی 12 ماہ کے ٹریڈری بلز (T - Bills) کی حالیہ نیلامیوں میں اعلیٰ سطحوں کی شرکت سے ہوتی ہے۔ سال کی گزشتہ ششماہی کے مقابلے میں سال کی دوسری ششماہی کے دوران 12 ماہ کی مدت کے لیے نیلامی میں آفر ٹو ٹارگٹ کا تناسب تقریباً دو گنا ہو کر 5.9 گنا ہو گیا ہے۔ ایم ٹو کی نمو حکومتی قرضوں کی وجہ سے جاری رہی، جو اوپن مارکیٹ آپریشنز (OMOs) کے ذریعے خالص بقایا لیکویڈیٹی انجکشن کے مسلسل بڑھتے ہوئے رجحان سے ظاہر ہوتی ہے۔

فنڈ کی کارکردگی کا جائزہ

30 جون 2024 کو ختم ہونے والے سال کے لیے فنڈ کا منافع 20.88 فیصد اپنے بیچ مارک منافع کے مقابلے میں 22.39 فیصد رہا۔ 30 جون 2024 کو خالص اثاثہ جات 30 جون 2023 کے 15.77 بلین روپے سے 22.99 بلین روپے پر پہنچ گئے۔ کل اخراجات کا تناسب 1.22 فیصد ہے، جس میں فنڈ پر حکومتی محصولات کا 0.16 فیصد شامل ہے۔

ڈیویڈنڈ

30 جون 2024 کو ختم ہونے والے سال کے دوران فنڈ نے 19.30 روپے فی یونٹ انٹرم کیش ڈیویڈنڈ ادا کیا۔

ایسیٹ مینجریٹنگ

پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) نے ہماری مینجمنٹ کمپنی کی "AM 2+" ایسیٹ مینجریٹنگ کو "مستحکم" منظر نامے کے ساتھ برقرار رکھا ہے۔ یہ ریٹنگ اعلیٰ معیار کے انتظامی معیار کو برقرار رکھنے کے لیے ہماری لگن کی نشاندہی کرتی ہے، جو ہمارے آپریشنز کی مجموعی کارکردگی اور منظر نامے پر مثبت عکاسی کرتی ہے۔ فنڈ نے 05 اپریل 2024 پر "AA+ (f)" (ڈبل اے پلس) اسٹیبلٹی ریٹنگ برقرار رکھی۔

آڈیٹرز

فنڈ کے بیرونی آڈیٹرز میسرز اے ایف فرگوسن چارٹرڈ اکاؤنٹنٹس نے کمپنیز ایکٹ 2017 کے مطابق اپنی مدت مکمل کر لی ہے اور ریٹائر ہو گئے۔ بورڈ آف ڈائریکٹرز نے، آڈٹ کمیٹی کی تجویز پر، میسرز گریٹ تھورنٹن انجمنٹ چارٹرڈ اکاؤنٹنٹس کو فنڈ کے آڈیٹرز کے طور پر 30 جون 2025 کو ختم ہونے والے سال کے لیے تقرری کی منظوری دی۔

اضافی معاملات

- سالانہ رپورٹ کے ساتھ فنڈ مینجریٹنگ رپورٹ منسلک ہے جس میں مرکزی خطرات اور منافع جات کے مستقبل کے امکانات کی مناسب علامت کے ساتھ ہیجان کی کیفیت کی وضاحت کی ہے۔
- 30 جون 2024 تک یونٹ ہولڈنگ کے نمونہ اس سالانہ رپورٹ کے ساتھ منسلک ہے۔
- اندرونی کنٹرول کا نظام ساخت کے اعتبار سے مضبوط ہے اور اس پر موثر اطلاق اور نگرانی کی جاتی ہے۔
- کارکردگی کا ٹیبل / اہم مالیاتی معلومات اس سالانہ رپورٹ کے ضمیمہ میں دی گئی ہیں۔

اظہار تشکر

ڈائریکٹرز پیش قدمی، مدد اور رہنمائی پر سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) اور ڈی بی سیٹیل کسٹوڈین کمپنی لمیٹڈ (DCCL) سے اظہار تشکر کرتے ہیں۔ بورڈ لگن اور محنت پر مینجمنٹ کمپنی کے ملازمین اور انتظامیہ پر اعتماد پر یونٹ ہولڈرز کا بھی شکریہ ادا کرتا ہے۔

ڈائریکٹر

چیف ایگزیکٹو آفیسر

کراچی: 20 اگست 2024

FUND MANAGER REPORT

Annual Report 2024

- **Description of the Collective Investment Scheme category and type**

Money Market Scheme / Open end

- **Statement of Collective Investment Scheme's investment objective**

JS Cash Fund (JS CF) is an open-end 'Money Market Scheme' that mainly invests in low risk short-term fixed income instruments including money market instruments to provide a regular and reasonable return to investors while ensuring high liquidity. The Fund shall invest primarily in short duration instruments and may even hold some or all of its assets in cash for the purpose maintaining liquidity.

- **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**

70% three (3) months PKRV rates + 30% three (3) months average deposit rate of three (3) "AA" rated scheduled Banks as selected by MUFAP

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

Ann. Returns	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	FY24
JSCF	21.33%	20.52%	21.30%	21.14%	20.49%	20.52%	19.93%	19.67%	17.54%	20.20%	21.04%	20.80%	22.39%
Benchmark	21.94%	22.09%	22.34%	21.73%	20.56%	20.65%	19.98%	20.34%	20.60%	20.77%	20.55%	19.73%	20.88%
Diff.	-0.61%	-1.57%	-1.04%	-0.59%	-0.07%	-0.13%	-0.05%	-0.67%	-3.06%	-0.57%	0.49%	1.07%	1.52%

- **Description of the strategies and policies employed during the period under review in relation to the Collective Investment Scheme's performance**

During the year, JS Cash Fund focused on short-term money market instruments like treasury bills, commercial papers, and bank balances. The fund maintained a relatively higher duration than last year's to benefit from anticipated monetary easing while ensuring liquidity to mitigate risks. This strategy allowed the fund to optimize returns while preserving liquidity and managing risk amid improving macroeconomic indicators.

- **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)**

	Jun-24	Jun-23
Cash	28.34%	1.72%
Short term Sukkuks	3.38%	14.42%
Placement with Banks and DFIs	4.33%	0.00%
T Bills	42.93%	28.36%
PIBs	19.45%	53.53%
Other including receivables	1.57%	1.96%
Total	100.00%	100.00%

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

	Fund	BM
Standard Deviation	1.3%	1.3%
WAM (Days)	82	
Expense Ratio**	1.2%	

Unless otherwise specified, all data is presented on a since-inception basis.

** This is annualized and Includes 0.16% Government levy & SECP fee; 0.26% Selling & marketing expenses.

FUND MANAGER REPORT

Annual Report 2024

- 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)

	Net Assets Excluding JSIL FoFs (PKR mn)	NAV per Unit (PKR)
30-Jun-24	22,990	105.05
30-Jun-23	15,772	103.23

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

JS Cash Fund invests in short-term debt securities such as treasury bills, cash and near cash instruments, which includes cash in bank accounts (excluding TDRs), money market placements, deposits, certificate of deposits (COD), certificate of musharakas (COM), Term Deposit Receipt (TDR), commercial papers and reverse repo.

- 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

The fund has paid a final distribution of Rs. 1.84 per unit of Rs. 100/- each i.e. 1.84%. The cumulative distribution for FY24 is Rs. 19.30 per unit.

NAV per unit as on June 30, 2024	
Cum NAV (PKR)	105.05
Ex-NAV (PKR)	105.05

- 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
JS Cash Fund	0.0001	to	9,999.9999	4,449
	10,000.0000	to	49,999.9999	70
	50,000.0000	to	99,999.9999	20
	100,000.0000	to	499,999.9999	41
	500,000.0000	&	above	24
	Total			4,604

- 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.

PERFORMANCE TABLE

		Year				
		2024	2023	2022	2021	2020
Net assets	Rs.	22,989,896	15,772,282	17,682,633	4,451,014	5,786,842
Net income	Rs.	4,789,819	2,736,573	1,029,533	499,409	579,716
Total return of the Fund	%	22.39	17.58	10.75	6.92	13.33
Total dividend distribution	%	19.30	15.84	10.27	6.82	12.57
Capital Growth	%	6.81	3.72	1.98	1.50	1.40
Average annual return						
- One Year	%	22.39	17.58	10.75	6.92	13.33
- Two Years	%	19.99	14.17	8.84	10.13	11.40
- Three Years	%	16.91	11.75	10.33	9.91	9.36
NAV per unit	Rs.	105.05	103.23	102.36	102.02	102.00
Highest offer price per unit	Rs.	107.66	105.91	108.63	104.21	105.26
Lowest offer price per unit	Rs.	104.40	103.52	103.09	103.15	102.60
Year-end offer price per unit	Rs.	106.24	104.40	103.52	103.17	103.15
Highest repurchase price per unit	Rs.	106.46	104.73	107.42	103.05	104.08
Lowest repurchase price per unit	Rs.	103.23	102.36	101.94	102.00	101.45
Year-end repurchase price per unit	Rs.	105.05	103.23	102.36	102.02	102.00
First interim distribution	Rs.	1.87	0.84	-	0.51	2.20
Announcement date		July 31, 2023	July 22, 2022	-	July 31, 2020	September 6, 2019
Second interim distribution	Rs.	1.76	1.42	-	0.48	1.11
Announcement date		August 30, 2023	August 26, 2022	-	August 31, 2020	October 4, 2019
Third interim distribution	Rs.	1.69	1.39	-	0.51	1.14
Announcement date		September 27, 2023	September 28, 2022	-	September 30, 2020	November 1, 2019
Fourth interim distribution	Rs.	1.79	0.91	-	0.79	1.01
Announcement date		October 27, 2023	October 20, 2022	-	October 31, 2020	December 6, 2019
Fifth interim distribution	Rs.	1.91	1.51	-	0.52	2.29
Announcement date		November 29, 2023	November 25, 2022	-	November 30, 2020	January 30, 2020
Sixth interim distribution	Rs.	1.67	1.37	5.42	1.06	0.99
Announcement date		December 28, 2023	December 28, 2022	January 28, 2022	January 31, 2021	February 27, 2020
Seventh interim distribution	Rs.	1.89	1.12	0.40	0.53	1.36
Announcement date		January 30, 2024	January 26, 2023	February 25, 2022	February 28, 2021	April 3, 2020
Eighth interim distribution	Rs.	1.46	0.87	0.50	0.69	1.30
Announcement date		February 27, 2024	February 24, 2023	March 26, 2022	April 2, 2021	May 8, 2020
Ninth interim distribution	Rs.	1.51	1.28	0.50	0.56	-
Announcement date		March 27, 2024	March 22, 2023	April 27, 2022	April 30, 2021	-
Tenth interim distribution	Rs.	1.91	2.05	0.75	0.52	1.17
Announcement date		April 29, 2024	April 28, 2023	May 28, 2022	May 28, 2021	June 26, 2020
Eleventh Distribution	Rs.	n/a	0.35	n/a	n/a	n/a
Announcement date		n/a	May 4, 2023	n/a	n/a	n/a
Final Distribution	Rs.	n/a	1.44	n/a	n/a	n/a
Announcement date		n/a	May 30, 2023	n/a	n/a	n/a
Final Distribution	Rs.	1.84	1.29	2.70	0.65	n/a
Announcement date		June 24, 2024	June 21, 2023	June 22, 2022	June 29, 2021	n/a
Total distribution as % of par value		19.30	15.84	10.27	6.82	12.57

Fund keeps weighted average duration of its portfolio to 90 days or less.

Notes

- JS Cash Fund was launched on March 29, 2010.

- 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 CASH FUND

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

JS Cash Fund, an open end scheme established under a Trust Deed dated October 16, 2009 executed between JS Investments Limited, as the Management Company and Digital Custodian Company Limited Formerly MCB Financial Services Limited, as the Trustee.

1. JS Investments Limited, the Management Company of JS Cash Fund has, in all material respects, managed JS Cash Fund during the year ended June 30, 2024 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, 2024.

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 11, 2024

INDEPENDENT AUDITOR'S REPORT

To the Unit Holders of JS Cash Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of JS Cash Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2024, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, 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, 2024, and of its financial performance and its cash flows for the year then ended 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	Net Asset Value (Refer notes 4 and 5 to the financial statements)	
	<p>Investments and balances with banks constitute the most significant component of the net asset value. Investments of the Fund as at June 30, 2024 amounted to Rs. 16,175.02 million and balances with banks aggregated to Rs. 6,539.44 million.</p> <p>The existence and proper valuation of investments and existence of balances with banks for the determination of NAV of the Fund as at June 30, 2024 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"> obtained independent confirmations for verifying the existence of the investment portfolio and balances with banks as at June 30, 2024 and traced it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed; re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies; and obtained bank reconciliation statements and tested reconciling items on a sample basis.



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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.

ANCO



- 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, related safeguards.

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 the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

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

A. F. Ferguson & Co.

Chartered Accountants

Dated: September 27, 2024

Karachi

UDIN: AR202410061nsmuFd0Sg



Financial Position
& Performance

STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2024

		2024	2023
	Note	----- Rupees -----	
ASSETS			
Balances with banks	4	6,539,442,307	272,908,140
Investments	5	16,175,024,119	15,256,598,300
Advance, deposit, prepayment and profit receivable	6	362,691,708	311,301,904
Total assets		23,077,158,134	15,840,808,344
LIABILITIES			
Payable to JS Investments Limited - Management Company	7	22,888,322	26,284,435
Payable to Digital Custodian Company Limited - Trustee	8	1,352,254	1,059,413
Payable to the Securities and Exchange Commission of Pakistan (SECP)	9	1,380,789	3,375,044
Dividend payable		5,332,730	1,364
Accrued expenses and other liabilities	10	56,307,884	37,806,437
Total liabilities		87,261,979	68,526,693
Net assets		22,989,896,155	15,772,281,651
Unit holders' fund (as per statement attached)		22,989,896,155	15,772,281,651
Contingencies and commitments	11		
		----- Number of units -----	
Number of units in issue	12	218,847,755	152,781,782
		----- Rupees -----	
Net asset value per unit		105.05	103.23

The annexed notes from 1 to 29 form an integral part of these financial statements.



Chief Financial Officer



Chief Executive Officer



Director

INCOME STATEMENT >

FOR THE YEAR ENDED JUNE 30, 2024

		2024	2023
	Note	----- Rupees -----	
INCOME			
Profit / mark-up income	13	5,093,639,885	2,728,011,085
Net realised (loss) / gain on sale of investments		(32,211,649)	136,635,732
Net unrealised appreciation / (diminution) on re-measurement of investments at fair value through profit or loss	5.6	<u>16,395,977</u>	<u>(12,098,324)</u>
Total income		5,077,824,213	2,852,548,493
EXPENSES			
Remuneration of JS Investments Limited - Management Company	7.1	141,181,192	56,153,851
Sindh Sales Tax on remuneration of the Management Company	7.2	18,353,555	7,300,001
Allocated expenses	7.4	23,610,738	11,246,162
Selling and marketing expense	7.5	61,736,747	21,278,155
Remuneration of Digital Custodian Company Limited - Trustee	8.1	15,385,775	10,968,798
Sindh Sales Tax on remuneration of the Trustee	8.2	2,000,151	1,425,943
Fee to the Securities and Exchange Commission of Pakistan (SECP)	9.1	17,752,665	3,374,956
Annual listing fee		28,250	25,000
SECP supervisory fee		2,500	2,500
Securities transaction cost		6,533,295	3,278,850
Rating fee		268,202	246,009
Printing and stationery		101,468	101,468
Auditors' remuneration	15	1,009,800	502,200
Bank and settlement charges		40,956	71,527
Total expenses		288,005,294	115,975,420
Net income for the year before taxation		4,789,818,919	2,736,573,073
Taxation	16	-	-
Net income for the year after taxation		4,789,818,919	2,736,573,073
Allocation of net income for the year:			
Net income for the year after taxation		4,789,818,919	2,736,573,073
Income already paid on units redeemed		(257,384,570)	(359,758,475)
		<u>4,532,434,349</u>	<u>2,376,814,598</u>
Accounting income available for distribution			
-Related to capital gains		-	124,537,408
-Excluding capital gains		4,532,434,349	2,252,277,190
		<u>4,532,434,349</u>	<u>2,376,814,598</u>

The annexed notes from 1 to 29 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, 2024

	2024	2023
	----- Rupees -----	
Net income for the year after taxation	4,789,818,919	2,736,573,073
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>4,789,818,919</u>	<u>2,736,573,073</u>

The annexed notes from 1 to 29 form an integral part of these financial statements.



Chief Financial Officer



Chief Executive Officer



Director

STATEMENT OF CASH FLOW >

FOR THE YEAR ENDED JUNE 30, 2024

	2024	2023
	----- Rupees -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year before taxation	4,789,818,919	2,736,573,073
Adjustments for:		
Net realised loss / (gain) on sale of investments	32,211,649	(136,635,732)
Net unrealised (appreciation) / diminution on re-measurement of investments 'at fair value through profit or loss'	(16,395,977)	12,098,324
	<u>4,805,634,591</u>	<u>2,612,035,665</u>
Increase in assets		
Investments - net	(4,943,665,791)	(10,640,062,592)
Advance, deposit, prepayment and profit receivable	(51,389,804)	(121,564,248)
	<u>(4,995,055,595)</u>	<u>(10,761,626,840)</u>
(Decrease) / increase in liabilities		
Payable to JS Investments Limited - Management Company	(3,396,113)	22,451,029
Payable to Digital Custodian Company Limited - Trustee	292,841	211,950
Payable to the Securities and Exchange Commission of Pakistan (SECP)	(1,994,255)	1,448,055
Accrued expenses and other liabilities	18,501,447	944,254
	<u>13,403,920</u>	<u>25,055,288</u>
Net cash used in operating activities	<u>(176,017,084)</u>	<u>(8,124,535,887)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(4,188,556,404)	(2,285,966,871)
Receipts against conversion and issuance of units	48,189,272,133	57,541,880,445
Payments against conversion and redemption of units	(41,567,588,778)	(59,902,836,943)
Net cash generated from / (used in) financing activities	<u>2,433,126,951</u>	<u>(4,646,923,369)</u>
Net increase / (decrease) in cash and cash equivalent during the year	<u>2,257,109,867</u>	<u>(12,771,459,256)</u>
Cash and cash equivalents at the beginning of the year	4,764,906,440	17,536,365,696
Cash and cash equivalents at the end of the year	<u>7,022,016,307</u>	<u>4,764,906,440</u>

Note

14

The annexed notes from 1 to 29 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, 2024

	2024			2023		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	Note ----- Rupees -----					
Net assets at the beginning of the year	15,552,221,208	220,060,443	15,772,281,651	17,553,419,231	129,214,080	17,682,633,311
Issuance of 465,881,558 (2023: 560,999,631) units						
- Capital value (at net asset value per unit at the beginning of the year)	48,092,953,232	-	48,092,953,232	57,423,922,218	-	57,423,922,218
- Element of income	96,318,901	-	96,318,901	117,958,227	-	117,958,227
Total proceeds on issuance of units	48,189,272,133	-	48,189,272,133	57,541,880,445	-	57,541,880,445
Redemption of 399,815,585 (2023: 580,964,618) units						
- Capital value (at net asset value per unit at the beginning of the year)	(41,272,962,840)	-	(41,272,962,840)	(59,467,538,291)	-	(59,467,538,291)
- Element of loss	(37,241,368)	(257,384,570)	(294,625,938)	(75,540,177)	(359,758,475)	(435,298,652)
Total payments on redemption of units	(41,310,204,208)	(257,384,570)	(41,567,588,778)	(59,543,078,468)	(359,758,475)	(59,902,836,943)
Total comprehensive income for the year	-	4,789,818,919	4,789,818,919	-	2,736,573,073	2,736,573,073
Total distributions during the year	27	(4,193,887,770)	(4,193,887,770)	-	(2,285,968,235)	(2,285,968,235)
Net assets at the end of the year	<u>22,431,289,133</u>	<u>558,607,022</u>	<u>22,989,896,155</u>	<u>15,552,221,208</u>	<u>220,060,443</u>	<u>15,772,281,651</u>
Undistributed income brought forward:						
- Realised income		232,158,767			129,214,080	
- Unrealised loss		(12,098,324)			-	
		<u>220,060,443</u>			<u>129,214,080</u>	
Accounting income available for distribution						
- Relating to capital gains		-			124,537,408	
- Excluding capital gains		4,532,434,349			2,252,277,190	
		<u>4,532,434,349</u>			<u>2,376,814,598</u>	
Total distributions during the year		<u>(4,193,887,770)</u>			<u>(2,285,968,235)</u>	
Undistributed income carried forward		<u>558,607,022</u>			<u>220,060,443</u>	
Undistributed income carried forward:						
- Realised income		542,211,045			232,158,767	
- Unrealised income / (loss)		16,395,977			(12,098,324)	
		<u>558,607,022</u>			<u>220,060,443</u>	
		(Rupees)			(Rupees)	
Net asset value per unit at the beginning of the year		<u>103.23</u>			<u>102.36</u>	
Net asset value per unit at the end of the year		<u>105.05</u>			<u>103.23</u>	

The annexed notes from 1 to 29 form an integral part of these financial statements.



Chief Financial Officer



Chief Executive Officer



Director

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 JS Cash Fund (the Fund) was established under the Trust Deed executed between JS Investments Limited as the Management Company and Digital Custodian Company Limited as the Trustee. The Trust Deed was approved by the Securities and Exchange Commission of Pakistan (the SECP) vide its letter dated October 13, 2009 consequent to which the Trust Deed was executed on October 16, 2009 in accordance with the requirement of Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules).

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

1.2 The Fund is an open end mutual fund categorised as "MoneyMarket Scheme" and is listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription on continuous basis. The units are transferrable and can be redeemed by surrendering them to the Fund. As per the offering document, the Fund shall invest in low risk and highly liquid short term assets including money market instruments.

1.3 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.

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

1.5 The objective of the Fund is to seek reasonable rate of return while maintaining high liquidity by investing primarily in highly liquid short-term money market instruments with low risk.

1.6 Pakistan Credit Rating Agency Limited (PACRA) has maintained an asset manager rating of 'AM2+' with 'stable outlook' dated December 27, 2023 (2023: 'AM2+' with 'stable outlook') to the management company. The Pakistan Credit Rating Agency Limited (PACRA) reaffirmed the stability rating of 'AA+(f)' dated April 05, 2024 (2023: 'AA+(f)') to the Fund.

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:

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

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ from the requirements of IFRSs, 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 effective in the current year

During the year certain amendments to IAS 1 'Presentation of Financial Statements' have become applicable to the Fund which require entities to disclose their material accounting policy information rather than their significant accounting policies. These amendments to IAS 1 have been introduced to help entities improve accounting policy disclosures so that they provide more useful information to investors and other primary users of the financial statements. These amendments have been incorporated in these financial statements with the primary impact that the material accounting policy information has been disclosed rather than the significant accounting policies. There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2023. However, these are not considered to be relevant or did not have any material effect on the Fund's financial statements and hence, therefore, not been disclosed in these financial statements.

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

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 is yet to be adopted in Pakistan. IFRS 18 when adopted and applicable shall impact the presentation of 'Income Statement' with certain additional disclosures in the financial statements.

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. The amendment when applied may impact the timing of recognition and derecognition of financial liabilities.

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, 2024. However, these are not considered to be relevant or did not have any material effect on the Fund's financial statements.

2.4 Critical accounting estimates and judgments

The preparation of the financial statements in conformity 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 and 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 judgements 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 judgements that have a significant effect on the financial statements of the Fund relate to classification, valuation and impairment of financial assets (notes 3.1 and 5).

2.5 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.

2.6 Functional and presentation currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistani Rupees, 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. These policies have been applied consistently to all the years presented.

3.1 Financial assets

3.1.1 Initial recognition and measurement

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

3.1.2 Classification and subsequent measurement

3.1.2.1 Debt instruments

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

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

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 FVPL. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Therefore, the management considers its investment in debt securities as being managed as a group of assets and hence has classified them as FVPL.

3.1.3 Impairment (other than debt securities)

The Fund assesses on a forward-looking basis the expected credit loss (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
- 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.

3.1.4 Impairment loss on debt securities

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

As allowed by the SECP, the Management Company may make provision against debt securities over and above the minimum provision requirement prescribed by the SECP, 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.

3.1.5 Regular way contracts

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

3.1.6 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. Any gain or loss arising on derecognition of financial assets is taken to the Income Statement.

3.2 Financial liabilities

3.2.1 Classification and subsequent measurement

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

3.2.2 Derecognition

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

3.3 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.

3.4 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.

3.5 Provisions

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

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 ninety 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 ninety 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 Issuance 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 that day. The offer price represents the Net Asset Value (NAV) per unit as of the close of the previous day (known pricing) plus the allowable sales load, provision for transaction costs and any provision for duties and charges, if applicable. Sales load collected, if any, is payable to the Management Company.

Units redeemed are recorded at the redemption price, as per the constitutive documents, applicable to units for which the Management Company / distributors receive redemption requests during business hours of that day. The redemption price represents daily Net Asset Value (NAV) announced as of the close of the previous day (known pricing), provisions for transaction costs and any provision for duties and charges, if applicable.

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

Element of income represents the difference between Net Asset Value (NAV) per unit on the issuance or redemption date, as the case may be, of units and the Net Asset Value (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 to unit holders' fund. However, to maintain the same ex-dividend Net Asset Value (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.

3.9 Distribution to unit holders

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

3.10 Revenue recognition

- Realised gains / (losses) arising on sale of investments are included in the Income Statement and are recognised on the date when the transaction takes place;
- Income on government securities is recognised on a time proportionate basis using the effective yield method, except for the securities which are classified as Non-Performing Asset under Circular No. 33 of 2012 issued by the SECP for which the profit are recorded on cash basis;
- Unrealised appreciation / (diminution) arising on re-measurement of investments classified as financial assets 'at fair value through profit or loss' are included in the Income Statement in the year in which they arise;
- Interest income on bank balances in savings accounts, letters of placements, sukuk certificates and term deposit receipts is recognised on a time proportion basis using the effective yield method.

3.11 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

3.12 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.

3.13 Earnings per unit

Earnings per unit is calculated by dividing the net income for the year after taxation of the Fund by the weighted average number of units outstanding during the year.

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

4	BALANCES WITH BANKS	Note	2024	2023
			Rupees	
	In savings accounts	4.1	6,539,442,307	272,908,140
4.1	These include a balance of Rs. 32.38 million (2023: Rs. 14.88 million) maintained with JS Bank Limited (related party) that carries profit at the rate of 20.82% per annum (2023: 19.60% per annum). Other savings accounts of the Fund carry profit rates ranging from 15.00% to 20.50% per annum (2023: 14.50% to 20.50% per annum).			
5	INVESTMENTS	Note	2024	2023
			Rupees	
	At fair value through profit or loss			
	Market treasury bills	5.1	9,907,174,119	4,491,998,300
	Pakistan investment bonds	5.2	4,487,850,000	8,479,600,000
	Sukuk certificates	5.3	780,000,000	2,285,000,000
	Term deposit receipts	5.4	-	-
	Letters of placements	5.5	1,000,000,000	-
			16,175,024,119	15,256,598,300

5.1 Market treasury bills - at fair value through profit or loss

Particulars	Issue date	Face value			Balance as at June 30, 2024			Market value as a percentage of	
		As at July 1, 2023	Purchased during the year	Sold / matured during the year	As at June 30, 2024	Carrying value	Market value	Unrealised appreciation / (diminution)	net assets of the Fund
Rupees									
Market treasury bills									
- 3 months	April 20, 2023	1,150,000,000	805,000,000	1,955,000,000	-	-	-	-	-
- 3 months	May 18, 2023	-	6,405,000,000	6,405,000,000	-	-	-	-	-
- 3 months	June 1, 2023	-	3,725,000,000	3,725,000,000	-	-	-	-	-
- 3 months	June 15, 2023	2,500,000,000	5,577,700,000	8,077,700,000	-	-	-	-	-
- 3 months	June 22, 2023	1,000,000,000	11,125,000,000	12,125,000,000	-	-	-	-	-
- 3 months	July 13, 2023	-	3,135,000,000	3,135,000,000	-	-	-	-	-
- 3 months	July 25, 2023	-	5,500,000,000	5,500,000,000	-	-	-	-	-
- 3 months	August 10, 2023	-	26,660,000,000	26,660,000,000	-	-	-	-	-
- 3 months	August 24, 2023	-	950,000,000	950,000,000	-	-	-	-	-
- 3 months	September 7, 2023	-	3,300,000,000	3,300,000,000	-	-	-	-	-
- 3 months	September 21, 2023	-	21,808,200,000	21,808,200,000	-	-	-	-	-
- 3 months	October 5, 2023	-	7,750,000,000	7,750,000,000	-	-	-	-	-
- 3 months	October 19, 2023	-	500,000,000	500,000,000	-	-	-	-	-
- 3 months	November 2, 2023	-	500,000,000	500,000,000	-	-	-	-	-
- 3 months	November 16, 2023	-	6,000,000,000	6,000,000,000	-	-	-	-	-
- 3 months	November 30, 2023	-	2,030,000,000	2,030,000,000	-	-	-	-	-
- 3 months	December 14, 2023	-	400,000,000	400,000,000	-	-	-	-	-
- 3 months	December 28, 2023	-	2,080,000,000	2,080,000,000	-	-	-	-	-
- 3 months	January 11, 2024	-	125,000,000	125,000,000	-	-	-	-	-
- 3 months	February 22, 2024	-	450,000,000	450,000,000	-	-	-	-	-
- 3 months	March 7, 2024	-	3,700,000,000	3,700,000,000	-	-	-	-	-
%									

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

Particulars	Issue date	Face value			Balance as at June 30, 2024			Market value as a percentage of		
		As at July 1, 2023	Purchased during the year	Sold / matured during the year	As at June 30, 2024	Carrying value	Market value	Unrealised appreciation / (diminution)	net assets of the Fund	total investments of the Fund
Rupees										
Market treasury bills										
- 3 months	March 21, 2024	-	19,768,000,000	19,768,000,000	-	-	-	-	-	-
- 3 months	May 2, 2024	-	2,500,000,000	2,500,000,000	-	-	-	-	-	-
- 3 months	May 16, 2024	-	500,000,000	500,000,000	-	-	-	-	-	-
- 3 months	May 30, 2024	-	1,000,000,000	1,000,000,000	-	-	-	-	-	-
- 3 months	June 13, 2024	-	1,500,000,000	1,000,000,000	500,000,000	482,724,893	482,574,000	(150,893)	2.10	2.98
Market treasury bills										
- 6 months	March 27, 2023	-	4,880,000,000	4,880,000,000	-	-	-	-	-	-
- 6 months	June 15, 2023	-	750,000,000	750,000,000	-	-	-	-	-	-
- 6 months	October 19, 2023	-	7,500,000,000	7,500,000,000	-	-	-	-	-	-
- 6 months	November 2, 2023	-	500,000,000	500,000,000	-	-	-	-	-	-
- 6 months	November 16, 2023	-	1,750,000,000	1,750,000,000	-	-	-	-	-	-
- 6 months	November 30, 2023	-	8,000,000,000	8,000,000,000	-	-	-	-	-	-
- 6 months	January 11, 2024	-	125,000,000	125,000,000	-	-	-	-	-	-
- 6 months	March 21, 2024	-	250,000,000	-	250,000,000	239,858,462	239,516,500	(341,962)	1.04	1.48
- 6 months	May 2, 2024	-	1,000,000,000	-	1,000,000,000	935,522,162	937,604,000	2,081,838	4.08	5.80
- 6 months	May 30, 2024	-	1,000,000,000	-	1,000,000,000	922,370,662	924,367,000	1,996,338	4.02	5.71
- 6 months	June 13, 2024	-	500,000,000	-	500,000,000	459,276,187	458,943,500	(332,687)	2.00	2.84
Market treasury bills										
- 12 months	July 28, 2022	-	300,000,000	300,000,000	-	-	-	-	-	-
- 12 months	November 3, 2022	-	950,000,000	950,000,000	-	-	-	-	-	-
- 12 months	April 6, 2023	-	1,000,000,000	1,000,000,000	-	-	-	-	-	-
- 12 months	June 15, 2023	-	2,300,000,000	2,300,000,000	-	-	-	-	-	-
- 12 months	July 13, 2023	-	12,705,000,000	12,705,000,000	-	-	-	-	-	-
- 12 months	October 19, 2023	-	2,550,000,000	2,050,000,000	500,000,000	471,954,448	471,748,000	(206,448)	2.05	2.92
- 12 months	November 2, 2023	-	3,100,000,000	1,500,000,000	1,600,000,000	1,496,703,181	1,500,166,400	3,463,219	6.53	9.27
- 12 months	November 16, 2023	-	2,820,000,000	-	2,820,000,000	2,619,916,421	2,625,245,160	5,328,739	11.42	16.23
- 12 months	November 30, 2023	-	1,815,000,000	-	1,815,000,000	1,674,143,228	1,677,726,105	3,582,877	7.30	10.37
- 12 months	December 14, 2023	-	642,000,000	-	642,000,000	588,668,498	589,283,454	614,956	2.56	3.64
Total as at June 30, 2024					<u>10,627,000,000</u>	<u>9,891,138,142</u>	<u>9,907,174,119</u>	<u>16,035,977</u>		
Total as at June 30, 2023					<u>4,650,000,000</u>	<u>4,497,837,959</u>	<u>4,491,998,300</u>	<u>(5,839,659)</u>		

5.1.1 These will mature latest by December 12, 2024 and carry effective yield rates ranging from 21.29% to 22.15% per annum.

