

# Shaping Tomorrow's Solutions, Today!

**JS GROWTH FUND**

**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

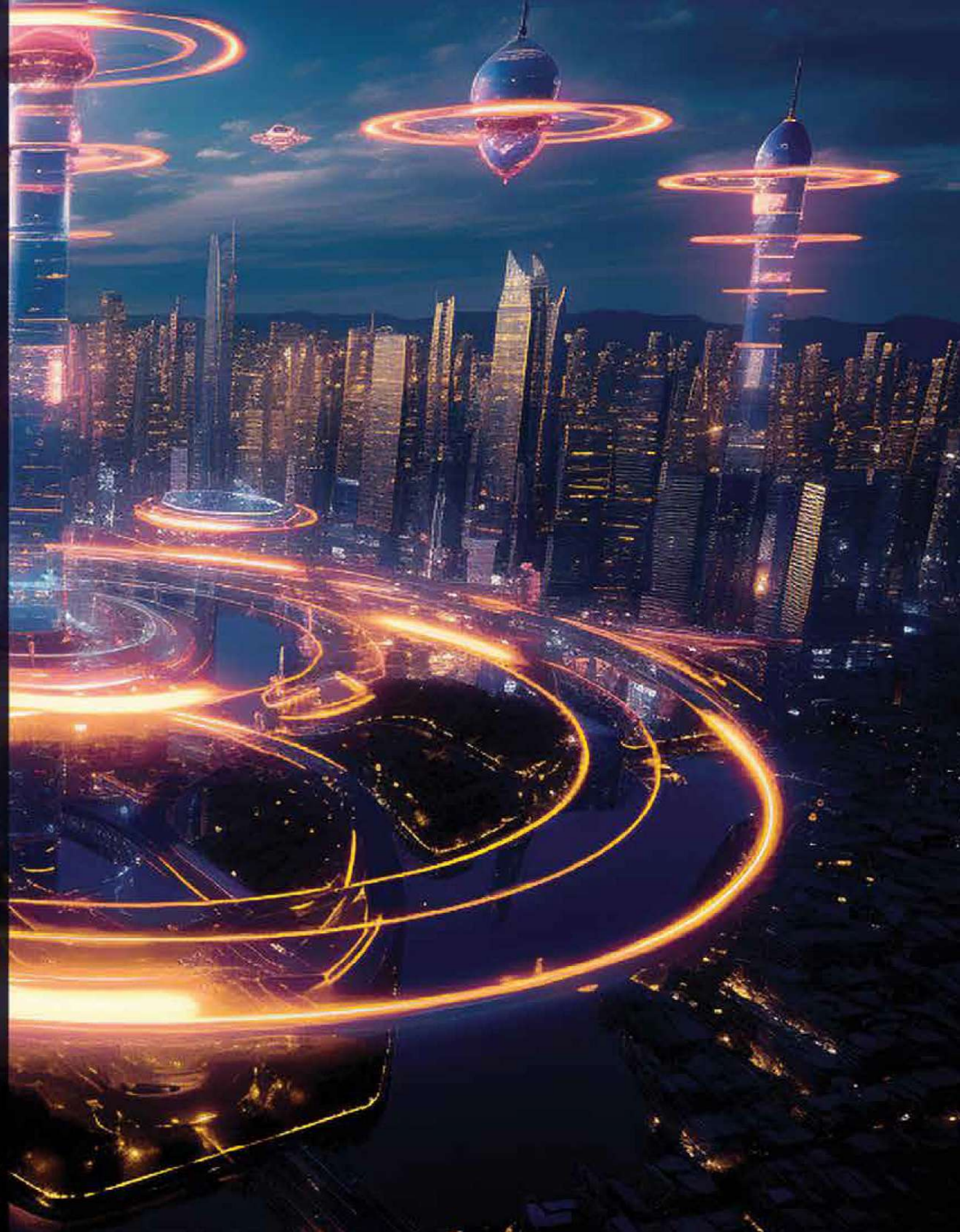
Ms. Mediha Kamal Afsar (Chairperson)  
Mr. Hasan Shahid (Member)  
Mr. Mirza M. Sadeed H. Barlas (Member)

## Trustee

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 Growth 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, recorded at 6.8% for FY24, has improved from the revised estimate of 7.4% outlined in the latest budget documents. It is further projected to decline 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 for FY24 saw a significant reduction to US\$681 million, compared to US\$3,275 million in FY23, 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.

## Review of Fund Performance

The Fund return was 78.07% for the year ended June 30, 2024, against a benchmark return of 94.99%. The Fund's Net Assets increased from PKR 1.43 billion as of June 30, 2023, to PKR 2.50 billion as of June 30, 2024. The Fund's total expense ratio is 4.88%, which includes 0.43% of government levies on the Fund.

## Dividend

The Fund paid an interim cash dividend of Rs 3.00 per unit during the year ended June 30, 2024.

## 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 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 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 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، JS گروٹھ فنڈ (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 لچک 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 زور 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 زور 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۔

### 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 آرٹیکل (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 شرعیہ 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 بلین امریکی ڈالر اور 127 بلین امریکی ڈالر کی ایکویٹی خریدی۔ اس کے برعکس بینکوں 1 ڈی ایف آئی اور انفرادی سرمایہ کار بڑے فروخت کنندگان تھے، جنہوں نے بالترتیب 150 بلین امریکی ڈالر اور 60 بلین امریکی ڈالر مالیت کی ایکویٹی 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۔

## فنڈ کی کارکردگی کا جائزہ

30 جون 2024 کو ختم ہونے والے سال کے لیے فنڈ کا منافع 94.99 فیصد اپنے بیچ مارک منافع کے مقابلے میں 78.07 فیصد رہا۔ 30 جون 2024 کو خالص اثاثہ جات 30 جون 2023 کے 1.43 بلین روپے سے 2.50 بلین روپے پر پہنچ گئے۔ گل اخراجات کا تناسب 4.88 فیصد ہے، جس میں فنڈ پر حکومتی محصولات کا 0.43 فیصد شامل ہے۔

## ڈیویڈنڈ

30 جون 2024 کو ختم ہونے والے سال کے دوران فنڈ نے 3.00 روپے فی یونٹ انٹیرم کیس ڈیویڈنڈ ادا کیا۔

## ایسیٹ مینجریٹنگ

پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) نے ہماری مینجمنٹ کمپنی کی "AM 2+" ایسیٹ مینجریٹنگ کو "مشکم" 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 ایف فرگوسن، 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 ایف فرگوسن، چارٹرڈ اکاؤنٹنٹس کی 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 ہجان 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 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

Annual Report 2023

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

Equity Fund / Open end

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

The main objective of JSGF is to enable the Certificate Holders to participate in a diversified portfolio of high quality equity securities listed on the stock exchanges and to maximize the investment return, by prudent investment management.

- 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**

KSE30 (Total Return Index)

- 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
JSGF	15.66%	-7.69%	3.61%	9.10%	13.44%	6.32%	0.93%	2.45%	3.15%	6.60%	5.22%	2.26%	78.07%
Benchmark	18.12%	-6.23%	1.56%	13.19%	15.71%	2.91%	0.86%	5.50%	2.93%	7.22%	5.46%	3.86%	94.99%
<b>Diff.</b>	<b>-2.45%</b>	<b>-1.46%</b>	<b>2.05%</b>	<b>-4.09%</b>	<b>-2.27%</b>	<b>3.41%</b>	<b>0.07%</b>	<b>-3.05%</b>	<b>0.22%</b>	<b>-0.62%</b>	<b>-0.24%</b>	<b>-1.60%</b>	<b>-16.92%</b>

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

During the year, the fund shifted its focus toward growth-oriented sectors with strong fundamentals, capturing opportunities in undervalued stocks with promising recovery potential. The allocation strategy was adjusted to leverage improving macroeconomic indicators, allowing for a more optimistic positioning in cyclical sectors while maintaining a disciplined approach to risk management.

- 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	8.59%	13.90%
Equity	90.78%	84.18%
Other including receivables	0.63%	1.92%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

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

	Fund		Fund	BM
Information Ratio	0.00	Beta	0.9	1.0
Correlation	0.93	Largest Month Gain	22.6%	25.2%
Standard Deviation	23.0%	Largest Month Loss	-35.2%	-45.1%
Expense Ratio**	4.9%	% Positive Months	57.9%	57.9%

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

\*\* This includes 0.43% Government levy & SECP fee; 1.75% 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	2,385	256.78
30-Jun-23	1,433	145.89

# FUND MANAGER REPORT

Annual Report 2023

- **Disclosure of the markets that the Collective Investment Scheme has invested in:**  
JS Growth Fund invests in equity securities listed on the Pakistan Stock Exchange (PSX).

- **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. 3.00 per unit of Rs. 100/- i.e. 3.00%. The cumulative distribution for FY24 is Rs. 3.00 per unit.

NAV per unit as on June 30, 2023	
Cum NAV (PKR)	256.78
Ex-NAV (PKR)	256.78

- **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 Growth Fund	0.0001	to	9,999.9999	22,137
	10,000.0000	to	49,999.9999	21
	50,000.0000	to	99,999.9999	2
	100,000.0000	to	499,999.9999	8
	500,000.0000	&	above	6
			<b>Total</b>	<b>22,174</b>

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

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

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

Investment is subject to market risk.

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

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

# PERFORMANCE TABLE

		Years				
		2024	2023	2022	2021	2020
Net assets	Rs.	2,498,129	1,432,882	1,976,241	2,086,085	1,716,078
Net income / loss	Rs.	1,197,646	(36,057)	(537,141)	492,749	74,473
Total return of the Fund	%	78.07	(1.89)	(20.23)	27.63	6.91
Annual dividend distribution	%	3.00	-	-	-	6.00
Capital Growth	%	75.07	(1.89)	(20.23)	27.63	0.91
Average annual return						
- One Year	%	78.07	(1.89)	(20.23)	27.63	6.91
- Two Years	%	38.09	(11.06)	3.70	17.27	(8.26)
- Three Years	%	18.65	1.84	4.77	3.70	(10.81)
NAV per unit	Rs.	256.78	145.89	148.70	186.41	146.06
Highest offer price per unit	Rs.	270.94	159.29	195.41	202.49	184.04
Lowest offer price per unit	Rs.	160.04	138.55	150.86	153.23	116.30
Year-end offer price per unit	Rs.	265.50	150.84	153.75	192.73	151.01
Highest repurchase price per unit	Rs.	262.05	154.06	189.00	195.85	178.00
Lowest repurchase price per unit	Rs.	154.79	134.00	145.91	148.20	112.48
Year-end repurchase price per unit	Rs.	256.78	145.89	148.70	186.41	146.06
Interim distribution	Rs.	-	-	-	-	-
Announcement date						
Final distribution	Rs.	3.00	-	-	-	6.00
Announcement date		27-Jun-24	-	-	-	29-Jun-20
<b>Total distribution as % of par value</b>	<b>%</b>	<b>3.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6.00</b>

## Notes

- JS Growth Fund was launched on June 28, 2005.
- Units have par value of Rs. 100/- each.
- Investment portfolio composition of the Fund is disclosed in note 5 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 GROWTH FUND

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

JS Growth Fund was a close-end scheme established under a Trust Deed executed between JS Investments Limited, as the Management Company and Central Depository Company of Pakistan Limited, as the Trustee. The Scheme was authorized by Securities and Exchange Commission of Pakistan (SECP) on April 05, 2006.

As per the Deed of change of Trustee and amendment of Trust Deed dated February 02, 2008 Central Depository Company of Pakistan Limited retired as the Trustee and Digital Custodian Company Limited was appointed as the Trustee of JS Growth Fund.

Pursuant to Regulation 65 (4) of the NBFC Regulations 2008, as amended by SECP vide its S.R.O 1492(1)/2012 dated December 26, 2012 (the Regulations), an Extra Ordinary General Meeting (EOGM) of the certificate holders of the Fund was convened on April 30, 2013 in Karachi wherein a resolution was passed by Ninety nine percent (99%) significant majority for the conversion of the Fund from a close end scheme into an open end scheme. The new trust deed of JS Growth Fund was executed JS Investments Limited being the Management Company, a company incorporated under the Companies Ordinance, 1984 and Digital Custodian Company Limited being the trustee on July 20, 2013 after being approved by the SECP on same date in accordance with the provisions of NBFC Regulations.

1. JS Investments Limited, the Management Company of JS Growth Fund has, in all material respects, managed JS Growth 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 Growth Fund**

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the financial statements of JS Growth 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	<b>Net Asset Value</b> (Refer note 5 to the financial statements)	
	Investments constitute the most significant component of the net assets value. Investments of the Fund as at June 30, 2024 amounted to Rs. 2,445.11 million. The existence and proper valuation of investments 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.	Our audit procedures amongst others included the following: <ul style="list-style-type: none"> <li>obtained independent confirmations for verifying the existence of the investment portfolio 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; and</li> <li>re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies.</li> </ul>

*AFC*

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

Affco



- 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: AR202410061K06SOVhxN



**Financial Position**  
& Performance

# STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2024

		2024	2023
	<b>Note</b>	----- Rupees -----	
<b>ASSETS</b>			
Balances with banks	4	231,391,030	223,544,159
Investments	5	2,445,108,327	1,345,102,716
Profit and other receivable	6	6,828,417	2,954,489
Advances and deposits	7	10,254,921	10,254,921
Receivable against sale of investments		-	15,957,000
<b>Total assets</b>		<b>2,693,582,695</b>	<b>1,597,813,285</b>
<b>LIABILITIES</b>			
Payable to JS Investments Limited - Management Company	8	63,184,586	58,505,764
Payable to Digital Custodian Company Limited - Trustee	9	222,052	150,172
Payable against redemption of units		47,688	-
Payable to the Securities and Exchange Commission of Pakistan (SECP)	10	197,575	359,172
Unclaimed dividend		113,056,932	104,438,562
Payable against purchase of investments		10,945,423	131,823
Accrued expenses and other liabilities	11	7,799,010	1,345,966
<b>Total liabilities</b>		<b>195,453,266</b>	<b>164,931,459</b>
<b>Net assets</b>		<b>2,498,129,429</b>	<b>1,432,881,826</b>
<b>Unit holders' fund (as per statement attached)</b>		<b>2,498,129,429</b>	<b>1,432,881,826</b>
<b>Contingencies and commitments</b>	12	----- Number of units -----	
<b>Number of units in issue</b>	13	<b>9,728,825</b>	<b>9,821,478</b>
<b>Net asset value per unit</b>		<b>256.78</b>	<b>145.89</b>