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

Particulars	Issue date	Face value			Balance as at June 30, 2024			Market value as a percentage of		
		As at July 1, 2023	Purchased during the year	Sold / matured during the year	As at June 30, 2024	Carrying value	Market value	Unrealised appreciation / (diminution)	net assets of the Fund	total investments of the Fund
Rupees										
Pakistan Investment Bonds - 2 years	August 26, 2021	8,500,000,000	-	8,500,000,000	-	-	-	-	-	-
Pakistan Investment Bonds - 3 years	October 07, 2021	-	5,500,000,000	1,000,000,000	4,500,000,000	4,487,490,000	4,487,850,000	360,000	19.52	27.75
Pakistan Investment Bonds - 2 years	December 30, 2021	-	19,500,000,000	19,500,000,000	-	-	-	-	-	-
Pakistan Investment Bonds - 2 years	September 08, 2022	-	23,650,000,000	23,650,000,000	-	-	-	-	-	-
Total as at June 30, 2024		<u>8,500,000,000</u>	<u>48,650,000,000</u>	<u>52,650,000,000</u>	<u>4,500,000,000</u>	<u>4,487,490,000</u>	<u>4,487,850,000</u>	<u>360,000</u>		
Total as at June 30, 2023						<u>8,485,858,665</u>	<u>8,479,600,000</u>	<u>(6,258,665)</u>		

5.2.1 This will mature by October 7, 2024 and carries effective yield rate ranging from 22.47% to 22.93% per annum.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

5.3 Sukuk certificates

Name of the investee company	Issue date	As at July 1, 2023	Purchased during the year	Sold / matured during the year	As at June 30, 2024	Balance as at June 30, 2024			Market value as percentage of	
						Carrying value	Market value	Unrealised appreciation / (diminution)	net assets of the Fund	total investments of the Fund
						Number of certificates			Rupees	
Power generation & distribution										
K-Electric STS XIV (AA, PACRA) (Face value of Rs 1,000,000 each)	February 27, 2023	470	-	470	-	-	-	-	-	-
K-Electric STS XV (AA, PACRA) (Face value of Rs 1,000,000 each)	March 21, 2023	380	-	380	-	-	-	-	-	-
K-Electric STS XVI (AA, PACRA) (Face value of Rs 1,000,000 each)	April 11, 2023	500	-	500	-	-	-	-	-	-
K-Electric STS XVII (AA, PACRA) (Face value of Rs 1,000,000 each)	May 18, 2023	235	-	235	-	-	-	-	-	-
Lucky Electric Power Company Ltd - STS (AA, PACRA) (Face value of Rs 1,000,000 each)	March 27, 2023	100	-	100	-	-	-	-	-	-
The Hub Power Company Limited STS (AA+, PACRA) (Face value of Rs 1,000,000 each)	May 17, 2023	600	-	600	-	-	-	-	-	-
K-Electric STS XIX (AA, PACRA) (Face value of Rs 1,000,000 each)	August 28, 2023	-	225	225	-	-	-	-	-	-
K-Electric STS XX (A-1+, VIS) (Face value of Rs 1,000,000 each)	September 22, 2023	-	1,000	1,000	-	-	-	-	-	-
K-Electric STS XXIV (AA, PACRA) (Face value of Rs 1,000,000 each)	March 28, 2024	-	280	-	280	280,000,000	280,000,000	-	1.22	1.73
K-Electric STS XXV (AA, PACRA) (Face value of Rs 1,000,000 each)	May 2, 2024	-	500	-	500	500,000,000	500,000,000	-	2.17	3.09
Total as at June 30, 2024						780,000,000	780,000,000	-		
Total as at June 30, 2023						2,285,000,000	2,285,000,000	-		

5.3.1 These will mature latest by September 30, 2024 and carry effective yield rates ranging from 21.73% to 21.86% per annum.

5.4 Term deposit receipts

Name of investee company	Issue date	Face value				Balance as at June 30, 2024			Market value as a percentage of	
		As at July 1, 2023	Purchased during the year	Matured during the year	As at June 30, 2024	Carrying value	Market value	Unrealised appreciation / (diminution)	net assets of the Fund	total investments of the Fund
		Rupees					%			
Commercial Bank										
Bank Alfalah Limited (AA+, PACRA)	December 05, 2023	-	1,000,000,000	1,000,000,000	-	-	-	-	-	-
Total as at June 30, 2024						-	-	-		
Total as at June 30, 2023						-	-	-		

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

5.5 Letters of placements

Name of the investee company	Issue date	Face value			Balance as at June 30, 2024			Market value as percentage of	
		As at July 1, 2023	Purchased during the year	Matured during the year	As at June 30, 2024	Carrying value	Market value	Unrealised appreciation / (diminution)	net assets of the Fund
Rupees									
%									
Development Financial Institutions									
PAIR Investment Company Limited (AA, PACRA)	January 05, 2024	-	500,000,000	500,000,000	-	-	-	-	-
PAIR Investment Company Limited (AA, PACRA)	January 05, 2024	-	500,000,000	500,000,000	-	-	-	-	-
PAIR Investment Company Limited (AA, PACRA)	January 19, 2024	-	700,000,000	700,000,000	-	-	-	-	-
PAIR Investment Company Limited (AA, PACRA)	March 01, 2024	-	750,000,000	750,000,000	-	-	-	-	-
PAIR Investment Company Limited (AA, PACRA)	March 20, 2024	-	500,000,000	500,000,000	-	-	-	-	-
PAIR Investment Company Limited (AA, PACRA)	June 13, 2024	-	1,000,000,000	-	1,000,000,000	1,000,000,000	1,000,000,000	-	4.35 6.18
Pak Brunei Investment Company Limited (AA+, VIS)	August 02, 2023	-	1,500,000,000	1,500,000,000	-	-	-	-	-
Pak Brunei Investment Company Limited (AA+, VIS)	September 11, 2023	-	640,000,000	640,000,000	-	-	-	-	-
Pak Brunei Investment Company Limited (AA+, VIS)	October 18, 2023	-	1,450,000,000	1,450,000,000	-	-	-	-	-
Pak Brunei Investment Company Limited (AA+, VIS)	February 06, 2024	-	1,500,000,000	1,500,000,000	-	-	-	-	-
Pak Kuwait Investment Company (Private) Limited (AAA, PACRA)	August 10, 2023	-	500,000,000	500,000,000	-	-	-	-	-
Pak Kuwait Investment Company (Private) Limited (AAA, PACRA)	September 21, 2023	-	1,900,000,000	1,900,000,000	-	-	-	-	-
Pak Kuwait Investment Company (Private) Limited (AAA, PACRA)	September 25, 2023	-	1,030,000,000	1,030,000,000	-	-	-	-	-
Pak Kuwait Investment Company (Private) Limited (AAA, PACRA)	September 26, 2023	-	600,000,000	600,000,000	-	-	-	-	-
Pak Kuwait Investment Company (Private) Limited (AAA, PACRA)	October 03, 2023	-	2,600,000,000	2,600,000,000	-	-	-	-	-
Pak Kuwait Investment Company (Private) Limited (AAA, PACRA)	October 04, 2023	-	2,500,000,000	2,500,000,000	-	-	-	-	-
Pak Kuwait Investment Company (Private) Limited (AAA, PACRA)	January 19, 2024	-	500,000,000	500,000,000	-	-	-	-	-
Pak Kuwait Investment Company (Private) Limited (AAA, PACRA)	February 22, 2024	-	250,000,000	250,000,000	-	-	-	-	-
Pak Oman Investment Company Limited (AA+, VIS)	August 03, 2023	-	400,000,000	400,000,000	-	-	-	-	-
Pak Oman Investment Company Limited (AA+, VIS)	September 21, 2023	-	900,000,000	900,000,000	-	-	-	-	-
Pak Oman Investment Company Limited (AA+, VIS)	September 21, 2023	-	1,000,000,000	1,000,000,000	-	-	-	-	-
Pak Oman Investment Company Limited (AA+, VIS)	October 16, 2023	-	800,000,000	800,000,000	-	-	-	-	-
Pak Oman Investment Company Limited (AA+, VIS)	October 17, 2023	-	1,000,000,000	1,000,000,000	-	-	-	-	-
Pak Oman Investment Company Limited (AA+, VIS)	December 06, 2023	-	800,000,000	800,000,000	-	-	-	-	-
Pak Oman Investment Company Limited (AA+, VIS)	December 18, 2023	-	800,000,000	800,000,000	-	-	-	-	-
Pak Oman Investment Company Limited (AA+, VIS)	December 21, 2023	-	2,000,000,000	2,000,000,000	-	-	-	-	-
Pak Oman Investment Company Limited (AA+, VIS)	December 22, 2023	-	2,850,000,000	2,850,000,000	-	-	-	-	-
Pak Oman Investment Company Limited (AA+, VIS)	January 02, 2024	-	1,000,000,000	1,000,000,000	-	-	-	-	-
Pak Oman Investment Company Limited (AA+, VIS)	January 05, 2024	-	200,000,000	200,000,000	-	-	-	-	-
Pak Oman Investment Company Limited (AA+, VIS)	January 05, 2024	-	1,000,000,000	1,000,000,000	-	-	-	-	-
Pak Oman Investment Company Limited (AA+, VIS)	January 05, 2024	-	500,000,000	500,000,000	-	-	-	-	-
Pak Oman Investment Company Limited (AA+, VIS)	January 19, 2024	-	800,000,000	800,000,000	-	-	-	-	-
Pak Oman Investment Company Limited (AA+, VIS)	February 02, 2024	-	1,500,000,000	1,500,000,000	-	-	-	-	-
Pak Oman Investment Company Limited (AA+, VIS)	February 02, 2024	-	500,000,000	500,000,000	-	-	-	-	-
Pak Oman Investment Company Limited (AA+, VIS)	February 16, 2024	-	1,400,000,000	1,400,000,000	-	-	-	-	-
Pak Oman Investment Company Limited (AA+, VIS)	March 06, 2024	-	300,000,000	300,000,000	-	-	-	-	-
Pak Oman Investment Company Limited (AA+, VIS)	March 08, 2024	-	500,000,000	500,000,000	-	-	-	-	-
Pak Oman Investment Company Limited (AA+, VIS)	March 15, 2024	-	1,000,000,000	1,000,000,000	-	-	-	-	-
Pak Oman Investment Company Limited (AA+, VIS)	March 19, 2024	-	750,000,000	750,000,000	-	-	-	-	-
Pak Oman Investment Company Limited (AA+, VIS)	March 22, 2024	-	600,000,000	600,000,000	-	-	-	-	-
Pak Oman Investment Company Limited (AA+, VIS)	March 25, 2024	-	200,000,000	200,000,000	-	-	-	-	-
Pak Oman Investment Company Limited (AA+, VIS)	March 26, 2024	-	500,000,000	500,000,000	-	-	-	-	-
Pak Oman Investment Company Limited (AA+, VIS)	April 24, 2024	-	500,000,000	500,000,000	-	-	-	-	-
Pak Oman Investment Company Limited (AA+, VIS)	May 17, 2024	-	1,500,000,000	1,500,000,000	-	-	-	-	-
Pak Oman Investment Company Limited (AA+, VIS)	June 20, 2024	-	1,000,000,000	1,000,000,000	-	-	-	-	-
Zarai Taraqiatl Bank Limited (AAA, VIS)	July 13, 2023	-	355,000,000	355,000,000	-	-	-	-	-
Zarai Taraqiatl Bank Limited (AAA, VIS)	July 17, 2023	-	180,000,000	180,000,000	-	-	-	-	-
Zarai Taraqiatl Bank Limited (AAA, VIS)	July 25, 2023	-	480,000,000	480,000,000	-	-	-	-	-
Zarai Taraqiatl Bank Limited (AAA, VIS)	August 01, 2023	-	2,000,000,000	2,000,000,000	-	-	-	-	-
Zarai Taraqiatl Bank Limited (AAA, VIS)	August 10, 2023	-	1,000,000,000	1,000,000,000	-	-	-	-	-
Zarai Taraqiatl Bank Limited (AAA, VIS)	August 15, 2023	-	750,000,000	750,000,000	-	-	-	-	-
Zarai Taraqiatl Bank Limited (AAA, VIS)	August 16, 2023	-	700,000,000	700,000,000	-	-	-	-	-
Zarai Taraqiatl Bank Limited (AAA, VIS)	August 17, 2023	-	1,000,000,000	1,000,000,000	-	-	-	-	-
Zarai Taraqiatl Bank Limited (AAA, VIS)	August 29, 2023	-	1,000,000,000	1,000,000,000	-	-	-	-	-
Zarai Taraqiatl Bank Limited (AAA, VIS)	August 30, 2023	-	1,210,000,000	1,210,000,000	-	-	-	-	-
Zarai Taraqiatl Bank Limited (AAA, VIS)	August 30, 2023	-	1,500,000,000	1,500,000,000	-	-	-	-	-
Zarai Taraqiatl Bank Limited (AAA, VIS)	September 07, 2023	-	290,000,000	290,000,000	-	-	-	-	-
Zarai Taraqiatl Bank Limited (AAA, VIS)	September 08, 2023	-	2,700,000,000	2,700,000,000	-	-	-	-	-
Zarai Taraqiatl Bank Limited (AAA, VIS)	September 13, 2023	-	600,000,000	600,000,000	-	-	-	-	-
Zarai Taraqiatl Bank Limited (AAA, VIS)	September 13, 2023	-	250,000,000	250,000,000	-	-	-	-	-
Zarai Taraqiatl Bank Limited (AAA, VIS)	September 18, 2023	-	450,000,000	450,000,000	-	-	-	-	-
Zarai Taraqiatl Bank Limited (AAA, VIS)	September 19, 2023	-	200,000,000	200,000,000	-	-	-	-	-
Zarai Taraqiatl Bank Limited (AAA, VIS)	September 20, 2023	-	200,000,000	200,000,000	-	-	-	-	-

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

Name of the investee company	Issue date	Face value			Balance as at June 30, 2024			Market value as percentage of	
		As at July 1, 2023	Purchased during the year	Matured during the year	As at June 30, 2024	Carrying value	Market value	Unrealised appreciation / (diminution)	net assets of the Fund
					Rupees			%	
Zarai Taraqiatl Bank Limited (AAA, VIS)	September 22, 2023	-	1,600,000,000	1,600,000,000	-	-	-	-	-
Zarai Taraqiatl Bank Limited (AAA, VIS)	September 26, 2023	-	230,000,000	230,000,000	-	-	-	-	-
Zarai Taraqiatl Bank Limited (AAA, VIS)	October 03, 2023	-	2,600,000,000	2,600,000,000	-	-	-	-	-
Zarai Taraqiatl Bank Limited (AAA, VIS)	October 04, 2023	-	2,600,000,000	2,600,000,000	-	-	-	-	-
Zarai Taraqiatl Bank Limited (AAA, VIS)	October 17, 2023	-	750,000,000	750,000,000	-	-	-	-	-
Zarai Taraqiatl Bank Limited (AAA, VIS)	October 19, 2023	-	300,000,000	300,000,000	-	-	-	-	-
Zarai Taraqiatl Bank Limited (AAA, VIS)	October 20, 2023	-	500,000,000	500,000,000	-	-	-	-	-
Zarai Taraqiatl Bank Limited (AAA, VIS)	October 24, 2023	-	400,000,000	400,000,000	-	-	-	-	-
Zarai Taraqiatl Bank Limited (AAA, VIS)	November 01, 2023	-	300,000,000	300,000,000	-	-	-	-	-
Zarai Taraqiatl Bank Limited (AAA, VIS)	November 02, 2023	-	600,000,000	600,000,000	-	-	-	-	-
Zarai Taraqiatl Bank Limited (AAA, VIS)	November 03, 2023	-	600,000,000	600,000,000	-	-	-	-	-
Zarai Taraqiatl Bank Limited (AAA, VIS)	November 06, 2023	-	375,000,000	375,000,000	-	-	-	-	-
Zarai Taraqiatl Bank Limited (AAA, VIS)	November 07, 2023	-	350,000,000	350,000,000	-	-	-	-	-
Zarai Taraqiatl Bank Limited (AAA, VIS)	November 08, 2023	-	350,000,000	350,000,000	-	-	-	-	-
Zarai Taraqiatl Bank Limited (AAA, VIS)	November 13, 2023	-	100,000,000	100,000,000	-	-	-	-	-
Zarai Taraqiatl Bank Limited (AAA, VIS)	November 20, 2023	-	1,375,000,000	1,375,000,000	-	-	-	-	-
Zarai Taraqiatl Bank Limited (AAA, VIS)	November 23, 2023	-	650,000,000	650,000,000	-	-	-	-	-
Zarai Taraqiatl Bank Limited (AAA, VIS)	December 04, 2023	-	2,750,000,000	2,750,000,000	-	-	-	-	-
Zarai Taraqiatl Bank Limited (AAA, VIS)	December 06, 2023	-	1,000,000,000	1,000,000,000	-	-	-	-	-
Zarai Taraqiatl Bank Limited (AAA, VIS)	December 07, 2023	-	1,800,000,000	1,800,000,000	-	-	-	-	-
Zarai Taraqiatl Bank Limited (AAA, VIS)	December 12, 2023	-	500,000,000	500,000,000	-	-	-	-	-
Zarai Taraqiatl Bank Limited (AAA, VIS)	December 19, 2023	-	1,200,000,000	1,200,000,000	-	-	-	-	-
Zarai Taraqiatl Bank Limited (AAA, VIS)	December 20, 2023	-	1,200,000,000	1,200,000,000	-	-	-	-	-
Zarai Taraqiatl Bank Limited (AAA, VIS)	December 21, 2023	-	1,000,000,000	1,000,000,000	-	-	-	-	-
Zarai Taraqiatl Bank Limited (AAA, VIS)	December 26, 2023	-	1,500,000,000	1,500,000,000	-	-	-	-	-
Zarai Taraqiatl Bank Limited (AAA, VIS)	December 26, 2023	-	200,000,000	200,000,000	-	-	-	-	-
Zarai Taraqiatl Bank Limited (AAA, VIS)	December 27, 2023	-	1,850,000,000	1,850,000,000	-	-	-	-	-
Zarai Taraqiatl Bank Limited (AAA, VIS)	December 28, 2023	-	1,850,000,000	1,850,000,000	-	-	-	-	-
Zarai Taraqiatl Bank Limited (AAA, VIS)	January 02, 2024	-	1,500,000,000	1,500,000,000	-	-	-	-	-
Zarai Taraqiatl Bank Limited (AAA, VIS)	January 02, 2024	-	1,350,000,000	1,350,000,000	-	-	-	-	-
Zarai Taraqiatl Bank Limited (AAA, VIS)	January 08, 2024	-	2,500,000,000	2,500,000,000	-	-	-	-	-
Zarai Taraqiatl Bank Limited (AAA, VIS)	January 09, 2024	-	1,000,000,000	1,000,000,000	-	-	-	-	-
Zarai Taraqiatl Bank Limited (AAA, VIS)	January 10, 2024	-	1,000,000,000	1,000,000,000	-	-	-	-	-
Zarai Taraqiatl Bank Limited (AAA, VIS)	January 11, 2024	-	900,000,000	900,000,000	-	-	-	-	-
Zarai Taraqiatl Bank Limited (AAA, VIS)	January 12, 2024	-	1,500,000,000	1,500,000,000	-	-	-	-	-
Zarai Taraqiatl Bank Limited (AAA, VIS)	January 12, 2024	-	500,000,000	500,000,000	-	-	-	-	-
Zarai Taraqiatl Bank Limited (AAA, VIS)	January 23, 2024	-	1,000,000,000	1,000,000,000	-	-	-	-	-
Zarai Taraqiatl Bank Limited (AAA, VIS)	January 23, 2024	-	1,000,000,000	1,000,000,000	-	-	-	-	-
Zarai Taraqiatl Bank Limited (AAA, VIS)	January 24, 2024	-	2,000,000,000	2,000,000,000	-	-	-	-	-
Zarai Taraqiatl Bank Limited (AAA, VIS)	January 25, 2024	-	2,000,000,000	2,000,000,000	-	-	-	-	-
Zarai Taraqiatl Bank Limited (AAA, VIS)	January 26, 2024	-	2,000,000,000	2,000,000,000	-	-	-	-	-
Zarai Taraqiatl Bank Limited (AAA, VIS)	January 29, 2024	-	900,000,000	900,000,000	-	-	-	-	-
Zarai Taraqiatl Bank Limited (AAA, VIS)	January 30, 2024	-	350,000,000	350,000,000	-	-	-	-	-
Zarai Taraqiatl Bank Limited (AAA, VIS)	February 09, 2024	-	350,000,000	350,000,000	-	-	-	-	-
Zarai Taraqiatl Bank Limited (AAA, VIS)	February 12, 2024	-	350,000,000	350,000,000	-	-	-	-	-
Zarai Taraqiatl Bank Limited (AAA, VIS)	February 13, 2024	-	350,000,000	350,000,000	-	-	-	-	-
Zarai Taraqiatl Bank Limited (AAA, VIS)	February 14, 2024	-	350,000,000	350,000,000	-	-	-	-	-
Zarai Taraqiatl Bank Limited (AAA, VIS)	February 15, 2024	-	700,000,000	700,000,000	-	-	-	-	-
Zarai Taraqiatl Bank Limited (AAA, VIS)	February 19, 2024	-	700,000,000	700,000,000	-	-	-	-	-
Zarai Taraqiatl Bank Limited (AAA, VIS)	February 20, 2024	-	800,000,000	800,000,000	-	-	-	-	-
Zarai Taraqiatl Bank Limited (AAA, VIS)	February 20, 2024	-	350,000,000	350,000,000	-	-	-	-	-
Zarai Taraqiatl Bank Limited (AAA, VIS)	February 21, 2024	-	350,000,000	350,000,000	-	-	-	-	-
Zarai Taraqiatl Bank Limited (AAA, VIS)	February 26, 2024	-	500,000,000	500,000,000	-	-	-	-	-
Zarai Taraqiatl Bank Limited (AAA, VIS)	February 27, 2024	-	700,000,000	700,000,000	-	-	-	-	-
Zarai Taraqiatl Bank Limited (AAA, VIS)	February 28, 2024	-	700,000,000	700,000,000	-	-	-	-	-
Zarai Taraqiatl Bank Limited (AAA, VIS)	February 29, 2024	-	250,000,000	250,000,000	-	-	-	-	-
Zarai Taraqiatl Bank Limited (AAA, VIS)	March 04, 2024	-	200,000,000	200,000,000	-	-	-	-	-
Zarai Taraqiatl Bank Limited (AAA, VIS)	March 05, 2024	-	2,300,000,000	2,300,000,000	-	-	-	-	-
Zarai Taraqiatl Bank Limited (AAA, VIS)	March 06, 2024	-	300,000,000	300,000,000	-	-	-	-	-
Zarai Taraqiatl Bank Limited (AAA, VIS)	March 08, 2024	-	300,000,000	300,000,000	-	-	-	-	-
Zarai Taraqiatl Bank Limited (AAA, VIS)	March 18, 2024	-	1,400,000,000	1,400,000,000	-	-	-	-	-
Zarai Taraqiatl Bank Limited (AAA, VIS)	March 20, 2024	-	600,000,000	600,000,000	-	-	-	-	-
Zarai Taraqiatl Bank Limited (AAA, VIS)	March 27, 2024	-	500,000,000	500,000,000	-	-	-	-	-
Zarai Taraqiatl Bank Limited (AAA, VIS)	April 16, 2024	-	470,000,000	470,000,000	-	-	-	-	-
Total as at June 30, 2024						1,000,000,000	1,000,000,000	-	
Total as at June 30, 2023						-	-	-	

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

5.5.1 This will mature by July 25, 2024 and carries effective yield rate of 20.50% per annum.

5.6 Net unrealised appreciation / (diminution) on re-measurement of investments classified as financial assets 'at fair value through profit or loss'	Note	2024	2023
		----- Rupees-----	
Market value of investments	5.1, 5.2, 5.3, 5.4 & 5.5	16,175,024,119	15,256,598,300
Less: carrying value of investments	5.1, 5.2, 5.3, 5.4 & 5.5	16,158,628,142	15,268,696,624
		<u>16,395,977</u>	<u>(12,098,324)</u>
6 ADVANCE, DEPOSIT, PREPAYMENT AND PROFIT RECEIVABLE			
Profit receivable on:			
- Bank balances		91,344,473	22,278,307
- Pakistan investment bonds		227,420,551	174,851,259
- Sukuk certificates		33,483,044	111,018,926
- Term deposit receipts		10,109,589	2,853,699
		<u>362,357,657</u>	<u>311,002,191</u>
Security deposit with Central Depository Company of Pakistan Limited		100,000	100,000
Prepaid rating fee		231,150	196,812
Advance tax		2,901	2,901
		<u>362,691,708</u>	<u>311,301,904</u>
7 PAYABLE TO JS INVESTMENTS LIMITED - MANAGEMENT COMPANY			
Remuneration payable	7.1	10,610,550	6,153,329
Sindh Sales Tax payable on remuneration of the Management Company	7.2	1,963,600	1,384,160
Allocated expenses payable	7.4	1,841,056	1,442,363
Federal Excise Duty payable on the remuneration of the Management Company	7.3	3,803,127	3,803,127
Selling and marketing expenses payable	7.5	4,610,000	13,380,814
Printing charges payable		54,558	101,475
Sales load payable		5,431	19,167
		<u>22,888,322</u>	<u>26,284,435</u>

7.1 As per Regulation 61 of NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in Offering Document subject to total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged remuneration upto 1.25% of average daily net assets of the Fund, during the year ended June 30, 2024.

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

7.2 During the year, an amount of Rs. 18.354 million (2023: Rs. 7.300 million) was charged on account of sales tax on the remuneration of the Management Company levied through the Sindh Sales Tax on Services Act, 2011 at the rate of 13% (June 2023: 13%).

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

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

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company and sales load with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 3.803 million is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision not been made, the Net Asset Value (NAV) per unit of the Fund would have been higher by Re 0.017 (2023: Re 0.025) per unit.

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

The Management Company, based on its discretion has charged such expenses at the rate of 0.1% (2023: 0.1%) of the average annual net assets of the Fund during the year.

- 7.5 In accordance with Circular 11 dated July 5, 2019 with respect to charging selling and marketing expenses, the Management Company based on its own discretion has charged selling and marketing expenses upto 0.25% (2023: 0.25%) of the average annual net assets of the Fund during the year ended June 30, 2024 subject to not being higher than the actual expense. These expenses have also been approved by the Board of Directors of the Management Company.

During the year, the Securities and Exchange Commission of Pakistan (SECP) carried out onsite inspection of the Management Company and inspected, among other matters, the mechanism of chargeability of selling & marketing expenses to the funds under its management. As a result of this inspection, SECP raised certain observations relating to the chargeability of such expenses by the Management Company to the funds under its management. The Management Company has responded to the observations highlighted by the SECP and there has been no further correspondence on this matter with the SECP. Accordingly, the impact of the SECP's observations on unit holder's fund, if any, is not determinable as at the reporting date.

8	PAYABLE TO DIGITAL CUSTODIAN COMPANY LIMITED - TRUSTEE	Note	2024	2023
			Rupees	
	Remuneration payable	8.1	1,196,685	937,533
	Sindh Sales Tax payable on remuneration of the Trustee	8.2	155,569	121,880
			<u>1,352,254</u>	<u>1,059,413</u>

- 8.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed at the rate of 0.065% (2023: 0.065%) per annum of the average annual net assets of the Fund.

- 8.2 During the year, an amount of Rs. 2.000 million (2023: Rs. 1.426 million) was charged on account of sales tax on remuneration of the Trustee levied through Sindh Sales Tax on Services Act, 2011 at the rate of 13% (2023: 13%).

9	PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)	Note	2024	2023
			Rupees	
		9.1	<u>1,380,789</u>	<u>3,375,044</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

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

Effective from July 1, 2023, the SECP vide SRO No. 592(I)/2023 dated May 17, 2023, revised the rate of annual fee to 0.075% of net assets, applicable on "Money Market Scheme".

The Fund is required to pay SECP fee within fifteen days of the close of every calendar month.

	2024	2023
10 ACCRUED EXPENSES AND OTHER LIABILITIES	----- Rupees -----	
Auditors' remuneration payable	576,023	486,923
Zakat payable	399,133	462,691
Capital gain tax payable	3,362,217	6,528,166
Withholding tax payable	50,766,368	29,929,199
Sales load payable	1,112,584	-
Other liabilities	91,559	399,458
	56,307,884	37,806,437

11 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2024 and June 30, 2023.

	2024	2023
12 NUMBER OF UNITS IN ISSUE	----- Number of units -----	
Units in issue at the beginning of the year	152,781,782	172,746,769
Units issued during the year	465,881,558	560,999,631
Units redeemed during the year	399,815,585	580,964,618
Total units in issue at the end of the year	218,847,755	152,781,782

	2024	2023
13 PROFIT / MARK-UP INCOME	----- Rupees -----	
Profit / mark-up income on:		
- Bank balances	190,308,895	593,785,111
- Market treasury bills	2,361,600,093	1,194,359,339
- Pakistan investment bonds	1,838,932,030	476,303,206
- Commercial papers	-	36,998,927
- Sukuk certificates	358,752,928	123,956,323
- Term deposit receipts	18,854,795	55,530,138
- Letters of placement	325,191,144	247,078,041
	5,093,639,885	2,728,011,085

	2024	2023
14 CASH AND CASH EQUIVALENTS		
Savings accounts	6,539,442,307	272,908,140
Market treasury bills (with original maturity of three months or less)	482,574,000	4,491,998,300
	7,022,016,307	4,764,906,440

Note

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

15	AUDITORS' REMUNERATION	2024	2023
		----- Rupees -----	
	Annual audit fee	450,000	225,000
	Fee for half yearly review	300,000	150,000
	Fee for other certifications	100,000	50,000
	Out of pocket expenses	91,800	43,200
	Sindh Sales Tax	68,000	34,000
		1,009,800	502,200

16 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 as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the Management Company has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2024 to the unit holders in a manner as explained above, no provision for taxation has been made in these financial statements during the year.

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.

17 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund for the year ended June 30, 2024 is 1.22% (2023: 0.69%) which includes 0.16% (2023: 0.08%) representing government levies on the Fund such as Sales Taxes, Federal Excise Duties, annual fee to the SECP, etc. This ratio is within the maximum limit of 2.0% (excluding government levies) prescribed under the NBFC Regulations for a collective investment scheme categorised as a 'Money Market

18 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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 JSBL, BankIslami Pakistan Limited (BIPL) being the fellow subsidiary of JSBL - 75.12% shares are held by JSBL, JS Global Capital Limited (JSGCL) which is a fellow subsidiary of JSBL - 92.90% shares are held by JSBL 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, 2024. 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, sales load, other charges and distribution payments to connected persons. The transactions with connected persons are also in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

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

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

The details of transactions during the year and balances at year end with the related parties / connected persons are as follows:

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

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

JS Investments Limited - Management Company

	2024	2023
	Rupees	
Remuneration of the Management Company	141,181,192	56,153,851
Sindh Sales Tax on remuneration of the Management Company	18,353,555	7,300,001
Sales load	121,496	2,839,846
Allocated expenses	23,610,738	11,246,162
Selling and marketing expense	61,736,747	21,278,155
Printing charges	101,468	101,468
Issuance of units: 19,402,852 units (2023: 5,507,397 units)	2,024,698,761	572,115,654
Redemption of units: 19,251,598 units (2023: 5,588,042 units)	2,011,300,123	579,244,111
Refund of capital: 76,788 units (2023: 39,030 units) *	-	-
Dividend reinvested: 1,981 units (2023: 1,257 units)	204,788	151,827

Digital Custodian Company Limited - Trustee

Remuneration of the Trustee	15,385,775	10,968,798
Sindh Sales Tax on remuneration of the Trustee	2,000,151	1,425,943

EFU Life Assurance Limited Employees Pension Fund (Associate of ultimate Parent Company - JSCL)

Dividend reinvested: 21,120 units (2023: 15,150 units)	2,183,281	1,553,473
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EFU Life Assurance Limited Employees Provident Fund (Associate of ultimate Parent Company - JSCL)

Dividend reinvested: 71,821 units (2023: 51,519 units)	7,424,517	5,282,771
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JS Fund of Funds

(Fund under JSIL Management)

Issuance of units: 1,438,119 units (2023: 2,820,784 units)	150,000,000	291,528,017
Redemption of units: 1,460,851 units (2023: 2,851,648 units)	152,434,197	292,293,950
Refund of capital: 11,651 units (2023: 27,282 units) *	-	-
Dividend reinvested: 11,081 units (2023: 3,582 units)	1,143,884	366,702

Jahangir Siddiqui & Co. Limited

(Ultimate Parent Company - JSIL)

Issuance of units: 18,205,869 units (2023: 61,116,309 units)	1,893,336,845	6,303,637,359
Redemption of units: 17,949,871 units (2023: 68,453,645 units)	1,866,956,427	7,055,050,000
Refund of capital: 73,270 units (2023: 287,625 units) *	-	-
Dividend paid	3,623,368	303,835,481

JS Bank Limited

(Parent Company of JSIL)

Issuance of units: Nil units (2023: 6,814,703 units)	-	700,000,000
Redemption of units: Nil units (2023: 15,611,497 units)	-	1,604,640,716
Interest income on bank balances	5,754,587	2,684,395

JS Global Capital Limited

(Fellow subsidiary of JSBL)

Dividend reinvested: 72 units (2023: 51 units)	7,455	5,234
Brokerage expense	73,392	146,365

* Issued at nil value as refund of capital

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

	2024	2023
	----- Rupees -----	
East West Insurance Company Limited		
(Common Directorship of JSCL)		
Issuance of units: 964,390 units (2023: Nil units)	100,000,000	-
Redemption of units: 968,711 units (2023: Nil units)	100,600,601	-
Refund of capital: 4,321 units (2023: Nil units) *	-	-
Dividend paid	1,063,595	-
Future Trust		
(Director of JSIL is a Trustee)		
Issuance of units: 4,503,183 units (2023: 486,665 units)	465,110,614	50,000,000
Redemption of units: 4,843,469 units (2023: 244,451 units)	504,912,052	25,442,456
Dividend paid	4,903,989	3,832,550
JS Infocom Limited		
(Wholly owned by JSCL)		
Issuance of units: 3,574,914 units (2023: 4,525,242 units)	372,172,902	465,000,000
Redemption of units: 2,946,051 units (2023: 6,797,528 units)	306,000,000	698,610,730
Refund of capital: 23,701 units (2023: 17,006 units) *	-	-
Dividend paid	8,712,443	22,716,608
Mahvash and Jahangir Siddiqui Foundation		
(Common Directorship of JSCL)		
Redemption of units: 14,531 units (2023: Nil units)	1,500,000	-
Dividend paid	3,719,834	3,097,683
Al-Abbas Sugar Mills Limited		
(Common Directorship of JSIL)		
Issuance of units: 10,689,001 units (2023: Nil units)	1,118,406,401	-
Redemption of units: 10,723,389 units (2023: Nil units)	1,117,500,351	-
Refund of capital : 34,388 units (2023: Nil units) *	-	-
JS Motion Picture Fund		
(Fund under JSIL Management)		
Issuance of units: Nil units (2023: 396,269 units)	-	41,501,260
Redemption of units: 42,934 units (2023: 224,817 units)	4,499,463	23,124,634
Refund of capital: Nil units (2023: 7,675 units) *	-	-
Dividend reinvested: 80,822 units (2023: 20,283 units)	8,355,006	2,080,930
Energy Infrastructure Holding (Private) Limited		
(Wholly owned by JSCL)		
Issuance of units: 4,165,790 units (2023: 722,195 units)	434,108,409	75,000,000
Redemption of units: 2,842,912 units (2023: 729,998 units)	295,000,000	75,094,900
Refund of capital: 26,138 units (2023: 7,803 units) *	-	-
Dividend paid	8,311,905	2,509,462
Jahangir Siddiqui & Sons Limited		
(Common ownership of the substantial shareholder)		
Issuance of units: 749,965 units (2023: Nil units)	78,551,366	-
Redemption of units: 796,676 units (2023: Nil units)	82,248,155	-
Refund of capital : 10,970 units (2023: Nil units) *	-	-
Dividend reinvested : 35,741 units (2023: Nil units)	3,689,540	-

* Issued at nil value as refund of capital

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

	2024	2023
	Rupees	
Jahangir Siddiqui Securities Services Limited		
(Common ownership of the substantial shareholder)		
Issuance of units: 4,399 units (2023: Nil units)	460,736	-
Redemption of units: 4,678 units (2023: Nil units)	482,895	-
Refund of capital : 64 units (2023: Nil units) *	-	-
Dividend reinvested : 215 units (2023: Nil units)	22,158	-
Dividend paid	64	-
JS Lands Private Limited		
(Common ownership of the substantial shareholder)		
Issuance of units: 48,333 units (2023: Nil units)	5,000,000	-
Redemption of units: 50,558 units (2023: Nil units)	5,289,897	-
Refund of capital : 103 units (2023: Nil units) *	-	-
Dividend reinvested : 2,122 units (2023: Nil units)	219,115	-
The Eastern Express Company (Private) Limited		
(Common ownership of the substantial shareholder)		
Issuance of units: 52,627 units (2023: Nil units)	5,513,915	-
Redemption of units: 55,458 units (2023: Nil units)	5,724,916	-
Refund of capital : 787 units (2023: Nil units) *	-	-
Dividend reinvested : 2,044 units (2023: Nil units)	211,001	-
Key management personnel of the Management Company		
Issuance of units: 11,272,160 units (2023: 10,428,733 units)	1,181,700,971	1,079,501,675
Redemption of units: 11,196,240 units (2023: 13,348,089 units)	1,175,317,269	1,379,606,693
Refund of capital: 118,207 units (2023: 116,607 units) *	-	-
Dividend reinvested: 31,763 units (2023: 40,114 units)	3,783,115	4,168,553
Dividend paid	797	326,777
<i>* Issued at nil value as refund of capital</i>		
18.2 Details of balances with related parties / connected persons as at year end		
JS Investments Limited - Management Company		
Remuneration payable to the Management Company	10,610,550	6,153,329
Sindh sales tax payable on remuneration of the Management Company	1,963,600	1,384,160
Allocation of expenses relating to the Fund payable to the Management Company	1,841,056	14,823,177
Federal excise duty payable on remuneration of the Management Company	3,803,127	3,803,127
Units outstanding: 231,805 units (2023: 1,782 units)	24,351,175	184,018
Printing charges payable	54,558	101,475
Sales load payable	5,431	19,167
Digital Custodian Company Limited - Trustee		
Remuneration payable to the Trustee	1,196,685	937,533
Sindh sales tax payable on remuneration of the Trustee	155,569	121,880
EFU Life Assurance Limited Employees Pension Fund		
(Associate of ultimate Parent Company - JSCL)		
Units outstanding: 144,876 units (2023: 123,756 units)	15,219,162	12,775,278
EFU Life Assurance Limited Employees Provident Fund		
(Associate of ultimate Parent Company - JSCL)		
Units outstanding: 492,667 units (2023: 420,846 units)	51,754,595	43,443,871

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

	2024	2023
	----- Rupees -----	
Jahangir Siddiqui & Co. Limited (Ultimate Parent Company - JSIL) Units outstanding: 421,251 units (2023: 91,983 units)	44,252,557	9,495,486
JS Bank Limited (Parent Company of JSIL) Bank balances Accrued return on bank balance	32,377,533 449,928	14,877,527 235,603
JS Global Capital Limited (Fellow subsidiary of JSBL) Units outstanding: 495 units (2023: 423 units) Brokerage expense payable	51,970 -	43,624 5,808
Future Trust (Director of JSIL is a Trustee) Units outstanding: 146,379 units (2023: 486,665 units)	15,377,187	50,238,466
JS Infocom Limited (Wholly owned by JSCL) Units outstanding: 652,564 units (2023: Nil units)	68,551,801	-
Mahvash and Jahangir Siddiqui Foundation (Common Directorship of JSCL) Units outstanding: 181,030 units (2023: 195,561 units)	19,017,213	20,187,738
JS Motion Picture Fund (Fund under JSIL Management) Units outstanding: 454,288 units (2023: 416,400 units)	47,722,911	42,984,994
Energy Infrastructure Holding (Private) Limited (Wholly owned by JSCL) Units outstanding: 1,349,016 units (2023: Nil units)	141,714,069	-
Unit holders holding more than 10% of units ** Units outstanding: 142,811,897 units (2023: 102,018,389 units)	15,002,389,802	10,531,358,329
Key management personnel of the Management Company ** Units outstanding: 357,288 units (2023 : 131,398 units)	37,533,229	13,564,253

** This reflects the position of related party / connected persons status as at year end

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

19 FINANCIAL INSTRUMENTS BY CATEGORY

	As at June 30, 2024		
	At amortised cost	'At fair value through profit or loss'	Total
	Rupees		
Financial assets			
Bank balances	6,539,442,307	-	6,539,442,307
Investments	-	16,175,024,119	16,175,024,119
Deposit and profit receivable	362,457,657	-	362,457,657
	<u>6,901,899,964</u>	<u>16,175,024,119</u>	<u>23,076,924,083</u>
Financial liabilities			
Payable to JS Investments Limited - Management Company	22,888,322	-	22,888,322
Payable to Digital Custodian Company Limited - Trustee	1,352,254	-	1,352,254
Dividend payable	5,332,730	-	5,332,730
Accrued expenses and other liabilities	1,780,166	-	1,780,166
	<u>31,353,472</u>	<u>-</u>	<u>31,353,472</u>

	As at June 30, 2023		
	At amortised cost	'At fair value through profit or loss'	Total
	Rupees		
Financial assets			
Bank balances	272,908,140	-	272,908,140
Investments	-	15,256,598,300	15,256,598,300
Deposit and profit receivable	311,102,191	-	311,102,191
	<u>584,010,331</u>	<u>15,256,598,300</u>	<u>15,840,608,631</u>
Financial liabilities			
Payable to JS Investments Limited - Management Company	26,284,435	-	26,284,435
Payable to Digital Custodian Company Limited - Trustee	1,059,413	-	1,059,413
Dividend payable	1,364	-	1,364
Accrued expenses and other liabilities	886,381	-	886,381
	<u>28,231,593</u>	<u>-</u>	<u>28,231,593</u>

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 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, credit risk and liquidity risk arising from the financial instruments it holds.

20.1 Market risk

Market risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate as a result of 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 risks: currency risk, interest / profit 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. At present, the Fund does not have any financial instruments in foreign currencies and hence is not exposed to such risk.

20.1.2 Interest / profit rate risk

Interest / profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest / profit rates. As of June 30, 2024, the Fund is exposed to such risk on its balances held with banks, market treasury bills, Pakistan investment bonds, sukuk certificates and letter of placements. The Investment Committee of the Fund reviews the portfolio of the fund on a regular basis to ensure that the risk is managed within the acceptable limits.

a) Sensitivity analysis for variable rate instruments

As at June 30, 2024, the Fund holds balances with banks and Pakistan investment bonds amounting Rs.11,027.292 million (2023: Rs. 8,752.510 million) exposing the fund to cash flow 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 assets of the Fund and net income for the year would have been higher / lower by Rs. 110.273 million (2023: Rs. 87.525 million).

The composition of the Fund's investment portfolio and profit rates are expected to change overtime. Accordingly, the sensitivity analysis prepared as of June 30, 2024 is not necessarily indicative of the impact on the Fund's net assets of future movements in profit rates.

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

The Fund's interest / profit rate sensitivity related to financial assets and financial liabilities as at June 30, 2024 and June 30, 2023 can be determined as follows:

		2024				
Effective interest rate	Exposed to interest / profit rate risk			Not exposed to interest / profit rate risk	Total	
	Upto three months	More than three months and upto one year	More than one year			
-----%-----	-----Rupees-----					
Financial assets						
Bank balances	15.00 - 20.82	6,539,442,307	-	-	-	6,539,442,307
Investments	18.64 - 25.54	2,002,090,500	14,172,933,619	-	-	16,175,024,119
Deposit and profit receivable		-	-	-	362,457,657	362,457,657
		8,541,532,807	14,172,933,619	-	362,457,657	23,076,924,083
Financial liabilities						
Payable to JS Investments Limited - Management Company		-	-	-	22,888,322	22,888,322
Payable to Digital Custodian Company Limited - Trustee		-	-	-	1,352,254	1,352,254
Dividend payable		-	-	-	5,332,730	5,332,730
Accrued expenses and other liabilities		-	-	-	1,780,166	1,780,166
		-	-	-	31,353,472	31,353,472
On-balance sheet gap (a)		8,541,532,807	14,172,933,619	-	331,104,185	23,045,570,611
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a+b)		8,541,532,807	14,172,933,619	-		
Cumulative interest rate sensitivity gap		8,541,532,807	22,714,466,426	22,714,466,426		

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

2023					
Effective interest rate	Exposed to interest / profit rate risk			Not exposed to interest / profit rate risk	Total
	Upto three months	More than three months and upto one year	More than one year		
-----%-----	----- Rupees -----				
Financial assets					
Bank balances	14.50 - 20.50	272,908,140	-	-	272,908,140
Investments	19.42 - 23.21	13,921,598,300	1,335,000,000	-	15,256,598,300
Deposit and profit receivable		-	-	311,102,191	311,102,191
		14,194,506,440	1,335,000,000	311,102,191	15,840,608,631
Financial liabilities					
Payable to JS Investments Limited - Management Company		-	-	26,284,435	26,284,435
Payable to Digital Custodian Company Limited - Trustee		-	-	1,059,413	1,059,413
Dividend payable		-	-	1,364	1,364
Accrued expenses and other liabilities		-	-	886,381	886,381
		-	-	28,231,593	28,231,593
On-balance sheet gap (a)		14,194,506,440	1,335,000,000	282,870,598	15,812,377,038
Off-balance sheet financial instruments		-	-	-	-
Off-balance sheet gap (b)		-	-	-	-
Total interest rate sensitivity gap (a+b)		14,194,506,440	1,335,000,000	-	-
Cumulative interest rate sensitivity gap		14,194,506,440	15,529,506,440	15,529,506,440	-

20.1.3 Price risk

Price 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 prices (other than those arising from interest/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.

20.2 Credit risk

Credit risk represents the risk of a loss that would be recognised at the reporting date if the counter parties fail to perform as contracted. The Fund is exposed to counter party credit risks on investments (other than treasury bills and PIBs), balances with banks and other receivables. The credit risk on the Fund is limited because the counterparties are financial institutions with reasonably high credit ratings. Investments in treasury bills and Pakistan investment bonds are government backed and hence considered as secured.

Exposure to credit risk

The Fund's maximum exposure to credit risk is as follows:

	2024		2023	
	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 -----		----- Rupees -----	
Bank balances	6,539,442,307	6,539,442,307	272,908,140	272,908,140
Investments	16,175,024,119	1,780,000,000	15,256,598,300	2,285,000,000
Deposit and profit receivable	362,457,657	362,457,657	311,102,191	311,102,191
	23,076,924,083	8,681,899,964	15,840,608,631	2,869,010,331

Management of credit risk

Management of credit risk

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

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

- Where the Investment Committee makes an investment decision, the credit rating and credit worthiness of the issuer is taken into account along with the financial background so as to minimise the risk of default.
- Analyses of credit ratings.
- The risk of counterparty exposure due to failed trades causing a loss to the Fund is mitigated by a periodic review of the credit ratings and financial statements of the counter party on a regular basis.
- Cash is held only with reputable banks with high quality external credit ratings.
- Investment transactions are carried out with a large number of brokers, whose credit worthiness is taken into account so as to minimise the risk of default and transactions are settled or paid for only upon delivery.

The Fund's policy is to enter into financial contracts in accordance with the internal risk management policies and investment guidelines approved by the Investment Committee. The Fund does not expect to incur material credit losses on its financial assets.

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

20.2.1 Credit quality of financial assets

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

Name of bank	2024		
	Rating agency	Latest available published rating	Percentage
Habib Bank Limited	VIS	AAA	84.17%
Allied Bank Limited	PACRA	AAA	0.02%
United Bank Limited*	VIS	AAA	-
MCB Bank Limited*	PACRA	AAA	-
Bank of Punjab Limited	PACRA	AA+	0.02%
Bank Alfalah Limited	PACRA	AAA	15.15%
Habib Metropolitan Bank Limited*	PACRA	AA+	-
Faysal Bank Limited	PACRA	AA	0.14%
Samba Bank Limited*	PACRA	AA	-
JS Bank Limited	PACRA	AA	0.50%
Sindh Bank Limited*	VIS	AA-	-

* nil due to rounding off

Name of bank	-2023-		
	Rating agency	Latest available published rating	Percentage
Habib Bank Limited	VIS	AAA	1.31%
Allied Bank Limited	PACRA	AAA	0.35%
United Bank Limited	VIS	AAA	0.08%
MCB Bank Limited*	PACRA	AAA	-
Bank of Punjab Limited	PACRA	AA+	62.48%
Bank Alfalah Limited	PACRA	AA+	30.18%
Habib Metropolitan Bank Limited*	PACRA	AA+	-
Faysal Bank Limited	PACRA	AA	0.22%
Samba Bank Limited	PACRA	AA	0.01%
JS Bank Limited	PACRA	AA-	5.37%
Sindh Bank Limited*	VIS	A+	-

* nil due to rounding off

Ratings of investments have been disclosed in related notes to these financial statements. Since, the assets of the Fund are held with credit worthy counterparties, therefore any significant credit risk is mitigated.

20.2.2 Concentration of credit risk

Concentration of credit risk exists when changes in economic or 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, 2024 and June 30, 2023 are unsecured and are not impaired.

20.2.3 Liquidity risk

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

The Fund is exposed to daily cash redemptions, if any, at the option of unit holders. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is therefore to invest the majority of its assets in investments that are traded in an active market and can be readily disposed and are considered readily realisable.

As per NBFC Regulations, 2008, the Fund can borrow in the short term to ensure settlement of the maximum limit which is fifteen percent of net assets upto 90 days and would be secured by the assets of the Fund.

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 requests during the year ended June 30, 2024.

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 dates. However, the assets and liabilities that are receivable / payable on demand including balances with banks 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, 2024

	-----2024-----			
	Upto three months	More than three months and upto one year	More than one year	Total
	-----Rupees-----			
Financial liabilities				
Payable to JS Investments Limited - Management Company	22,888,322	-	-	22,888,322
Payable to Digital Custodian Company Limited - Trustee	1,352,254	-	-	1,352,254
Dividend payable	5,332,730	-	-	5,332,730
Accrued expenses and other liabilities	1,780,166	-	-	1,780,166
	<u>31,353,472</u>	<u>-</u>	<u>-</u>	<u>31,353,472</u>

	-----2023-----			
	Upto three months	More than three months and upto one year	More than one year	Total
	-----Rupees-----			
Financial liabilities				
Payable to JS Investments Limited - Management Company	26,284,435	-	-	26,284,435
Payable to Digital Custodian Company Limited - Trustee	1,059,413	-	-	1,059,413
Dividend payable	1,364	-	-	1,364
Accrued expenses and other liabilities	886,381	-	-	886,381
	<u>28,231,593</u>	<u>-</u>	<u>-</u>	<u>28,231,593</u>

21 UNIT HOLDERS' FUND RISK MANAGEMENT

The unit holders' fund is represented by redeemable units. These units are entitled to dividends and to payment of a proportionate share based on the Fund's Net Asset Value per unit on the redemption date. The relevant movements are shown on the 'Statement of Movement in Unit Holders' Fund'.

The Fund's objectives when managing unit holder's funds are to safeguard its ability to continue as a going concern so that it can continue to provide returns to the unit holders and to maintain a strong base of assets to meet unexpected losses or opportunities.

The Fund has no restriction on the subscription and redemption of units. As required under the NBFC Regulations, 2008, every open end scheme shall maintain fund size (i.e. net assets of the Fund) of Rs. 100 million at all times during the life of the scheme. The Fund has historically maintained and complied with the requirement of minimum fund size at all times.

In accordance with the risk management policies stated in note 20, the Fund endeavours to invest the subscriptions received in appropriate investments avenues while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by short-term borrowings or disposal of investments, where necessary.

22 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

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 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.

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, 2024 and June 30, 2023, the Fund held the following financial instruments measured at fair value:

Financial assets 'at fair value through profit or loss'	2024			
	Level 1	Level 2	Level 3	Total
	Rupees			
Investments				
Market treasury bills	-	9,907,174,119	-	9,907,174,119
Pakistan investment bonds	-	4,487,850,000	-	4,487,850,000
Sukuk certificates *	-	780,000,000	-	780,000,000
Letter of placements *	-	1,000,000,000	-	1,000,000,000
	-	16,175,024,119	-	16,175,024,119

Financial assets 'at fair value through profit or loss'	2023			
	Level 1	Level 2	Level 3	Total
	Rupees			
Investments				
Market treasury bills	-	4,491,998,300	-	4,491,998,300
Pakistan investment bonds	-	8,479,600,000	-	8,479,600,000
Sukuk certificates *	-	2,285,000,000	-	2,285,000,000
	-	15,256,598,300	-	15,256,598,300

* The carrying value of these securities approximate their fair value since these are short term in nature and are placed with counter parties which have high credit ratings.

23 PATTERN OF UNIT HOLDING

Category	2024			
	Number of unit holders	Number of units held	Investment amount (Rupees)	Percentage of total investment (%)
Individuals	4,506	10,276,989	1,079,594,603	4.70%
Associated Companies and Directors	13	4,410,171	463,287,135	2.02%
Retirement Funds	23	27,900,001	2,930,886,724	12.74%
Others	62	176,260,594	18,516,127,694	80.54%
	4,604	218,847,755	22,989,896,155	100.00%

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

Category	2023			
	Number of unit holders	Number of units held	Investment amount (Rupees)	Percentage of total investment (%)
Individuals	3,263	4,690,834	484,853,081	3.07%
Associated Companies and Directors	8	1,198,565	123,727,877	0.78%
Banks / Development Finance Institutions	2	113,267	11,692,535	0.07%
Retirement Funds	26	20,596,748	2,126,202,342	13.48%
Others	52	126,182,368	13,025,805,816	82.60%
	<u>3,351</u>	<u>152,781,782</u>	<u>15,772,281,651</u>	<u>100.00%</u>

24 LIST OF TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

2024		2023	
Name of broker	Percentage of commission paid	Name of broker	Percentage of commission paid
C & M Management Private Limited	32.20%	C & M Management Private Limited	23.31%
Alfalah Securities Private Limited	17.82%	Vector Securities Private Limited	17.23%
Pearl Securities Limited	15.95%	Invest One Markets Limited	12.03%
Summit Capital Private Limited	5.40%	Alfalah Securities Private Limited	10.17%
K Trade Securities Limited	4.25%	Paramount Capital Private Limited	8.68%
Paramount Capital Private Limited	4.13%	Magenta Capital Private Limited	5.19%
Vector Securities Private Limited	4.08%	JS Global Capital Limited	4.55%
Optimus Capital Management Private Limited	3.08%	Optimus Capital Management Private Limited	3.37%
Currency Market Associates Private Limited	2.70%	Continental Exchange Private Limited	3.21%
Continental Exchange Private Limited	2.18%	Bright Capital Private Limited	3.09%

25 DETAILS OF MEMBERS OF INVESTMENT COMMITTEE AND FUND MANAGER

S. No.	Name	Designation	Qualification	Experience in years
1	Ms. Iffat Zehra Mankani	Chief Executive Officer	MBA	23
2	Mr. Khawar Iqbal	Chief Operating Officer & Company Secretary	MBA	31
3	Mr. Syed Hussain Haider	Chief Investment Officer	CFA	22
4	Mr. Asim Ilyas	Head of Fixed Income / Fund Manager	MAS	28
5	Ms. Samina Faisal	Country Head, Business Development	MBA	33
6	Mr. Safdar Raza	Fund Manager	BCOM	8

25.1 Name and qualification of the Fund Manager

Name	Designation	Qualification	Other funds managed by the Fund Manager
Mr. Safdar Raza	Fund Manager	Bachelors in Commerce	JS Money Market Fund, JS Fixed Term Munafa Fund, JS Income Fund, JS Government Securities Fund, JS Microfinance Sector Fund, JS Islamic Daily Dividend Fund, JS Islamic Income Fund, JS Pension Savings Fund, JS Islamic Pension Savings Fund, JS Islamic Premium Fund, JS KPK Pension Fund and JS KPK Islamic Pension Fund.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

26 MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

The 169th, 170th, 171st, 172nd, 173rd, and 174th meetings of the Board of Directors were held on August 4, 2023, August 18, 2023, October 20, 2023, December 28, 2023, February 20, 2024, and April 24, 2024 respectively. Information in respect of attendance by the directors and other persons in the meetings is given below:

S. No.	Name of Directors	Meetings attended	Meetings held on					
			August 4, 2023	August 18, 2023	October 20, 2023	December 28, 2023	February 20, 2024	April 24, 2024
1	Mr. Suleman Lalani	6	✓	✓	✓	✓	✓	✓
2	Ms. Iffat Zehra Mankani	6	✓	✓	✓	✓	✓	✓
3	Mr. Hasan Shahid	6	✓	✓	✓	✓	✓	✓
4	Ms. Aisha Fariel Salahuddin	2	✗	✗	✓	✓	✗	✗
5	Mr. Mirza M. Sadeed Hasan Barlas	4	✓	✓	✗	✓	✓	✗
6	Mr. Atif Salim Malik	5	✗	✓	✓	✓	✓	✓
7	Ms. Mediha Kamal Afsar	6	✓	✓	✓	✓	✓	✓
8	Mr. Farooq Ahmed Malik	5	✗	✓	✓	✓	✓	✓
			5	7	7	8	7	6

27 DISTRIBUTIONS DURING THE YEAR

	2024			2023			
	Rate per unit	Declaration date	Total distribution	Rate per unit	Declaration date	Total distribution	
For the month of July	1.87	July 31, 2023	312,391,188	0.84	July 22, 2022	59,097,436	
For the month of August	1.76	August 30, 2023	394,894,009	1.42	August 26, 2022	233,550,987	
For the month of September	1.69	September 27, 2023	302,645,667	1.39	September 28, 2022	247,264,914	
For the month of October	1.79	October 27, 2023	431,633,524	0.91	October 20, 2022	156,055,680	
For the month of November	1.91	November 29, 2023	475,028,925	1.51	November 25, 2022	219,119,394	
For the month of December	1.67	December 28, 2023	433,524,647	1.37	December 28, 2022	212,433,668	
For the month of January	1.89	January 30, 2024	439,347,206	1.12	January 26, 2023	87,300,205	
For the month of February	1.46	February 27, 2024	325,748,690	0.87	February 24, 2023	93,513,010	
For the month of March	1.51	March 27, 2024	337,848,558	1.28	March 22, 2023	150,233,005	
For the month of April	1.91	April 29, 2024	367,068,006	2.05	April 28, 2023	357,098,025	
For the month of May	-	-	-	0.35	May 4, 2023	63,615,222	
For the month of May	-	-	-	1.44	May 30, 2023	188,854,017	
For the month of June	1.84	June 24, 2024	373,757,350	1.29	June 21, 2023	217,832,672	
			<u>4,193,887,770</u>				<u>2,285,968,235</u>