The annexed notes from 1 to 27 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 -----	
<b>INCOME</b>			
Profit earned on balances with banks		61,708,837	65,754,624
Other income		18,689,595	3,792,889
Net realised gain / (loss) on sale of investments		462,242,879	(29,395,539)
Dividend income		158,159,597	140,387,079
Net unrealised appreciation / (diminution) on re-measurement of investments classified as financial asset 'at fair value through profit or loss'	5.4	601,393,527	(139,131,423)
<b>Total income</b>		<b>1,302,194,435</b>	<b>41,407,630</b>
<b>EXPENSES</b>			
Remuneration of JS Investments Limited - Management Company	8.1	41,823,276	28,846,880
Sindh Sales Tax on remuneration of the Management Company	8.2	5,437,026	3,749,914
Allocated expenses	8.4	2,141,161	1,652,410
Selling and marketing expenses	8.5	37,529,611	33,453,195
Printing and stationery charges		101,468	101,468
Remuneration of Digital Custodian Company Limited - Trustee	9.1	2,138,987	1,791,338
Sindh Sales Tax on remuneration of the Trustee	9.2	278,068	232,879
CDC settlement charges		221,400	220,640
Fee to the Securities and Exchange Commission of Pakistan (SECP)		2,034,089	330,482
Annual listing fee		56,500	50,000
SECP supervisory fee		5,000	5,000
Bank charges		-	509
Auditors' remuneration	14	948,619	837,540
Securities transactions cost		11,833,455	6,192,543
<b>Total expenses</b>		<b>104,548,660</b>	<b>77,464,798</b>
<b>Net income / (loss) for the year before taxation</b>		<b>1,197,645,775</b>	<b>(36,057,168)</b>
Taxation	15	-	-
<b>Net income / (loss) for the year after taxation</b>		<b>1,197,645,775</b>	<b>(36,057,168)</b>
<b>Allocation of net income for the year</b>			
Net income for the year after taxation		1,197,645,775	-
Income already paid on units redeemed		(139,740,994)	-
		<b>1,057,904,781</b>	-
<b>Accounting income available for distribution</b>			
- Relating to capital gains		1,057,904,781	-
- Excluding capital gains		-	-
		<b>1,057,904,781</b>	-

The annexed notes from 1 to 27 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 -----	
<b>Net income / (loss) for the year after taxation</b>	<b>1,197,645,775</b>	<b>(36,057,168)</b>
Other comprehensive income for the year	-	-
<b>Total comprehensive income / (loss) for the year</b>	<b><u>1,197,645,775</u></b>	<b><u>(36,057,168)</u></b>

The annexed notes from 1 to 27 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 -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income / (loss) for the year after taxation	1,197,645,775	(36,057,168)
<b>Adjustments for:</b>		
Net unrealised (appreciation) / diminution on re-measurement of investments classified as financial asset 'at fair value through profit or loss'	(601,393,527)	139,131,423
Net realised (gain) / loss on sale of investments	(462,242,879)	29,395,539
	<b>134,009,369</b>	<b>132,469,794</b>
<b>(Increase) / decrease in assets</b>		
Investments - net	(36,369,205)	71,796,759
Profit and other receivable	(3,873,928)	2,962,369
Advances and deposits	-	294,389
Receivable against sale of investments	15,957,000	(11,045,125)
	<b>(24,286,133)</b>	<b>64,008,392</b>
<b>Increase / (decrease) in liabilities</b>		
Payable to JS Investments Limited - Management Company	4,678,822	(1,110,980)
Payable to Digital Custodian Company Limited - Trustee	71,880	(40,987)
Payable to the Securities and Exchange Commission of Pakistan (SECP)	(161,597)	(136,859)
Payable against purchase of investments - net	10,813,600	131,823
Accrued expenses and other liabilities	6,500,732	207,516
	<b>21,903,437</b>	<b>(949,487)</b>
<b>Net cash generated from operating activities</b>	<b>131,626,673</b>	<b>195,528,699</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid	(19,989,045)	(10,891)
Receipts against issuance of units	1,260,667,638	250,193,516
Payments against redemption of units	(1,364,458,395)	(757,495,759)
<b>Net cash used in financing activities</b>	<b>(123,779,802)</b>	<b>(507,313,134)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>7,846,871</b>	<b>(311,784,435)</b>
Cash and cash equivalents at the beginning of the year	223,544,159	535,328,594
<b>Cash and cash equivalents at the end of the year</b>	<b>231,391,030</b>	<b>223,544,159</b>

Note

4

The annexed notes from 1 to 27 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
	Rupees			Rupees		
<b>Net assets at the beginning of the year</b>	922,603,025	510,278,801	1,432,881,826	1,429,905,268	546,335,969	1,976,241,237
Issuance of 6,497,358 (2023: 1,727,098 units)						
- Capital value (at net asset value per unit at the beginning of the year)	947,899,559	-	947,899,559	256,819,473	-	256,819,473
- Element of income / (loss)	312,768,079	-	312,768,079	(6,625,957)	-	(6,625,957)
Total proceeds on issuance of units	1,260,667,638	-	1,260,667,638	250,193,516	-	250,193,516
Redemption of 6,590,011 (2023: 5,195,910 units)						
- Capital value (at net asset value per unit at the beginning of the year)	(961,416,705)	-	(961,416,705)	(772,631,817)	-	(772,631,817)
- Element of (income) / loss	(263,300,696)	(139,740,994)	(403,041,690)	15,136,058	-	15,136,058
Total payments on redemption of units	(1,224,717,401)	(139,740,994)	(1,364,458,395)	(757,495,759)	-	(757,495,759)
Total comprehensive income / (loss) for the year	-	1,197,645,775	1,197,645,775	-	(36,057,168)	(36,057,168)
Distribution for the year ended June 30, 2024 on June 27, 2024 @ Rs. 3 per unit	-	(28,607,415)	(28,607,415)			
<b>Net assets at the end of the year</b>	<b>958,553,262</b>	<b>1,539,576,167</b>	<b>2,498,129,429</b>	<b>922,603,025</b>	<b>510,278,801</b>	<b>1,432,881,826</b>
<b>Undistributed income brought forward:</b>						
- Realised income		649,410,224			875,255,441	
- Unrealised loss		(139,131,423)			(328,919,472)	
		510,278,801			546,335,969	
<b>Accounting income available for distribution</b>						
- Relating to capital gains		1,057,904,781			-	
- Excluding capital gains		-			-	
		1,057,904,781			-	
Distribution for the year ended June 30, 2024 on June 27, 2024 @ Rs. 3 per unit		(28,607,415)			-	
Total comprehensive loss for the year		-			(36,057,168)	
<b>Undistributed income carried forward</b>		<b>1,539,576,167</b>			<b>510,278,801</b>	
<b>Undistributed income carried forward:</b>						
- Realised income		938,182,640			649,410,224	
- Unrealised income / (loss)		601,393,527			(139,131,423)	
		1,539,576,167			510,278,801	
		<b>(Rupees)</b>			<b>(Rupees)</b>	
Net asset value per unit at the beginning of the year		145.89			148.70	
Net asset value per unit at the end of the year		256.78			145.89	

The annexed notes from 1 to 27 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 Growth 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 July 18, 2013 consequent to which the Trust Deed was executed on July 18, 2013 in accordance with the requirement of Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008, (NBFC Regulations, 2008).

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 September 3, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

1.2 The Fund is an open end mutual fund categorized as "Equity Scheme" and is listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering them to the Fund. The Fund is required to maintain at least 70% of its net assets invested in listed equity securities.

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 Pakistan Credit Rating Agency Limited (PACRA) has assigned Management Company a quality rating of 'AM2+' with 'stable outlook' dated December 27, 2023 (2023: 'AM2+' with 'stable outlook').

1.5 Title to the assets of the Fund are held in the name of Digital Custodian Company Limited as Trustee of 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 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 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 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 judgments about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

The estimates and judgments that have a significant effect on the financial statements of the Fund relate to classification, valuation and impairment of financial assets (notes 3.2 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 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 recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the Income Statement.

### 3.2.2 Classification and subsequent measurement

#### 3.2.2.1 Debt instruments

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

- 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.

#### 3.2.2.2 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 recognised 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 recognised 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.

#### 3.2.3 Impairment

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.

### 3.2.4 Impairment loss on debt securities

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

As allowed by the SECP, the Management Company may make provision against debt securities over and above the minimum provision requirement prescribed by the SECP, considering the specific credit and financial conditions of the debt security issuer and in accordance with the provisioning policy duly approved by the Board of Directors of the Management Company.

### 3.2.5 Regular way contracts

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

### 3.2.6 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 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

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.

### 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 recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

## 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 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 to 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 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.

### 3.9 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 collected, if any, is payable to the Management Company / distributors.

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) 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 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.

### 3.11 Revenue recognition

- Realised gains / (losses) arising on sale of investments are included in the Income Statement and are recognised when the transaction takes place;

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

- 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 they arise;
- Dividend income is recognised 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; and
- Interest income on bank balances in savings accounts is recognised 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 and Trustee and annual fee to the SECP are recognised in the Income Statement on an accrual basis.

### 3.13 Earnings / (loss) per unit

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

Earnings / (loss) 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 -----	
	Balances with banks in:			
	Savings accounts	4.1	226,326,363	218,479,492
	Current accounts		5,064,667	5,064,667
			<u>231,391,030</u>	<u>223,544,159</u>

- 4.1 These include a bank balance of Rs 118.396 million (2023: Rs 117.16 million) maintained with JS Bank Limited (a related party) that carries profit at the rate of 20.82% per annum (2023: 19.60% per annum) and a balance of Rs 0.08 million (2023: Rs 0.06 million) maintained with BankIslami Pakistan Limited (a related party) that carries profit at the rate of 18.50% per annum (2023: 19.75% per annum). Other savings accounts of the Fund carry profit rates ranging from 15.00% to 21.00% per annum (2023: 14.50% to 21.00% per annum).

5	INVESTMENTS	Note	2024	2023
			----- Rupees -----	
	<b>Financial assets at 'fair value through profit or loss'</b>			
	Listed equity securities	5.1	<u>2,445,108,327</u>	<u>1,345,102,716</u>
			<u>2,445,108,327</u>	<u>1,345,102,716</u>

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

## 5.1 Listed equity securities

Ordinary shares have a face value of Rs. 10 each unless stated otherwise.

Name of the investee company	As at July 1, 2023	Purchased during the year	Bonus/ subdivision/ right issued during the year	Sold during the year	As at June 30, 2024	Balance as at June 30, 2024			Market value as a percentage of		Paid-up value of shares held as a percentage of total paid-up capital of the investee company
						Carrying value	Market value	Unrealised appreciation / (diminution)	net assets of the Fund	total investments of the Fund	
						Rupees			%		
<b>Automobile Assemblers</b>											
Millat Tractors Limited	418	-	-	418	-	-	-	-	-	-	-
<b>Cement</b>											
Cherat Cement Company Limited	265,462	358,810	-	624,272	-	-	-	-	-	-	-
D.G.Khan Cement Company Limited	325,000	3,500,000	-	3,117,000	708,000	46,772,817	63,911,160	17,138,343	2.56%	2.61%	0.16%
Lucky Cement Limited	68,119	169,100	-	81,100	156,119	101,927,810	141,557,781	39,629,971	5.67%	5.79%	0.05%
Maple Leaf Cement Factory Limited	2,800,000	4,125,000	-	4,051,000	2,874,000	90,246,252	109,212,000	18,965,748	4.37%	4.47%	0.27%
Pioneer Cement Limited	-	444,500	-	131,000	313,500	36,189,895	52,871,775	16,681,880	2.12%	2.16%	0.14%
						275,136,774	367,552,716	92,415,942	14.72%	15.03%	0.62%
<b>Chemicals</b>											
AgriTech Limited	1,331,303	-	-	1,300,000	31,303	135,855	640,459	504,604	0.03%	0.03%	0.01%
Descon Oxychem Limited	900,000	-	-	900,000	-	-	-	-	-	-	-
Engro Polymer & Chemicals Limited	650,000	578,866	-	1,228,866	-	-	-	-	-	-	-
						135,855	640,459	504,604	0.03%	0.03%	0.01%
<b>Commercial Banks</b>											
Bank Alfalah Limited	1,421,200	300,000	-	682,500	1,038,700	33,322,791	70,652,374	37,329,583	2.83%	2.89%	0.07%
Bank Al Habib Limited	19,436	822,460	-	87,436	754,460	62,435,921	84,635,323	22,199,402	3.39%	3.46%	0.07%
BankIslami Pakistan Limited (a related party)	2,202,500	1,530,000	-	3,145,138	587,362	10,543,878	13,074,678	2,530,800	0.52%	0.53%	0.05%
Habib Bank Limited	1,136,750	545,000	-	1,681,750	-	-	-	-	-	-	-
MCB Bank Limited	-	380,000	-	21,000	359,000	65,484,895	81,500,180	16,015,285	3.26%	3.33%	0.03%
Meezan Bank Limited	-	598,000	-	245,500	352,500	49,663,565	84,384,975	34,721,410	3.38%	3.45%	0.02%
National Bank of Pakistan Limited	-	3,154,000	-	785,000	2,369,000	74,113,869	88,008,350	13,894,481	3.52%	3.60%	0.11%
The Bank of Punjab Limited	412	-	-	412	-	-	-	-	-	-	-
United Bank Limited	806,168	80,000	-	516,000	370,168	47,508,651	94,851,848	47,343,197	3.80%	3.88%	0.03%
						343,073,570	517,107,728	174,034,158	20.70%	21.14%	0.38%
<b>Engineering</b>											
Aisha Steel Mills Limited	2,564,607	5,927,731	-	453,000	8,039,338	51,245,440	59,169,528	7,924,088	2.37%	2.42%	0.87%
Amreli Steels Limited	-	110,000	-	2,000	108,000	2,864,122	2,914,920	50,798	0.12%	0.12%	0.04%
International Steel Limited	-	115,000	-	115,000	-	-	-	-	-	-	-
Mughal Iron & Steels Industries Limited	-	1,017,132	-	59,000	958,132	68,111,340	89,106,276	20,994,936	3.57%	3.64%	0.29%
						122,220,902	151,190,724	28,969,822	6.06%	6.18%	1.20%
<b>Fertilizers</b>											
Engro Corporation Limited	102,537	284,000	-	91,500	295,037	87,606,602	98,161,760	10,555,158	3.93%	4.01%	0.05%
Engro Fertilizers Limited	688,796	522,000	-	822,796	388,000	47,641,747	64,493,360	16,851,613	2.58%	2.64%	0.03%
Fatima Fertilizer Company Limited**	5,316	-	-	-	5,316	158,470	274,412	115,942	0.01%	0.01%	-
Fauji Fertilizer Bin Qasim Limited	-	1,821,550	-	82,000	1,739,550	57,391,238	61,701,839	4,310,601	2.47%	2.52%	0.13%
Fauji Fertilizer Company Limited	884,773	545,000	-	1,081,000	348,773	35,596,498	56,982,533	21,386,035	2.28%	2.33%	0.03%
						228,394,555	281,613,904	53,219,349	11.27%	11.51%	0.24%
<b>Glass And Ceramics</b>											
Ghani Glass Limited	-	795,000	-	156,000	639,000	20,627,603	16,652,340	(3,975,263)	0.67%	0.68%	0.06%
Tariq Glass Industries Limited	-	605,000	-	320,000	285,000	33,043,313	33,216,750	173,437	1.33%	1.36%	0.17%
						53,670,916	49,869,090	(3,801,826)	2.00%	2.04%	0.23%
<b>Miscellaneous</b>											
Synthetic Products Enterprises Limited * / **	4,828	-	-	-	4,828	50,211	76,862	26,651	-	-	-
						50,211	76,862	26,651	-	-	-
<b>Oil &amp; Gas Exploration Companies</b>											
Mari Petroleum Company Limited	60,052	2,500	-	11,460	51,092	78,662,291	138,578,875	59,916,584	5.55%	5.67%	0.04%
Oil & Gas Development Company Limited	782,000	2,164,000	-	1,636,225	1,309,775	160,270,109	177,304,242	17,034,133	7.10%	7.25%	0.03%
Pakistan Oilfields Limited	67,470	125,000	-	192,470	-	-	-	-	-	-	-
Pakistan Petroleum Limited	1,005,000	2,372,000	-	2,024,000	1,353,000	122,559,492	158,449,830	35,890,338	6.34%	6.48%	0.05%
						361,491,892	474,332,947	112,841,055	18.99%	19.40%	0.12%

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

Name of the investee company	As at July 1, 2023	Purchased during the year	Bonus/ subdivision/ right issued during the year	Sold during the year	As at June 30, 2024	Balance as at June 30, 2024			Market value as a percentage of		Paid-up value of shares held as a percentage of total paid-up capital of the investee company
						Carrying value	Market value	Unrealised appreciation / (diminution)	net assets of the Fund	total investments of the Fund	
						Rupees			%		
<b>Oil &amp; Gas Marketing Companies</b>											
Pakistan State Oil Company Limited	405,949	591,500	-	273,500	723,949	92,650,009	120,327,563	27,677,554	4.82%	4.92%	0.15%
Sui Northern Gas Pipelines Limited	1,054,453	1,775,000	-	2,829,453	-	-	-	-	-	-	-
						92,650,009	120,327,563	27,677,554	4.82%	4.92%	0.15%
<b>Paper and Boards</b>											
Cherat Packaging Limited.	3,696	-	-	3,696	-	-	-	-	-	-	-
						-	-	-	-	-	-
<b>Pharmaceuticals</b>											
AGP Limited	430,653	-	-	430,653	-	-	-	-	-	-	-
Hightnoon Laboratories Limited	93,453	12,600	-	106,053	-	-	-	-	-	-	-
						-	-	-	-	-	-
<b>Power Generation &amp; Distribution</b>											
Hub Power Company Limited	861,807	1,827,000	-	1,737,807	951,000	123,762,266	155,089,080	31,326,814	6.21%	6.34%	0.07%
K - Electric Limited ***	-	28,120,751	-	13,755,000	14,365,751	69,302,084	66,513,427	(2,788,657)	2.66%	2.72%	0.05%
Nishat Chunian Power Limited	-	2,419,733	-	57,000	2,362,733	60,390,186	70,763,853	10,373,667	2.83%	2.89%	0.64%
						253,454,536	292,366,360	38,911,824	11.70%	11.95%	0.76%
<b>Refinery</b>											
Attock Refinery Limited	170,000	67,000	-	237,000	-	-	-	-	-	-	-
Pakistan Refinery Limited	-	850,000	-	850,000	-	-	-	-	-	-	-
						-	-	-	-	-	-
<b>Sugar &amp; Allied Industries</b>											
Shahtaj Sugar Mills Limited (a related party)	1,127,142	11,734	-	9,500	1,129,376	56,683,929	117,500,279	60,816,350	4.70%	4.81%	9.40%
						56,683,929	117,500,279	60,816,350	4.70%	4.81%	9.40%
<b>Technology &amp; Communication</b>											
Airlink Communication Limited	766,437	2,290,000	-	2,239,937	816,500	56,751,651	72,529,695	15,778,044	2.90%	2.97%	0.21%
Avanceon Limited	465,750	400,000	-	865,750	-	-	-	-	-	-	-
Octopus Digital Limited	195,500	-	-	195,500	-	-	-	-	-	-	-
Systems Limited	275,250	210,000	-	485,250	-	-	-	-	-	-	-
						56,751,651	72,529,695	15,778,044	2.90%	2.97%	0.21%
<b>Textile Composite</b>											
Nishat Mills Limited	-	810,000	-	810,000	-	-	-	-	-	-	-
						-	-	-	-	-	-
<b>Transport</b>											
Pakistan International Airlines Corporation	-	500,000	-	500,000	-	-	-	-	-	-	-
						-	-	-	-	-	-
<b>Total as at June 30, 2024</b>						<b>1,843,714,800</b>	<b>2,445,108,327</b>	<b>601,393,527</b>			
<b>Total as at June 30, 2023</b>						<b>1,484,234,139</b>	<b>1,345,102,716</b>	<b>(139,131,423)</b>			

\* These have a face value of Rs. 3.5 per share

\*\* These have a face value of Rs. 5 per share

\*\*\* These have a face value of Rs. 3.5 per share

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

5.1.1 Following shares have been pledged with National Clearing Company of Pakistan Limited:

	June 30,		June 30,	
	2024	2023	2024	2023
	----- Number of shares -----		----- Rupees -----	
<b>Oil &amp; Gas Marketing Companies</b>				
Pakistan State Oil Company Limited	425,000	200,000	70,639,250	22,202,000
<b>Oil &amp; Gas Exploration Companies</b>				
Oil & Gas Development Company Limited	250,000	-	33,842,500	-
<b>Power Generation and Distribution</b>				
The Hub Power Company Limited	-	500,000	-	34,790,000

5.1.2 The Finance Act, 2014 introduced amendments to the Income Tax Ordinance, 2001 as a result of which companies were liable to withhold five percent of the bonus shares to be issued. The shares so withheld were only to be released if the Fund deposits tax equivalent to five percent of the value of the bonus shares issued to the Fund including bonus shares withheld, determined on the basis of day-end price on the first day of closure of books of the issuing company.

In this regard, a constitutional petition had been filed by Collective Investment Schemes (CISs) through their Trustees in the High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs. The petition was based on the fact that because CISs are exempt from deduction of income tax under Clause 99 Part I to the Second Schedule of the Income Tax Ordinance 2001, the withholding tax provision should also not be applicable on bonus shares received by CISs. A stay order had been granted by the Honourable High Court of Sindh in favour of CISs.

On June 27, 2018, the Supreme Court of Pakistan passed a judgment whereby the suits which are already pending or shall be filed in future must only be continued / entertained on the condition that a minimum of 50 percent of the tax calculated by the tax authorities is deposited with the authorities. Accordingly, the CISs were required to pay minimum 50% of the tax calculated by the tax authorities for the case to remain continued. The CISs failed to deposit the minimum 50% of the tax liability and accordingly the stay got vacated automatically. The CISs have filed a fresh constitutional petition via CP 4653 dated July 11, 2019 and on July 15, 2019, the Honourable High Court of Sindh has issued notices to the relevant parties and has ordered that no third party interest on bonus shares issued to the Funds in lieu of their investments be created in the meantime. The matter is still pending adjudication and the Funds have included these shares in their portfolio, as the management is confident that the decision of the constitutional petition will be in favour of the CISs.

Further, the Finance Act, 2018 effective from July 1, 2018 has omitted Section 236M of Income Tax Ordinance, 2001 requiring every company quoted on stock exchange issuing bonus shares to the shareholders of the company, to withhold five percent of the bonus shares to be issued. Therefore, bonus shares issued to the Fund since July 1, 2018 were not withheld by the investee companies.

As at June 30, 2024, the following bonus shares of the Fund were withheld by certain companies at the time of declaration of the bonus shares.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

Name of the Company	2024		2023	
	Bonus Shares			
	Number of shares withheld	Market value	Number of shares withheld	Market value
	Rupees		Rupees	
Synthetic Products Enterprises Limited	4,828	76,862	4,828	50,211
		<u>76,862</u>		<u>50,211</u>

## 5.2 Term finance certificates - 'at fair value through profit or loss'

### 5.2.1 Privately placed term finance certificates

Name of the security	Note	As at July 1, 2023	Restructured in / purchased during the year	Restructured out / matured during the year	As at June 30, 2024	Balance as at June 30, 2024			Market value as a percentage of	
						Carrying value	Market value	Unrealised appreciation/ (diminution)	net Assets of the Fund	total investment of the Fund
						Rupees			%	
Azgard Nine Limited PPTFC - 7 (related party)	5.2.1.1	-	5,315	-	5,315	21,260,000	21,260,000	-	-	-
Less: Provision held						(21,260,000)	(21,260,000)	-	-	-
<b>Total as at June 30, 2024</b>						<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total as at June 30, 2023</b>						<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

5.2.1.1 During the year 2013, the Fund along with other lenders, entered into a restructuring agreement in respect of outstanding liabilities of Azgard Nine Limited (ANL). In terms of the said restructuring, the Fund has acquired 726,165 ordinary shares of Agritech Limited which were previously owned by ANL, in order to partially settle the liabilities of ANL. ANL has defaulted in repayments in the past. Accordingly, the outstanding value of these securities is fully provided in the books of the Fund.

The Honourable Lahore High Court, on July 31, 2019, approved a scheme of arrangement (the "Approved Scheme") for the settlement / restructuring of liabilities. The Approved Scheme stated that the principal repayment of Rs. 19.523 million will be paid over a period of eight years starting from April 29, 2021 through some partial cash payments of which Rs. 0.37 million has already been received in 2021 and Rs. 4.58 million will be received within two years from time zero and remaining amount by issuance of 2,899 PPTFCs (Sub PPTFCs) amounting to Rs. 14.49 million. Since these TFCs are non-performing and have been reclassified as a non-performing asset by "MUFAP", these have been fully provided in the books of the Fund. These carry fixed interest rate of 5% paid quarterly over eight years starting from April 29, 2021 and principal redemption of Rs. 0.724 million paid quarterly starting from July 29, 2023 over the five years period. During the year ended June 30, 2024, Rs. 1.232 million (2023: 1.329 million) and Rs. 5.315 million (2023: nil) has been received on account of interest income and principal redemption respectively.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

## 5.2.2 Privately placed term finance certificates

Name of the security	Note	As at July 1, 2023	Restructured in / purchased during the year	Restructured out / matured during the year	As at June 30, 2024	Balance as at June 30, 2024			Market value as a percentage of	
						Carrying value	Market value	Unrealised appreciation/ (diminution)	net Assets of the Fund	total investment of the Fund
Number of certificates						Rupees			%	
<b>Textile Composite</b>										
Azgard Nine Limited (related party)										
Convertible PPTFC - 6 (22-10-2012)	5.2.2.1	6,420	-	-	6,420	39,426,249	39,426,249	-	-	-
Less: Provision held						(39,426,249)	(39,426,249)			
<b>Total as at June 30, 2024</b>						-	-	-		
<b>Total as at June 30, 2023</b>						-	-	-		

**5.2.2.1** These convertible privately placed term finance certificates (PPTFCs) were issued against the cumulative preference shares of Azgard Nine Limited on October 22, 2012 under the "Settlement Agreement" dated October 22, 2012 between the Management Company of the Fund and Azgard Nine Limited. These PPTFCs have been classified as non-performing by MUFAP. The carrying value of preference shares so converted into PPTFC was Rs. 64.20 million and provision held was Rs. 64.20 million. The Honourable Lahore High Court, on July 31, 2019, approved a scheme of arrangement (the "Approved Scheme") for the settlement / restructuring of liabilities. The Approved Scheme stated that the principal repayment of Rs. 64.20 million will be paid over a period of eight years starting from time zero date i.e. April 29, 2021 through some partial cash payments of which Rs. 1.22 million has already been received at time zero and Rs. 13.69 million will be received within two years from time zero and outstanding amount after cash settlement will be paid by the issuance of PPTFC amounting to Rs. 49.28 million. Since these TFCs are non-performing and have been reclassified as a non-performing asset by MUFAP, these have been fully provided. These instruments carry a fixed rate of 5% per annum and will be settled in full by April 29, 2028. During the year ended June 30, 2024, Rs. 2.286 million (2023: Rs. 2.464 million) and Rs. 9.857 million (2023: nil) has been received on account of interest income and principal redemption respectively.

## 5.2.3 Privately placed term finance certificates

Name of the security	Note	As at July 1, 2023	Restructured in / purchased during the year	Restructured out / matured during the year	As at June 30, 2024	Balance as at June 30, 2024			Market value as a percentage of	
						Carrying value	Market value	Unrealised appreciation/ (diminution)	net Assets of the Fund	total investment of the Fund
Number of certificates						Rupees			%	
Azgard Nine Limited PPTFC (related party)	5.2.3.1	6,650	-	-	6,650	-	-	-	-	-
<b>Total as at June 30, 2024</b>						-	-	-		
<b>Total as at June 30, 2023</b>						-	-	-		

**5.2.3.1** The Honourable Lahore High Court, on July 31, 2019, approved a scheme of arrangement (the "Approved Scheme") for the settlement / restructuring of liabilities. The Fund received 6,650 zero coupon Azgard Nine Limited (ANL) privately placed term finance certificates (PPTFCs) under the approved scheme against interest receivable on TFCs amounting to Rs. 20.35 million, 2,580 zero coupon Azgard Nine Limited (ANL) amounting to Rs. 12.9 million and tentative markup of Rs. 0.32 million. These PPTFCs have a tenure of ten years starting from April 29, 2021 and will mature on April 29, 2031. These term finance certificates are secured by ranking hypothecation and mortgage charge over all present and future assets and properties of the company (including land and building) with 25% margin in favour of security Trustee i.e. National Bank of Pakistan excluding pledged commodities, shares in Agritech Limited, all assets and properties of the company located at Lahore and Muzaffargarh. Since these PPTFCs are received against already defaulted securities and have non-performing status in MUFAP, therefore the management as a matter of prudence, has valued the said PPTFCs at zero value. During the year ended June 30, 2024, nil (2023: nil) amount has been received on account of interest income.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

## 5.2.4 Privately placed term finance certificates

Name of the security	Note	As at July 1, 2023	Restructured in / purchased during the year	Restructured out / matured during the year	As at June 30, 2024	Balance as at June 30, 2024			Market value as a percentage of	
						Carrying value	Market value	Unrealised appreciation/ (diminution)	net Assets of the Fund	total investment of the Fund
						Rupees			%	
Azgard Nine Limited PPTFC - zero coupon (related party)	5.2.4.1	14,766	-	-	14,766	73,830,000	73,830,000	-	-	-
Less: Provision held						(73,830,000)	(73,830,000)			
<b>Total as at June 30, 2024</b>						<b>-</b>	<b>-</b>	<b>-</b>		
<b>Total as at June 30, 2023</b>						<b>-</b>	<b>-</b>	<b>-</b>		

**5.2.4.1** The Fund received 14,766 zero coupon Azgard Nine Limited (ANL) privately placed term finance certificates (PPTFCs) against interest receivable on TFCs amounting to Rs. 63.08 million, PPTFCs (note 5.2.4) amounting to Rs. 10.75 million as discussed above and tentative markup of Rs. 1.31 million. These PPTFCs have a tenure of ten years starting from April 29, 2021 and will mature on April 29, 2031. These term finance certificates are secured by ranking hypothecation and mortgage charge over all present and future assets and properties of the company (including land and building) with 25% margin in favour of security Trustee i.e. National Bank of Pakistan excluding pledged commodities, shares in Agritech Limited, all assets and properties of the company located at Lahore and Muzaffargarh. Since these PPTFCs are received against already defaulted securities and have non-performing status in MUFAP, therefore the management as a matter of prudence, has valued the said PPTFCs at zero value.