28 GENERAL

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


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

29 DATE OF AUTHORISATION FOR ISSUE

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



Chief Financial Officer



Chief Executive Officer



Director



JS INVESTMENTS OFFICES

- **Head Office - Karachi**
19th Floor, The Centre, Plot No. 28, SB-5,
Abdullah Haroon Road, Saddar, Karachi.
- **Wealth Centre**
Ground Floor, Plot No. 97-C, Main
Khayaban-e-Shaheen, DHA Phase 8,
Karachi
- **Regional Office - Lahore**
Ground Floor, No. 25, Block 13, Plot No.1-4,
Usman Block, New Garden Town, Lahore
- **Regional Office - Islamabad**
Office No. 414, 4th Floor, PSX Building,
Jinnah Avenue, Islamabad

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JS FUND OF FUNDS

ANNUAL REPORT 2024



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COMPANY INFORMATION

Management Company

JS Investments Limited
19th Floor, The Centre, Plot # 28,
SB-5 Abdullah Haroon Road, Saddar,
Karachi-75600
Tel: (92-21) 111-222-626 Fax: (92-21) 35165540
E-mail: info@jsil.com
Website: www.jsil.com

Board of Directors

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

Chief Executive Officer

Ms. Iffat Zehra Mankani

Chief Financial Officer

Mr. Raheel Rehman

Chief Investment Officer

Mr. Syed Hussain Haider

Chief Operating Officer & Company Secretary

Mr. Muhammad Khawar Iqbal

Statutory Auditors

A.F Ferguson & Co., Chartered Accountants

Legal Advisors

Bawaney and Partners
3rd & 4th Floor, 68-C, Lane-13
Bokhari Commercial Area
Phase-VI DHA, Karachi

Audit Committee

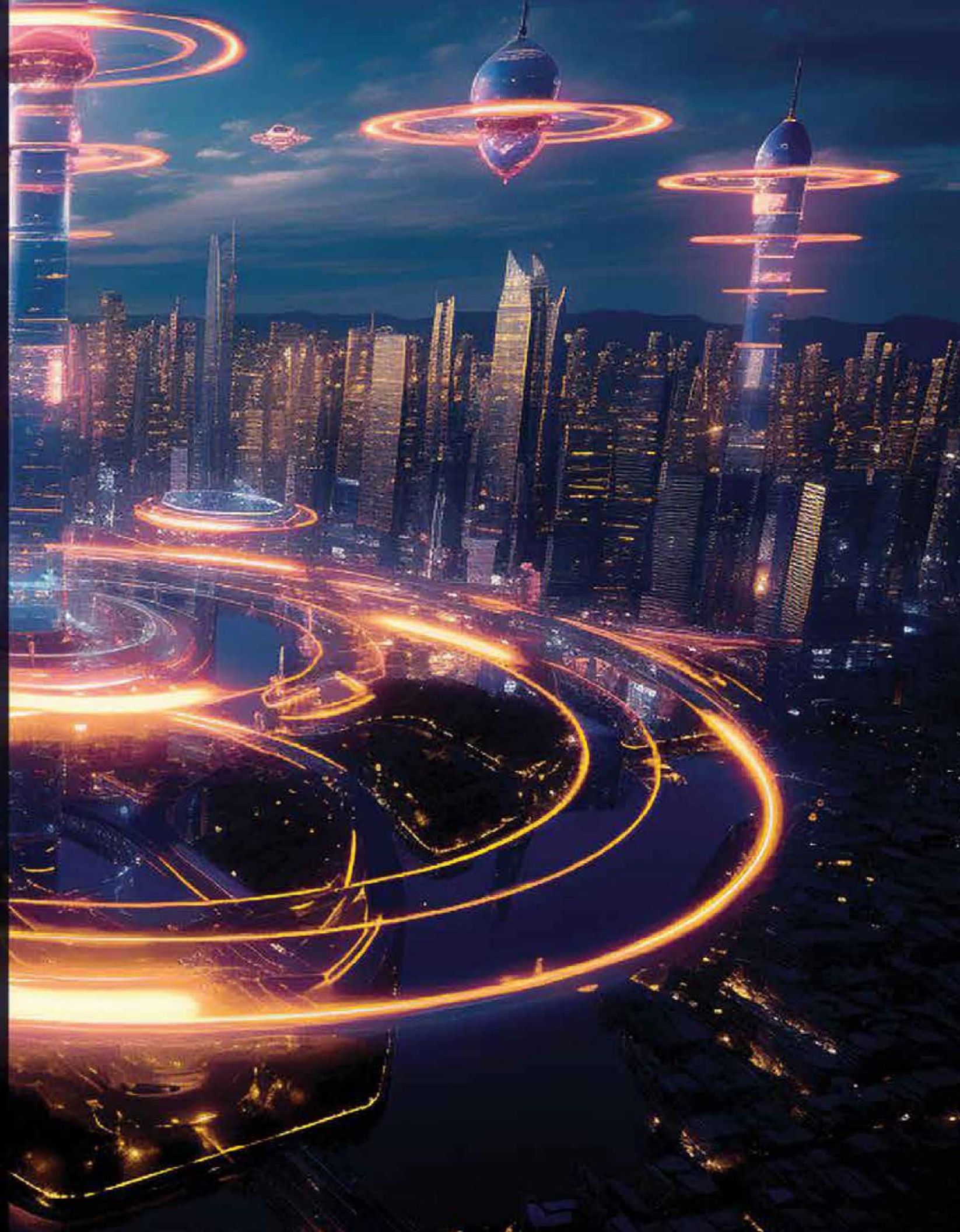
Ms. Mediha Kamal Afsar (Chairperson)
Mr. Hasan Shahid (Member)
Mr. Mirza M. Sadeed H. Barlas (Member)

Trustee

Central Depository Company of Pakistan Limited
CDC House, 99-B, Block 'B', S.M.C.H.S.,
Main Sharah-e-Faisal, Karachi-74400 Pakistan.
Tel: (92-21) 111-111-500
Fax: (92-21) 34326040

Vision

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





DIRECTORS' REPORT TO THE UNIT HOLDERS

FOR THE PERIOD ENDING JUNE 30, 2024

The Board of Directors of JS Investments Limited, the Management Company of **JS Fund of Funds** (the Fund), is pleased to present the Annual Report for the year ended June 30, 2024.

Economic Review:

The fiscal year 2024 has been a period of significant transition for the country, moving from a precarious trajectory towards a path of relative stability in both political and economic spheres. The caretaker setup initially introduced a stabilization agenda that guided much of the year. Following this, a new government was formed post-Federal elections, providing a clearer direction for the country despite some initial uncertainties during the election process. This transition offered some reassurance, given the significant challenges the nation has faced in recent years. The macroeconomic framework under the IMF's Stand-By Agreement (SBA), which included a short-term US\$3 billion funding facility signed in June of the previous year and largely executed by the caretaker government, concluded at the end of April with a final disbursement of US\$1 billion.

Turning to the real economy, the robust growth of 6.5% in agriculture, encompassing all major crops and livestock, significantly boosted the provisional GDP growth for FY24 to 2.38%, surpassing the projections of the IMF (2%), ADB (1.9%), and the World Bank (1.8%). This underscores the resilience of the economy. Against this backdrop, two key macroeconomic events during the period were the easing of monetary policy and the simultaneous tightening of fiscal policy, trends expected to continue into the next fiscal year. Observing how these policies will ultimately impact overall economic growth will be critical, especially as the industry has been under unprecedented pressure from a highly challenging business environment characterized by cost-push inflation and sluggish demand.

The Federal Budget for FY25 envisions a substantial 40% increase in FBR revenues, with the government projecting an inflation rate of 12% and a real GDP growth rate of 3.6%. According to the government's estimates presented in the budget, the fiscal deficit, expected to close at 7.4% for the current year—revised from the previous year's budgeted target of 6.5%—is projected to decrease to 5.9% for FY25.

The external account experienced considerable strengthening, with SBP FX Reserves more than doubling from their lows at the end of June 2023 to reach US\$9.4 billion by the end of June 2024. The Pakistani rupee appreciated by 2.8%, closing at 278 against the US dollar. The current account deficit has decreased markedly to US\$ 464 million for the 11 months up to May 2024, compared to US\$ 3.76 billion during the same period last year, instilling confidence in the balance of payments situation. Building on this, Pakistan's upcoming new and larger funding program with the IMF holds paramount importance, as it will significantly strengthen the country's fundamental macroeconomic pillars, particularly fiscal operations, while also providing essential support for managing external debt obligations.

Equity Market Review:

The fiscal year 2024 marked a significant trend reversal in the local equity market, characterized by consistent sharp gains throughout the period. The bull rally commenced at the beginning of the year following the signing of the IMF's Stand-By Arrangement (SBA) funding facility. The KSE-100 index surged by 89.2%, closing at 78,445. Similarly, other key equity indices, such as the KSE-30 Total Return Index and the KMI-30 Index, rose by 95.1% and 78.7%, respectively, by the end of June 2024. The notable performance disparity between the conventional indices (KSE-100 and KSE-30) and the Shari-ah-compliant index (KMI-30) reflects the sharp gains in commercial banking stocks, which significantly outperformed the broader indices and accounted for the majority of the market gains during this period.

Foreign investors and local insurance companies emerged as the most significant net buyers in the equity market during the year, purchasing equities worth US\$157 million and US\$127 million, respectively. In contrast, banks/DFIs and individual investors were the major net sellers, offloading US\$150 million and US\$60 million worth of equities, respectively.

While the year 2024 saw a generally robust performance of global equity markets, the gains were uneven across regions due to a combination of local economic conditions, central bank policies, and geopolitical factors. Key themes included optimism around AI and technology, expectations of peaking interest rates, and slower-than-expected growth in China, while improving economic fundamentals in other select countries.

Income / Money Market Review:

During the fiscal year 2024, the yield curve shifted markedly downward, with yields falling across all tenors. The most notable decline was observed in the 12-month paper, which closed at 18.68%, down by 425 basis points from the end of June 2023. The SBP's Monetary Policy Committee (MPC) cut the policy rate by 150 basis points in its June 10th meeting. This decision followed a more-than-expected drop in the headline inflation rate for May, which stood at 11.8%, primarily due to a decline in food inflation.

The steady accumulation of FX reserves and the softening inflation outlook gradually instilled market confidence, reflected in higher levels of participation in 12M T-Bill in recent auctions. The offer-to-target ratio in the auctions for 12M tenor almost doubled to 5.9x during the year's second half compared to the preceding first half. M2 growth continued to be driven by government borrowings, as evident in the continuously rising trend of net outstanding liquidity injections via open market operations (OMOs).

Review of Fund Performance

The Fund return was 64.68% for the year ended June 30, 2024, against the benchmark return of 64.09%. The Fund's Net Assets increased from PKR. 360.56 million as at June 30, 2023, to PKR. 836.82 million as at June 30, 2024. The total expense ratio is 1.20%, which includes 0.20% of government levies on the Fund.

Asset Manager Rating

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

Auditors

The external auditors of the Fund, M/s. A.F Ferguson & Co. Chartered Accountants, retired and, being eligible, offered 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, 2025.

Additional Matters

- a. Annexed to the Annual Report is the Fund Manager's Report, providing a description of principal risks and uncertainties along with a reasonable indication of future profit prospects.
- b. The Pattern of Unit holding as of June 30, 2024, is annexed to this annual report.
- c. The system of internal control is sound in design and has been effectively implemented and monitored.
- d. 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 Central Depository Company of Pakistan Limited for their valuable support, assistance and guidance. The Board also thanks the employees of the Management Company for their dedication and hard work and the unit holders for their confidence in the Management.



Chief Executive Officer



Director

Karachi: August 20, 2024

شراکت داروں کے لیے ڈائریکٹرز رپورٹ

جے ایس انویسٹمنٹس لمیٹڈ کے بورڈ آف ڈائریکٹرز، JS فنڈ آف فنڈز (دی فنڈ) کی مینجمنٹ کمپنی نے 30 جون 2024 کو ختم ہونے والے سال کے لیے سالانہ رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

معاشی جائزہ

مالی سال 2024 ملک کے لیے اہم تبدیلی کا دور رہا ہے، جو ایک غیر یقینی راستے سے سیاسی اور معاشی دونوں شعبوں میں نسبتاً استحکام کی راہ پر گامزن ہے۔ مگر ان سیٹ اپ نے ابتدائی طور پر استحکام کا ایجنڈا متعارف کرایا جس نے سال کے زیادہ تر حصے کے رہنمائی کی۔ اس کے بعد، وفاقی انتخابات کے بعد ایک نئی حکومت تشکیل دی گئی، جس نے انتخابی عمل کے دوران کچھ ابتدائی غیر یقینی صورتحال کے باوجود ملک کو ایک واضح سمت فراہم کی۔ حالیہ برسوں میں قوم کو درپیش اہم چیلنجوں کے پیش نظر اس تبدیلی نے کچھ یقین دہانی کرائی ہے۔ آئی ایم ایف کے اسٹینڈ بائی ایگریمنٹ (SBA) کے تحت میکرو اکنامک فریم ورک، جس میں گزشتہ سال جون میں دستخط شدہ 3 بلین امریکی ڈالر کی قلیل مدتی فنڈنگ سہولت شامل تھی اور جس پر نگران حکومت نے بڑے پیمانے پر عمل درآمد کیا تھا، 1 بلین امریکی ڈالر کی حتمی تقسیم کے ساتھ اپریل کے آخر میں اختتام پذیر ہوئی۔

حقیقی معیشت کی طرف گامزن ہوتے ہوئے، زراعت میں 6.5 فیصد کی مضبوط نمو، بشمول تمام اہم فصلیں اور لائیو اسٹاک، نے مالی سال 2024 کے لیے عبوری GDP کی نمو کو نمایاں طور پر بڑھا کر 2.38 فیصد کر دیا، جو IMF (2 فیصد)، ایشیائی ترقیاتی بینک (1.9 فیصد) اور عالمی بینک (1.8 فیصد) کے تخمینوں سے زیادہ ہے۔ اس سے معیشت کی چلک کی نشاندہی ہوتی ہے۔ اس پس منظر میں، اس مدت کے دوران زری پالیسی میں نرمی اور بیک وقت مالیاتی پالیسی میں سختی دو اہم میکرو اکنامک واقعات تھے، ان رجحانات کا اگلے مالی سال تک جاری رہنے کی توقعات ہیں۔ یہ دیکھنا کہ یہ پالیسیاں بالآخر مجموعی معاشی ترقی کو کس طرح متاثر کریں گی، اہم ہوں گا، خاص طور پر جب صنعت کو انتہائی چیلنجنگ کاروباری ماحول کا سامنا ہے جو لاگت میں اضافے والی افراط زر اور سست طلب سے موصوم ہے۔

مالی سال 2025 کے وفاقی بجٹ میں ایف بی آر (FBR) کے محصولات میں 40 فیصد اضافے کا تخمینہ لگایا گیا ہے، حکومت نے افراط زر کی شرح 12 فیصد اور حقیقی جی ڈی پی (GDP) کی شرح نمو 3.6 فیصد پیش کی ہے۔ بجٹ میں پیش کی گئی حکومتی تخمینوں کے مطابق مالی خسارہ رواں مالی سال میں 7.4 فیصد رہنے کا امکان ہے جو گزشتہ سال کے بعد 6.5 فیصد کے بجٹ ہدف سے نظر ثانی شدہ۔ مالی سال 2025 کے لیے کم ہو کر 5.9 فیصد رہ جائے گا۔

بیرونی کھاتے میں کافی مضبوطی دیکھی گئی اور اسٹیٹ بینک آف پاکستان کے غیر ملکی زرمبادلہ کے ذخائر جون 2023 کے اختتام پر اپنی کم ترین سطح سے دگنا ہو کر جون 2024 کے اختتام پر 9.4 بلین امریکی ڈالر تک پہنچ گئے۔ پاکستانی روپے امریکی ڈالر کے مقابلے میں 2.8 فیصد کے اضافے سے 278 پر بند ہوا۔ مئی 2024 تک 11 ماہ کے دوران کرنٹ اکاؤنٹ خسارہ نمایاں طور پر کم ہو کر 464 ملین امریکی ڈالر رہ گیا ہے جو گزشتہ سال کے اسی مدت کے دوران 3.76 بلین امریکی ڈالر تھا، جس سے ادائیگیوں کے توازن کی صورتحال پر اعتماد پیدا ہوا۔ اس کی بنیاد پر، پاکستان کا آئی ایم ایف (IMF) کے ساتھ آئندہ آنے والا نیا اور بڑا فنڈنگ پروگرام انتہائی اہمیت کا حامل ہے، کیونکہ یہ ملک کی میکرو اکنامک بنیادوں بالخصوص مالی آپریشنز کو نمایاں طور پر مضبوط کرے گا، بیرونی قرضوں کی ذمہ داریوں کے انتظام کے لیے ضروری معاونت مہیا کرے گا۔

ایکیویٹی مارکیٹ کا جائزہ

مالی سال 2024 میں مقامی ایکویٹی مارکیٹ میں ایک اہم رجحان میں تبدیلی کی نشاندہی کی، جو اس مدت میں مسلسل تیز اضافے سے موصوم ہے۔ اس تیز ریلی کا آغاز سال کی شروعات میں آئی ایم ایف کی اسٹینڈ بائی آرٹجمنٹ (ایس بی اے) فنڈنگ فیصلیٹی پر دستخط کے بعد ہوا تھا۔ KSE - 100 انڈیکس 89.2 فیصد اضافے سے 78,445 پر بند ہوا۔ اسی طرح دیگر اہم ایکویٹی انڈیکس جیسے KSE - 30 ٹوٹل ریٹرن انڈیکس اور KMI - 30 انڈیکس میں جون 2024 کے اختتام تک بالترتیب 95.1 فیصد اور 78.7 فیصد اضافہ ہوا۔ روایتی انڈیکس (KSE - 100 اور KSE - 30) اور شریعہ کمپلائنٹ انڈیکس (KMI - 30) کے درمیان کارکردگی میں نمایاں فرق کمرشل بینکنگ حصص میں تیز اضافے کی عکاسی کرتا ہے، جس نے وسیع تر اشاریوں سے نمایاں طور پر بہتر کارکردگی کا مظاہرہ کیا اور اس مدت کے دوران مارکیٹ میں زیادہ تر اضافے کا سبب بنے۔ اس مدت کے دوران ایکویٹی مارکیٹ میں غیر ملکی سرمایہ کار اور مقامی انشورنس کمپنیاں سب سے اہم خریدار کے طور پر ابھر کر سامنے آئے، انہوں نے بالترتیب 157 ملین امریکی ڈالر اور 127 ملین امریکی ڈالر کی ایکویٹیز خریدے۔ اس کے برعکس بینکوں / ڈی ایف آیز اور انفرادی سرمایہ کار بڑے فروخت کنندگان تھے، جنہوں نے بالترتیب 150 ملین امریکی ڈالر اور 60 ملین امریکی ڈالر مالیت کی ایکویٹیز فروخت کیں۔

اگرچہ سال 2024 میں عالمی ایکویٹی مارکیٹوں کی عمومی طور پر مضبوط کارکردگی دیکھی گئی، لیکن مقامی معاشی حالات، مرکزی بینک کی پالیسیوں اور جغرافیائی سیاسی عوامل کے امتزاج کے سبب خطوں میں فوائد غیر مساوی تھے۔ کلیدی موضوعات میں مصنوعی ذہانت اور ٹیکنالوجی کے بارے میں امید، شرح سود میں اضافے کی توقعات، اور چین میں توقع سے سست ترقی شامل ہیں، جبکہ دیگر منتخب ممالک میں معاشی بنیادوں کو بہتر بنانا شامل ہے۔

انکم / منی مارکیٹ کا جائزہ

مالی سال 2024 کے دوران، پیداوار کی قوس واضح طور پر نیچے کی جانب منتقل ہو گئی، اور پیداوار تمام مدتوں میں زوال پذیر ہوئی۔ 12 ماہ کے سرمایہ کاری کے پیپر میں سب سے واضح کمی دیکھنے میں آئی، جو دسمبر 2023 کے اختتام سے 425 بیس پوائنٹس کی کمی کے ساتھ 18.68 فیصد پر بند ہوا۔ اسٹیٹ بینک آف پاکستان کی مانیٹری پالیسی کمیٹی (MPC) نے 10 جون کو اپنے اجلاس میں پالیسی کی شرح میں 150 بیس پوائنٹس کی کمی کی تھی۔ یہ فیصلہ مئی کی کلیدی افراط زر کی شرح میں توقع سے زیادہ کمی کے بعد کیا گیا تھا، جو 11.8 فیصد رہی، جس کی بنیادی وجہ غذائی افراط زر میں کمی تھی۔

زرمبادلہ کے ذخائر کی مستحکم جمع ہونے اور افراط زر میں کمی نے آہستہ آہستہ مارکیٹ کا اعتماد پیدا کیا، جس کی عکاسی 12 ماہ کے ٹریڈری بلز (T - Bills) کی حالیہ نیلامیوں میں اعلیٰ سطحوں کی شرکت سے ہوتی ہے۔ سال کی گزشتہ ششماہی کے مقابلے میں سال کی دوسری ششماہی کے دوران 12 ماہ کی مدت کے لیے نیلامی میں آفرٹو ٹارگٹ کا تناسب تقریباً دوگنا ہو کر 5.9 گنا ہو گیا ہے۔ ایم ٹو کی نمو حکومتی قرضوں کی وجہ سے جاری رہی، جو اوپن مارکیٹ آپریشنز (OMOs) کے ذریعے خالص بقایا لیکویڈیٹی انجیکشن کے مسلسل بڑھتے ہوئے رجحان سے ظاہر ہوتی ہے۔

فنڈ کی کارکردگی کا جائزہ

30 جون 2024 کو ختم ہونے والے سال کے لیے فنڈ کا منافع 64.09 فیصد اپنے بیچ مارک منافع کے مقابلے میں 64.68 فیصد رہا۔ 30 جون 2024 کو خالص اثاثہ جات 30 جون 2023 کے 360.56 ملین روپے سے 836.82 ملین روپے پر پہنچ گئے۔ کل اخراجات کا تناسب 1.20 فیصد ہے، جس میں فنڈ پر حکومتی محصولات کا 0.20 فیصد شامل ہے۔

ایسیٹ مینجر ریٹنگ

پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) نے ہماری مینجمنٹ کمپنی کی "AM 2+" ایسیٹ مینجر ریٹنگ کو "مستحکم" منظر نامے کے ساتھ برقرار رکھا ہے۔ یہ ریٹنگ اعلیٰ معیار کے انتظامی معیار کو برقرار رکھنے کے لیے ہماری لگن کی نشاندہی کرتی ہے، جو ہمارے آپریشنز کی مجموعی کارکردگی اور منظر نامے پر مثبت عکاسی کرتی ہے۔

آڈیٹرز

ریٹائر ہونے والے بیرونی آڈیٹرز میسرز اے ایف فرگوسن، چارٹرڈ اکاؤنٹنٹس کی بنیاد پر خود کو دوبارہ تقرری کے لیے پیش کرتے ہیں۔ بورڈ آف ڈائریکٹرز نے، آڈٹ کمیٹی کی تجویز پر، میسرز اے ایف فرگوسن، چارٹرڈ اکاؤنٹنٹس کی 30 جون 2025 کو ختم ہونے والے سال کے لیے تقرری کی منظوری دی۔

اضافی معاملات

ا۔ سالانہ رپورٹ کے ساتھ فنڈ مینجر رپورٹ منسلک ہے جس میں مرکزی خطرات اور منافع جات کے مستقبل کے امکانات کی مناسب علامت کے ساتھ ہیجان کی کیفیت کی وضاحت کی ہے۔

ب۔ 30 جون 2024 تک یونٹ ہولڈنگ کے نمونہ اس سالانہ رپورٹ کے ساتھ منسلک ہے۔

ج۔ اندرونی کنٹرول کا نظام ساخت کے اعتبار سے مضبوط ہے اور اس پر موثر اطلاق اور نگرانی کی جاتی ہے۔

د۔ کارکردگی کا ٹیبیل / اہم مالیاتی معلومات اس سالانہ رپورٹ کے ضمیمہ میں دی گئی ہیں۔

اظہار تشکر

ڈائریکٹرز بیش قدر معاونت، مدد اور رہنمائی پر سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) اور سینٹرل ڈپازٹری کمپنی آف پاکستان لمیٹڈ (CDCPL) سے اظہار تشکر کرتے ہیں۔ بورڈ لگن اور محنت پر مینجمنٹ کمپنی کے ملازمین اور انتظامیہ پر اعتماد پر یونٹ ہولڈرز کا بھی شکریہ ادا کرتا ہے۔

ڈائریکٹر

چیف ایگزیکٹو آفیسر

کراچی: 20 اگست 2024

FUND MANAGER REPORT

Annual Report 2024

- **Description of the Collective Investment Scheme category and type**

Fund of Fund Scheme / Open end

- **Statement of Collective Investment Scheme's investment objective**

JS FoF is a fund of funds that aims to grow investor's capital in the long term while diversifying the asset manager risk bundled together with the benefits of an asset allocation fund. The fund operates a diverse portfolio of equity, balanced, fixed income and money market funds (both open and closed ended) with the option to adjust the asset mix as equity markets rise or fall and the economy strengthens or weakens.

- **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**

Weighted Average of "Three (3) months PKRV rates", "Six (6) months KIBOR rates" and "KSE-100 Index", on the basis of actual investment in money market, income and equity schemes

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

	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	FY24
JSFoF	9.15%	-1.48%	1.08%	4.55%	14.33%	4.12%	0.65%	3.35%	2.96%	7.45%	3.39%	2.32%	64.68%
Benchmark	10.66%	-1.27%	1.25%	5.38%	15.28%	0.82%	0.43%	3.50%	3.19%	4.62%	4.64%	3.14%	64.09%
Diff.	-1.51%	-0.21%	-0.17%	-0.83%	-0.95%	3.31%	0.21%	-0.15%	-0.23%	2.83%	-1.25%	-0.82%	0.59%

- **Description of the strategies and policies employed during the period under review in relation to the Collective Investment Scheme's performance**

Throughout the fiscal year, the fund adhered to a well-balanced investment strategy, allocating capital to a diversified portfolio comprising both equity and fixed-income mutual funds across conventional and Shariah-compliant classifications. Exposure to the equity market primarily involved the utilization of the JS Momentum Factor Exchange Traded Fund, while investments in the fixed-income segment were mainly channeled into a mix of income & money market fund categories, capitalizing on the higher yields available during the period.

- **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)**

	Jun-24	Jun-23
Open-end	83.86%	89.34%
Equity	0.29%	0.00%
Cash	15.67%	10.57%
Other including receivables	0.18%	0.10%
Total	100.00%	100.00%

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

	Fund		Fund	BM
Information Ratio	0.08	Beta	0.9	1.0
Correlation	0.88	Largest Month Gain	19.0%	16.3%
Standard Deviation	16.4%	Largest Month Loss	-21.0%	-25.1%
Expense Ratio**	1.2%	% Positive Months	63.8%	65.2%

Unless otherwise specified, all data is presented on a since-inception basis.

** This includes 0.20% Government levy & SECP fee; 0.00% Selling & marketing expenses.

- **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)**

	Net Assets Excluding JSIL FoFs (PKR mn)	NAV per Unit (PKR)
30-Jun-24	837	103.63
30-Jun-23	361	62.93

FUND MANAGER REPORT

Annual Report 2024

- **Disclosure of the markets that the Collective Investment Scheme has invested in:**
JS Fund of Funds invests in Equity, Fixed Income and Money market Collective Investment Schemes including deposits with banks.
- **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

NIL

NAV per unit as on June 30, 2024	
Cum NAV (PKR)	103.63
Ex-NAV (PKR)	103.63

- **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
JS Fund of Funds	0.0001	to	9,999.9999	90
	10,000.0000	to	49,999.9999	3
	50,000.0000	to	99,999.9999	-
	100,000.0000	to	499,999.9999	1
	500,000.0000	&	above	1
			Total	95

- **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.

PERFORMANCE TABLE

		Years				
		2024	2023	2022	2021	2020
Net assets - Rs. In "million"	Rs.	836.82	360.56	101.89	297.09	216.55
Net income / (loss) - Rs. In "million"	Rs.	202.16	31.39	(31.31)	58.31	5.67
Total return of the Fund	%	64.68	10.87	(13.61)	26.32	2.72
Annual dividend distribution	%	-	-	-	-	1.08
Capital Growth	%	64.68	10.87	(13.61)	26.32	1.64
Average annual return						
- One Year	%	64.68	10.87	(13.61)	26.32	2.72
- Two Years	%	37.78	(1.37)	6.36	14.52	0.47
- Three Years	%	20.65	7.86	5.14	9.08	(2.87)
NAV per unit	Rs.	103.63	62.93	56.76	65.70	52.01
Highest offer price per unit	Rs.	107.61	65.18	69.34	71.31	60.95
Lowest offer price per unit	Rs.	65.54	57.29	55.68	54.55	49.64
Year-end offer price per unit	Rs.	107.15	65.07	58.69	67.93	53.78
Highest repurchase price per unit	Rs.	104.08	63.04	67.06	68.96	60.80
Lowest repurchase price per unit	Rs.	63.39	55.41	53.85	52.76	44.74
Year-end repurchase price per unit	Rs.	103.63	62.93	56.76	65.70	52.01
Total distribution as % of par value	Rs.	-	-	-	-	1.08

Notes

- JS Fund of Funds was launched on October 31, 2005.
- 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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TRUSTEE REPORT TO THE UNIT HOLDERS

JS FUND OF FUNDS

Report of the Trustee pursuant to Regulation 41(h) and Clause 8 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of JS Fund of Funds (the Fund) are of the opinion that JS Investments Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2024 in accordance with the provisions of the following:

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

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, September 24, 2024

INDEPENDENT AUDITOR'S REPORT

To the Unit Holders of JS Fund of Funds

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of JS Fund of Funds (the Fund), which comprise the statement of assets and liabilities as at June 30, 2024, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, 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, 2024, and of its financial performance and its cash flows for the year then ended 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	Net Asset Value (Refer notes 4 and 5 to the financial statements)	
	<p>Investments and bank balances constitute the most significant component of the net asset value. Investments of the Fund as at June 30, 2024 amounted to Rs. 780.36 million and bank balances aggregated to Rs. 145.27 million.</p> <p>The existence and proper valuation of investments and existence of bank balances for the determination of NAV of the Fund as at June 30, 2024 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"> obtained independent confirmations for verifying the existence of the investment portfolio and bank balances as at June 30, 2024 and traced it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed; re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies; and obtained bank reconciliation statements and tested reconciling items on a sample basis.

AFC

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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.

AH/16



- 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, related safeguards.