Further, the approved scheme stated that against these certificates and outstanding interest, accumulated on privately placed term finance certificates and 10,000 PPTFCs of Azgard Nine Limited (ANL) will be paid through some partial cash payment of which Rs. 1.31 million has already been received in 2021 and remaining amount by issuance of Azgard Nine Limited (ANL) 14,766 privately placed term finance certificates amounting to Rs. 73.83 million. Since these TFCs are non-performing and have been classified as a non-performing asset by MUFAP, these have been fully provided.

## 5.3 Details of non-compliant investments

The Securities and Exchange Commission of Pakistan vide Circular no. 7 of 2009 dated March 6, 2009 required all Asset Management Companies to classify funds under their management on the basis of categorization criteria laid down in the Circular.

Following investments of the Funds are in sukuk certificates which are non-compliant securities. At the time of investment, these were compliant as per SECP criteria and the investment policy of the Fund.

Name of non-compliant investment	Type of investment	Value of investment before provision	Provision held (if any)	Value of investment after provision	% of net assets	% of total investments
		Rupees			%	
Azgard Nine Limited PPTFC 7 (22-10-2012) (note 5.2.1)	TFC	21,260,000	(21,260,000)	-	-	-
Azgard Nine Limited PPTFC 6 (note 5.2.2)	TFC	39,426,249	(39,426,249)	-	-	-
Azgard Nine Zero Coupon PPTFC (note 5.2.4)	TFC	73,830,000	(73,830,000)	-	-	-

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024	2023
----- Rupees -----			
<b>5.4</b>	<b>Net unrealised appreciation / (diminution) on re-measurement of investments classified as financial assets 'at fair value through profit or loss'</b>		
	Market value of investments	2,445,108,327	1,345,102,716
	Less: carrying value of investments	1,843,714,800	1,484,234,139
		<u>601,393,527</u>	<u>(139,131,423)</u>
<b>6</b>	<b>PROFIT AND OTHER RECEIVABLE</b>		
	Profit receivable on bank balances	5,999,841	2,902,989
	Dividend receivable	828,576	51,500
		<u>6,828,417</u>	<u>2,954,489</u>
<b>7</b>	<b>ADVANCES AND DEPOSITS</b>		
	Security deposit with Central Depository Company of Pakistan Limited (CDC)	200,000	200,000
	Security deposit with National Clearing Company of Pakistan Limited (NCCPL)	2,500,000	2,500,000
	Advance tax	7,554,921	7,554,921
		<u>10,254,921</u>	<u>10,254,921</u>

**7.1** As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 151 and 150. However, withholding tax on 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, authorizing 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.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

8	PAYABLE TO JS INVESTMENTS LIMITED - MANAGEMENT COMPANY	Note	2024	2023
			----- Rupees -----	
	Remuneration payable	8.1	4,159,479	1,145,476
	Sindh Sales Tax payable on remuneration of the Management Company	8.2	6,799,610	6,407,712
	Federal Excise Duty payable on remuneration of the Management Company	8.3	41,151,991	41,151,991
	Allocated expenses payable	8.4	207,974	117,273
	Selling and marketing expenses payable	8.5	10,790,495	9,561,358
	Printing and stationery charges payable		75,037	121,954
			<u>63,184,586</u>	<u>58,505,764</u>

**8.1** As per Regulation 61 of NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in Offering Document subject to total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged remuneration up to 2.00% of average annual net assets of the Fund, during the year ended June 30, 2024.

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

**8.2** During the year, an amount of Rs. 5.437 million (2023: Rs. 3.750 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% (2023: 13%).

**8.3** The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration 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.

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. 41.152 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 Rs. 4.23 (2023: Rs. 4.19) per unit.

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

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

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.

- 8.5 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 up to 1.70% (2023: 1.70%) 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.

9	PAYABLE TO DIGITAL CUSTODIAN COMPANY LIMITED - TRUSTEE	Note	2024	2023
			----- Rupees -----	
	Remuneration payable	9.1	196,506	132,891
	Sindh Sales Tax on remuneration of the Trustee	9.2	25,546	17,281
			<u>222,052</u>	<u>150,172</u>

- 9.1 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.)	Fee
- up to Rs. 250 million	0.20% per annum
- from Rs. 250 million to Rs. 500 million	Rs. 500,000 plus 0.15% per annum on amount exceeding Rs. 250 million
- from Rs. 500 million to Rs. 2 billion	Rs. 875,000 plus 0.08% per annum on amount exceeding Rs. 500 million
- from Rs. 2 billion to Rs. 5 billion	Rs. 2,075,000 plus 0.06% per annum on amount exceeding Rs. 2 billion
- from Rs. 5 billion and above	Rs. 3,875,000 plus 0.05% per annum on amount exceeding Rs. 5 billion

- 9.2 During the year, an amount of Rs. 0.278 million (2023: Rs. 0.233 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%).

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

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

Effective from July 1, 2023, the SECP vide SRO No. 592(I)/2023 dated May 17, 2023, revised the rate of annual fee to 0.095% of net assets, applicable on "Equity Scheme".

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

11	ACCRUED EXPENSES AND OTHER LIABILITY	2024	2023
		----- Rupees -----	
	Zakat payable	2,091,411	56,411
	Capital gain tax payable	373,744	65,682
	Withholding tax payable	4,384,223	121,972
	Auditors' remuneration payable	707,326	921,166
	Other payables	242,306	180,735
		<u>7,799,010</u>	<u>1,345,966</u>

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

## 12 CONTINGENCIES AND COMMITMENTS

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

## 13 NUMBER OF UNITS IN ISSUE

Total units in issue at the beginning of the year  
Units issued during the year  
Units redeemed during the year  
Total units in issue at the end of the year

	2024	2023
	----- (Number of units) -----	
Total units in issue at the beginning of the year	9,821,478	13,290,290
Units issued during the year	6,497,358	1,727,098
Units redeemed during the year	(6,590,011)	(5,195,910)
Total units in issue at the end of the year	<u>9,728,825</u>	<u>9,821,478</u>

## 14 AUDITORS' REMUNERATION

Annual audit fee  
Fee for half yearly review of condensed interim financial statements  
Fee for other certifications  
Out of pocket expenses  
Sindh Sales Tax

	2024	2023
	----- Rupees -----	
Annual audit fee	393,351	456,176
Fee for half yearly review of condensed interim financial statements	300,000	248,824
Fee for other certifications	100,000	-
Out of pocket expenses	85,000	70,500
Sindh Sales Tax	70,268	62,040
	<u>948,619</u>	<u>837,540</u>

## 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. 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.

## 16 TOTAL EXPENSE RATIO

The total expense ratio (TER) of the Fund for the year ended June 30, 2024 is 4.88% (2023: 4.69%) which includes 0.43% (2023: 0.30%) 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 4.5% (excluding government levies) prescribed under the NBFC, Regulations for a collective investment scheme categorised as an "Equity Scheme".

## 17 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 JS Bank Limited, BankIslami Pakistan Limited (BIPL) which is a fellow subsidiary of JSBL - 75.12% shares are held by JS Bank Limited, JS

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

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.

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:

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

	2024	2023
	----- Rupees -----	
<b>JS Investments Limited - Management Company</b>		
Remuneration of the Management Company	41,823,276	28,846,880
Sindh Sales Tax on remuneration of the Management Company	5,437,026	3,749,914
Allocated expenses	2,141,161	1,652,410
Selling and marketing expenses	37,529,611	33,453,195
Printing and stationery charges	101,468	101,468
Sales load	126,532	-
Issuance of units: 358,849 units (2023: 907,062 units)	81,000,000	130,000,000
Redemption of units: 358,849 units (2023: 3,277,074 units)	81,325,213	478,220,115
<b>Digital Custodian Company Limited - Trustee</b>		
Remuneration of the Trustee	2,138,987	1,791,338
Sindh Sales Tax on remuneration of the Trustee	278,068	232,879
<b>JS Global Capital Limited (Fellow subsidiary of JSBL)</b>		
Brokerage expense*	1,338,684	749,514
<b>JS Bank Limited (Parent Company of JSIL)</b>		
Profit on savings account	31,681,464	19,883,064
Proceeds from sale of share of BankIslami Pakistan Limited	41,102,499	-
<b>BankIslami Pakistan Limited (Fellow subsidiary of JSBL)</b>		
Profit on savings account	4,108	4,989

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

	2024	2023
	----- Rupees -----	
<b>Energy Infrastructure Holding (Pvt) Limited</b>		
<b>(Fully owned by JSCL)</b>		
Issuance of units: Nil units (2023: 33,859 units)	-	5,000,000
Redemption of units: Nil units (2023: 33,859 units)	-	4,880,815
<b>JS Fund of Funds</b>		
<b>(Fund under JSIL Management)</b>		
Issuance of units: 2,835,963 units (2023: Nil units)	468,593,646	-
Redemption of units: 2,399,805 units (2023: Nil units)	451,076,635	-
Dividend reinvested: 5,080 units (2023: Nil units)	1,308,474	-
<b>EFU Life Assurance Limited</b>		
<b>(Associate of ultimate Parent Company - JSCL)</b>		
Dividend reinvested: 7,527 units (2023: Nil units)	1,938,585	-
<b>Future Trust</b>		
<b>(Director of JSIL is a trustee)</b>		
Issuance of units: Nil units (2023: 784,903 units)	-	115,011,879
Redemption of units: Nil units (2023: 784,008 units)	-	115,003,756
Dividend paid	2,659,438	-
<b>Azgard Nine Limited</b>		
<b>(Other related party)</b>		
Markup received (ANL PPTFC)	3,518,035	3,792,889
Principal redemption (ANL PPTFC)	15,171,560	-
<b>Key Management Personnel of the Management Company</b>		
Issuance of units: 11,036 units (2023: Nil units)	2,790,278	-
Redemption of units: 7,023 units (2023: Nil units)	1,822,536	-
Refund of capital: 52 units (2023: nil units) **	-	-
Dividend paid	8,239	-
<b>17.2 Details of balances with related parties / connected persons as at year end</b>		
<b>JS Investments Limited - Management Company</b>		
Remuneration payable	4,159,479	1,145,476
Sindh Sales Tax payable on remuneration of the Management Company	6,799,610	6,407,712
Federal Excise Duty payable on remuneration of the Management Company	41,151,991	41,151,991
Allocated expenses payable	207,974	117,273
Selling and marketing expenses payable	10,790,495	9,561,358
Printing and stationery charges payable	75,037	121,954

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

	2024	2023
	----- Rupees -----	
<b>Digital Custodian Company Limited - Trustee</b>		
Remuneration payable	196,506	132,891
Sindh Sales Tax payable on remuneration of the Trustee	25,546	17,281
Security deposit	200,000	200,000
<b>JS Global Capital Limited (Fellow subsidiary of JSBL)</b>		
Brokerage expense payable*	173,720	23,805
<b>JS Bank Limited (Parent Company of JSIL)</b>		
Bank balances	118,396,307	117,163,664
Profit receivable	3,197,362	1,209,788
<b>BankIslami Pakistan Limited (Fellow subsidiary of JSBL)</b>		
Bank balances	78,953	62,180
<b>JS Fund of Funds (Fund under JSIL Management)</b>		
Units outstanding: 441,238 units (2023: nil units)	113,301,130	-
<b>EFU Life Assurance Limited (Associate of ultimate Parent Company - JSCL)</b>		
Units outstanding: 653,721 units (2023: 646,194 units)	167,862,371	94,273,265
<b>Future Trust (Director of JSIL is a trustee)</b>		
Units outstanding: 886,479 units (2023: 886,479 units)	227,630,198	129,328,490
<b>Key Management Personnel of the Management Company</b>		
Units outstanding: 10,120 units (2023: 6,055 units)	2,598,729	883,328
<b>Unit holders holding more than 10% of units</b>		
Units outstanding: Nil units (2023: 1,360,464 units)	-	198,478,096

\* The amount disclosed represents the amount of brokerage expense / payable to a related party and not the purchase or sale value of securities transacted through them. The purchase or sale value have not been treated as transactions with related party as ultimate counter-parties are not related.

\*\* Issued at nil value as refund of capital.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

## 18 FINANCIAL INSTRUMENTS BY CATEGORY

	2024		
	At amortised cost	At fair value through profit or loss	Total
----- Rupees -----			
<b>Financial assets</b>			
Bank balances	231,391,030	-	231,391,030
Investments	-	2,445,108,327	2,445,108,327
Profit and other receivable	6,828,417	-	6,828,417
Deposits	2,700,000	-	2,700,000
	<u>240,919,447</u>	<u>2,445,108,327</u>	<u>2,686,027,774</u>
<b>Financial liabilities</b>			
Payable to JS Investments Limited - Management Company	63,184,586	-	63,184,586
Payable to Digital Custodian Company Limited - Trustee	222,052	-	222,052
Payable against redemption of units	47,688	-	47,688
Unclaimed dividend	113,056,932	-	113,056,932
Payable against purchase of investments	10,945,423	-	10,945,423
Accrued expenses and other liabilities	949,632	-	949,632
	<u>188,406,313</u>	<u>-</u>	<u>188,406,313</u>

	2023		
	At amortised cost	At fair value through profit or loss	Total
----- Rupees -----			
<b>Financial assets</b>			
Bank balances	223,544,159	-	223,544,159
Investments	-	1,345,102,716	1,345,102,716
Profit and other receivable	2,954,489	-	2,954,489
Deposits	2,700,000	-	2,700,000
Receivable against sale of investments	15,957,000	-	15,957,000
	<u>245,155,648</u>	<u>1,345,102,716</u>	<u>1,590,258,364</u>
<b>Financial liabilities</b>			
Payable to JS Investments Limited - Management Company	58,505,764	-	58,505,764
Payable to Digital Custodian Company Limited - Trustee	150,172	-	150,172
Unclaimed dividend	104,438,562	-	104,438,562
Payable against purchase of investments	131,823	-	131,823
Accrued expenses and other liabilities	1,101,901	-	1,101,901
	<u>164,328,222</u>	<u>-</u>	<u>164,328,222</u>

## 19 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, 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.

## 19.1 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 risk: currency risk, interest rate risk and other price risk.

### 19.1.1 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.

### 19.1.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. As of June 30, 2024, the Fund is exposed to such risk on its balances held with banks. 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 instrument

As at June 30, 2024, the Fund holds balances with banks in savings accounts amounting to Rs. 226.326 million (2023: Rs. 218.479 million) exposing the fund to cash flow interest rate risk. In case of 100 basis points increase / (decrease) in interest 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. 2.263 million (2023: Rs. 2.185 million).

#### 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 rate sensitivity related to financial assets and financial liabilities as at June 30, 2024 can be determined as follows:

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

2024						
Interest rate	Exposed to interest rate risk			Not exposed to interest rate risk	Total	
	Upto three months	More than three months and up to one year	More than one year			
%	(Rupees)					
<b>Financial assets</b>						
Bank balances	15.00 - 21.00	226,326,363	-	-	5,064,667	231,391,030
Investments		-	-	-	2,445,108,327	2,445,108,327
Profit and other receivable		-	-	-	6,828,417	6,828,417
Deposits		-	-	-	2,700,000	2,700,000
		226,326,363	-	-	2,459,701,411	2,686,027,774
<b>Financial liabilities</b>						
Payable to JS Investments Limited - Management Company		-	-	-	63,184,586	63,184,586
Payable to Digital Custodian Company Limited - Trustee		-	-	-	222,052	222,052
Payable against redemption of units		-	-	-	47,688	47,688
Unclaimed dividend		-	-	-	113,056,932	113,056,932
Payable against purchase of investments		-	-	-	10,945,423	10,945,423
Accrued expenses and other liabilities		-	-	-	949,632	949,632
		-	-	-	188,406,313	188,406,313
<b>On-balance sheet gap (a)</b>		226,326,363	-	-	2,271,295,098	2,497,621,461
<b>Off-balance sheet financial instruments</b>		-	-	-	-	-
<b>On-balance sheet gap (b)</b>		-	-	-	-	-
<b>Total interest rate sensitivity gap (a + b)</b>		226,326,363	-	-	-	-
<b>Cumulative interest rate sensitivity gap</b>		226,326,363	226,326,363	226,326,363	-	-
2023						
Interest rate	Exposed to interest rate risk			Not exposed to interest rate risk	Total	
	Upto three months	More than three months and up to one year	More than one year			
%	(Rupees)					
<b>Financial assets</b>						
Bank balances	14.50 - 21.00	218,479,492	-	-	5,064,667	223,544,159
Investments		-	-	-	1,345,102,716	1,345,102,716
Profit and other receivable		-	-	-	2,954,489	2,954,489
Deposits		-	-	-	2,700,000	2,700,000
Receivable against sale of investments		-	-	-	15,957,000	15,957,000
		218,479,492	-	-	1,371,778,872	1,590,258,364
<b>Financial liabilities</b>						
Payable to JS Investments Limited - Management Company		-	-	-	58,505,764	58,505,764
Payable to Digital Custodian Company Limited - Trustee		-	-	-	150,172	150,172
Unclaimed dividend		-	-	-	104,438,562	104,438,562
Payable against purchase of investments		-	-	-	131,823	131,823
Accrued expenses and other liabilities		-	-	-	1,101,901	1,101,901
		-	-	-	164,328,222	164,328,222
<b>On-balance sheet gap (a)</b>		218,479,492	-	-	1,207,450,650	1,425,930,142
<b>Off-balance sheet financial instruments</b>		-	-	-	-	-
<b>On-balance sheet gap (b)</b>		-	-	-	-	-
<b>Total interest rate sensitivity gap (a + b)</b>		218,479,492	-	-	-	-
<b>Cumulative interest rate sensitivity gap</b>		218,479,492	218,479,492	218,479,492	-	-

## 19.1.3 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 is exposed to equity price risk on investment held by the Fund and classified as 'at fair value through profit or loss'. To manage its price risk arising from investments in equity securities, the Fund diversifies its portfolio within the eligible stocks prescribed in the Trust Deed. The NBFC Regulations also limit individual equity securities to no more than 15% of net assets and issued capital of the investee company and sector exposure limit to 35% of the net assets.

In case of 1% increase / decrease in PSX-100 index on June 30, 2024, with all other variables held constant, the total comprehensive income of the Fund for the year would increase / decrease by Rs. 24.45 million (2023: Rs. 13.45 million) and the net assets of the Fund would increase / decrease by the same amount as a result of gains / losses on equity securities classified as financial assets at fair value through profit or loss.

The analysis is based on the assumption that equity index had increased / decreased by 1% with all other variables held constant and all the Fund's equity instruments moved according to the historical correlation with the index. This represents management's best estimate of a reasonable possible shift in the PSX-100 Index, having regard to the historical volatility of the index. The composition of the Fund's investment portfolio and the correlation thereof to the PSX-100 Index, is expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2024 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of the PSX-100 Index.

## 19.2 Credit risk

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

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	231,391,030	231,391,030	223,544,159	223,544,159
Investments	2,445,108,327	-	1,345,102,716	-
Profit and other receivable	6,828,417	6,828,417	2,954,489	2,954,489
Deposits	2,700,000	2,700,000	2,700,000	2,700,000
Receivable against sale of investments	-	-	15,957,000	15,957,000
	<u>2,686,027,774</u>	<u>240,919,447</u>	<u>1,590,258,364</u>	<u>245,155,648</u>

Difference in the balance as per the statement of assets and liabilities and maximum exposure is due to the fact that investments in listed equity securities of Rs. 2,445.108 million (2023: Rs 1,345.102 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.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

## 19.2.1 Credit quality of financial assets

Name of Bank	-----2024-----		
	Rating Agency	Latest available published rating	Percentage
United Bank Limited	VIS	AAA	0.09%
MCB Bank Limited	PACRA	AAA	0.05%
Habib Metropolitan Bank Limited	PACRA	AA+	0.46%
Samba Bank Limited	PACRA / VIS	AA	0.02%
Dubai Islami Bank Limited	VIS	AA	0.02%
Faysal Bank Limited	PACRA	AA	2.36%
JS Bank Limited	PACRA	AA	51.18%
Soneri Bank Limited	PACRA	AA-	40.10%
BankIslami Pakistan Limited	PACRA	AA-	0.03%
Sindh Bank Limited	VIS	AA-	0.01%
U Microfinance Bank Limited	VIS	A	5.67%
Mobilink Microfinance Bank Limited*	PACRA	A	-
Telenor Microfinance Bank Limited	PACRA	A	0.01%
			100.00%

\*Nil figure due to rounding off

Name of Bank	-----2023-----		
	Rating Agency	Latest available published rating	Percentage
United Bank Limited	VIS	AAA	0.09%
MCB Bank Limited	PACRA	AAA	0.05%
Habib Metropolitan Bank Limited	PACRA	AA+	0.46%
Samba Bank Limited	PACRA / VIS	AA	0.02%
Dubai Islami Bank Limited	VIS	AA	0.02%
Faysal Bank Limited	PACRA / VIS	AA	2.44%
JS Bank Limited	PACRA	AA-	52.41%
Soneri Bank Limited	PACRA	AA-	34.15%
BankIslami Pakistan Limited	PACRA	AA-	0.03%
U Microfinance Bank Limited	PACRA	A+	10.31%
Sindh Bank Limited	PACRA	A+	0.01%
Telenor Microfinance Bank Limited	PACRA	A	0.01%
			100.00%

## 19.2.2 Concentration of credit risk

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.

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.

## 19.3 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.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

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 up to 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.

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 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:

	June 30, 2024			
	Up to three months	Over three months and up to one year	Over one year	Total
	Rupees			
<b>Financial liabilities</b>				
Payable to JS Investments Limited - Management Company	63,184,586	-	-	63,184,586
Payable to Digital Custodian Company Limited - Trustee	222,052	-	-	222,052
Payable against redemption of units	47,688	-	-	47,688
Unclaimed dividend	113,056,932	-	-	113,056,932
Payable against purchase of investments	10,945,423	-	-	10,945,423
Accrued expenses and other liabilities	949,632	-	-	949,632
	<u>188,406,313</u>	<u>-</u>	<u>-</u>	<u>188,406,313</u>

	June 30, 2023			
	Up to three months	Over three months and up to one year	Over one year	Total
	Rupees			
<b>Financial liabilities</b>				
Payable to JS Investments Limited - Management Company	58,505,764	-	-	58,505,764
Payable to Digital Custodian Company Limited - Trustee	150,172	-	-	150,172
Unclaimed dividend	104,438,562	-	-	104,438,562
Payable against purchase of investments	131,823	-	-	131,823
Accrued expenses and other liabilities	1,101,901	-	-	1,101,901
	<u>164,328,222</u>	<u>-</u>	<u>-</u>	<u>164,328,222</u>

### 20 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.

In accordance with the risk management policies as stated in note 19, the Fund endeavours to invest the subscriptions received in appropriate investment avenues while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by disposal of investments or short-term borrowings, where

## 21 FAIR VALUE MEASUREMENT

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

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

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the 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.

### 21.1 Fair value hierarchy

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

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

	2024			
	Level 1	Level 2	Level 3	Total
	Rupees			
<b>Financial assets 'at fair value through profit or loss'</b>				
Listed equity securities	2,445,108,327	-	-	2,445,108,327
	<u>2,445,108,327</u>	<u>-</u>	<u>-</u>	<u>2,445,108,327</u>
	2023			
	Level 1	Level 2	Level 3	Total
	Rupees			
<b>Financial assets 'at fair value through profit or loss'</b>				
Listed equity securities	1,345,102,716	-	-	1,345,102,716
	<u>1,345,102,716</u>	<u>-</u>	<u>-</u>	<u>1,345,102,716</u>

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

## 22 PATTERN OF UNIT HOLDING

Category	----- 2024 -----			
	Number of unit holders	Number of units held	Investment amount (Rupees)	Percentage of total investment
Individuals	21,992	5,536,634	1,421,658,882	56.91
Associated Companies and Directors	6	1,988,598	510,632,194	20.44
Insurance Companies	11	531,390	136,450,067	5.46
Bank / Development Financial Institutions	32	31,279	8,031,822	0.32
Non Banking Finance Companies	19	13,631	3,500,168	0.14
Retirement Funds	11	1,322,013	339,466,498	13.59
Others	103	305,280	78,389,798	3.14
	<u>22,174</u>	<u>9,728,825</u>	<u>2,498,129,429</u>	<u>100.00</u>

Category	----- 2023 -----			
	Number of unit holders	Number of units held	Investment amount (Rupees)	Percentage of total investment
Individuals	22,214	5,669,642	827,159,303	57.72
Associated Companies and Directors	5	1,535,770	224,057,617	15.64
Insurance Companies	11	339,097	49,471,774	3.45
Bank / Development Financial Institutions	32	30,981	4,519,901	0.32
Non Banking Finance Companies	19	13,508	1,970,718	0.14
Retirement Funds	13	1,761,443	256,981,658	17.93
Others	106	471,037	68,720,855	4.80
	<u>22,400</u>	<u>9,821,478</u>	<u>1,432,881,826</u>	<u>100.00</u>

## 23 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
JS Global Capital Limited	13.51%	Intermarket Securities (Pvt) Limited	15.21%
Taurus Securities Limited	11.98%	JS Global Capital Limited	14.97%
Spectrum Securities Limited	11.62%	Optimus Capital (Pvt) Limited	14.88%
DJM Securities Limited	11.45%	Multi Line Securities (Pvt) Limited	13.36%
Optimus Capital (Pvt) Limited	9.66%	DJM Securities Limited	12.82%
Intermarket Securities (Pvt) Limited	9.11%	Top Line Securities (Pvt) Limited	8.86%
KTrade Securities Limited	8.00%	Adam Securities Limited	5.65%
Top Line Securities (Pvt) Limited	6.81%	Spectrum Securities Limited	4.80%
Multi Line Securities (Pvt) Limited	5.75%	Habib Metropolitan Financial Services Limited	4.43%
Habib Metropolitan Financial Services Limited	3.37%	Akik Capital (Pvt) Limited	3.13%

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

## 24 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, CIPM
4	Mr. Syed Shabih ul Hasnain	Fund Manager	6	BBA

### 24.1 Name and qualification of the Fund Manager

Name	Designation	Qualification	Other funds managed by the Fund Manager
Mr. Syed Shabih ul Hasnain	Fund Manager	BBA	JS Momentum Factor Exchange Traded Fund, Unit Trust of Pakistan, JS Fund of Funds, 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

## 25 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					
			August 04, 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	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	✓	✓	✓	✓	✓
			<b>5</b>	<b>7</b>	<b>7</b>	<b>8</b>	<b>7</b>	<b>6</b>

## 26 GENERAL

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

26.2 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.

## 27 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.
- **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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**JS GOVERNMENT SECURITIES FUND**

**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)

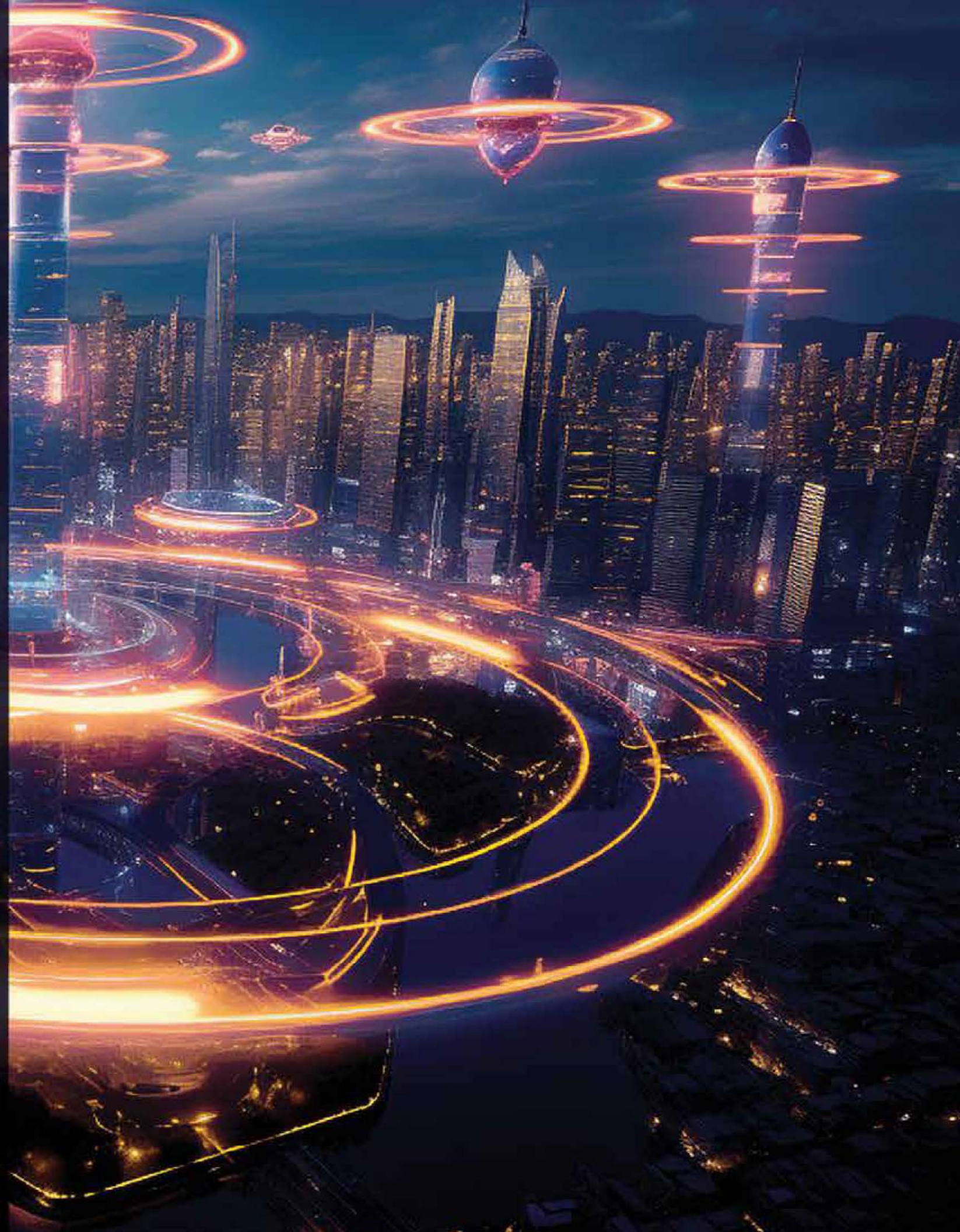
## Trustee

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 Government Securities 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 transition for the country, shifting from a precarious trajectory to a path of stability in both political and economic spheres. Initially, the caretaker setup paved the way for a much-needed stabilization agenda for the better part of the year. Subsequently, a new government formed post-Federal elections provided a sense of immediate direction for the country despite the initial uncertainty during the election process. This development was particularly reassuring given the acute 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 last year and executed mainly 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%), underscoring 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, a trend expected to continue into the next fiscal year. Observing how these policies will ultimately impact overall economic growth will be interesting. This is particularly important 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, which is 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 much-anticipated decision followed a more-than-expected drop in the headline inflation rate for May, which stood at 11.8%, primarily due to a welcome decline in food inflation.