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 the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

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

A.F. Ferguson & Co
A. F. Ferguson & Co
Chartered Accountants

Dated: September 27, 2024

Karachi

UDIN: AR202410061bc39HdQZV



Financial Position
& Performance

STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2024

		2024	2023
	Note	----- Rupees -----	
ASSETS			
Bank balances	4	145,273,044	42,539,421
Investments	5	780,359,310	359,657,397
Profit receivable		1,214,939	143,667
Deposits and other receivables	6	489,848	241,800
Total assets		927,337,141	402,582,285
LIABILITIES			
Payable to JS Investments Limited - Management Company	7	729,762	669,146
Payable to Central Depository Company of Pakistan Limited - Trustee	8	151,558	61,871
Payable to the Securities and Exchange Commission of Pakistan (SECP)	9	63,708	53,629
Payable against purchase of investments		88,587,304	40,114,700
Accrued expenses and other liabilities	10	983,882	1,127,906
Total liabilities		90,516,214	42,027,252
NET ASSETS		836,820,927	360,555,033
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		836,820,927	360,555,033
CONTINGENCIES AND COMMITMENTS			
	11	----- Number of units -----	
NUMBER OF UNITS IN ISSUE	12	8,074,725	5,729,395
NET ASSET VALUE PER UNIT			
		103.63	62.93

The annexed notes from 1 to 26 form an integral part of these financial statements.



Chief Financial Officer



Chief Executive Officer



Director

INCOME STATEMENT >
FOR THE YEAR ENDED JUNE 30, 2024

		2024	2023
	Note	----- Rupees -----	
INCOME			
Gain on sale of investments - net		127,258,410	21,185,072
Unrealised appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss' - net	5.3	51,819,822	1,531,179
Dividend income		20,874,067	8,095,433
Profit on bank balances		7,238,374	3,019,718
Other income		116,000	-
Total income		207,306,673	33,831,402
EXPENSES			
Remuneration of JS Investments Limited - Management Company	7.1	457,839	177,998
Sindh Sales Tax on remuneration of the Management Company	7.2	59,518	23,140
Remuneration of Central Depository Company of Pakistan Limited - Trustee	8.1	857,050	536,552
Sindh Sales Tax on remuneration of the Trustee	8.2	111,417	69,752
Annual fee to the Securities and Exchange Commission of Pakistan (SECP)	9	406,638	53,654
Allocated expenses	7.4	427,801	268,253
Auditors' remuneration	13	843,480	289,541
Listing fee		30,750	30,750
Securities' transactions cost		1,821,345	872,988
Printing and stationery charges		101,468	101,468
Bank and settlement charges		34,307	13,905
Total expenses		5,151,613	2,438,001
Net income for the year before taxation		202,155,060	31,393,401
Taxation	15	-	-
Net income for the year after taxation		202,155,060	31,393,401
Allocation of net income for the year			
Net income for the year after taxation		202,155,060	31,393,401
Income already paid on units redeemed		(78,493,819)	(29,071,184)
		123,661,241	2,322,217
Accounting income available for distribution:			
- Relating to capital gains		179,078,232	2,322,217
- Excluding capital gains		(55,416,991)	-
		123,661,241	2,322,217

The annexed notes from 1 to 26 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, 2024

	2024	2023
	----- Rupees -----	
Net income for the year after taxation	202,155,060	31,393,401
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>202,155,060</u>	<u>31,393,401</u>

The annexed notes from 1 to 26 form an integral part of these financial statements.



Chief Financial Officer



Chief Executive Officer



Director

STATEMENT OF CASH FLOW >
FOR THE YEAR ENDED JUNE 30, 2024

	2024	2023
	----- Rupees -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year before taxation	202,155,060	31,393,401
Adjustments for:		
Gain on sale of investments - net	(127,258,410)	(21,185,072)
Unrealised appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss' - net	(51,819,822)	(1,531,179)
Dividend income	(20,874,067)	(8,095,433)
Profit on bank balances	(7,238,374)	(3,019,718)
Other income	(116,000)	-
	(207,306,673)	(33,831,402)
	(5,151,613)	(2,438,001)
Increase in assets		
Investments - net	(241,623,681)	(235,156,286)
	(241,623,681)	(235,156,286)
Increase / (decrease) in liabilities		
Payable to JS Investments Limited - Management Company	60,616	15,636
Payable to Central Depository Company of Pakistan Limited - Trustee	89,687	43,668
Payable to the Securities and Exchange Commission of Pakistan (SECP)	10,079	14,756
Payable against purchase of investments	48,472,604	40,114,700
Accrued expenses and other liabilities	(144,024)	(524,370)
	48,488,962	39,664,390
Profit received on bank balances	6,283,102	3,473,902
Dividend income received	20,626,019	8,095,433
Net cash used in operating activities	(171,377,211)	(186,360,562)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts against issuance of units	682,782,497	681,383,596
Payments against redemption of units	(408,671,663)	(454,116,658)
Net cash generated from financing activities	274,110,834	227,266,938
Net increase in cash and cash equivalents	102,733,623	40,906,376
Cash and cash equivalents at the beginning of the year	42,539,421	1,633,045
Cash and cash equivalents at end of the year	145,273,044	42,539,421

Note

4

The annexed notes from 1 to 26 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, 2024

	----- For the year ended June 30, 2024 -----			----- For the year ended June 30, 2023 -----		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
----- (Rupees) -----						
Net assets at the beginning of the year	350,896,769	9,658,264	360,555,033	94,558,647	7,336,047	101,894,694
Issuance of 7,591,761 (2023: 11,371,297) units						
- Capital value (at net asset value per unit at the beginning of the year)	477,749,520	-	477,749,520	645,434,818	-	645,434,818
- Element of income	205,032,977	-	205,032,977	35,948,778	-	35,948,778
Total proceeds on issuance of units	682,782,497	-	682,782,497	681,383,596	-	681,383,596
Redemption of 5,246,431 (2023: 7,436,956) units						
- Capital value (at net asset value per unit at the beginning of the year)	(330,157,903)	-	(330,157,903)	(422,121,623)	-	(422,121,623)
- Element of loss	(19,941)	(78,493,819)	(78,513,760)	(2,923,851)	(29,071,184)	(31,995,035)
Total payments on redemption of units	(330,177,844)	(78,493,819)	(408,671,663)	(425,045,474)	(29,071,184)	(454,116,658)
Total comprehensive income for the year	-	202,155,060	202,155,060	-	31,393,401	31,393,401
Net assets at the end of the year	<u>703,501,422</u>	<u>133,319,505</u>	<u>836,820,927</u>	<u>350,896,769</u>	<u>9,658,264</u>	<u>360,555,033</u>
Undistributed income brought forward:						
- Realised income		8,127,085			12,818,444	
- Unrealised income / (loss)		<u>1,531,179</u>			<u>(5,482,397)</u>	
		9,658,264			7,336,047	
Accounting income available for distribution						
- Relating to capital gains		<u>179,078,232</u>			<u>2,322,217</u>	
- Excluding capital gains		<u>(55,416,991)</u>			<u>-</u>	
		123,661,241			2,322,217	
Undistributed income carried forward		<u>133,319,505</u>			<u>9,658,264</u>	
Undistributed income carried forward:						
- Realised income		81,499,683			8,127,085	
- Unrealised income		<u>51,819,822</u>			<u>1,531,179</u>	
		<u>133,319,505</u>			<u>9,658,264</u>	
Net asset value per unit at the beginning of the year			<u>62.93</u>			<u>56.76</u>
Net asset value per unit at the end of the year			<u>103.63</u>			<u>62.93</u>

The annexed notes from 1 to 26 form an integral part of these financial statements.



Chief Financial Officer



Chief Executive Officer



Director

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 JS Fund of Funds (the Fund) was established under a Trust Deed, dated April 19, 2005 executed between JS Investments Limited (JSIL) as the Asset Management Company and Central Depository Company of Pakistan Limited as the Trustee. The Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) on April 19, 2005 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) as an open-ended unit trust scheme. The Fund commenced its operations from October 31, 2005.
- 1.2 During the year ended June 30, 2021, The Trust Act, 1882 has been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trusts Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trusts Act. Accordingly, on September 3, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trusts Act.
- 1.3 The Fund is an open-ended mutual fund categorised as "Asset Allocation Fund of Funds scheme" and the Fund is listed on Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The Fund's primary activity is to invest in the leading equity, fixed income, money market and balanced funds, including funds managed by JS Investments Limited, and provide investors an opportunity to gain from the performance of these funds through one investment in the Fund. Under the Securities and Exchange Commission of Pakistan's (SECP's) guidelines, the Fund is also allowed to maintain balance with banks.
- 1.4 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.
- 1.5 Title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as the Trustee of the Fund.
- 1.6 Pakistan Credit Rating Agency Limited (PACRA) has maintained an asset manager rating of 'AM2+' with 'stable outlook' dated December 27, 2023 (2023: 'AM2+' with 'stable outlook') to the Management Company.

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 as applicable in Pakistan comprise of:

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

Where provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ from the requirements of IFRSs, the provisions of and directives issued under the Companies Act, 2017, part VIII A 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 effective in the current year

During the year certain amendments to IAS 1 'Presentation of Financial Statements' have become applicable to the Fund which require entities to disclose their material accounting policy information rather than their significant accounting policies. These amendments to IAS 1 have been introduced to help entities improve accounting policy disclosures so that these provide more useful information to investors and other primary users of the financial statements. These amendments have been incorporated in these financial statements with the primary impact that the material accounting policy information has been disclosed rather than the significant accounting policies. There are certain other amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2023. However, these are not considered to be relevant or did not have any material effect on the Fund's financial statements and therefore, have not been disclosed in these financial statements.

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

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 is yet to be applicable in Pakistan. IFRS 18 when adopted and applicable shall impact the presentation of 'Income Statement' with certain additional disclosures in the financial statements.

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. The amendment when applied may impact the timing of recognition and derecognition of financial liabilities.

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, 2024. However, these are not considered to be relevant or did not have any material effect on the Fund's financial statements.

2.4 Critical accounting estimates and judgements

The preparation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan requires the management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates, judgements and associated assumptions are based on historical experience and various other factors including expectations of future events that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the 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 judgements that have a significant effect on the financial statements of the Fund relate to classification, valuation and impairment of financial assets (notes 3.2, 5 and 7.3).

2.5 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.

2.6 Functional and presentation currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistani Rupees, 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. These policies have been applied consistently to all the years presented.

3.1 Cash and cash equivalents

These comprise of 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 recognized at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognized 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 recognized at fair value and transaction costs are recognized 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:

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

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 recognized at FVPL. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Therefore the management considers its investment in debt securities as being managed as a group of assets and hence has classified them as FVPL.

3.2.2.2 Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective and are instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All equity investments are required to be measured in the 'Statement of Assets and Liabilities' at fair value, with gains and losses recognized in the Income Statement, except where an irrevocable election has been made at the time of initial recognition to measure the investment at FVOCI. The management considers its investment in equity securities being managed as a group of assets and hence has classified them as FVPL. Accordingly, the irrevocable option has not been considered.

The dividend income for equity securities classified under FVPL is recognized in the Income Statement.

Since all investments in equity instruments have been designated as FVPL, the subsequent movement in the fair value of equity securities is routed through the Income Statement.

3.2.2.3 Subsequent measurement

Subsequent to initial recognition, financial assets are valued as follows:

'Financial assets at fair value through profit or loss'

Basis of valuation in the units of mutual funds

The investments of the Fund in the collective investment scheme are valued on the basis of daily net assets value (NAV) announced by the Management Company.

The fair value of financial instruments i.e. investment in mutual funds is based on their net asset value at the reporting date without any deduction for estimated future selling costs.

Net gains and losses arising from changes in the fair value of financial assets carried 'at fair value through profit or loss' are taken to the Income Statement.

3.2.3 Impairment (other than debt instruments)

The Fund assesses on a forward looking basis the expected credit loss (ECL) associated with its financial assets (other than debt instruments as per Circular 33 of 2012) carried at amortised cost and FVOCI. The Fund recognises a 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
- 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.

3.2.4 Regular way contracts

All regular way purchases and sales of financial assets are recognized on the trade date i.e. the date on which the Fund commits to purchase or sell the asset. Regular way purchases / sales of assets require delivery of securities within two days from the transaction date as per the Pakistan Stock Exchange Regulations.

3.2.5 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all the risks and rewards of ownership. Any gain or loss arising on derecognition of financial assets is taken to the Income Statement.

3.3 Financial liabilities

3.3.1 Classification and subsequent measurement

All Financial liabilities are recognized at the time when the Fund becomes a party to the contractual provisions of the instruments. These are initially recognized at fair values and subsequently stated at amortised cost using the effective interest method.

3.3.2 Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Any gain or loss arising 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 recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

3.5 Provisions

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

3.6 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.

3.7 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 ninety 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 ninety 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.

3.8 Distribution to unit holders

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

3.9 Issuance 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 / the distributors during business hours on that day. The offer price represents the Net Asset Value (NAV) per unit as of the close of the business day, plus the allowable sales load and provision of any duties and charges if applicable. The sales load is payable to the Management Company / distributors.

Units redeemed are recorded at the redemption price applicable to units for which the Management Company / distributors receive redemption applications during business hours of that day. The redemption price is equal to Net Asset Value (NAV) as of the close of the business day, less an amount as the Management Company may consider to be an appropriate provision of duties and charges.

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 Net Assets Value (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 to unit holders' fund. However, to maintain the same ex-dividend Net Asset Value (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

- Realised Gains / (losses) arising on sale of investments are included in the Income Statement and are recognized when the transaction takes place.
- Unrealised appreciation / (diminution) arising on remeasurement of investments classified as financial assets 'at fair value through profit or loss' are included in the Income Statement in the year in which these arise.
- Dividend income is recognized when the Fund's right to receive the same is established i.e. on the commencement of date of book closure of the investee company / institution declaring the dividend.
- Profit on savings accounts with banks is recognized on a time proportion basis using the effective yield method.

3.12 Expenses

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

3.13 Earnings per unit

Earnings per unit is calculated by dividing the income of the year after taxation of the Fund by the weighted average number of units outstanding during the year.

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

3.14 Foreign Currency Translation

Transactions denominated in foreign currencies are accounted for in Pakistani Rupees at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognized in the Income Statement.

	Note	2024	2023
4 BANK BALANCES		----- Rupees -----	
In saving accounts	4.1	145,273,044	42,539,421

4.1 These include a bank balance of Rs. 145.115 million (2023: Rs. 22.052 million) maintained with JS Bank Limited (a related party) that carries profit at the rate of 20.82% (2023: 19.60%) per annum and a balance of Rs. 0.011 million (2023: Rs. 0.011 million) with BankIslami Pakistan Limited (a related party) that carries profit at the rate of 18.50% (2023: 19.75%) per annum. Other savings accounts of the Fund carry profit rates ranging from 15.00% to 22.00% (2023: 15.00% to 22.00%) per annum.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

5	INVESTMENTS	Note	2024	2023
			Rupees	
	At fair value through profit or loss:			
	Units of open-ended mutual funds	5.1	780,359,310	359,657,397

5.1 Financial assets 'at fair value through profit or loss' - units of open-ended mutual funds

Collective investment scheme	As at July 01, 2023	Purchased / bonus during the year	Sold during the year	As at June 30, 2024	As at June 30, 2024			Market value as a percentage of	
					Carrying value	Market value	Unrealised appreciation/ (diminution)	net assets	total investments
					(Rupees)			%	
Managed by JS Investments Limited - Related party									
JS Cash Fund	-	1,460,852	1,460,852	-	-	-	-	-	-
JS Growth Fund	-	2,841,044	2,399,806	441,238	77,339,350	113,301,094	35,961,744	13.54	14.52
JS Islamic Dedicated Equity Fund	-	3,936,147	3,936,147	-	-	-	-	-	-
JS Income Fund	-	2,880,290	2,365,658	514,632	52,544,020	52,724,151	180,131	6.30	6.76
JS Islamic Fund	-	109,063	109,063	-	-	-	-	-	-
JS Momentum Factor Exchange Traded Fund	8,935,500	25,296,500	24,472,500	9,759,500	181,134,488	188,553,582	7,419,094	22.53	24.16
JS Microfinance Sector Fund	2,824,199	8,806,857	10,574,366	1,056,690	107,074,685	107,370,372	295,687	12.83	13.76
Unit Trust of Pakistan	-	1,999,035	938,482	1,060,553	236,612,361	241,053,091	4,440,730	28.81	30.89
JS Large Cap Fund	-	370,912	-	370,912	70,369,081	74,709,095	4,340,014	8.93	9.57
Managed by JS Global Capital Limited - Related party									
JS Global Banking Sector ETF	-	1,520,500	1,520,500	-	-	-	-	-	-
Managed by HBL Asset Management Limited									
HBL Investment Fund	-	952,491	-	952,491	3,465,503	2,647,925	(817,578)	0.32	0.34
Investments as at June 30, 2024					728,539,488	780,359,310	51,819,822		
Investments as at June 30, 2023					358,126,218	359,657,397	1,531,179		

5.2 As per the Offering Document, the Fund is authorized to invest up to 100% (2023: 100%) of its net assets in funds managed by JS Investments Limited. As at June 30, 2024, exposure of the Fund in funds managed by JS Investments Limited (the Management Company) is 92.94% (2023: 99.75%) of the net assets of the Fund.

5.3	Net unrealised appreciation on remeasurement of investments classified as financial assets 'at fair value through profit or loss'	Note	2024	2023
			Rupees	
	Market value of investments	5.1	780,359,310	359,657,397
	Less: carrying value of investments	5.1	(728,539,488)	(358,126,218)
			51,819,822	1,531,179
6 DEPOSITS AND OTHER RECEIVABLES				
	Security deposit with Central Depository Company of Pakistan Limited - Trustee		100,000	100,000
	Advance tax	6.1	141,800	141,800
	Dividend receivable		248,048	-
			489,848	241,800

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

- 6.1** As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 151 and 150. However, withholding tax on dividend paid to the Fund was deducted by various withholding agents based on the interpretation issued by the FBR vide letter Circular 1(43) DG (WHT)/2008-VOL.II-66417-R dated May 12, 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholder.

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of the FBR. On January 28, 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs to file an appeal in the Honourable Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, a petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other asset management companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgment of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on dividends has been shown as a receivable as at June 30, 2024 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

7	PAYABLE TO JS INVESTMENTS LIMITED - MANAGEMENT COMPANY	Note	2024	2023
			Rupees	
	Remuneration payable to the Management Company	7.1	61,814	1,769
	Sindh Sales Tax payable on remuneration of the Management Company	7.2	74,017	66,214
	Federal excise duty payable on the remuneration of the Management Company	7.3	451,833	451,833
	Allocated expenses payable	7.4	67,061	27,376
	Printing and stationery charges payable		75,037	121,954
			<u>729,762</u>	<u>669,146</u>

- 7.1** As per Regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the offering document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 1% (2023: 1%) per annum of the average annual net assets of the Fund during the year ended June 30, 2024. However, no remuneration is charged on that part of the net assets which have been invested in the mutual funds managed by the Management Company. The remuneration is payable to the Management Company on a monthly basis in arrears.
- 7.2** Sindh Provincial Government has levied Sindh Sales Tax at the rate of 13% (2023: 13%) on Management Company's remuneration through Sindh Sales Tax on Services Act, 2011 effective from July 01, 2011. Above liability includes Rs. 0.066 million (2023: 0.066 million) accrued on Federal Excise Duty (FED) on the Management Company's remuneration. Had the provision of Sindh Sales Tax on FED not made, net asset value per unit of the Fund as at the year end would have been higher by Re. 0.008 (2023: Re. 0.018) per unit.
- 7.3** The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Honourable Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

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

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company and sales load with effect from July 01, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs. 0.452 million is being retained in these financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision for FED not been made, the Net Asset Value of the Fund as at June 30, 2024 would have been higher by Re. 0.06 (2023: Re. 0.08) per unit.

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

The Management Company, based on its own discretion, has charged such expenses at the rate of 0.1% (2023: 0.1%) of the average annual net assets of the Fund during the year ended June 30, 2024, subject to a total expense charged being lower than actual expense incurred.

8	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note	2024	2023
			----- Rupees -----	
	Remuneration payable to the Trustee	8.1	134,123	54,753
	Sindh Sales Tax payable on remuneration of the Trustee	8.2	17,435	7,118
			<u>151,558</u>	<u>61,871</u>

- 8.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed. Remuneration was charged at the following rates during the year ended June 30, 2024:

Net Assets (Rs.)	Rate
- up to one billion Rupees	0.2% per annum of the daily net assets.
- exceeding one billion Rupees	Rs. 2,000,000 plus 0.1% per annum of the daily net assets of the Fund exceeding rupees one billion.

- 8.2 During the year, an amount of Rs. 0.11 million (2023: Rs. 0.070 million) was charged on account of sales tax on remuneration of the Trustee levied through Sindh Sales Tax on Services Act, 2011 at the rate of 13% (2023: 13%).

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

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

Effective from July 1, 2023, the SECP vide SRO No. 592(1)/2023 dated May 17, 2023, revised the rate of annual fee to 0.095% of net assets, applicable on "Asset Allocation Fund of Funds scheme". Previously, the rate of fee applicable on all categories of CISs was 0.02% per annum of the daily net assets of the Fund. Accordingly, the Fund has charged SECP Fee at the rate of 0.095% of net assets during the current year.

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

10 ACCRUED EXPENSES AND OTHER LIABILITY	2024	2023
	Rupees	
Auditors' remuneration payable	498,960	335,016
Zakat payable	974	1,234
Withholding tax payable	83,985	50,938
Mutual fund rating fee payable	-	116,000
Brokerage payable	-	225,057
Others	399,963	399,661
	<u>983,882</u>	<u>1,127,906</u>

11 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2024 and June 30, 2023.

12 NUMBER OF UNITS IN ISSUE	2024	2023
	Number of units	
Total units in issue at the beginning of the year	5,729,395	1,795,054
Units issued during the year	7,591,761	11,371,297
Units redeemed during the year	(5,246,431)	(7,436,956)
Total units in issue at the end of the year	<u>8,074,725</u>	<u>5,729,395</u>

13 AUDITORS' REMUNERATION	2024	2023
	Rupees	
Annual audit fee	460,000	165,000
Fee for half yearly review	240,000	90,750
Out of pocket expenses	81,000	12,344
Sindh Sales Tax	62,480	21,447
	<u>843,480</u>	<u>289,541</u>

14 TOTAL EXPENSE RATIO

The total expense ratio (TER) of the Fund for the year ended June 30, 2024 is 1.20% (2023: 0.91%) which includes 0.20% (2023: 0.10%) representing government levies on the Fund such as Sales Tax and annual fee to the SECP, etc. This ratio is within the maximum limit of 2.5% (excluding government levies) prescribed under the NBFC Regulations for a collective investment scheme categorised as "Asset Allocation Fund of Funds scheme".

15 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 as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. The Fund is also exempt from the provision of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Since the Management Company has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2024 to the unit holders in a manner as explained above, no provision for taxation has been made in these financial statements during the year.

16 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons / related parties include JS Investments Limited (JSIL) being the Management Company of the Fund, Central Depository Company of Pakistan 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, 2024. 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, sales load, other charges and distribution payments to connected persons. The transactions with connected persons are also in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

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

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

16.1 Details of the transactions with connected persons and related parties are as follows:

JS Investments Limited - Management Company

	2024	2023
	----- Rupees -----	
Remuneration of JS Investments Limited - Management Company	457,839	177,998
Sindh Sales Tax on remuneration of the Management Company	59,518	23,140
Issuance of units: 7,588,389 (2023: 11,369,516) units	682,500,000	681,280,287
Redemption of units: 5,199,096 (2023: 7,104,527) units	405,000,000	434,377,687
Allocated expenses	427,801	268,253
Printing and stationery charges	101,468	101,468
Sales load collected on behalf of the Management Company	-	22,225

Central Depository Company of Pakistan Limited - Trustee

Remuneration of the Trustee	857,050	536,552
Sindh Sales Tax on remuneration of the Trustee	111,417	69,752
Settlement charges	31,444	13,905

JS Bank Limited - Parent Company of JSIL

Profit on bank balances	3,187,876	1,005,283
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JS Global Company Limited - Fellow Subsidiary of JSBL

Brokerage Expense	257,430	190,380
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JS Cash Fund - Associate

(Fund under JSIL Management)

Investment by the Fund: 1,438,120 (2023: 2,820,784) units	150,000,000	291,528,017
Redeemed by the Fund: 1,460,852 (2023 : 2,851,648) units	152,434,197	292,293,950
Dividend Reinvested: 11,081 (2023: 3,582) units	1,143,884	366,702
Refund of Capital: 11,651 (2023: 27,282) units	-	-
Net gain on disposal of investments by the Fund	1,290,313	399,231

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FOR THE YEAR ENDED JUNE 30, 2024

	2024	2023
	Rupees -----	
JS Growth Fund - Associate		
(Fund under JSIL Management)		
Investment by the Fund: 2,841,044 (2023: Nil) units	469,902,120	
Redeemed by the Fund: 2,399,806 (2023: Nil) units	451,076,729	-
Net gain on disposal of investments by the Fund	58,514,064	-
JS Islamic Dedicated Equity Fund - Associate		
(Fund under JSIL Management)		
Investment by the Fund: 3,936,147 (2023: 5,102,642) units	180,000,000	282,584,292
Redeemed by the Fund: 3,936,147 (2023: 5,747,843) units	180,278,715	321,871,033
Net gain on disposal of investments by the Fund	278,715	1,142,468
JS Income Fund - Associate		
(Fund under JSIL Management)		
Investment by the Fund: 2,778,746 (2023: 4,642,674) units	295,108,823	501,052,999
Redeemed by the Fund: 2,365,658 (2023 : 4,642,674) units	250,963,218	509,821,248
Dividend Reinvested: 61,894 (2023: Nil) units	6,319,333	-
Refund of Capital: 39,650 (2023: Nil) units	-	-
Net gain on disposal of investments by the Fund	2,079,009	8,768,249
JS Islamic Fund - Associate		
(Fund under JSIL Management)		
Investment by the Fund: 109,063 (2023: Nil) units	10,000,000	-
Redeemed by the Fund: 109,063 (2023 : Nil) units	9,992,366	-
Net loss on disposal of investments by the Fund	(7,634)	-
JS Momentum Factor Exchange Traded Fund - Associate		
(Fund under JSIL Management)		
Investment by the Fund: 25,296,500 (2023: 16,621,000) units	361,431,050	141,966,605
Redeemed by the Fund: 24,472,500 (2023: 9,257,000) units	301,383,975	78,754,480
Net gain / (loss) on disposal of investments by the Fund	47,012,785	(3,707,090)
JS Microfinance Sector Fund - Associate		
(Fund under JSIL Management)		
Investment by the Fund: 8,664,134 (2023:10,746,668) units	891,548,254	1,089,197,751
Redeemed by the Fund: 10,574,366 (2023: 8,553,361) units	1,079,931,540	866,112,310
Dividend Reinvest: 36,371 (2023: 69,693) units	3,681,801	6,999,044
Refund of Capital: 106,352 (2023: 71,369) units	-	-
Net gain on disposal of investments by the Fund	6,192,963	4,888,458
Unit Trust of Pakistan - Associate		
(Fund under JSIL Management)		
Investment by the Fund: 1,927,294 (2023: 1,493,213) units	420,000,000	229,000,000
Redeemed by the Fund: 938,482 (2023: 1,493,213) units	194,885,036	228,576,308
Dividend Reinvest: 26,914 (2023: Nil) units	6,120,741	
Refund of Capital: 44,827 (2023: Nil) units	-	
Net gain / (loss) on disposal of investments by the Fund	5,376,719	(423,692)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

	2024	2023
	Rupees	
JS Large Cap. Fund - Associate (Fund under JSIL Management)		
Purchase of units: 369,082 (2023 : Nil)	70,000,000	-
Dividend Reinvest: 1,830 (2023: Nil) units	369,082	-
JS Government Securities Fund - Associate (Fund under JSIL Management)		
Investment by the Fund: Nil (2023: 3,227,855) units	-	338,293,950
Redeemed by the Fund: Nil (2023: 3,227,855) units	-	348,455,593
Net gain on disposal of investments by the Fund	-	10,161,643
JS Islamic Daily Dividend Fund - Associate (Fund under JSIL Management)		
Investment by the Fund: Nil (2023: 1,000,000) units	-	100,000,000
Redeemed by the Fund: Nil (2023: 1,006,856) units	-	100,685,593
Dividend Reinvested: Nil (2023: 6,856) units	-	685,593
JS Islamic Income Fund - Associate (Fund under JSIL Management)		
Investment by the Fund: Nil (2023: 1,036,930) units	-	115,254,749
Redeemed by the Fund: Nil (2023: 1,036,930) units	-	115,202,903
Net loss on disposal of investments by the Fund	-	(51,847)
16.2 Amounts outstanding as at year end are as follows:		
JS Investments Limited - Management Company		
Remuneration payable to the Management Company	61,814	1,769
Sindh Sales Tax payable on remuneration of the Management Company	74,017	66,214
Federal excise duty payable on the remuneration of the Management Company	451,833	451,833
Allocated expenses payable	67,061	27,376
Printing and stationery charges payable	75,037	121,954
Units outstanding: 7,824,503 (2023: 5,435,210) units	810,853,293	342,037,738
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable to the Trustee	134,123	54,753
Sindh Sales Tax payable on remuneration of the Trustee	17,435	7,118
Settlement charges payable	565	565
Security deposit	100,000	100,000
JS Bank Limited - Holding Company of the Management Company		
Bank balances	145,114,785	22,051,792
Profit receivable	1,214,939	27,893
BankIslami Pakistan Limited - Associated Company (Associate of Ultimate Parent Company - JSCL)		
Bank balances in savings account	11,123	11,123

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

	2024	2023
	Rupees	
JS Growth Fund - Associate (Fund under JSIL Management) Investments held by the Fund: 441,238 (2023: Nil) units	113,301,094	-
JS Income Fund - Associate (Fund under JSIL Management) Investments held by the Fund: 514,632 (2023: Nil) units	52,724,151	-
JS Momentum Factor Exchange Traded Fund - Associate (Fund under JSIL Management) Investments held by the fund: 9,759,500 (2023: 8,935,500) units	188,553,582	74,074,401
JS Microfinance Sector Fund - Associate (Fund under JSIL Management) Investments held by the fund: 1,056,690 (2023: 2,824,199) units	107,370,372	285,582,996
Unit Trust of Pakistan - Associate (Fund under JSIL Management) Investments held by the fund: 1,060,553 (2023: Nil) units	241,053,091	-
JS Large Cap. Fund - Associate (Fund under JSIL Management) Investments held by the Fund: 370,912 (2023: Nil) units	74,709,095	-

17 FINANCIAL INSTRUMENTS BY CATEGORY

	June 30, 2024		
	At amortised cost	At fair value through profit or loss	Total
	Rupees		
Financial assets			
Bank balances	145,273,044	-	145,273,044
Investments	-	780,359,310	780,359,310
Profit receivable	1,214,939	-	1,214,939
Deposits and other receivables	348,048	-	348,048
	146,836,031	780,359,310	927,195,341
Financial liabilities			
Payable to JS Investments Limited - Management Company	729,762	-	729,762
Payable to Central Depository Company of Pakistan Limited - Trustee	151,558	-	151,558
Payable against purchase of investment	88,587,304	-	88,587,304
Accrued expenses and other liabilities	898,923	-	898,923
	90,367,547	-	90,367,547

	June 30, 2023		
	At amortised cost	At fair value through profit or loss	Total
----- Rupees -----			
Financial assets			
Bank balances	42,539,421	-	42,539,421
Investments	-	359,657,397	359,657,397
Profit receivable	143,667	-	143,667
Deposits and other receivables	100,000	-	100,000
	<u>42,783,088</u>	<u>359,657,397</u>	<u>402,440,485</u>
Financial liabilities			
Payable to JS Investments Limited - Management Company	669,146	-	669,146
Payable to Central Depository Company of Pakistan Limited - Trustee	61,871	-	61,871
Payable against purchase of investment	40,114,700	-	40,114,700
Accrued expenses and other liabilities	1,075,734	-	1,075,734
	<u>41,921,451</u>	<u>-</u>	<u>41,921,451</u>

18 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

Risk management framework

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

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

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

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

18.1 Market risk

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

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

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

18.1.1 Currency risk

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

18.1.2 Interest / profit rate risk

Interest /profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. As of June 30, 2024, the Fund is mainly exposed to interest rate risk on balances held with banks. The Investment Committee of the Fund reviews the portfolio on a regular basis to ensure that the risk is managed within the acceptable limits.

a) Sensitivity analysis for variable rate instrument

As at June 30, 2024, the Fund holds balances in savings accounts amounting to Rs 145.273 million (2023: Rs 42.539 million) exposing the fund to cash flow interest rate risk. In case of 100 basis points increase / (decrease) in interest rates at the reporting date, the net assets of the Fund and net income for the year would have been higher / lower by Rs 1.453 million (2023: Rs 0.425 million). The analysis assumes that all other variables remain constant.

b) Sensitivity analysis for fixed rate instrument

As at June 30, 2024, the Fund does not hold any fixed rate instrument that may expose the Fund to fixed interest rate risk.