The steady accumulation of FX reserves and the softening inflation outlook gradually instilled market confidence, which was 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 a function of government borrowings, as evident in the continuously rising trend of net outstanding liquidity injections via open market operations (OMOs).

Globally, the European Central Bank and the Bank of Canada commenced rate cuts in early June, following Switzerland's lead in easing monetary policy. Conversely, the US Federal Reserve remained cautious, seeking additional assurance before implementing the expected monetary policy changes.

## Review of Fund Performance

The Fund return was 22.54% for the year ended June 30, 2024 against benchmark return of 19.99%. The Fund's Net Assets increased from PKR 2.42 billion as of June 30, 2023 to PKR 6.11 billion as of June 30, 2024. The Fund's total expense ratio is 0.31%, which includes 0.1% of government levies on the Fund.

## Dividend

The Fund paid interim cash dividend of Rs 22.79 per unit during the year ended June 30, 2024.

## Asset Manager & Fund Rating

The Pakistan Credit Rating Agency Limited (PACRA) has maintained an asset manager rating of 'AM2+' with 'stable outlook' dated December 27, 2023 (June 2023: 'AM2+' with 'positive outlook') to the Management Company. PACRA reaffirmed the stability rating of "AA (f)" (AA - Fund Rating) to the Fund.

## Auditors

The external auditors of the Fund M/S. A.F. Ferguson & Co. Chartered Accountant, retire and being eligible offer themselves for reappointment. The Board of Directors, upon recommendation of the Audit Committee of the Board has approved the appointment of M/S. A.F. Ferguson & Co. Chartered Accountants, as the Fund's auditors for the ensuing year ending June 30, 2025.

## Additional Information

- a. Annexed to the Annual Report is Fund Manager's Report giving description of principal risks and uncertainties with reasonable indication of future prospects of profit.
- b. The Pattern of Unit holding as at 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 انویسٹمنٹس لمیٹڈ کے بورڈ آف ڈائریکٹرز، JS گورنمنٹ سیکورٹیز فینڈ (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۔ 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 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 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 19.99 فیصد اپنے بیچ مارک منافع کے مقابلے میں 22.54 فیصد رہا۔ 30 جون 2024 کو خالص اثاثہ جات 30 جون 2023 کے 2.42 بلین روپے سے 6.11 بلین روپے پر پہنچ گئے۔ کل اخراجات کا تناسب 0.31 فیصد ہے، جس میں فنڈ پر حکومتی محصولات کا 0.1 فیصد شامل ہے۔

## ڈیویڈنڈ

30 جون 2024 کو ختم ہونے والے سال کے دوران فنڈ نے 22.79 روپے فی یونٹ انٹیرم کیش ڈیویڈنڈ ادا کیا۔

## ایسیٹ مینجریٹنگ

پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) نے 27 دسمبر 2023 (جون 2023: '+2 AM' مثبت منظر نامے کے ساتھ) کو ہماری مینجمنٹ کمپنی کی "AM 2+" ایسیٹ مینجریٹنگ کو "متحکم" منظر نامے کے ساتھ برقرار رکھا ہے۔ پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) نے فنڈ کی "AA (f)" (ڈبل اے) اسٹیبلٹی ریٹنگ کی توثیق کی۔

## آڈیٹرز


ریٹائر ہونے والے بیرونی آڈیٹرز میسرز اے ایف فرگوسن، 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 اے ایف فرگوسن، چارٹرڈ اکاؤنٹنٹس کی 30 جون 2025 کو ختم ہونے والے سال کے لیے تقرری کی منظوری دی۔

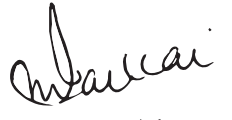
## اضافی معاملات

ا۔ سالانہ رپورٹ کے ساتھ فنڈ مینجریٹنگ رپورٹ منسلک ہے جس میں مرکزی خطرات اور منافع جات کے مستقبل کے امکانات کی مناسب علامت کے ساتھ ہجماں 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۔

## اظہارِ تشکر

ڈائریکٹرز پیش قدمی، مدد اور رہنمائی پر سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) اور ڈی ایچ سی اے کسٹوڈین کمپنی لمیٹڈ (DCCL) سے اظہارِ تشکر کرتے ہیں۔ بورڈ ممبر 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**  
Income Fund Scheme / Open end

- **Statement of Collective Investment Scheme's investment objective**  
JS Government Securities Fund aims to preserve investor's capital while providing a regular stream of current income on an annual basis which is higher than that offered by commercial banks on deposits of a similar liquidity profile. The fund operates a diverse portfolio of investment-grade debt securities, government securities and money market instruments.

- **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**  
Six (6) months PKRV Rates.

- **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
JSGSF	21.42%	22.17%	21.89%	22.99%	21.55%	17.99%	22.01%	16.16%	16.10%	20.60%	20.01%	22.97%	22.54%
Benchmark	22.85%	22.90%	23.37%	22.22%	21.24%	21.41%	20.73%	21.27%	21.25%	21.26%	21.17%	20.15%	19.99%
Diff.	-1.44%	-0.72%	-1.48%	0.76%	0.31%	-3.42%	1.28%	-5.11%	-5.15%	-0.66%	-1.15%	2.82%	2.55%

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

During the year, the fund was primarily invested in T-bills, floating-rate, and fixed-rate PIBs. The fund's asset allocation was strategically adjusted to align with the anticipated monetary easing, allowing for increased duration to capitalize on the declining interest rate environment while managing risk in response to 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	5.66%	0.63%
PIBs	0.03%	0.02%
T Bills	94.12%	99.28%
Other including receivables	0.19%	0.07%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

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

	Fund	BM
Standard Deviation	1.6%	1.0%
Duration (Yr)	0.65	
WAM (Yr)	0.65	
Expense Ratio**	0.3%	

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

\*\* This is annualized and Includes 0.10% Government levy & SECP fee; 0.01% 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	6,110	109.06
30-Jun-23	2,416	108.72

# FUND MANAGER REPORT

Annual Report 2024

- Disclosure of the markets that the Collective Investment Scheme has invested in:**  
 JS Government Securities Fund, although falling under the category of income fund, mainly invests in government securities, as its name suggests. Other allowable investment avenues include money market placements, deposits, certificates of investments (COIs), Term Deposit Receipts (TDR), reverse repo transactions, 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

## Distribution

The fund has paid a final distribution of Rs. 10.48 per unit of Rs. 100/- each i.e. 10.48%. The cumulative distribution for FY24 is Rs. 22.79 per unit.

NAV per unit as on June 30, 2024	
Cum NAV (PKR)	109.06
Ex-NAV (PKR)	109.06

- 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
		to		
JS Government Securities Fund	0.0001	to	9,999.9999	16
	10,000.0000	to	49,999.9999	3
	50,000.0000	to	99,999.9999	3
	100,000.0000	to	499,999.9999	2
	500,000.0000	&	above	3
			<b>Total</b>	<b>27</b>

- Disclosure on unit split (if any), comprising:-**  
 The Fund has not carried out any unit split exercise during the year.
- Disclosure of circumstances that materially affect any interests of the unit holders**  
 Investment is subject to market risk.
- Disclosure if the Asset Management Company or its delegate, if any, receives any soft commission (i.e. goods and services) from its broker(s) or dealer(s) by virtue of transactions conducted by the Collective Investment Scheme, disclosure of the following:-**  
 The Management Company and / or any of its delegates have not received any soft commission from its brokers / dealers by virtue of transactions conducted by the Fund.

# PERFORMANCE TABLE

		Year	Year
		2024	2023
Net assets - Rupees in '000'	Rs.	6,110,409	2,415,636
Net income - Rupees in '000'	Rs.	1,237,463	241,418
Total return of the Fund	%	22.54	16.17
Total dividend distribution	%	22.79	6.63
Capital Growth	%	(0.25)	9.54
<b>Average annual return</b>			
- One Year	%	22.54	16.17
- Two Years	%	19.36	n/a
- Three Years	%	n/a	n/a
NAV per unit	Rs.	109.06	108.72
Highest offer price per unit	Rs.	120.54	113.61
Lowest offer price per unit	Rs.	109.95	101.17
Year-end offer price per unit	Rs.	110.30	109.95
Highest repurchase price per unit	Rs.	119.19	112.34
Lowest repurchase price per unit	Rs.	108.72	100.03
Year-end repurchase price per unit	Rs.	109.06	108.72
First interim distribution	Rs.	10.64	0.20
Announcement date		December 3, 2023	November 2, 2022
Second interim distribution	Rs.	1.67	1.18
Announcement date		January 5, 2023	December 29, 2022
Third interim distribution	Rs.	10.48	0.68
Announcement date		June 26, 2024	January 27, 2023
Fourth interim distribution	Rs.	-	0.46
Announcement date			May 26, 2023
Final Distribution	Rs.	-	4.11
Announcement date			June 21, 2023
<b>Total distribution as % of par value</b>	<b>%</b>	<b>22.79</b>	<b>6.63</b>

## Notes

- JS Government Securities Fund was launched on July 14, 2022.
- Units have par value of Rs. 100/- each.
- Investment portfolio composition of the Fund is disclosed in note 5 of the financial statements.

## Disclaimer

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



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## REPORT OF THE TRUSTEE TO THE UNIT HOLDERS JS GOVERNMENT SECURITIES FUND

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

JS Government Securities Fund, an open-end scheme established under a trust deed executed between JS Investments Limited as the Management Company and Digital Custodian Company Limited as the Trustee. The Trust Deed was approved by the Securities and Exchange Commission of Pakistan on November 05, 2019 whereas the date of execution of the Trust Deed was December 14, 2021.

1. JS Investments Limited, the Management Company of JS Government Securities Fund has, in all material respects, managed JS Government Securities 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 6, 2024

**INDEPENDENT AUDITOR'S REPORT**

**To the Unit Holders of JS Government Securities Fund**

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the financial statements of JS Government Securities 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	<b>Net Asset Value</b> (Refer note 5 to the financial statements)	
	Investments constitute the most significant component of the net assets value. Investments of the Fund as at June 30, 2024 amounted to Rs. 5,756.95 million. The existence and proper valuation of investments 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.	Our audit procedures amongst others included the following: <ul style="list-style-type: none"> <li>obtained independent confirmations for verifying the existence of the investment portfolio 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; and</li> <li>re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies.</li> </ul>



A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network  
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 Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>

**Other Matter**

The financial statements of the Fund for the year ended June 30, 2023 were audited by another firm of Chartered Accountants who had expressed an unmodified opinion thereon vide their report dated September 28, 2023.

**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.

AJFCG



- 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 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: AR2024100612v5ZaBF1j



**Financial Position**  
& Performance

# STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2024

		2024	2023
	<b>Note</b>	----- Rupees -----	
<b>Assets</b>			
Bank balances	4	346,211,995	15,361,504
Investments	5	5,756,951,260	2,403,422,475
Profit receivable	6	10,304,489	19,356
Deferred formation cost	7	837,923	1,114,619
Prepayments and advances	8	487,039	493,156
<b>Total assets</b>		<b>6,114,792,706</b>	<b>2,420,411,110</b>
<b>Liabilities</b>			
Payable to JS Investments Limited - Management Company	9	1,993,200	3,764,676
Payable to Digital Custodian Company Limited - Trustee	10	394,762	189,396
Payable to the Securities and Exchange Commission of Pakistan (SECP)	11	376,914	383,314
Payable against redemption of units		-	52,140
Accrued expenses and other liabilities	12	1,618,789	385,154
<b>Total liabilities</b>		<b>4,383,665</b>	<b>4,774,680</b>
<b>Net assets</b>		<b>6,110,409,041</b>	<b>2,415,636,430</b>
<b>Unit holders' fund (as per statement attached)</b>		<b>6,110,409,041</b>	<b>2,415,636,430</b>
<b>Contingencies and commitments</b>	13		
		----- Number of units -----	
<b>Number of units in issue</b>	14	<b>56,027,016</b>	<b>22,218,944</b>
		----- Rupees -----	
<b>Net asset value per unit</b>		<b>109.06</b>	<b>108.72</b>

The annexed notes from 1 to 31 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 -----	
<b>Income</b>			
Profit on balances with banks and investments	15	1,493,303,151	328,882,293
Loss on sale of investments - net		(257,130,969)	(55,706,916)
Net unrealised appreciation / (diminution) on remeasurement of investments classified as financial assets at fair value through profit or loss	5.5	20,543,250	(3,418,148)
Other Income		22,406	-
<b>Total income</b>		<b>1,256,737,838</b>	<b>269,757,229</b>
<b>Expenses</b>			
Remuneration of JS Investments Limited - Management Company	9.1	-	2,819,823
Sindh Sales Tax on remuneration of the Management Company	9.2	-	366,577
Allocated expenses by the Management Company	9.3	-	1,627,173
Selling and marketing expenses	9.4	1,914,459	19,427,798
Remuneration of Digital Custodian Company Limited - Trustee	10.1	4,294,011	1,596,935
Sindh Sales Tax on remuneration of the Trustee	10.2	558,222	207,601
Fee to the Securities and Exchange Commission of Pakistan (SECP)	11.1	4,617,517	383,314
Auditors' remuneration	16	962,280	618,300
Mutual fund rating fee		194,827	165,643
PSX listing fee		28,250	25,000
SECP supervisory fee		2,500	2,500
Brokerage and settlement charges		6,317,198	723,767
Legal and professional charges		-	7,500
Printing and stationery charges		108,473	101,468
Amortisation of deferred formation cost	7	276,696	266,112
<b>Total expenses</b>		<b>19,274,433</b>	<b>28,339,511</b>
<b>Net income for the year before taxation</b>		<b>1,237,463,405</b>	<b>241,417,718</b>
Taxation	19	-	-
<b>Net income for the year after taxation</b>		<b>1,237,463,405</b>	<b>241,417,718</b>
<b>Allocation of net income for the year</b>			
Net income for the year after taxation		1,237,463,405	241,417,718
Income already paid on units redeemed		(32,945,978)	(40,950,088)
		<b>1,204,517,427</b>	<b>200,467,630</b>
<b>Accounting income available for distribution</b>			
- Relating to capital gain		-	-
- Excluding capital gain		1,204,517,427	200,467,630
		<b>1,204,517,427</b>	<b>200,467,630</b>

The annexed notes from 1 to 31 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 -----	
<b>Net income for the year after taxation</b>	<b>1,237,463,405</b>	241,417,718
Other comprehensive income for the year	-	-
<b>Total comprehensive income for the year</b>	<b><u>1,237,463,405</u></b>	<u>241,417,718</u>

The annexed notes from 1 to 31 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 -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the year before taxation	1,237,463,405	241,417,718
<b>Adjustments for:</b>		
Profit on balances with banks and investments	(1,493,303,151)	(328,882,293)
Loss on sale of investments - net	257,130,969	55,706,916
Net unrealised (appreciation) / diminution on remeasurement of investments classified as financial assets at fair value through profit or loss 5.5	(20,543,250)	3,418,148
	(1,256,715,432)	(269,757,229)
<b>(Increase) / decrease in assets</b>		
Investments - net	(5,510,477,779)	(59,612,264)
Deferred formation cost	276,696	(1,114,619)
Prepayments and advances	6,117	(493,156)
	(5,510,194,966)	(61,220,039)
<b>(Decrease) / increase in liabilities</b>		
Payable to JS Investments Limited - Management Company	(1,771,476)	3,764,676
Payable to Digital Custodian Company Limited - Trustee	205,366	189,396
Payable to the Securities and Exchange Commission of Pakistan (SECP)	(6,400)	383,314
Payable against redemption of units	-	52,140
Accrued expenses and other liabilities	1,181,495	385,154
	(391,015)	4,774,680
Profit received on balances with banks and investments	1,483,018,018	328,862,937
<b>Net cash (used in) / generated from operating activities</b>	(4,046,819,990)	244,078,067
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts against issuance of units	16,341,350,376	18,068,531,965
Payment against redemption of units	(12,790,683,382)	(15,702,157,514)
Distribution during the year	(1,093,357,788)	(192,155,739)
<b>Net cash generated from financing activities</b>	2,457,309,206	2,174,218,712
<b>Net increase in cash and cash equivalents during the year</b>	(1,589,510,784)	2,418,296,779
Cash and cash equivalents at the beginning of the year	2,418,296,779	-
<b>Cash and cash equivalents at end of the year</b> 17	828,785,995	2,418,296,779

The annexed notes from 1 to 31 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
	----- (Rupees) -----			----- (Rupees) -----		
<b>Net assets at beginning of the year</b>	2,407,324,539	8,311,891	2,415,636,430	-	-	-
Issuance of 147,842,344 (2023: 166,815,107) units						
- Capital value (at net asset value per unit at the beginning of the year)	16,073,419,640	-	16,073,419,640	16,681,510,662	-	16,681,510,662
- Element of income	267,930,736	-	267,930,736	1,387,021,303	-	1,387,021,303
<b>Total proceeds on issuance of units</b>	16,341,350,376	-	16,341,350,376	18,068,531,965	-	18,068,531,965
Redemption of 114,034,271 (2023: 144,596,163) units						
- Capital value (at net asset value per unit at the beginning of the year)	(12,397,806,052)	-	(12,397,806,052)	(14,459,616,253)	-	(14,459,616,253)
- Element of loss	(359,931,352)	(32,945,978)	(392,877,330)	(1,201,591,173)	(40,950,088)	(1,242,541,261)
Total payments on redemption of units	(12,757,737,404)	(32,945,978)	(12,790,683,382)	(15,661,207,426)	(40,950,088)	(15,702,157,514)
<b>Total comprehensive income for the year</b>	-	1,237,463,405	1,237,463,405	-	241,417,718	241,417,718
- Interim distribution- December 3, 2023 (10.64 per unit)	-	(478,563,560)	(478,563,560)	-	-	-
- Interim distribution- January 5, 2023 (1.67 per unit)	-	(79,535,783)	(79,535,783)	-	-	-
- Interim distribution- June 26, 2024 (10.48 per unit)	-	(535,258,445)	(535,258,445)	-	-	-
- Interim distribution- November 2, 2022 (0.20 per unit)	-	-	-	-	(7,449,834)	(7,449,834)
- Interim distribution- December 29, 2022 (1.18 per unit)	-	-	-	-	(43,912,548)	(43,912,548)
- Interim distribution- January 27, 2023 (0.68 per unit)	-	-	-	-	(25,562,349)	(25,562,349)
- Interim distribution- May 26, 2023 (0.46 per unit)	-	-	-	-	(27,456,417)	(27,456,417)
- Interim distribution- June 21, 2023 (4.11 per unit)	-	-	-	-	(87,774,591)	(87,774,591)
Total distribution during the year	-	(1,093,357,788)	(1,093,357,788)	-	(192,155,739)	(192,155,739)
<b>Net assets at end of the year</b>	5,990,937,511	119,471,530	6,110,409,041	2,407,324,539	8,311,891	2,415,636,430
<b>Undistributed income brought forward</b>						
- Realised income		11,730,039			-	
- Unrealised income / (loss)		(3,418,148)			-	
		8,311,891			-	
<b>Accounting income available for distribution</b>						
- Relating to capital gains / (loss)		-			-	
- Excluding capital gains		1,204,517,427			200,467,630	
		1,204,517,427			200,467,630	
Distribution during the year		(1,093,357,788)			(192,155,739)	
Undistributed income carried forward		119,471,530			8,311,891	
<b>Undistributed income carried forward</b>						
- Realised income		98,928,280			11,730,039	
- Unrealised income / (loss)		20,543,250			(3,418,148)	
		119,471,530			8,311,891	
Net asset value per unit at the beginning of the year		108.72			100.00	
<b>Net asset value per unit at the end of the year</b>		109.06			108.72	

The annexed notes from 1 to 31 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 Government Securities Fund ("the Fund") was established and registered under the Trust Deed and under section 16 of the Sindh Trusts Act, 2020 respectively executed between JS Investments Limited as the Management Company and Digital Custodian Company Limited as the Trustee. The Trust Deed was executed on December 30, 2021 in accordance with the requirement of Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules). The Fund commenced its operations from July 14, 2022.

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 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.

1.2 The Fund is an open end mutual fund categorised as "Income Scheme" and is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription at a par value of Rs.100 per unit. Thereafter, the units are offered for public subscription on continuous basis and are transferrable and can be redeemed by surrendering them to the Fund. As per the offering document, the Fund shall invest in a diverse portfolio of investment-grade debt securities and government securities.

1.3 Pakistan Credit Rating Agency Limited (PACRA) has maintained an asset manager rating of 'AM2+' with 'stable outlook' dated December 27, 2023 (June 2023: 'AM2+' with positive outlook' to the Management Company. PACRA reaffirmed the stability rating of "AA(f)" to the fund.

1.4 Title to the assets of the Fund are held in the name of Digital Custodian Company Limited (DCCL) as Trustee of 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;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ from the requirements of 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 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 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 financial statements in accordance with the accounting and reporting standards as applicable in Pakistan requires the management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates, judgments and associated assumptions are based on historical experience and various other factors including expectations of future events that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

The areas involving a higher degree of judgment or complexity, or areas where estimates and assumptions are significant to the financial statements relate to classification, impairment and valuation of financial assets (note 3.2 and 5).

### **2.5 Accounting convention**

These financial statements have been prepared under the historical cost convention, except for certain investments measured 'at fair value through profit or loss' category which are stated at fair value.

### **2.6 Functional and presentation currency**

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

## 3 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented.

### 3.1 Cash and cash equivalents

Cash and cash equivalents comprise of bank balances and short term highly liquid investments with original maturity of three months or less.

### 3.2 Financial assets

#### 3.2.1 Initial recognition and measurement

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

#### 3.2.2 Classification and subsequent measurement

##### a) Debt instruments

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

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

based on the business model of the entity.

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

#### 3.2.3 Impairment

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

### 3.2.4 Impairment loss on debt securities

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

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

### 3.2.5 Regular way contracts

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

### 3.2.6 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred 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".

### 3.2.7 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".

### 3.3 Financial liabilities

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

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

### 3.4 Offsetting of financial assets and financial liabilities

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

### 3.5 Provisions

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

### 3.6 Taxation

The income of the Fund is exempt from income tax under Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% 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.

### 3.7 Net asset value per unit

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

### 3.8 Issue and redemption of units

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

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

### 3.9 Distributions to unit holders

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

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

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

Element of income represents the difference between Net Asset Value (NAV) per unit on the issuance or redemption date, as the case may be, of units and the NAV per unit at the beginning of the relevant accounting period.

As clarified by the SECP vide its letter: no. SCD/AMCW/ETF/240/2020 dated March 2, 2020, element of income in case of Exchange Traded Funds shall be taken to Income Statement both at the time of issuance and redemption of Units to the extent it pertains to the Income Statement.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

## 3.11 Revenue recognition

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

## 3.12 Expenses

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

## 3.13 Earnings per unit

Earnings per unit is calculated by dividing the net income for the period 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	BANK BALANCES	Note	2024	2023
			----- (Rupees) -----	
	In savings accounts	4.1	<u>346,211,995</u>	<u>15,361,504</u>

4.1 These carry profit rates ranging from 19.24% to 20.5% (June 30, 2023: 12.25% to 19.50%) per annum.

5	INVESTMENTS	Note	2024	2023
			----- (Rupees) -----	
	<b>At fair value through profit or loss</b>			
	Market Treasury Bills	5.1	<b>5,754,975,860</b>	2,402,935,275
	Pakistan Investment Bonds	5.2	<b>1,975,400</b>	487,200
	GoP Ijara Sukuks	5.3	-	-
	Letters of placement	5.4	-	-
			<u><b>5,756,951,260</b></u>	<u>2,403,422,475</u>

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

## 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 01, 2023	Purchased during the year	Sold / matured during the year	As at June 30, 2024	Carrying value	Market value	Unrealised appreciation / (diminution)	total investment	net assets
		(Rupees)							%	
<b>Market Treasury Bills</b>										
3 Months	June 15, 2023	25,000,000	2,700,000,000	2,725,000,000	-	-	-	-	-	-
3 Months	June 22, 2023	2,500,000,000	5,025,000,000	7,525,000,000	-	-	-	-	-	-
3 Months	June 1, 2023	-	100,000,000	100,000,000	-	-	-	-	-	-
3 Months	August 10, 2023	-	5,425,000,000	5,425,000,000	-	-	-	-	-	-
3 Months	September 21, 2023	-	11,000,000,000	11,000,000,000	-	-	-	-	-	-
3 Months	September 7, 2023	-	5,200,000,000	5,200,000,000	-	-	-	-	-	-
3 Months	November 2, 2023	-	800,000,000	800,000,000	-	-	-	-	-	-
3 Months	October 5, 2023	-	900,000,000	900,000,000	-	-	-	-	-	-
3 Months	October 19, 2023	-	700,000,000	700,000,000	-	-	-	-	-	-
3 Months	August 24, 2023	-	1,350,000,000	1,350,000,000	-	-	-	-	-	-
3 Months	July 25, 2023	-	2,500,000,000	2,500,000,000	-	-	-	-	-	-
3 Months	March 7, 2024	-	575,000,000	575,000,000	-	-	-	-	-	-
3 Months	June 13, 2024	-	500,000,000	-	500,000,000	482,463,149	482,574,000	110,851	8.382	7.898
3 Months	March 21, 2024	-	1,010,000,000	1,010,000,000	-	-	-	-	-	-
3 Months	February 22, 2024	-	500,000,000	500,000,000	-	-	-	-	-	-
3 Months	May 30, 2024	-	1,000,000,000	1,000,000,000	-	-	-	-	-	-
<b>Market Treasury Bills</b>										
6 Months	March 27, 2023	-	100,000,000	100,000,000	-	-	-	-	-	-
6 Months	November 2, 2023	-	500,000,000	500,000,000	-	-	-	-	-	-
6 Months	October 19, 2023	-	5,500,000,000	5,500,000,000	-	-	-	-	-	-
6 Months	November 16, 2023	-	500,000,000	500,000,000	-	-	-	-	-	-
6 Months	January 11, 2024	-	75,000,000	55,000,000	20,000,000	19,876,586	19,887,860	11,274	0.345	0.325
6 Months	June 13, 2024	-	500,000,000	-	500,000,000	459,027,871	458,943,500	(84,371)	7.972	7.511
6 Months	May 30, 2024	-	1,000,000,000	1,000,000,000	-	-	-	-	-	-
6 Months	November 30, 2023	-	1,500,000,000	1,500,000,000	-	-	-	-	-	-
<b>Market Treasury Bills</b>										
12 Months	December 14, 2023	-	1,000,000,000	1,000,000,000	-	-	-	-	-	-
12 Months	November 2, 2023	-	3,500,000,000	3,500,000,000	-	-	-	-	-	-
12 Months	April 6, 2023	-	1,800,000,000	1,800,000,000	-	-	-	-	-	-
12 Months	October 6, 2022	-	600,000,000	600,000,000	-	-	-	-	-	-
12 Months	October 19, 2023	-	2,550,000,000	2,550,000,000	-	-	-	-	-	-
12 Months	November 30, 2023	-	8,830,000,000	8,830,000,000	-	-	-	-	-	-
12 Months	November 16, 2023	-	5,000,000,000	5,000,000,000	-	-	-	-	-	-
12 Months	January 11, 2024	-	750,000,000	250,000,000	500,000,000	453,027,759	453,094,500	66,741	7.870	7.415
12 Months	May 2, 2024	-	2,300,000,000	1,800,000,000	500,000,000	423,017,902	432,491,000	9,473,098	7.513	7.078
12 Months	June 13, 2024	-	500,000,000	500,000,000	-	-	-	-	-	-
12 Months	May 16, 2024	-	2,000,000,000	500,000,000	1,500,000,000	1,281,414,541	1,290,049,500	8,634,959	22.409	21.112
12 Months	April 18, 2024	-	500,000,000	500,000,000	-	-	-	-	-	-
12 Months	March 21, 2024	-	4,000,000,000	1,500,000,000	2,500,000,000	2,190,377,291	2,190,552,500	175,209	38.051	35.850
12 Months	May 30, 2024	-	4,000,000,000	3,500,000,000	500,000,000	425,222,471	427,383,000	2,160,529	7.424	6.994
<b>Total as at June 30, 2024</b>						<b>5,734,427,570</b>	<b>5,754,975,860</b>	<b>20,548,290</b>	<b>99.97</b>	<b>94.19</b>
<b>Total as at June 30, 2023</b>						<b>2,406,350,268</b>	<b>2,402,935,275</b>	<b>(3,414,993)</b>		

5.1.1 These will mature latest by May 30, 2025 and carry effective yield ranging from 18.85% to 21.35% per annum.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