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, 2024 is not necessarily indicative of the impact on the Fund's net assets of future movements in profit rates.

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

The Fund's profit / interest rate sensitivity related to financial assets and financial liabilities as at June 30, 2024 can be determined as follows:

	June 30, 2024				
	Effective yield / interest rate	Exposed to yield / interest risk			Not exposed to yield / interest rate risk
Upto three months		More than three months and up to one year	More than one year	(Rupees)	
Financial assets					
Bank balances	15.00% - 22.00%	145,273,044	-	-	145,273,044
Investments		-	-	780,359,310	780,359,310
Profit receivable		-	-	1,214,939	1,214,939
Deposits and other receivables		-	-	348,048	348,048
Sub total		145,273,044	-	781,922,297	927,195,341

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

June 30, 2024						
Effective yield / interest rate	Exposed to yield / interest risk			Not exposed to yield / interest rate risk	Total	
	Upto three months	More than three months and up to one year	More than one year			
----- % -----	----- (Rupees) -----					
Financial liabilities						
Payable to JS Investments Limited - Management Company	-	-	-	729,762	729,762	
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	151,558	151,558	
Payable against purchase of investment	-	-	-	88,587,304	88,587,304	
Accrued expenses and other liabilities	-	-	-	898,923	898,923	
Sub total	-	-	-	90,367,547	90,367,547	
On-balance sheet gap (a)	145,273,044	-	-	691,554,750	836,827,794	
Off-balance sheet financial instruments	-	-	-	-	-	
On-balance sheet gap (b)	-	-	-	-	-	
Total interest rate sensitivity gap (a + b)	145,273,044	-	-			
Cumulative interest rate sensitivity gap	145,273,044	145,273,044	145,273,044			
June 30, 2023						
Effective yield / interest rate	Exposed to yield / interest risk			Not exposed to yield / interest rate risk	Total	
	Upto three months	More than three months and up to one year	More than one year			
----- % -----	----- (Rupees) -----					
Financial assets						
Bank balances	15.00% - 22.00%	42,539,421	-	-	-	42,539,421
Investments		-	-	-	359,657,397	359,657,397
Profit receivables		-	-	-	143,667	143,667
Deposits and other receivables		-	-	-	100,000	100,000
Sub total		42,539,421	-	-	359,901,064	402,440,485
Financial liabilities						
Payable to JS Investments Limited - Management Company		-	-	-	669,146	669,146
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	61,871	61,871
Payable against purchase of investment		-	-	-	40,114,700	40,114,700
Accrued expenses and other liabilities		-	-	-	1,075,734	1,075,734
Sub Total		-	-	-	41,921,451	41,921,451
On-balance sheet gap		42,539,421	-	-	317,979,613	360,519,034
Off-balance sheet financial instruments		-	-	-	-	-
On-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a+ b)		42,539,421	-	-		
Cumulative interest rate sensitivity gap		42,539,421	42,539,421	42,539,421		

18.1.3 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.

The Fund has exposure to equity price risk arising from the Fund investments in open end mutual funds. The Fund manages its price risk arising from investments by diversifying its portfolio within the eligible limits prescribed in the Fund's Constitutive Documents, the NBFC Regulations and circulars issued by SECP from time to time.

In case of 1% increase / decrease in PSX index on June 30, 2024, with all other variables held constant, the total income of the Fund for the year would increase / decrease by Rs. 7.803 million (2023: Rs. 3.597 million) and the net assets of the Fund would increase / decrease by the same amount as a result of gains / losses on investments classified as financial assets at fair value through profit or loss.

18.2 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.

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

	2024		2023	
	Balance as per statement of assets and liabilities	Maximum exposure	Balance as per statement of assets and liabilities	Maximum exposure
----- Rupees -----				
Bank balances	145,273,044	145,273,044	42,539,421	42,539,421
Investments	780,359,310	-	359,657,397	-
Profit receivable	1,214,939	1,214,939	143,667	143,667
Deposits and other receivables	489,848	348,048	241,800	100,000
	<u>927,337,141</u>	<u>146,836,031</u>	<u>402,582,285</u>	<u>42,783,088</u>

Difference in the balance as per the statement of assets and liabilities and maximum exposure is due to the fact that investments in units of open-ended mutual funds of Rs 780.359 million (2023: Rs 359.657 million) are not exposed to credit risk.

There is a possibility of default by participants or failure of the financial market / stock exchanges, the depositories, the settlements or clearing systems, etc. Settlement risk on equity securities is considered minimal because of inherent controls established in the settlement process. The Fund's policy is to enter into financial contracts in accordance with internal risk management policies and instrument guidelines approved by the Investment Committee.

18.2.1 Credit quality of financial assets

-----June 30, 2024-----			
Name of bank	Rating agency	Latest available published rating	Percentage
Allied Bank Limited	PACRA	AAA	0.00%
Faysal Bank Limited	VIS	AA	0.01%
Samba Bank Limited	PACRA	AA	0.01%
Dubai Islamic Bank Limited	VIS	AA	0.02%
JS Bank Limited	PACRA	AA	99.89%
BankIslami Pakistan Limited	PACRA	AA-	0.01%
HBL Microfinance Bank Limited (Formerly: The First Microfinance Bank Limited)	VIS	A+	0.01%
U Microfinance Bank Limited	VIS	A+	0.04%
Mobilink M.Finance Bank Ltd	VIS	A	0.01%
			100.00%

-----June 30, 2023-----			
Name of bank	Rating agency	Latest available published rating	Percentage
Allied Bank Limited	PACRA	AAA	0.02%
Faysal Bank Limited	PACRA	AA	0.03%
Samba Bank Limited	VIS	AA	0.03%
Dubai Islamic Bank Limited	VIS	AA	0.06%
JS Bank Limited	PACRA	AA-	51.84%
BankIslami Pakistan Limited	PACRA	AA-	0.03%
HBL Microfinance Bank Limited (Formerly: The First Microfinance Bank Limited)	VIS	A+	0.04%
U Microfinance Bank Limited	VIS	A+	47.96%
			100.00%

18.2.2 Concentration of credit risk

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

18.3 Liquidity risk

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

The Fund is exposed to daily settlement of equity securities and daily redemptions at the option of unit holders. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is, therefore, to invest the majority of its assets in investments that are traded in an active market and can be readily disposed and are considered readily realisable.

As per the NBFC Regulations, the Fund can borrow in the short-term to ensure settlement subject to the maximum limit which is fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund. However, no borrowing was required to be obtained by the Fund during the current year.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

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 year.

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

	June 30, 2024			
	Upto three months	Over three months and upto one year	Over one year	Total
	Rupees			
Financial liabilities				
Payable to JS Investments Limited - Management Company	729,762	-	-	729,762
Payable to the Central Depository Company of Pakistan Limited - Trustee	151,558	-	-	151,558
Payable against purchase of investment	88,587,304	-	-	88,587,304
Accrued expenses and other liabilities	898,923	-	-	898,923
	<u>90,367,547</u>	<u>-</u>	<u>-</u>	<u>90,367,547</u>
	June 30, 2023			
	Upto three months	Over three months and upto one year	Over one year	Total
	Rupees			
Financial liabilities				
Payable to JS Investments Limited - Management Company	669,146	-	-	669,146
Payable to the Central Depository Company of Pakistan Limited - Trustee	61,871	-	-	61,871
Payable against purchase of investment	40,114,700	-	-	40,114,700
Accrued expenses and other liabilities	1,075,734	-	-	1,075,734
	<u>41,921,451</u>	<u>-</u>	<u>-</u>	<u>41,921,451</u>

19 UNIT HOLDERS' FUND RISK MANAGEMENT

The unit holders' fund is represented by redeemable units. These units are entitled to dividends and to payment of a proportionate share based on the Fund's Net Asset Value per unit on the redemption date. The relevant movements are shown on the 'Statement of Movement in Unit Holders' Fund.

The Fund has no restrictions on the subscription and redemption of units. As required under the NBFC Regulations, 2008 every open end scheme shall maintain fund size (i.e. net assets of the Fund) of Rs. 100 million at all times during the life of the scheme. The Fund has historically maintained and complied with the requirement of minimum Fund size at all times.

The Fund's objectives when managing unit holders' funds are to safeguard its ability to continue as a going concern so that it can continue to provide returns to the unit holders and to maintain a strong base of assets to meet unexpected losses or opportunities.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

21 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	Experience in years	Qualification
1	Ms. Iffat Zehra Mankani	Chief Executive Officer	23	MBA
2	Mr. Khawar Iqbal	Chief Operating Officer & Company Secretary	31	MBA
3	Mr. Syed Hussain Haider	Chief Investment Officer	22	CFA
4	Mr. Asim Ilyas	Head of Fixed Income	28	MAS
5	Mr. Syed Shabih Ul Hasnain	Vice President - Fund Manager	6	BBA

21.1 Name and qualification of the Fund Manager

Name	Designation	Qualification	Other funds managed by the Fund Manager
Mr. Syed Shabih Ul Hasnain	Fund Manager	Bachelor of Business Administration	JS Momentum Factor Exchange Traded Fund, Unit Trust of Pakistan, JS Growth Fund, JS Large Cap Fund, JS Islamic Fund, JS Pension Savings Fund, JS Islamic Pension Savings Fund, JS KPK Pension Fund, JS KPK Islamic Pension Fund

22 PATTERN OF UNIT HOLDING

Category	----- As at June 30, 2024 -----			
	Number of unit holders	Number of units held	Investment amount (Rupees)	Percentage of total investment
Individuals	91	119,020	12,334,591	1.47
Associated Company	1	7,824,503	810,853,293	96.90
Retirement Funds and others	3	131,202	13,633,043	1.63
	<u>95</u>	<u>8,074,725</u>	<u>836,820,927</u>	<u>100</u>

Category	----- As at June 30, 2023 -----			
	Number of unit holders	Number of units held	Investment amount (Rupees)	Percentage of total investment
Individuals	96	162,984	10,256,703	2.84
Associated Company	1	5,435,210	342,037,738	94.86
Retirement Funds and others	3	131,201	8,260,592	2.30
	<u>100</u>	<u>5,729,395</u>	<u>360,555,033</u>	<u>100</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

23 LIST OF BROKERS BY PERCENTAGE OF COMMISSION PAID

----- 2024 -----		----- 2023 -----	
Name of broker	Percentage of commission paid	Name of broker	Percentage of commission paid
Topline Securities (Pvt) Limited	18.13%	JS Global Capital Limited	24.54%
Adam Securities (Pvt) Limited	16.85%	Optimus Capital Management (Pvt) Limited	19.09%
JS Global Capital Limited	15.97%	Multiline Securities (Pvt) Limited	18.40%
DJM Securities (Pvt) Limited	14.15%	Adam Securities (Pvt) Limited	15.91%
Optimus Capital Management (Pvt) Limited	12.11%	Fortune Securities (Pvt) Limited	11.97%
Multiline Securities (Pvt) Limited	11.98%	Topline Securities (Pvt) Limited	10.09%
Chase Securities Pakistan (Pvt) Limited	10.81%		
	<u>100.00%</u>		<u>100.00%</u>

24 MEETINGS OF THE BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

The 169th, 170th, 171st, 172nd, 173rd, and 174th meetings of the Board of Directors were held on August 4, 2023, August 18, 2023, October 20, 2023, December 28, 2023, February 20, 2024, and April 24, 2024 respectively. Information in respect of attendance by the directors and other persons in the meetings is given below:

S.No.	Name of Directors	Meetings attended	Meetings held on					
			04 August 2023	18 August 2023	20 October 2023	28 December 2023	20 February 2024	24 April 2024
1	Mr. Suleman Lalani	6	✓	✓	✓	✓	✓	✓
2	Ms. Iffat Zehra Mankani	6	✓	✓	✓	✓	✓	✓
3	Mr. Hasan Shahid	6	✓	✓	✓	✓	✓	✓
4	Ms. Aisha Fariel Salahuddin	2	x	x	✓	✓	x	x
5	Mr. Mirza M. Sadeed Hasan Barlas	4	✓	✓	x	✓	✓	x
6	Mr. Atif Salim Malik	5	x	✓	✓	✓	✓	✓
7	Ms. Mediha Kamal Afsar	6	✓	✓	✓	✓	✓	✓
8	Mr. Farooq Ahmed Malik	5	x	✓	✓	✓	✓	✓
			<u>5</u>	<u>7</u>	<u>7</u>	<u>8</u>	<u>7</u>	<u>6</u>

25 GENERAL

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

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

26 DATE OF AUTHORISATION FOR ISSUE

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



Chief Financial Officer



Chief Executive Officer



Director



JS INVESTMENTS OFFICES

- **Head Office - Karachi**
19th Floor, The Centre, Plot No. 28, SB-5,
Abdullah Haroon Road, Saddar, Karachi.
- **Wealth Centre**
Ground Floor, Plot No. 97-C, Main
Khayaban-e-Shaheen, DHA Phase 8,
Karachi
- **Regional Office - Lahore**
Ground Floor, No. 25, Block 13, Plot No.1-4,
Usman Block, New Garden Town, Lahore
- **Regional Office - Islamabad**
Office No. 414, 4th Floor, PSX Building,
Jinnah Avenue, Islamabad

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JS FIXED TERM MUNAFA FUND

ANNUAL REPORT 2024



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COMPANY INFORMATION

Management Company

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19th Floor, The Centre, Plot # 28,
SB-5 Abdullah Haroon Road, Saddar,
Karachi-75600
Tel: (92-21) 111-222-626 Fax: (92-21) 35165540
E-mail: info@jsil.com
Website: www.jsil.com

Board of Directors

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

Chief Executive Officer

Ms. Iffat Zehra Mankani

Chief Financial Officer

Mr. Raheel Rehman

Chief Investment Officer

Mr. Syed Hussain Haider

Chief Operating Officer & Company Secretary

Mr. Muhammad Khawar Iqbal

Statutory Auditors

Grant Thornton Anjum Rahman Chartered Accountants

Legal Advisors

Bawaney and Partners
3rd & 4th Floor, 68-C, Lane-13
Bokhari Commercial Area
Phase-VI DHA, Karachi

Audit Committee

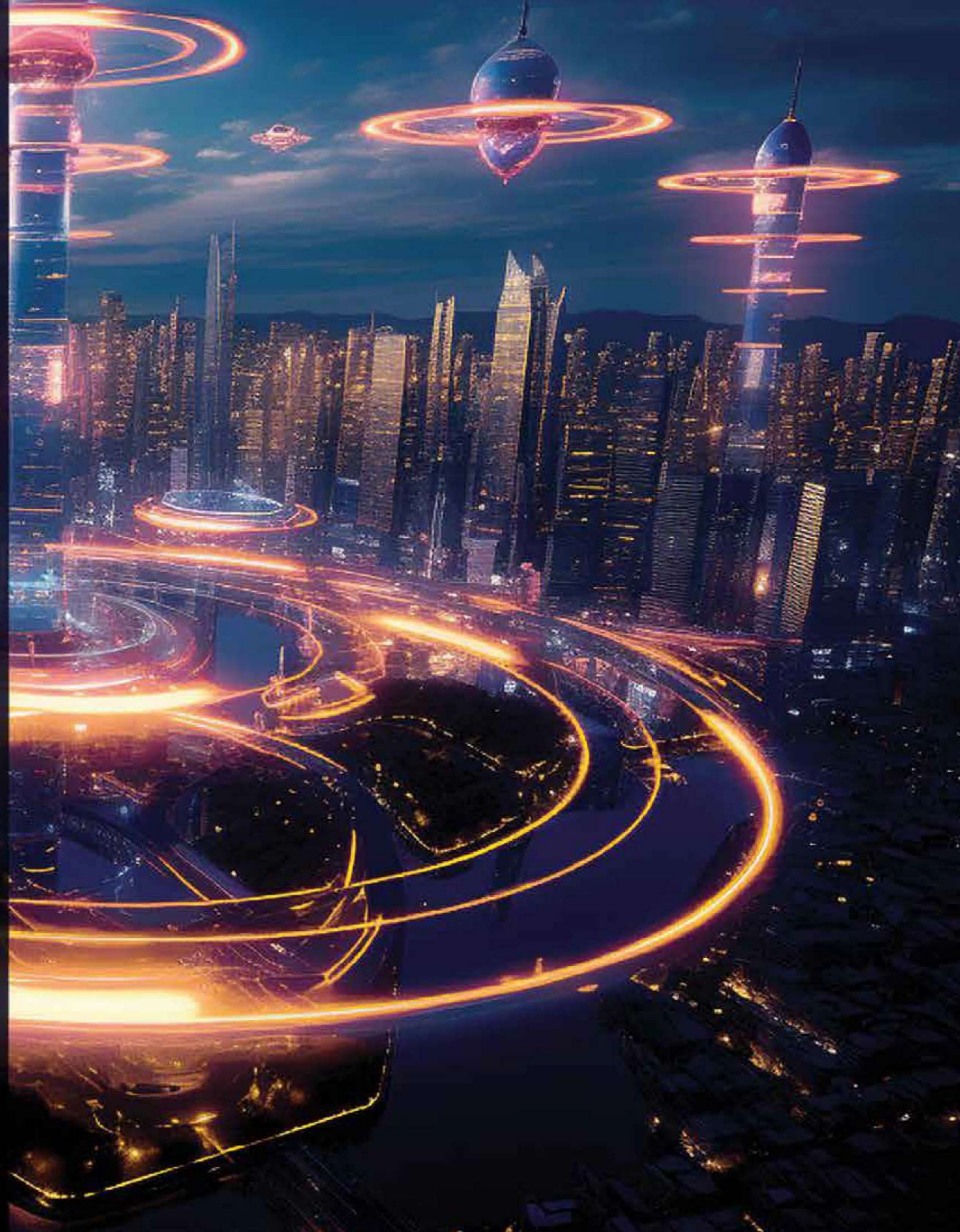
Ms. Mediha Kamal Afsar (Chairperson)
Mr. Hasan Shahid (Member)
Mr. Mirza M. Sadeed H. Barlas (Member)

Trustee

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

Vision

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





DIRECTORS' REPORT TO THE UNIT HOLDERS

FOR THE PERIOD ENDING JUNE 30, 2024

The Board of Directors of JS Investments Limited has pleasure in presenting the unaudited Financial Statements of **JS Fixed Term Munafa Fund** (the Fund) for the period ended June 30, 2024.

Economic Review:

The fiscal year 2024 has been a period of significant transition for the country, moving from a precarious trajectory towards a path of relative stability in both political and economic spheres. The caretaker setup initially introduced a stabilization agenda that guided much of the year. Following this, a new government was formed post-Federal elections, providing a clearer direction for the country despite some initial uncertainties during the election process. This transition offered some reassurance, given the significant challenges the nation has faced in recent years. The macroeconomic framework under the IMF's Stand-By Agreement (SBA), which included a short-term US\$3 billion funding facility signed in June of the previous year and largely executed by the caretaker government, concluded at the end of April with a final disbursement of US\$1 billion.

Turning to the real economy, the robust growth of 6.5% in agriculture, encompassing all major crops and livestock, significantly boosted the provisional GDP growth for FY24 to 2.38%, surpassing the projections of the IMF (2%), ADB (1.9%), and the World Bank (1.8%). This underscores the resilience of the economy. Against this backdrop, two key macroeconomic events during the period were the easing of monetary policy and the simultaneous tightening of fiscal policy, trends expected to continue into the next fiscal year. Observing how these policies will ultimately impact overall economic growth will be critical, especially as the industry has been under unprecedented pressure from a highly challenging business environment characterized by cost-push inflation and sluggish demand.

The Federal Budget for FY25 envisions a substantial 40% increase in FBR revenues, with the government projecting an inflation rate of 12% and a real GDP growth rate of 3.6%. According to the government's estimates presented in the budget, the fiscal deficit, expected to close at 7.4% for the current year—revised from the previous year's budgeted target of 6.5%—is projected to decrease to 5.9% for FY25.

The external account experienced considerable strengthening, with SBP FX Reserves more than doubling from their lows at the end of June 2023 to reach US\$9.4 billion by the end of June 2024. The Pakistani rupee appreciated by 2.8%, closing at 278 against the US dollar. The current account deficit has decreased markedly to US\$ 464 million for the 11 months up to May 2024, compared to US\$ 3.76 billion during the same period last year, instilling confidence in the balance of payments situation. Building on this, Pakistan's upcoming new and larger funding program with the IMF holds paramount importance, as it will significantly strengthen the country's fundamental macroeconomic pillars, particularly fiscal operations, while also providing essential support for managing external debt obligations.

Income / Money Market Review:

During the fiscal year 2024, the yield curve shifted markedly downward, with yields falling across all tenors. The most notable decline was observed in the 12-month paper, which closed at 18.68%, down by 425 basis points from the end of June 2023. The SBP's Monetary Policy Committee (MPC) cut the policy rate by 150 basis points in its June 10th meeting. This decision followed a more-than-expected drop in the headline inflation rate for May, which stood at 11.8%, primarily due to a decline in food inflation.

The steady accumulation of FX reserves and the softening inflation outlook gradually instilled market confidence, reflected in higher levels of participation in 12M T-Bill in recent auctions. The offer-to-target ratio in the auctions for 12M tenor almost doubled to 5.9x during the year's second half compared to the preceding first half. M2 growth continued to be driven by government borrowings, as evident in the continuously rising trend of net outstanding liquidity injections via open market operations (OMOs).

Review of Fund Performance

Allocation Schemes	Net Assets (PKR. In billions)	Dividend	Return	Benchmark Return
JS Fixed Term Munafa Plan 1	1.789	7.51	17.02	17.19
JS Fixed Term Munafa Plan 2	2.479	8.81	19.48	21.19
JS Fixed Term Munafa Plan 3	3.578	4.62	21.89	18.00
JS Fixed Term Munafa Plan 4	1.031	3.00	20.86	20.78
JS Fixed Term Munafa Plan 5	1.562	1.39	20.30	20.05

Asset Manager Rating

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

Auditors

The external auditors of the Fund Messrs Grant Thornton Anjum Rahman Chartered Accountants 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 Messrs Grant Thornton Anjum Rahman Chartered Accountants, as the Fund's auditors for the ensuing year ending June 30, 2025.

Additional Matters

- 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, 2024, 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.



Chief Executive Officer



Director

Karachi: August 20, 2024

شراکت داروں کے لیے ڈائریکٹرز رپورٹ

جے ایس انویسٹمنٹس لمیٹڈ کے بورڈ آف ڈائریکٹرز، جے ایس فکسڈ ٹرم منافع فنڈ (دی فنڈ) کے 30 جون 2024 کو ختم ہونے والے سال کے لیے غیر آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

معاشی جائزہ

مالی سال 2024 ملک کے لیے اہم تبدیلی کا دور رہا ہے، جو ایک غیر یقینی راستے سے سیاسی اور معاشی دونوں شعبوں میں نسبتاً استحکام کی راہ پر گامزن ہے۔ گمران سیٹ اپ نے ابتدائی طور پر استحکام کا ایجنڈا متعارف کرایا جس نے سال کے زیادہ تر حصے کے رہنمائی کی۔ اس کے بعد، وفاقی انتخابات کے بعد ایک نئی حکومت تشکیل دی گئی، جس نے انتخابی عمل کے دوران کچھ ابتدائی غیر یقینی صورتحال کے باوجود ملک کو ایک واضح سمت فراہم کی۔ حالیہ برسوں میں قوم کو درپیش اہم چیلنجوں کے پیش نظر اس تبدیلی نے کچھ یقین دہانی کرائی ہے۔ آئی ایم ایف کے اسٹینڈ بائی ایگریمنٹ (SBA) کے تحت میکرو اکنامک فریم ورک، جس میں گزشتہ سال جون میں دستخط شدہ 3 بلین امریکی ڈالر کی قلیل مدتی فنڈنگ سہولت شامل تھی اور جس پر گمران حکومت نے بڑے پیمانے پر عمل درآمد کیا تھا، 1 بلین امریکی ڈالر کی حتمی تقسیم کے ساتھ اپریل کے آخر میں اختتام پذیر ہوئی۔

حقیقی معیشت کی طرف گامزن ہوتے ہوئے، زراعت میں 6.5 فیصد کی مضبوط نمو، بشمول تمام اہم فصلیں اور لائیو اسٹاک، نے مالی سال 2024 کے لیے عبوری GDP کی نمو کو نمایاں طور پر بڑھا کر 2.38 فیصد کر دیا، جو IMF (2 فیصد)، ایشیائی ترقیاتی بینک (1.9 فیصد) اور عالمی بینک (1.8 فیصد) کے تخمینوں سے زیادہ ہے۔ اس سے معیشت کی لچک کی نشاندہی ہوتی ہے۔ اس پس منظر میں، اس مدت کے دوران زرعی پالیسی میں نرمی اور بیک وقت مالیاتی پالیسی میں سختی دو اہم میکرو اکنامک واقعات تھے، ان رجحانات کا اگلے مالی سال تک جاری رہنے کی توقعات ہیں۔ یہ دیکھنا کہ یہ پالیسیاں بالآخر مجموعی معاشی ترقی کو کس طرح متاثر کریں گی، اہم ہوں گا، خاص طور پر جب صنعت کو انتہائی چیلنجنگ کاروباری ماحول کا سامنا ہے جو لاگت میں اضافے والی افراط زر اور دست طلب سے موصوم ہے۔

مالی سال 2025 کے وفاقی بجٹ میں ایف بی آر (FBR) کے محصولات میں 40 فیصد اضافے کا تخمینہ لگایا گیا ہے، حکومت نے افراط زر کی شرح 12 فیصد اور حقیقی جی ڈی پی (GDP) کی شرح نمو 3.6 فیصد پیش کی ہے۔ بجٹ میں پیش کی گئی حکومتی تخمینوں کے مطابق مالی خسارہ رواں مالی سال میں 7.4 فیصد رہنے کا امکان ہے جو گزشتہ سال کے بعد 6.5 فیصد کے بجٹ ہدف سے نظر ثانی شدہ۔ مالی سال 2025 کے لیے کم ہو کر 5.9 فیصد رہے گا۔

بیرونی کھاتے میں کافی مضبوطی دیکھی گئی اور اسٹیٹ بینک آف پاکستان کے غیر ملکی زرمبادلہ کے ذخائر جون 2023 کے اختتام پر اپنی کم ترین سطح سے دگنا ہو کر جون 2024 کے اختتام پر 9.4 بلین امریکی ڈالر تک پہنچ گئے۔ پاکستانی روپے امریکی ڈالر کے مقابلے میں 2.8 فیصد کے اضافے سے 278 پر بند ہوا۔ مئی 2024 تک 11 ماہ کے دوران کرنٹ اکاؤنٹ خسارہ نمایاں طور پر کم ہو کر 464 ملین امریکی ڈالر رہ گیا ہے جو گزشتہ سال کے اسی مدت کے دوران 3.76 بلین امریکی ڈالر تھا، جس سے ادائیگیوں کے توازن کی صورتحال پر اعتماد پیدا ہوا۔ اس کی بنیاد پر، پاکستان کا آئی ایم ایف (IMF) کے ساتھ آئندہ آنے والا نیا اور بڑا فنڈنگ پروگرام انتہائی اہمیت کا حامل ہے، کیونکہ یہ ملک کی میکرو اکنامک بنیادوں بالخصوص مالی آپریشنز کو نمایاں طور پر مضبوط کرے گا، بیرونی قرضوں کی ذمہ داریوں کے انتظام کے لیے ضروری معاونت مہیا کرے گا۔

انکم / منی مارکیٹ کا جائزہ

مالی سال 2024 کے دوران، پیداوار کی توسیع واضح طور پر نیچے کی جانب منتقل ہو گئی، اور پیداوار تمام مدتوں میں زوال پذیر ہوئی۔ 12 ماہ کے سرمایہ کاری کے پیپر میں سب سے واضح کمی دیکھنے میں آئی، جو دسمبر 2023 کے اختتام سے 425 پیس پوائنٹس کی کمی کے ساتھ 18.68 فیصد پر بند ہوا۔ اسٹیٹ بینک آف پاکستان کی مانیٹری پالیسی کمیٹی (MPC) نے 10 جون کو اپنے اجلاس میں پالیسی کی شرح میں 150 پیس پوائنٹس کی کمی کی تھی۔ یہ فیصلہ مئی کی کلیدی افراط زر کی شرح میں توقع سے زیادہ کمی کے بعد کیا گیا تھا، جو 11.8 فیصد رہی، جس کی بنیاد پر وجہ غنائی افراط زر میں کمی تھی۔

زرمبادلہ کے ذخائر کی مستحکم جمع ہونے اور افراط زر میں کمی نے آہستہ آہستہ مارکیٹ کا اعتماد پیدا کیا، جس کی عکاسی 12 ماہ کے ٹریڈری بلز (T - Bills) کی حالیہ نیلامیوں میں اعلیٰ سطحوں کی شرکت سے ہوتی ہے۔ سال کی گزشتہ ششماہی کے مقابلے میں سال کی دوسری ششماہی کے دوران 12 ماہ کی مدت کے لیے نیلامی میں آفر ٹو ٹارگٹ کا تناسب تقریباً دوگنا ہو کر 5.9 گنا ہو گیا ہے۔ ایم ٹو کی نمو حکومتی قرضوں کی وجہ سے جاری رہی، جو اوپن مارکیٹ آپریشنز (OMOs) کے ذریعے خالص بقا یا لیکویڈیٹی انجکشن کے مسلسل بڑھتے ہوئے رجحان سے ظاہر ہوتی ہے۔

فنڈ کی کارکردگی کا جائزہ

ایلیکشن اسکیم	کل اثاثہ جات (پاکستانی روپے بلین میں)	ڈیویڈنڈ	منافع	بچہ مارک منافع
جے ایس فکسڈ ٹرم منافع پلان 1	1.789	7.51	17.02	17.19
جے ایس فکسڈ ٹرم منافع پلان 2	2.479	8.81	19.48	21.19
جے ایس فکسڈ ٹرم منافع پلان 3	3.578	4.62	21.89	18.00
جے ایس فکسڈ ٹرم منافع پلان 4	1.031	3.00	20.86	20.78
جے ایس فکسڈ ٹرم منافع پلان 5	1.562	1.39	20.30	20.05

ایسیٹ مینجر ریٹنگ

پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) نے ہماری مینجمنٹ کمپنی کی "AM 2+" ایسیٹ مینجر ریٹنگ کو "مثبت" منظر نامے کے ساتھ برقرار رکھا ہے۔ یہ ریٹنگ اعلیٰ معیار کے انتظامی معیار کو برقرار رکھنے کے لیے ہماری لگن کی نشاندہی کرتی ہے، جو ہمارے آپریشنز کی مجموعی کارکردگی اور منظر نامے پر مثبت عکاسی کرتی ہے۔

آڈیٹرز

ریٹائر ہونے والے بیرونی آڈیٹرز میسرز گریٹ تھورنٹن انجم رحمان، چارٹرڈ اکاؤنٹنٹس اہلیت کی بنیاد پر خود کو دوبارہ تقرری کے لیے پیش کرتے ہیں۔ بورڈ آف ڈائریکٹرز نے، آڈٹ کمیٹی کی تجویز پر، میسرز گریٹ تھورنٹن انجم رحمان، چارٹرڈ اکاؤنٹنٹس کی 30 جون 2025 کو ختم ہونے والے سال کے لیے تقرری کی منظوری دی۔

اضافی معاملات

- ا۔ سالانہ رپورٹ کے ساتھ فنڈ مینجر رپورٹ منسلک ہے جس میں مرکزی خطرات اور منافع جات کے مستقبل کے امکانات کی مناسب علامت کے ساتھ ہجان کی کیفیت کی وضاحت کی ہے۔
- ب۔ 30 جون 2024 تک یونٹ ہولڈنگ کے نمونہ اس سالانہ رپورٹ کے ساتھ منسلک ہے۔
- ج۔ اندرونی کنٹرول کا نظام ساخت کے اعتبار سے مضبوط ہے اور اس پر موثر اطلاق اور نگرانی کی جاتی ہے۔
- د۔ کارکردگی کا ٹیبل / اہم مالیاتی معلومات اس سالانہ رپورٹ کے ضمیمہ میں دی گئی ہیں۔

اظہار تشکر

ڈائریکٹرز پیش قدمی، مدد اور رہنمائی پر سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) اور ڈی سی سی ایل کسٹوڈین کمپنی لمیٹڈ (DCCL) سے اظہار تشکر کرتے ہیں۔ بورڈ لگن اور محنت پر مینجمنٹ کمپنی کے ملازمین اور انتظامیہ پر اعتماد پر یونٹ ہولڈرز کا بھی شکریہ ادا کرتا ہے۔



ڈائریکٹر



چیف ایگزیکٹو آفیسر

کراچی: 20 اگست 2024

FUND MANAGER REPORT

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- **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 Plan is an Investment Plans with an objective to provide fixed return to its unit holders subject to the holding of the investment till maturity of the respective plan.
- **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_1: 3 Years PKRV rate (at the time of plan launch)
JSFTMF_2: 1 Year PKRV rate (at the time of plan launch)
JSFTMF_3: 1 Year PKRV rate (at the time of plan launch)
JSFTMF_4: 3 months PKRV rate (at the time of plan launch)
JSFTMF_5: 3 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_1	BM	JSFTMF_2	BM	JSFTMF_3	BM	JSFTMF_4	BM	JSFTMF_5	BM
Jul-23	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Aug-23	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Sep-23	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Oct-23	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Nov-23	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Dec-23	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Jan-24	6.57%	16.51%	17.14%	20.55%	n/a	n/a	n/a	n/a	n/a	n/a
Feb-24	15.51%	16.81%	14.23%	20.87%	n/a	n/a	n/a	n/a	n/a	n/a
Mar-24	20.07%	16.73%	16.36%	20.53%	n/a	n/a	n/a	n/a	n/a	n/a
Apr-24	14.31%	16.69%	25.11%	20.64%	18.77%	20.62%	n/a	n/a	n/a	n/a
May-24	12.03%	16.60%	19.15%	20.34%	22.22%	14.32%	21.32%	21.21%	n/a	n/a
Jun-24	28.17%	16.41%	20.19%	19.22%	22.89%	19.22%	20.10%	20.05%	20.30%	20.05%
FY24	17.02%	17.19%	19.48%	21.19%	21.89%	18.00%	20.86%	20.78%	20.30%	20.05%

- **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 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_1		JSFTMF_2		JSFTMF_3		JSFTMF_4		JSFTMF_5	
	Jun-24	Jun-23	Jun-24	Jun-23	Jun-24	Jun-23	Jun-24	Jun-23	Jun-24	Jun-23
Cash	3.18%	n/a	8.43%	n/a	2.84%	n/a	6.14%	n/a	4.39%	n/a
PIBs	92.41%	n/a	0.00%	n/a	0.00%	n/a	0.00%	n/a	0.00%	n/a
T Bills	0.00%	n/a	91.51%	n/a	97.09%	n/a	93.65%	n/a	95.58%	n/a
Other including receivables	4.40%	n/a	0.06%	n/a	0.07%	n/a	0.21%	n/a	0.03%	n/a
Total	100.00%	n/a	n/a	n/a	100.00%	n/a	100.00%	n/a	n/a	n/a

FUND MANAGER REPORT

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

Funds	Expense Ratio	Government levy and SECP fee*	Selling & marketing expenses*
JSFTMF_1	0.55%	0.06%	0.22%
JSFTMF_2	0.92%	0.06%	0.61%
JSFTMF_3	0.17%	0.02%	0.09%
JSFTMF_4	0.20%	0.02%	0.05%
JSFTMF_5	0.08%	0.00%	0.03%

* 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_1	Net Assets Excluding JSIL FoFs (PKR mn)	NAV per Unit (PKR)
30-Jun-24	1,790	100.44
30-Jun-23	n/a	n/a

JSFTMF_2	Net Assets Excluding JSIL FoFs (PKR mn)	NAV per Unit (PKR)
30-Jun-24	2,479	100.27
30-Jun-23	n/a	n/a

JSFTMF_3	Net Assets Excluding JSIL FoFs (PKR mn)	NAV per Unit (PKR)
30-Jun-24	3,578	100.34
30-Jun-23	n/a	n/a

JSFTMF_4	Net Assets Excluding JSIL FoFs (PKR mn)	NAV per Unit (PKR)
30-Jun-24	1,031	100.31
30-Jun-23	n/a	n/a

JSFTMF_5	Net Assets Excluding JSIL FoFs (PKR mn)	NAV per Unit (PKR)
30-Jun-24	1,562	100.27
30-Jun-23	n/a	n/a

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

JS Fixed Term Munafa Fund mainly invests in government securities. Other allowable investment avenues include money market placements, bank deposits, certificates of deposits, certificates of Musharaka, Term Deposit Receipts (TDR), and any other securities or instruments approved under SECP 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

FUND MANAGER REPORT

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Distribution

JSFTMF_1: The fund has paid a final distribution of Rs. 4.76 per unit of Rs. 100/- each i.e. 4.76%. The cumulative distribution for FY24 to Rs. 7.51 per unit.

JSFTMF_2: The fund has paid a final distribution of Rs. 5.54 per unit of Rs. 100/- each i.e. 5.54%. The cumulative distribution for FY24 to Rs. 8.81 per unit.

JSFTMF_3: The fund has paid a final distribution of Rs. 4.62 per unit of Rs. 100/- each i.e. 4.62%. The cumulative distribution for FY24 to Rs. 4.62 per unit.

JSFTMF_4: The fund has paid a final distribution of Rs. 3.00 per unit of Rs. 100/- each i.e. 3.00%. The cumulative distribution for FY24 to Rs. 3.00 per unit.

JSFTMF_5: The fund has paid a final distribution of Rs. 1.39 per unit of Rs. 100/- each i.e. 1.39%. The cumulative distribution for FY24 to Rs. 1.39 per unit.

NAVs per unit as on June 30, 2024

	Cum NAV (PKR)	Ex-NAV (PKR)
JSFTMF_1	100.44	100.44
JSFTMF_2	100.27	100.27
JSFTMF_3	100.34	100.34
JSFTMF_4	100.31	100.31
JSFTMF_5	100.27	100.27

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
JS Fixed Term Munafa Plan-1	0.0001	to	9,999.9999	-
	10,000.0000	to	49,999.9999	-
	50,000.0000	to	99,999.9999	-
	100,000.0000	to	499,999.9999	-
	500,000.0000	&	above	3
	Total			3

Fund Name	Ranges			Number of Folios
JS Fixed Term Munafa Plan-2	0.0001	to	9,999.9999	12
	10,000.0000	to	49,999.9999	5
	50,000.0000	to	99,999.9999	2
	100,000.0000	to	499,999.9999	6
	500,000.0000	&	above	8
	Total			33

Fund Name	Ranges			Number of Folios
JS Fixed Term Munafa Plan-3	0.0001	to	9,999.9999	-
	10,000.0000	to	49,999.9999	-
	50,000.0000	to	99,999.9999	-
	100,000.0000	to	499,999.9999	2
	500,000.0000	&	above	6
	Total			8

FUND MANAGER REPORT

Annual Report 2024

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

Fund Name	Ranges			Number of Folios
JS Fixed Term Munafa Plan-5	0.0001	to	9,999.9999	1
	10,000.0000	to	49,999.9999	-
	50,000.0000	to	99,999.9999	-
	100,000.0000	to	499,999.9999	1
	500,000.0000	&	above	1
			Total	3

- 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.

PERFORMANCE TABLE

Year 2024

JS FTMF - Plan 1 | JS FTMF - Plan 2 | JS FTMF - Plan 3 | JS FTMF - Plan 4 | JS FTMF - Plan 5

Net assets	Rs.	823,637,610	721,086,511	996,632,891	5,014,850,320	11,253,835,451
Net income / loss	Rs.	2,636,354	43,527,620	(64,208,971)	820,841,963	1,211,838,623
Total return of the Fund	%	17.02	19.48	21.89	20.86	20.30
Dividend distribution	%	7.51	6.00	4.75	12.05	9.72
Capital Growth	%	9.51	(7.28)	(13.22)	(0.47)	(0.08)
Average annual return - One Year (Since launch date)*	%	17.02	19.48	21.89	20.86	20.30
NAV per unit	Rs.	100.00	85.38	87.77	104.87	104.07
Year-end offer price per unit	Rs.	103.39	86.24	88.65	105.92	105.12
Highest offer price per unit	Rs.	103.64	93.53	104.88	107.55	109.91
Lowest offer price per unit	Rs.	103.34	85.81	87.81	99.78	103.28
Year-end repurchase price per unit	Rs.	99.00	85.38	87.77	104.87	104.07
Highest repurchase price per unit	Rs.	99.23	92.60	103.84	106.48	108.28
Lowest repurchase price per unit	Rs.	98.95	84.96	86.94	98.77	101.31
First Interim Distribution Announcement date	Rs.	2.75 19-Mar-24	3.27 19-Mar-24			
2nd Interim Distribution Announcement date	Rs.	4.76 26-Jun-24	5.54 26-Jun-24	4.62 26-Jun-24	3.00 26-Jun-24	1.39 26-Jun-24
Total distribution as % of par value	Rs.	7.51	8.81	4.62	3.00	1.39

Notes

- *JS Islamic Hybrid Fund of Funds 3 was launched on June 26, 2019.
- Investment portfolio composition of the Fund is disclosed in note 6 of the financial statements.
- The income distribution have been shown against the year to which they relate although these were declared & distributed subsequently to the year end.

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

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 an open-end scheme established under a Trust Deed executed between JS Investments Limited, as the Management Company and Digital Custodian Company Limited, as the Trustee. The draft Trust Deed was approved by the Securities and Exchange Commission of Pakistan vide its letter dated October 24, 2023 consequent to which the Trust Deed was registered on November 23, 2023.

1. JS Investments Limited, the Management Company of JS Fixed Term Munafa Fund has, in all material respects, managed JS Fixed Term Munafa Fund during the year ended June 30, 2024 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, 2024.

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 25, 2024

**INDEPENDENT AUDITOR'S REPORT TO THE
UNIT HOLDERS**
Report on the Audit of the Financial Statements
Opinion
T +92 21 35672951-56

We have audited the financial statements of **JS Fixed Term Munafa Fund** (the Fund), which comprise the statement of assets and liabilities as at June 30, 2024, and the related income statement, statement of comprehensive income, statement of movements in unit holder's fund, statement of cash flow for the period from January 09, 2024 to June 30, 2024, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2024 and of its financial performance and its cash flows for the period then ended in accordance with approved accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with 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 and JS Investments Limited (the Management Company) in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (the Code)* as adopted by the Institute of Chartered Accountants of Pakistan together with the ethical requirements that are relevant to our audit of the financial statements in Pakistan, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA 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.

Key audit matter	How our audit addressed the key audit matter
Net assets value (NAV)	
The balances with banks and investments constitute the most significant component of the net assets value (NAV).	We performed the following audit procedures:

Key audit matter	How our audit addressed the key audit matter
<p>The balances with banks and investments as at June 30, 2024 amounted to Rs. 505.20 million and Rs. 9,938.16 million as disclosed in note 6 and 7 respectively.</p> <p>The existence and proper valuation of balances with banks and investments for the determination of NAV of the Fund as at June 30, 2024 was considered as a high risk area and therefore we consider this as a Key Audit Matter (KAM).</p>	<ul style="list-style-type: none"> • Obtained independent confirmations for verifying the existence of the balances with banks and investment portfolio as at June 30, 2024 and reconciled it with the books and records of the Fund. • Obtained the reconciliation statements and tested reconciling items on a sample basis. • Obtained an understanding of design effectiveness of the key controls on the investments. • Re-performed valuation to assess that the investments are carried as per the valuation methodology specified in the accounting policies. • Checked presentation and disclosure as per applicable financial reporting framework.

Information Other than the Financial Statements and Auditor's Report Thereon

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 or 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 the approved 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.

The Board of Directors 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 auditing standards 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;
- 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 the Board of Directors 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 to the Board of Directors 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, related safeguards.

From the matters communicated with the Board of Directors, 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

Further, we report that the Fund's financial statements have been prepared in accordance with the relevant provisions of Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is **Muhammad Khalid Aziz**.



Chartered Accountants

Karachi

Date: September 27, 2024

UDIN: AR202410154MUotEb37z



Financial Position
& Performance

STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2024

		June 30, 2024					Total
		Plan-1	Plan-2	Plan-3	Plan-4	Plan-5	
		-----Rupees-----					
Assets							
Bank balances	6	57,360,220	211,247,485	102,908,176	65,132,117	68,547,641	505,195,639
Investments	7	1,669,859,300	2,300,747,554	3,502,211,650	971,294,275	1,494,045,625	9,938,158,404
Profit and other receivables	8	79,516,395	2,167,625	2,013,673	712,747	528,666	84,939,106
Deferred formation cost	9	179,068	112,125	154,957	18,693	-	464,843
Total assets		1,806,914,983	2,514,274,789	3,607,288,456	1,037,157,832	1,563,121,932	10,528,757,992
Liabilities							
Payable to JS Investments Limited - Management Company	10	4,592,790	15,391,633	4,319,431	1,027,044	925,078	26,255,976
Payable to Digital Custodian Company Limited - Trustee	11	123,877	172,084	247,960	71,360	107,648	722,929
Payable to Securities and Exchange Commission of Pakistan	12	109,626	152,288	219,433	63,148	95,262	639,757
Accrued expenses and other liabilities	13	12,466,391	19,137,024	24,063,949	4,560,413	71,731	60,299,508
Total liabilities		17,292,684	34,853,029	28,850,773	5,721,965	1,199,719	87,918,170
Net assets		1,789,622,299	2,479,421,760	3,578,437,683	1,031,435,867	1,561,922,213	10,440,839,822
Unit holders' Funds (As per Statement Attached)		1,789,622,299	2,479,421,760	3,578,437,683	1,031,435,867	1,561,922,213	10,440,839,822
Contingencies and Commitments							
Number of units in issue	18	17,817,745	24,727,292	35,662,232	10,282,929	15,576,503	
		-----Rupees-----					
Net assets value per unit		100.44	100.27	100.34	100.31	100.27	

The annexed notes from 1 to 26 form an integral part of these financial statements.



Chief Financial Officer



Chief Executive Officer



Director

INCOME STATEMENT >

FOR THE PERIOD FROM JANUARY 09, 2024 TO JUNE 30, 2024

	Plan - 1	Plan - 2	Plan - 3	Plan - 4	Plan - 5	Total	
	For the period from January 09, 2024 to June 30, 2024		For the period from April 08, 2024 to June 30, 2024	For the period from May 03, 2024 to June 30, 2024	For the period from June 01, 2024 to June 30, 2024		
Note -----Rupees-----							
Income							
Profit/markup on balances with banks and investments	15	137,661,616	234,214,638	167,619,901	32,324,706	24,086,041	595,906,902
Net realised gain / (loss) on re-measurement of investments		8,161,963	(6,539,624)	5,441,826	2,454,420	1,635,801	11,154,386
Net unrealised (loss) / gain on re-measurement of investment classified at "fair value through profit or loss"		(590,544)	11,921,755	6,310,599	423,613	1,216,760	19,282,183
Total income		145,233,035	239,596,769	179,372,326	35,202,739	26,938,602	626,343,471
Expenses							
Remuneration to JS Investments Limited - Management Company	10.1	2,545,882	2,536,235	2,162,291	571,908	254,036	8,070,352
Sindh sales tax on Management Company's remuneration	10.2	330,966	329,711	281,030	74,348	34,116	1,050,171
Remuneration of Digital Custodian Company Limited - Trustee	11.1	615,873	875,883	598,004	121,163	95,264	2,306,187
Sindh sales tax on Trustee remuneration	11.2	80,064	113,867	77,742	15,752	12,385	299,810
Selling and marketing expense	10.4	3,850,000	14,450,418	3,066,362	500,000	500,000	22,366,780
Accounting and operational charges	10.3	821,153	1,167,845	797,338	161,550	127,017	3,074,903
Fee of the Securities and Exchange Commission of Pakistan (SECP)		615,867	875,884	598,004	121,162	95,262	2,306,179
Amortization of deferred formation cost	9	33,563	100,506	57,674	193,938	-	385,681
Banks and settlement charges		606,596	674,098	625,229	192,730	172,046	2,270,699
Auditors' remuneration	16	117,449	176,816	124,645	14,533	10,270	443,713
Listing Fee		224,666	224,667	224,666	-	-	673,999
Printing Charges		11,000	11,000	11,000	11,000	11,000	55,000
		9,853,079	21,536,930	8,623,985	1,978,084	1,311,396	43,303,474
Net income for the period before taxation		135,379,956	218,059,839	170,748,341	33,224,655	25,627,206	583,039,997
Taxation		-	-	-	-	-	-
Net income for the period after taxation		135,379,956	218,059,839	170,748,341	33,224,655	25,627,206	583,039,997
Allocation of net income for the period:							
Net income for the period after taxation		135,379,956	218,059,839	170,748,341	33,224,655	25,627,206	583,039,997
Income already paid on units redeemed		-	-	-	-	-	-
Accounting income available for distribution		135,379,956	218,059,839	170,748,341	33,224,655	25,627,206	583,039,997
-Relating to capital gains		7,571,419	5,382,131	11,752,425	2,878,033	2,852,561	30,436,569
-Excluding capital gains		127,808,537	212,677,708	158,995,916	30,346,622	22,774,645	552,603,428
		135,379,956	218,059,839	170,748,341	33,224,655	25,627,206	583,039,997

The annexed notes from 1 to 26 form an integral part of these financial statements.



Chief Financial Officer



Chief Executive Officer



Director

STATEMENT OF COMPREHENSIVE INCOME >

FOR THE PERIOD FROM JANUARY 09, 2024 TO JUNE 30, 2024

	Plan - 1	Plan - 2	Plan - 3	Plan - 4	Plan - 5	Total
	For the period from January 09, 2024 to June 30, 2024		For the period from April 08, 2024 to June 30, 2024	For the period from May 03, 2024 to June 30, 2024	For the period from June 01, 2024 to June 30, 2024	
	-----Rupees-----					
Net income for the period	135,379,956	218,059,839	170,748,341	33,224,655	25,627,206	583,039,997
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	135,379,956	218,059,839	170,748,341	33,224,655	25,627,206	583,039,997

The annexed notes from 1 to 26 form an integral part of these financial statements.



Chief Financial Officer



Chief Executive Officer



Director

STATEMENT OF CASH FLOW >

FOR THE PERIOD FROM JANUARY 09, 2024 TO JUNE 30, 2024

	Plan - 1	Plan - 2	Plan - 3	Plan - 4	Plan - 5	Total
	For the period from January 09, 2024 to June 30, 2024		For the period from April 08, 2024 to June 30, 2024	For the period from May 03, 2024 to June 30, 2024	For the period from June 01, 2024 to June 30, 2024	
Note -----Rupees-----						
Cash Flow From Operating Activities						
Net income for the period	135,379,956	218,059,839	170,748,341	33,224,655	25,627,206	583,039,997
Adjustments						
Net unrealised gain / (loss) on re-measurement of investment classified at "fair value through profit or loss"	590,544	(11,921,755)	(6,310,599)	(423,613)	(1,216,760)	(19,282,183)
Net realised (loss) / gain on re-measurement of investment	(8,161,963)	6,539,624	(5,441,826)	(2,454,420)	(1,635,801)	(11,154,386)
Amortization of deferred formation cost	33,563	100,506	57,674	193,938	-	385,681
	(7,537,856)	(5,281,625)	(11,694,751)	(2,684,095)	(2,852,561)	(30,050,888)
(Increase) / Decrease in current assets						
Investments - net	(1,662,287,881)	(2,295,365,423)	(3,490,459,225)	(968,416,242)	(1,491,193,064)	(9,907,721,835)
Profit Receivable	(79,516,395)	(2,167,625)	(2,013,673)	(712,747)	(528,666)	(84,939,106)
Deposits and Other Receivables	(212,631)	(212,631)	(212,631)	(212,631)	-	(850,524)
	(1,742,016,907)	(2,297,745,679)	(3,492,685,529)	(969,341,620)	(1,491,721,730)	(9,993,511,465)
(Decrease) / Increase in current liabilities						
Payable to JS Investments Limited - Management Company	4,592,790	15,391,633	4,319,431	1,027,044	925,078	26,255,976
Payable to Digital Custodian Company Limited - Trustee	123,877	172,084	247,960	71,360	107,648	722,929
Payable to the Securities and Exchange Commission of Pakistan	109,626	152,288	219,433	63,148	95,262	639,757
Accrued expenses and other liabilities	12,466,391	19,137,024	24,063,949	4,560,413	71,731	60,299,508
	17,292,684	34,853,029	28,850,773	5,721,965	1,199,719	87,918,170
Net cash used in operating activities	(1,596,882,123)	(2,050,114,436)	(3,304,781,166)	(933,079,095)	(1,467,747,366)	(9,322,553,298)
Cash Flow From Investing Activities	-	-	-	-	-	-
Cash Flow From Financing Activities						
Distribution during the period	(127,532,126)	(208,928,288)	(158,533,888)	(30,081,704)	(21,355,245)	(546,431,251)
Amount received from issuance of units	1,781,774,469	2,570,290,209	3,566,223,230	1,028,292,916	1,557,650,252	10,504,231,076
Amount paid on redemption of units	-	(100,000,000)	-	-	-	(100,000,000)
Net cash generated from financing activities	1,654,242,343	2,261,361,921	3,407,689,342	998,211,212	1,536,295,007	9,857,799,825
Net increase in cash and cash equivalents	57,360,220	211,247,485	102,908,176	65,132,117	68,547,641	505,195,639
Cash and cash equivalents at the beginning of the period	-	-	-	-	-	-
Cash and cash equivalents at the end of the period	57,360,220	211,247,485	102,908,176	65,132,117	68,547,641	505,195,639

The annexed notes from 1 to 26 form an integral part of these financial statements.



Chief Financial Officer



Chief Executive Officer



Director

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND >

FOR THE PERIOD FROM JANUARY 09, 2024 TO JUNE 30, 2024

	Plan - 1			Plan - 2			Plan - 3			Plan - 4			Plan - 5		
	For the period from January 09, 2024 to June 30, 2024			For the period from January 09, 2024 to June 30, 2024			For the Period from April 08, 2024 to June 30, 2024			For the Period from May 03, 2024 to June 30, 2024			For the Period from June 01, 2024 to June 30, 2024		
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
(Rupees)															
Net assets at beginning of the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Issuance of units:															
Plan-1 17,817,745 Units / Plan-2: 24,727,292 Units															
Plan-3: 35,662,232 Units / Plan-4: 10,282,929 Units															
Plan-5: 15,576,503 Units															
Capital value (at net asset value per unit at the beginning of the Year)	1,781,774,469	-	1,781,774,469	2,570,290,209	-	2,570,290,209	3,566,223,230	-	3,566,223,230	1,028,292,916	-	1,028,292,916	1,557,650,252	-	1,557,650,252
- Element of Income/Loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total proceeds on issuance of units	1,781,774,469	-	1,781,774,469	2,570,290,209	-	2,570,290,209	3,566,223,230	-	3,566,223,230	1,028,292,916	-	1,028,292,916	1,557,650,252	-	1,557,650,252
Redemption of units															
Plan-1 Nil Units / Plan-2: 975,610 Units															
Plan-3: Nil Units / Plan-4: Nil Units															
Plan-5: Nil Units															
Capital value (at net asset value per unit at the beginning of the Year)	-	-	-	(100,000,000)	-	(100,000,000)	-	-	-	-	-	-	-	-	-
- Element of Income/Loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Amount paid / payable on redemption of units	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total payments on redemption of units	-	-	-	(100,000,000)	-	(100,000,000)	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	135,379,956	135,379,956	-	218,059,839	218,059,839	-	170,748,341	170,748,341	-	33,224,655	33,224,655	-	25,627,206	25,627,206
Distribution during the period	-	(127,532,126)	(127,532,126)	-	(208,928,288)	(208,928,288)	-	(158,533,888)	(158,533,888)	-	(30,081,704)	(30,081,704)	-	(21,355,245)	(21,355,245)
Net assets at end of the period	1,781,774,469	7,847,830	1,789,622,299	2,470,290,209	9,131,551	2,479,421,760	3,566,223,230	12,214,453	3,578,437,683	1,028,292,916	3,142,951	1,031,435,867	1,557,650,252	4,271,961	1,561,922,213
Undistributed (loss) / income brought forward															
- Realised income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Unrealised (loss)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accounting income available for distribution															
- Relating to capital gains	7,571,419	-	-	5,382,131	-	-	-	-	-	2,878,033	-	-	-	-	-
- Excluding capital gains	127,808,537	-	-	212,677,708	-	-	158,995,916	-	-	30,346,622	-	-	-	-	-
	135,379,956	-	-	218,059,839	-	-	158,995,916	-	-	33,224,655	-	-	-	-	-
Net income for the period after taxation	135,379,956	-	-	218,059,839	-	-	170,748,341	-	-	33,224,655	-	-	-	25,627,206	-
Distributions during the period	(127,532,126)	-	-	(208,928,288)	-	-	(158,533,888)	-	-	(30,081,704)	-	-	-	(21,355,245)	-
Undistributed gain carried forward	7,847,830	-	-	9,131,551	-	-	12,214,453	-	-	3,142,951	-	-	-	4,271,961	-
Undistributed gain / (loss) carried forward															
- Realised gain	8,438,374	-	-	(2,790,204)	-	-	5,903,854	-	-	2,719,338	-	-	-	3,055,201	-
- Unrealised gain / (loss)	(590,544)	-	-	11,921,755	-	-	6,310,599	-	-	423,613	-	-	-	1,216,760	-
	7,847,830	-	-	9,131,551	-	-	12,214,453	-	-	3,142,951	-	-	-	4,271,961	-
Net assets value per unit at start of the Fund	100.00			100.00			100.00			100.00			100.00		
Net assets value per unit at end of the period	100.44			100.27			100.34			100.31			100.27		

The annexed notes from 1 to 26 form an integral part of these financial statements.



Chief Financial Officer



Chief Executive Officer



Director

NOTES TO THE STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND >

FOR THE PERIOD FROM JANUARY 09, 2024 TO JUNE 30, 2024

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 JS Fixed Term Munafa Fund ("the Fund") was established/registered under the Trust Deed and under section 16 of the Sindh Trust Act, 2020 executed between JS Investments Limited as the Management Company and Digital Custodian Company Limited as the Trustee. The trust deed was approved by the Securities and Exchange Commission of Pakistan (the SECP) vide its letter dated October 20, 2023 consequent to which the Trust Deed was executed on October 24, 2023 in accordance with the requirement of Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules). The Management Company has launched the Fund on January 09, 2024.
- 1.2 The Fund is an open end mutual Fund categorised as "Fixed Rate / Return Scheme" and is listed on the Pakistan Stock Exchange Limited. As per the offering document, the Fund shall invest in low and highly liquid short term assets including money market instruments.
- 1.3 Title to the assets of the Fund is held in the name of Digital Custodian Company Limited as Trustee of the Fund.
- 1.4 Pakistan Credit Rating Agency Limited (PACRA) has maintained the Management Company's asset manager rating of 'AM2+' with a 'stable outlook' to for JS Investments Limited. This rating underscores our dedication to maintaining high-quality management standards, reflecting positively on the overall performance and outlook of our operations.
- 1.5 During the period, **JS Fixed Term Munafa Fund – Plan 1** the duration of the Fund will be perpetual; however, the maturity of the Plan shall be 3 years (from the close of subscription period).
- 1.6 During the period, **JS Fixed Term Munafa Fund – Plan 2** the duration of the Fund will be perpetual; however, the maturity of the Plan shall be 1 year (from the close of subscription period).
- 1.7 During the period, **JS Fixed Term Munafa Fund – Plan 3** the duration of the Fund will be perpetual; however, the maturity of the Plan shall be 10 months (from the close of subscription period).
- 1.8 During the period, **JS Fixed Term Munafa Fund – Plan 4** the duration of the Fund will be perpetual; however, the maturity of the Plan shall be 3 months (from the close of subscription period).
- 1.9 During the period, **JS Fixed Term Munafa Fund – Plan 5** the duration of the Fund will be perpetual; however, the maturity of the Plan shall be 3 months (from the close of subscription period).
- 1.10 These are the first financial statements for the period from January 09, 2024 to June 30, 2024 and therefore, comparative figures have not been included.

2 SIGNIFICANT EVENTS OR TRANSACTIONS

There are no significant events or transactions during the period.

3 BASIS OF PREPARATION

3.1 Statement of compliance

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

- International Financial Reporting Standard", 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 VIII A 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).

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

3.2 Basis of Measurement

These financial statements have been prepared under the historical cost convention except for certain investments which have been marked to market and carried at fair value.

3.3 Functional and presentation currency

These financial statements are presented in Pakistani Rupees, which is the Fund's functional and presentation currency.

4 STANDARDS, AMENDMENTS AND INTERPRETATIONS TO APPROVED ACCOUNTING STANDARDS

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

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

4.2 Standards, amendments and interpretations to the published standards that are not yet notified by the Securities and Exchange Commission of Pakistan (SECP)

Further, certain new standards, amendments and interpretations have been issued by the International Accounting Standards Board (IASB) which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

4.3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these 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.

5 SUMMARY OF MATERIAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently in these financial statements.

5.1 Financial assets

5.1.1 Initial recognition and measurement

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

5.1.2 Classification and subsequent measurement

Debt instruments

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

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

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

5.1.3 Impairment

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

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecast of future economic conditions.

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

5.1.4 Impairment loss on debt securities

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

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

5.1.5 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset. Regular way purchases / sales of assets require delivery of securities within two days from the transaction date as per the stock exchange regulations.

5.1.6 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. Any gain or loss on derecognition of financial assets is taken to the Income Statement.

5.1.7 Derivatives

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

5.2 Financial liabilities

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

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

5.3 Offsetting of financial assets and financial liabilities

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

5.4 Provisions

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

NOTES TO THE STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND >

FOR THE PERIOD FROM JANUARY 09, 2024 TO JUNE 30, 2024

5.5 Cash and cash equivalents

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

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

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

5.7 Issue and redemption of units

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

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

5.8 Distribution to unit holders

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

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

5.9 Revenue recognition

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

5.10 Expenses

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

5.11 Taxation

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

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

NOTES TO THE STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND >

FOR THE PERIOD FROM JANUARY 09, 2024 TO JUNE 30, 2024

5.12 Net asset value per unit

The net asset value (NAV) per unit disclosed in the statement of assets and liabilities is calculated by dividing the net assets of the Fund by the number of units in issue at the period end.

5.13 Earning per unit

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

		June 30, 2024					Total
		Plan-1	Plan-2	Plan-3	Plan-4	Plan-5	
6	Bank balances	(Rupees)					
	Profit and loss (PLS) account	57,360,220	211,247,485	102,908,176	65,132,117	68,547,641	505,195,639

6.1 Profit and loss sharing accounts of the Fund carry profit rates ranging from 15% to 20.50% per annum.

		June 30, 2024					Total
		Plan-1	Plan-2	Plan-3	Plan-4	Plan-5	
7	INVESTMENTS	(Rupees)					
	Financial assets 'at fair value through profit or loss'						
	Market Treasury Bills	-	2,300,747,554	3,502,211,650	971,294,275	1,494,045,625	8,268,299,104
	Pakistan Investment Bonds	1,669,859,300	-	-	-	-	1,669,859,300
		<u>1,669,859,300</u>	<u>2,300,747,554</u>	<u>3,502,211,650</u>	<u>971,294,275</u>	<u>1,494,045,625</u>	<u>9,938,158,404</u>

7.1 Treasury Bills

7.1.1 Plan-1

Particulars	Face value				Value as at June 30, 2024		Market value as percentage	
	As at January 09, 2024	Purchased	Sold/ matured	As at June 30, 2024	Carrying value	Market value	Total investments of the fund	Net assets of the fund
					(Rupees)		%	
3 - Months Treasury Bills	-	15,000	15,000	-	-	-	-	-
Total cost as at June 30, 2024					-	-		

7.1.2 Plan-2

Particulars	Face value				Value as at June 30, 2024		Market value as percentage	
	As at January 09, 2024	Purchased	Sold/ matured	As at June 30, 2024	Carrying value	Market value	Total investments of the fund	Net assets of the fund
					(Rupees)		%	
3 - Months Treasury Bills	-	15,950	15,950	-	-	-	-	-
12 - Months Treasury Bills	-	89,630	62,900	26,730	2,288,825,799	2,300,747,554	100	92.79
Total cost as at June 30, 2024					<u>2,269,583,088</u>			

7.1.3 Plan-3

Particulars	Face value				Value as at June 30, 2024		Market value as percentage	
	As at April 18, 2024	Purchased	Sold/ matured	As at June 30, 2024	Carrying value	Market value	Total investments of the fund	Net assets of the fund
					(Rupees)		%	
3 - Months Treasury Bills	-	18,250	18,250	-	-	-	-	-
12 - Months Treasury Bills	-	72,500	32,250	40,250	3,495,901,051	3,502,211,650	100	97.87
Total cost as at June 30, 2024					<u>3,380,758,400</u>			

NOTES TO THE STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND >

FOR THE PERIOD FROM JANUARY 09, 2024 TO JUNE 30, 2024

- 10.1** As per regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration upto 1.5% per annum of average annual net assets of the Fund. During the period from January 09, 2024 to June 30, 2024. The remuneration is payable to the Management Company monthly in arrears.
- 10.2** The Provincial Government of Sindh has levied Sindh Sales Tax at the rate of 13% on the remuneration of the Management Company through the Sindh Sales Tax on Services Act, 2011.
- 10.3** This represents reimbursement of certain expenses to the Management Company. As per regulation 60(3) of the NBFC Regulations, fee and expenses related to registrar services, accounting, operation and valuation services related to CIS shall be payable to AMC. During the period, such expenses have been charged at the rate of 0.1% of net assets of the Fund.
- 10.4** The SECP vide Circular 11 dated July 5, 2019 has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds). The Management Company has charged selling and marketing expenses to the Fund to the extent as it has think expedient on its discretion subject to not being higher than actual expenses.

11 PAYABLE TO DIGITAL CUSTODIAN LIMITED - TRUSTEE

		June 30, 2024					Total
		Plan-1	Plan-2	Plan-3	Plan-4	Plan-5	
	Note	----- (Rupees) -----					
Trustee remuneration	11.1	109,626	152,287	219,433	63,150	95,264	639,760
Sindh sales tax on trustee remuneration	11.2	14,251	19,797	28,527	8,210	12,384	83,169
		123,877	172,084	247,960	71,360	107,648	722,929

- 11.1** The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed as per the tariff structure Based on the Trust Deed, the tariff structure applicable to the Fund as at June 30, 2024 is as follows:

Net assets	Tariff
Flat rate	0.075% p.a of net assets

However, during the last year the trustee has waived remuneration as this was the first year of the Fund, therefore no expense has been charged by the fund.

- 11.2** The Provincial Government of Sindh has levied Sindh sales tax at the rate of 13% on the remuneration of the Management Company through the Sindh Sales Tax on Services Act, 2011.

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

The annual SECP fee has been revised in accordance with policy board directive vide SRO # 592 (I) 2023 dated May 17, 2023. The fee have been charged, at the rate of 0.075% on the net asset of the Fund, during the period ended June 30, 2024.

13 ACCRUED EXPENSES AND OTHER LIABILITIES

		June 30, 2024					Total
		Plan-1	Plan-2	Plan-3	Plan-4	Plan-5	
		----- (Rupees) -----					
Brokerage payable		-	-	-	-	-	-
Audit fee payable		76,949	95,816	124,645	14,533	10,270	322,213
Capital gain tax payable		-	609,756	-	-	-	609,756
Withholding tax payable		12,389,442	18,431,452	23,939,304	4,545,880	61,461	59,367,539
		12,466,391	19,137,024	24,063,949	4,560,413	71,731	60,299,508

NOTES TO THE STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND >

FOR THE PERIOD FROM JANUARY 09, 2024 TO JUNE 30, 2024

14 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at June 30, 2024.

	Plan - 1	Plan - 2	Plan - 3	Plan - 4	Plan - 5	Total
15 PROFIT/MARKUP ON BALANCES WITH BANKS AND INVESTMENTS	For the period from January 09, 2024 to June 30, 2024		For the period from April 08, 2024 to June 30, 2024	For the period from May 03, 2024 to June 30, 2024	For the period from June 01, 2024 to June 30, 2024	
------(Rupees)-----						
Bank Profit	5,401,870	17,836,068	12,040,289	3,164,310	2,352,966	40,795,503
Interest Income on Government Securities	132,259,746	216,378,570	155,579,612	29,160,396	21,733,075	555,111,399
	<u>137,661,616</u>	<u>234,214,638</u>	<u>167,619,901</u>	<u>32,324,706</u>	<u>24,086,041</u>	<u>595,906,902</u>

16 AUDITORS' REMUNERATION

Annual audit fee	86,999	130,975	92,330	10,765	7,607	328,676
Out of pocket expenses	21,750	32,744	23,082	2,691	1,902	82,169
	<u>108,749</u>	<u>163,719</u>	<u>115,412</u>	<u>13,456</u>	<u>9,509</u>	<u>410,845</u>
Sales tax	8,700	13,097	9,233	1,077	761	32,868
	<u>117,449</u>	<u>176,816</u>	<u>124,645</u>	<u>14,533</u>	<u>10,270</u>	<u>443,713</u>

17 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund for the year ended June 30, 2024 are:

	For the period from January 09 2024 to June 30, 2024	For the period from April 08, 2024 to June 30, 2024	For the period from May 03, 2024 to June 30, 2024	For the period from June 01, 2024 to June 30, 2024
Total Expense Ratio (TER)	0.55%	0.92%	0.17%	0.20%
Government levies	0.06%	0.06%	0.02%	0.01%

The above calculated ratio is within the maximum limit of 2.50% (excluding government levies) prescribed under the NBFC Regulations for a collective investment scheme categorised as "Fixed Rate / Return Scheme".

18 NUMBER OF UNITS IN ISSUE

	For the period from January 09 2024 to June 30, 2024	For the period from April 08, 2024 to June 30, 2024	For the period from May 03, 2024 to June 30, 2024	For the period from June 01, 2024 to June 30, 2024
------(Numbers)-----				
Total units in issue at the start of the Fund	-	-	-	-
Add: Issued during the period	17,817,745	25,702,902	35,662,232	10,282,929
Less: Redemption during the period	-	(975,610)	-	-
Total units in issue at the end of the period	<u>17,817,745</u>	<u>24,727,292</u>	<u>35,662,232</u>	<u>10,282,929</u>

19 TRANSACTIONS WITH RELATED PARTIES/CONNECTED PERSONS

Connected persons / related parties include JS Investments Limited (JSIL) being the Management Company of the Fund, Digital Custodian Company Limited being the Trustee of the Fund, JS Bank Limited (JSBL) being the Holding Company of JSIL (Holding 84.56% shares of JS Investment Limited), Jahangir Siddiqui & Co. Limited (JSCL) (Holding 71.20% shares of JS Bank Ltd.) being the Holding Company of JSBL, BankIslami Pakistan Limited (BIPL) (75.12% shares held by JS Bank) being the fellow subsidiary of JSBL, JS Global Capital Limited (JSGCL) (92.90% shares held by JS Bank) being the fellow subsidiary of JSBL, and other associated companies of JSBL, JSIL and its subsidiaries, Key Management Personnel of the above entities and other funds being managed by JSIL and includes entities holding 10% or more in the units of the Fund as at June 30, 2024. It also includes staff retirement benefit funds of the above related parties / connected persons. Details of balances and transactions with the related parties / connected persons not disclosed elsewhere are as follows:

NOTES TO THE STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND >

FOR THE PERIOD FROM JANUARY 09, 2024 TO JUNE 30, 2024

Transactions with connected persons are carried out in normal course of business at contracted rates and thus determined in accordance with the market terms.

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

Transactions and balances with related parties other than disclosed elsewhere in these financial statements are as follows:

Distribution during the period

19.1 Details of transactions with related parties / connected persons during the period	Plan - 1	Plan - 2	Plan - 3	Plan - 4	Plan - 5	Total
	For the period from January 09, 2024 to June 30, 2024		For the period from April 08, 2024 to June 30, 2024	For the period from May 03, 2024 to June 30, 2024	For the period from June 01, 2024 to June 30, 2024	
	(Rupees)					
JS Investments Limited - Management Company						
Remuneration to the Management Company	2,545,882	2,536,235	2,162,291	571,908	254,036	8,070,352
Sindh Sales tax on Management Company	330,966	329,711	281,030	74,348	34,116	1,050,171
Accounting and operational charges	821,153	1,167,845	797,338	161,550	127,017	3,074,903
Printing & stationery	11,000	11,000	11,000	11,000	11,000	55,000
Amortization of formation cost	33,563	100,506	57,674	193,938	-	385,681
Selling and marketing expense	3,850,000	14,450,418	3,066,362	500,000	500,000	22,366,780
Digital Custodian Company Limited - Trustee						
Remuneration to the trustees	615,873	875,883	598,004	121,163	95,264	2,306,187
Sales tax on trustee remuneration	80,064	113,867	77,742	15,752	12,385	299,810
Key management personnel of the Management Company						
Investment by the Allocator						
Baskets JS Fixed Term	Units	309,066	-	-	-	309,066
Munafa Fund	Amount	30,906,552	-	-	-	30,906,552
Reinvest in lieu of Dividend paid:	Units	23,549	-	-	-	23,549
	Amount	2,354,889	-	-	-	2,354,889

19.1.1 Remuneration payable to the Management Company and the Trustee is determined in accordance with the provisions of NBFC Regulations, and the Trust Deed respectively.

19.1.2 Purchase and redemption of the Fund's units by related parties / connected persons are recorded at the applicable net asset value per unit. Other transactions are at agreed rates.

19.2 Details of balances with related parties / connected persons as at period end	June 30, 2024					Total
	Plan-1	Plan-2	Plan-3	Plan-4	Plan-5	
	(Rupees)					
JS Investments Limited - Management Company						
Remuneration payable to the Management Company	321,231	446,490	643,240	185,146	254,036	1,850,143
Sindh sales tax on management remuneration	41,761	58,044	83,621	24,069	33,025	240,520
Formation cost-Payable to Management Company	222,631	222,631	222,631	222,631	-	890,524
Accounting & operational charges	146,167	203,050	292,577	84,198	127,017	853,009
Printing charges payable	11,000	11,000	11,000	11,000	11,000	55,000
Selling and marketing expense payable	3,850,000	14,450,418	3,066,362	500,000	500,000	22,366,780

NOTES TO THE STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND >

FOR THE PERIOD FROM JANUARY 09, 2024 TO JUNE 30, 2024

	June 30, 2024					Total
	Plan-1	Plan-2	Plan-3	Plan-4	Plan-5	
------(Rupees)-----						
Digital Custodian Company Limited - Trustee						
Remuneration to the trustees	109,626	152,287	219,433	63,150	95,264	639,760
Sales tax on trustee remuneration	14,251	19,797	28,527	8,210	12,384	83,169
Key management personnel of the Management Company						
Units held by the Allocation						
Baskets JS Fixed Term Units	-	332,614	-	-	-	332,614
Munafa Fund Amount	-	33,351,247	-	-	-	33,351,247
Entity holding 10% or more than 10% of units of the Fund						
Units held by the Allocation						
Baskets JS Fixed Term Units	16,016,154	19,721,056	33,838,572	10,281,364	15,316,453	95,173,598
Munafa Fund Amount	1,608,662,484	1,977,430,271	3,395,362,304	1,031,323,602	1,535,780,745	9,548,559,407

20 FINANCIAL INSTRUMENTS - BY CATEGORY

Particulars	-----As at June30, 2024-----		
	At Amortised Cost	Financial asset at 'fair value through profit or loss'	Total
-----Rupees-----			
Financial assets			
Balances bank	505,195,639	-	505,195,639
Investments	-	9,938,158,404	9,938,158,404
Profit and other receivables	84,939,106	-	84,939,106
	<u>590,134,745</u>	<u>9,938,158,404</u>	<u>10,528,293,149</u>
Financial liabilities			
Payable to JS Investments Limited - Management Company	26,015,456	-	26,015,456
Payable to Digital Custodian Company Limited - Trustee	639,760	-	639,760
Payable to Securities and Exchange	639,757	-	639,757
Accrued expense and other liabilities	322,213	-	322,213
	<u>27,617,186</u>	<u>-</u>	<u>27,617,186</u>

21 FINANCIAL RISK MANAGEMENT

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

Risk management framework

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

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

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

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

21.1 Market risk

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

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

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

21.1.1 Currency risk

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

21.1.2 Profit rate risk

Yield / profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. The Fund is mainly exposed to interest rate risk on balances held with banks.

a) Sensitivity analysis for variable rate instruments

As at June 30, 2024, the Fund holds balances with banks and Pakistan investment bonds which expose the fund to cash flow interest rate risk. In case of 100 basis points increase / (decrease) in interest rates at the reporting date, the net assets of the Fund and net income/loss for the period would have been higher / lower by Rs. 21.74% million.

JS Fixed Term Munafa Fund - Plan 2

As at March 31, 2024, the Fund holds balances with banks and Pakistan investment bonds amounting Rs 35.590 million exposing the fund to cash flow interest rate risk. In case of 100 basis points increase / (decrease) in interest rates at the reporting date, the net assets of the Fund and net income for the period would have been higher / lower by Rs 0.356 million. The analysis assumes that all other variables remain constant.

b) Sensitivity analysis for fixed rate instruments

JS Fixed Term Munafa Fund - Plan 1

As at June 30, 2024, the Fund holds market treasury bills which are classified 'at fair value through profit or loss' exposing the Fund to fair value interest rate risk. In case of 100 basis points increase / decrease in KIBOR at period end announced by the Financial Markets Association of Pakistan (FMAP) on June 30, 2024 with all other variables held constant, net income for the period and net assets of the Fund would have been higher / lower by Rs. 82.68.

JS Fixed Term Munafa Fund - Plan 2

As at March 31, 2024, the Fund holds market treasury bills and sukuk certificates which are classified 'at fair value through profit or loss' exposing the Fund to fair value interest rate risk. In case of 100 basis points increase / decrease in KIBOR at period end announced by the Financial Markets Association of Pakistan (FMAP) on March 31, 2024 with all other variables held constant, net income for the period and net assets of the Fund would have been higher / lower by Rs 24.425 million.

The composition of the Fund's investment portfolio, profit rates and the rates announced by the Financial Markets Association of Pakistan (FMAP) are expected to change overtime. Accordingly, the sensitivity analysis prepared as of June 30, 2024 is not necessarily indicative of the impact on the Fund's net assets of future movements in profit rates.

NOTES TO THE STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND >

FOR THE PERIOD FROM JANUARY 09, 2024 TO JUNE 30, 2024

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

The Fund's interest rate sensitivity related to financial assets and financial liabilities as at June 30, 2024 can be determined as follows:

Particulars	June 30, 2024					
	Interest rate	Total	---Exposed to interest rate risk---			Not exposed to interest rate risk
			Upto three months	More than three months and upto one year	More than one year	
	%		(Rupees)			
On-balance sheet financial instruments						
Financial assets						
Balances with bank	15% - 20.5%	505,195,639	505,195,639	-	-	-
Investments	10.22-22.00% %	9,938,158,404	-	8,268,299,104	1,669,859,300	-
Profit and other receivables		84,939,106	-	-	-	84,939,106
		10,528,293,149	505,195,639	8,268,299,104	1,669,859,300	84,939,106
Financial liabilities						
Payable to JS Investments Limited		26,015,456	-	-	-	26,255,976
Payable to Digital Custodian Company		639,760	-	-	-	722,929
Payable to Securities and Exchange		639,757	-	-	-	639,757
Accrued expenses and other liabilities		322,213	-	-	-	60,299,508
		27,617,186	-	-	-	87,918,170
On-balance sheet gap (a)		10,500,675,963	505,195,639	8,268,299,104.00	1,669,859,300	(2,979,064)
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a+b)		10,500,675,963	505,195,639	8,268,299,104	1,669,859,300	(2,979,064)
Cumulative interest rate sensitivity gap		505,195,639	8,773,494,743	10,443,354,043		

21.1.3 Price risk

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

21.2 Credit risk

Credit risk represents the risk of a loss that would be recognised at the reporting date if the counter parties fail to perform as contracted. The Fund is exposed to counter party credit risks on investments (other than treasury bills and PIBs), balances with banks and other receivables. The credit risk on the Fund is limited because the counterparties are financial institutions with reasonably high credit ratings. Investments in Treasury bills and Pakistan Investment Bonds are government backed and hence considered as secured.

Exposure to credit risk

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

	Balance as per statement of assets and liabilities	Maximum exposure
	Rupees	
Balances bank	505,195,639	505,195,639
Investments	9,938,158,404	9,938,158,404
Profit and other receivables	84,939,106	84,939,106
	10,528,293,149	10,528,293,149

NOTES TO THE STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND >

FOR THE PERIOD FROM JANUARY 09, 2024 TO JUNE 30, 2024

Management of credit risk

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

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

- Where the investment committee makes an investment decision, the credit rating and credit worthiness of the issuer is taken into account along with the financial background so as to minimise the risk of default.
- Analyses of credit ratings and obtaining adequate collaterals wherever appropriate / relevant.
- The risk of counterparty exposure due to failed trades causing a loss to the Fund is mitigated by a periodic review of the credit ratings and financial statements of the counter party on a regular basis.
- Cash is held only with reputable banks with high quality external credit enhancements.
- Investment transactions are carried out with a large number of brokers, whose credit worthiness is taken into account so as to minimise the risk of default and transactions are settled or paid for only upon delivery.

The Fund's policy is to enter into financial contracts in accordance with the internal risk management policies and investment guidelines approved by the Investment Committee. The Fund does not expect to incur material credit losses on its financial assets.

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

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

Name of the Bank	Rating agency	Short Term Rating	Long Term Rating	Percentage
Bank Alfahah Limited	PACRA	A1+	AAA	100%

21.2.2 Concentration of credit risk

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

21.2.3 Liquidity risk

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

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

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

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

NOTES TO THE STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND >

FOR THE PERIOD FROM JANUARY 09, 2024 TO JUNE 30, 2024

Particulars	June 30, 2024			
	Total	Upto three months	Over three months and upto one year	Over one year
	----- Rupees -----			
Financial liabilities				
Payable to JS Investments Limited - Management	26,015,456	26,015,456	-	-
Payable to Digital Custodian Company Limited -	639,760	639,760	-	-
Payable to Securities and Exchange	639,757	639,757	-	-
Accrued expenses and other liabilities	322,213	322,213	-	-
	27,617,186	27,617,186	-	-

22 UNIT HOLDERS' FUND RISK MANAGEMENT

The unit holders' fund is represented by redeemable units. These units are entitled to distributions and to payment of a proportionate share, based on the Fund's Net Asset Value per unit on the redemption date. The relevant movements are shown in the 'Statement of Movement in Unit Holders' Fund'.

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

The Fund has no restrictions on the subscription and redemption of units. As required under the NBFC regulations, 2008, every open end scheme shall maintain fund size (i.e. net assets of the Fund) of Rs. 100 million at all times during the life of the scheme. The Fund has historically maintained and complied with the requirement of minimum fund size at all times.

In accordance with the risk management policies stated in note 21, the Fund endeavours to invest the subscriptions received in appropriate investments avenues while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by short-term borrowings or disposal of investments, where necessary.

23 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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 tradeable in an open market are revalued at market prices prevailing on the reporting date. The estimated fair value of all other financial assets and financial liabilities is considered not to be significantly different from the respective book values as the items are either short-term in nature or repriced periodically.

Fair value hierarchy

The Fund uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted prices in active markets for identical assets.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly.

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable.

Financial assets 'at fair value through profit or	Level 1	Level 2	Level 3	Total
		----- Rupees -----		
Market Treasury Bills*	-	8,268,299,104	-	8,268,299,104
Pakistan Investment Bonds*	-	1,669,859,300	-	1,669,859,300
	-	9,938,158,404	-	9,938,158,404

* The valuation has been done based on PKRV valuation technique

NOTES TO THE STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND >

FOR THE PERIOD FROM JANUARY 09, 2024 TO JUNE 30, 2024

As at June 30, 2024, the carrying value of all other financial assets and liabilities approximate their fair value since these are short term in nature and are placed with counterparties which have high credit rating.

24 SUPPLEMENTARY NON FINANCIAL INFORMATION

The information regarding units holding pattern, top ten brokers, particulars of members of the Investment Committee and fund manager, particulars of meetings of the Board of Directors of the Management Company, meetings of Audit Committee of the Management Company, meetings of the Human Resource and Remuneration Committee of the Management Company and rating of the Fund and the management company are as follows:

24.1 Details of the members of investment committee of the Fund are as

S. No.	Name	Designation	Experience in years	Qualification
1	Ms. Iffat Zehra Mankani	Chief Executive Officer	23	MBA
2	Mr. Khawar Iqbal	Chief Operating Officer and Company	31	MBA
3	Mr. Syed Hussain Haider	Chief Investment officer/ Fund Manager	21	CFA
4	Mr. Asim Ilyas	Head of Fixed Income	21	MAS/ MSc.
5	Mr. Safdar Raza	Senior Manager	21	B.Com

24.2 Transactions with Brokers/Dealers

24.2.1 List of top 10 brokers by percentage of commission charged during the period ended June 30, 2024:

S. No.	Name	Percentage of Commission/ Brokerage
1	C&M Management (Private) Limited	31.97%
2	Alfalah CLSA Securities (Private) Limited	20.18%
3	Pearl Securities Limited	15.08%
4	Continental exchange (Private) Limited	9.66%
5	Currency market associates (Private) Limited	8.31%
6	Ktrade Securities Limited	7.47%
7	Summit Capital (Private) Limited	2.52%
8	Bright Capital (Private) Limited	1.89%
9	Vector Capital (Private) Limited	1.41%
10	First Credi and Investment Bank Limited	1.05%

24.3 Pattern of unit holding

Particulars	June 30, 2024			
	Number of unitholders	Number of unit held	Net asset value of the amount invested (Rs in million)	% age of total investment
Plan-1				
Individuals	1	958,303	96.25	5%
Associated Companies	-	-	-	-
Retirement Fund	-	-	-	-
Corporate	1	16,016,154	1,608.67	90%
others	1	843,288	84.70	5%
	3	17,817,745	1,789.62	100%

NOTES TO THE STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND >

FOR THE PERIOD FROM JANUARY 09, 2024 TO JUNE 30, 2024

Particulars	June 30, 2024			
	Number of unitholders	Number of units held	Net asset value of the amount invested (Rs in million)	% age of total investment
Plan-2				
Individuals	20	2,096,634	210.23	8%
Associated Companies	-	-	-	-
Director	2	332,614	33.35	1%
Retirement Fund	5	1,670,165	167.47	7%
Corporate	5	19,775,551	1,982.91	80%
others	1	852,328	85.46	3%
	33	24,727,292	2,479.42	100%
Plan-3				
Individuals	5	1,823,660	182.99	5%
Associated Companies	-	-	-	-
Director	-	-	-	-
Retirement Fund	-	-	-	-
Corporate	3	33,838,572	3,395.45	95%
others	-	-	-	-
	8	35,662,232	3,578.44	100%
Plan-4				
Individuals	1	1,565	0.16	-
Associated Companies	-	-	-	-
Director	-	-	-	-
Retirement Fund	-	-	-	-
Corporate	1	10,281,364	1,031.28	100%
others	-	-	-	-
	2	10,282,929	1,031.44	100%
Plan-5				
Individuals	1	173,943	17.44	1%
Associated Companies	-	-	-	-
Director	-	-	-	-
Retirement Fund	1	86,106	8.63	1%
Corporate	-	15,316,454	1,535.85	98%
others	-	-	-	-
	2	15,576,503	1,561.92	100%

NOTES TO THE STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND >

FOR THE PERIOD FROM JANUARY 09, 2024 TO JUNE 30, 2024

24.4 Attendance at the meeting of the Board of Directors of the Management Company

The 173th and 174th meetings of the Board of Directors were held on February 20, 2024 and April 24, 2024 respectively. Information in respect of attendance by the directors and other persons in the meetings is given below:

S. No	Name of Directors	Meetings held on		
		Meetings attended	February 20, 2024	April 24, 2024
1	Mr. Suleman Lalani	2	P	P
2	Ms. Iffat Zehra Mankani	2	P	P
3	Mr. Hasan Shahid	2	P	P
4	Ms. Aisha Fariel Salahuddin	-	-	-
5	Mr. Mirza M. Sadeed Hasan Barlas	1	P	-
6	Mr. Atif Salim Malik	2	P	P
7	Ms. Mediha Kamal Afsar	2	P	P
8	Mr. Farooq Ahmed Malik	2	P	P

24.5 Meetings of the audit committee

S. No	Name of Directors	Meetings held on	
		Meetings attended	February 24, 2024
1	Ms. Aisha Fariel Salahuddin	1	P
2	Mr. Suleman Lalani	1	P
3	Ms. Iffat Zehra Mankani	1	P

24.6 Meetings of the Human Resource and Remuneration Committee

S. No	Name of Directors	Meetings held on		
		Meetings attended	February 19, 2024	April 22, 2024
1	Ms. Mediha Kamal Afsar	2	P	P
2	Mr. Hasan Shahid	2	P	P
3	Mr. Mirza M. Sadeed Hasan Barlas	1	-	P

25 Figures in the financial statements have been rounded off to nearest rupee.

25.1 Units have been rounded off to the nearest decimal place.

26 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by Board of Directors of the Management Company of the Fund on August



Chief Financial Officer



Chief Executive Officer



Director



JS INVESTMENTS OFFICES

- **Head Office - Karachi**
19th Floor, The Centre, Plot No. 28, SB-5,
Abdullah Haroon Road, Saddar, Karachi.
- **Regional Office - Lahore**
Ground Floor, No. 25, Block 13, Plot No.1-4,
Usman Block, New Garden Town, Lahore
- **Wealth Centre**
Ground Floor, Plot No. 97-C, Main
Khayaban-e-Shaheen, DHA Phase 8,
Karachi
- **Regional Office - Islamabad**
Office No. 414, 4th Floor, PSX Building,
Jinnah Avenue, Islamabad

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