## 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 01, 2023	Purchased during the year	Sold / matured during the year	As at June 30, 2024	Carrying value	Market value	Unrealised appreciation / (diminution)	total investment	net assets
		(Rupees)								
<b>Pakistan Investment Bonds:</b>										
2 Years (FLOATER)	December 30, 2021	-	4,850,000,000	4,850,000,000	-	-	-	-	-	-
2 Years (FLOATER)	September 8, 2022	-	12,350,000,000	12,350,000,000	-	-	-	-	-	-
<b>Pakistan Investment Bonds:</b>										
3 Years (FLOATER)	September 8, 2022	500,000	501,500,000	500,000,000	2,000,000	1,980,440	1,975,400	(5,040)	0.034	0.032
3 Years (FLOATER)	September 21, 2023	-	500,000,000	500,000,000	-	-	-	-	-	-
3 Years (FLOATER)	July 4, 2023	-	1,250,000,000	1,250,000,000	-	-	-	-	-	-
3 Years (FLOATER)	October 7, 2021	-	100,000,000	100,000,000	-	-	-	-	-	-
<b>Pakistan Investment Bonds:</b>										
5 Years (FLOATER)	October 19, 2023	-	1,500,000,000	1,500,000,000	-	-	-	-	-	-
5 Years (FLOATER)	September 21, 2023	-	4,000,000,000	4,000,000,000	-	-	-	-	-	-
5 Years (FLOATER)	January 17, 2024	-	275,000,000	275,000,000	-	-	-	-	-	-
<b>Pakistan Investment Bonds:</b>										
10 Years (FLOATER)	November 4, 2021	-	500,000,000	500,000,000	-	-	-	-	-	-
<b>Total as at June 30, 2024</b>						<b>1,980,440</b>	<b>1,975,400</b>	<b>(5,040)</b>	<b>0.03</b>	<b>0.03</b>
<b>Total as at June 30, 2023</b>						<b>490,355</b>	<b>487,200</b>	<b>(3,155)</b>		

5.2.1 These will mature latest by September 08, 2025 and carry effective yield at 22.32% per annum.

## 5.3 Government of Pakistan (GoP) Ijara Sukuks - '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 01, 2023	Purchased during the year	Sold / matured during the year	As at June 30, 2024	Carrying value	Market value	Unrealised appreciation / (diminution)	total investment	net assets
		(Rupees)								
<b>GoP Ijara Sukuks:</b>										
1 Year	October 9, 2023	-	97,000,000	97,000,000	-	-	-	-	-	-
<b>GoP Ijara Sukuks:</b>										
5 Years	October 26, 2022	-	287,000,000	287,000,000	-	-	-	-	-	-
<b>Total as at June 30, 2024</b>						<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total as at June 30, 2023</b>						<b>-</b>	<b>-</b>	<b>-</b>		

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

## 5.4 Letters of Placement

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 ----- % -----									
<b>Development Financial Institutions</b>									
Zarai Taraqiat Bank Limited (AAA, VIS)	December 07, 2023	-	900,000,000	900,000,000	-	-	-	-	-
Zarai Taraqiat Bank Limited (AAA, VIS)	October 19, 2023	-	850,000,000	850,000,000	-	-	-	-	-
Zarai Taraqiat Bank Limited (AAA, VIS)	October 20, 2023	-	700,000,000	700,000,000	-	-	-	-	-
Zarai Taraqiat Bank Limited (AAA, VIS)	October 23, 2023	-	700,000,000	700,000,000	-	-	-	-	-
Zarai Taraqiat Bank Limited (AAA, VIS)	October 24, 2023	-	500,000,000	500,000,000	-	-	-	-	-
Zarai Taraqiat Bank Limited (AAA, VIS)	October 25, 2023	-	700,000,000	700,000,000	-	-	-	-	-
Zarai Taraqiat Bank Limited (AAA, VIS)	October 30, 2023	-	750,000,000	750,000,000	-	-	-	-	-
Zarai Taraqiat Bank Limited (AAA, VIS)	November 01, 2023	-	750,000,000	750,000,000	-	-	-	-	-
Zarai Taraqiat Bank Limited (AAA, VIS)	November 02, 2023	-	500,000,000	500,000,000	-	-	-	-	-
Zarai Taraqiat Bank Limited (AAA, VIS)	November 03, 2023	-	550,000,000	550,000,000	-	-	-	-	-
Zarai Taraqiat Bank Limited (AAA, VIS)	November 23, 2023	-	900,000,000	900,000,000	-	-	-	-	-
Zarai Taraqiat Bank Limited (AAA, VIS)	December 06, 2023	-	900,000,000	900,000,000	-	-	-	-	-
Zarai Taraqiat Bank Limited (AAA, VIS)	December 11, 2023	-	500,000,000	500,000,000	-	-	-	-	-
Zarai Taraqiat Bank Limited (AAA, VIS)	December 12, 2023	-	400,000,000	400,000,000	-	-	-	-	-
Zarai Taraqiat Bank Limited (AAA, VIS)	January 15, 2024	-	500,000,000	500,000,000	-	-	-	-	-
Zarai Taraqiat Bank Limited (AAA, VIS)	January 16, 2024	-	500,000,000	500,000,000	-	-	-	-	-
Pak Oman Investment Company Limited (AA+, VIS)	April 24, 2024	-	800,000,000	800,000,000	-	-	-	-	-
Pak Oman Investment Company Limited (AA+, VIS)	November 13, 2023	-	850,000,000	850,000,000	-	-	-	-	-
Pak Oman Investment Company Limited (AA+, VIS)	November 14, 2023	-	800,000,000	800,000,000	-	-	-	-	-
Pak Oman Investment Company Limited (AA+, VIS)	December 06, 2023	-	900,000,000	900,000,000	-	-	-	-	-
<b>Total as at June 30, 2024</b>									
<b>Total as at June 30, 2023</b>									

## 5.5 Unrealised appreciation / (diminution) 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, 5.2, & 5.3	5,756,951,260	2,403,422,475
Less: carrying value of investments	5.1, 5.2, & 5.3	(5,736,408,010)	(2,406,840,623)
		<b>20,543,250</b>	<b>(3,418,148)</b>

## 6 PROFIT RECEIVABLE

Mark-up / return receivable on:

- Bank balances		10,279,456	12,490
- Government securities		25,033	6,866
- Debt securities		-	-
		<b>10,304,489</b>	<b>19,356</b>

## 7 DEFERRED FORMATION COST

Deferred formation cost	7.1	1,114,619	1,380,731
Less: Amortisation during the year		(276,696)	(266,112)
		<b>837,923</b>	<b>1,114,619</b>

7.1 Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of the operations of the Fund and are being amortised over a period of five years which commenced from July 14, 2022 as per the requirements set out in the Trust Deed of the Fund.

## 8 PREPAYMENTS AND ADVANCES

	Note	2024	2023
----- (Rupees) -----			
Advance tax	8.1	487,039	487,039
Fund rating fee		-	6,117
		<b>487,039</b>	<b>493,156</b>

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

- 8.1 As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 151 and 150. However, withholding tax on profit on government securities and profit on bank deposits paid to the Fund was deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated 12 May 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholder. The tax withheld on profit on debt securities and profit on bank deposits amounts to Rs. 0.49 million (June 30, 2023: Rs. 0.49 million).

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. A petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgment of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on profit on debt securities and profit on bank deposits has been shown as other receivables as at June 30, 2024 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

9	PAYABLE TO JS INVESTMENTS LIMITED - MANAGEMENT COMPANY	Note	2024	2023
			(Rupees)	
	Remuneration payable to Management Company	9.1	-	-
	Sindh Sales Tax payable on management remuneration	9.2	-	-
	Deferred formation cost	7.1	-	1,380,731
	Allocated expenses payable	9.3	-	26,096
	Payable against selling and marketing expenses	9.4	1,914,459	2,279,108
	Payable against printing and stationery		78,741	78,741
			<b>1,993,200</b>	<b>3,764,676</b>

- 9.1 As per regulation 61 of the NBFC Regulations, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document. Keeping in view the maximum allowable threshold, the Management Company has prescribed a maximum rate of 2.00% of average daily net assets. During the year, the Management Company has not charged its remuneration as per its discretion. The remuneration is payable to the Management Company monthly in arrears.

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

- 9.3 In accordance with Regulation 60 of 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 has not allocated expenses to the Fund based on its discretion, which has also have been approved by the Board of Directors of the Management Company.

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

The Management Company has charged selling and marketing expenses to the Fund based on its discretion subject to not being higher than actual expenses, which has also been approved by the Board of Directors of the Management Company.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

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.

10	PAYABLE TO DIGITAL CUSTODIAN COMPANY LIMITED - TRUSTEE	Note	2024	2023
			----- (Rupees) -----	
	Trustee remuneration payable	10.1	349,347	167,607
	Sindh Sales Tax payable on trustee remuneration	10.2	45,415	21,789
			<u>394,762</u>	<u>189,396</u>

10.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed and Offering Document as per the tariff specified therein, based on the average daily net assets of the Fund during the year. The tariff structure applicable to the Fund in respect of trustee remuneration is as follows:

Net Assets (Rs.)	Fee
- Up to Rs. 1,000 million	Rs.0.5 million or 0.12% per annum of the Net Assets, whichever is higher.
- Amount exceeding Rs. 1,000 million	Rs.1.2 million plus 0.060% per annum of the Net Assets on amount exceeding Rs. 1 billion.

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

11	PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	2024	2023
			----- (Rupees) -----	
	Fee payable	11.1	<u>376,914</u>	<u>383,314</u>

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

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

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

12	ACCRUED EXPENSES AND OTHER LIABILITIES	2024	2023
		----- (Rupees) -----	
	Brokerage payable	895,586	-
	Auditors' remuneration payable	605,880	356,400
	Sales load payable	-	27,853
	Other payable	117,323	901
		<u>1,618,789</u>	<u>385,154</u>

## 13 CONTINGENCIES AND COMMITMENTS

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

14	NUMBER OF UNITS IN ISSUE	2024	2023
		----- (Number of units) -----	
	Units in issue at the beginning of the year	22,218,944	-
	Units issued during the year	147,842,344	166,815,107
	Units redeemed during the year	(114,034,272)	(144,596,163)
	Total units in issue as the end of the year	<u>56,027,016</u>	<u>22,218,944</u>

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

	2024	2023
	----- (Rupees) -----	
<b>15 PROFIT ON BALANCES WITH BANKS AND INVESTMENTS</b>		
Profit / mark-up income on:		
- Bank balances	87,055,981	42,675,066
- Government securities	1,396,474,499	286,207,227
- Debt securities	9,772,671	-
	<b>1,493,303,151</b>	<b>328,882,293</b>
<b>16 AUDITORS' REMUNERATION</b>		
Annual audit fee and interim review fee	750,000	475,000
Other certifications	100,000	50,000
Out of pocket expenses	44,280	51,300
Sindh Sales Tax	68,000	42,000
	<b>962,280</b>	<b>618,300</b>
<b>17 CASH AND CASH EQUIVALENTS</b>		
Savings accounts	346,211,995	15,361,504
Market treasury bills (with original maturity of three months or less)	482,574,000	2,402,935,275
	<b>828,785,995</b>	<b>2,418,296,779</b>

## 18 TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund based on the current year results is 0.31% (June 30, 2023: 1.49%) which includes 0.1% (June 30, 2023: 0.06%) representing Government Levy and SECP Fee. The prescribed limit for the ratio is 2.5% (June 30, 2023: 2.5%) (excluding government levies) under the NBFC Regulations for a collective investment scheme categorised as an "Income Scheme".

## 19 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 the Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

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

Connected persons / related parties include JS Investments Limited (JSIL) being the Management Company of the Fund, Digital Custodian Company Limited being the Trustee of the Fund, JS Bank Limited (JSBL) being the holding company of the Management Company - holding 84.56% shares of JS Investments Limited, Jahangir Siddiqui & Co. Limited (JSCL) being the holding company of JSBL - holding 71.20 % shares of 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.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

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.

Selling and marketing expenses are charged to the Fund by the Management Company subject to the maximum prescribed Total Expense Ratio.

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

## 20.1 Transactions during the year

	2024	2023
	----- (Rupees) -----	
<b>JS Investments Limited (Management Company)</b>		
Remuneration to JS Investments Limited - Management Company	-	2,819,823
Sindh Sales Tax on Management Company's Remuneration	-	366,577
Sales load	<b>78,234</b>	5,571
Allocated expenses by the Management Company	-	1,627,173
Printing and stationery	<b>108,473</b>	101,468
Selling and marketing expenses	<b>1,914,459</b>	19,427,798
Deferred formation cost	<b>276,696</b>	266,112
Issuance of : 9,509,071 (2023: 12,687,449) units	<b>1,114,228,355</b>	1,343,395,314
Refund of capital : 377,919 (2023: 2,632) units	<b>41,087,385</b>	291,760
Dividend reinvested : 5,517 (2023: 3,480) units	<b>705,636</b>	453,850
Redemption of : 9,892,507 (2023: 12,693,560) units	<b>1,128,097,769</b>	1,357,786,021
<b>Digital Custodian Company Limited (Trustee)</b>		
Remuneration of the Digital Custodian Company Limited - Trustee	<b>4,294,011</b>	1,596,935
Sindh Sales Tax on remuneration of the Trustee	<b>558,222</b>	207,601
<b>JS Global Capital Limited (Fellow subsidiary of JSBL)</b>		
Brokerage expense	<b>83,787</b>	27,825
<b>JS Fund of Funds (Fund Under JSIL Management)</b>		
Issuance of: Nil (2023: 3,227,855) units	-	338,293,950
Redemption of: Nil (2023: 3,227,855) units	-	348,455,593
<b>Jahangir Siddiqui &amp; Company Limited (Ultimate Parent Company - JSIL)</b>		
Issuance of: Nil (2023: 9,432,598) units	-	998,629,202
Redemption of: Nil (2023: 9,432,598) units	-	999,478,136
<b>EFU General Insurance Limited (Common Directorship of Ultimate Parent Company)</b>		
Issuance of units: Nil (2023: 931,272) units	-	100,000,000
Redemption of: 964,718 (2023: Nil) units	<b>112,920,180</b>	-
Refund of Capital: Nil (2023: 78) units	-	8,473
Dividend paid: Nil (2023: 33,367) units	-	4,260,938

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

Transactions during the year	2024	2023
	----- (Rupees) -----	
<b>EFU Life Assurance Limited</b> <b>(Common Directorship of Ultimate Parent Company)</b>		
Issuance of: Nil (2023: 20,387,360) units	-	2,200,000,000
Refund of Capital: Nil (2023: 2,015) units	-	218,235
Dividend paid: Nil (2023: 859,557) units	-	93,299,653
Dividend reinvested : 4,721,165 (2023: Nil) units	<b>513,285,077</b>	-
<b>Pakistan National Shipping Corporation</b> <b>(Entity holding 10% or more of units)</b>		
Issuance of : 67,150,050 (2023: Nil) units	<b>7,527,304,649</b>	-
Refund of capital : 2,390,958 (2023: Nil) units	<b>259,944,914</b>	-
Dividend reinvested : 4,147,512 (2023: Nil) units	<b>530,491,220</b>	-
Redemption of : 48,455,191 (2023: Nil) units	<b>5,273,618,151</b>	-
<b>Key management personnel of the Management Company</b>		
Issuance of : 106,203.668 (2023: Nil) units	<b>11,689,870</b>	-
Refund of capital : 0.3455 (2023: Nil) units	<b>38</b>	-
Dividend reinvest : 0.0445 (2023: Nil) units	<b>6</b>	-
Redemption of : 106,199.5263 (2023: Nil) units	<b>11,714,870</b>	-
<b>20.2 Amounts / balances outstanding as at year end</b>		
<b>JS Investments Limited (Management Company)</b>		
Remuneration payable to Management Company	-	-
Sindh Sales Tax payable on Management Company's remuneration	-	-
Deferred Formation cost	-	1,380,731
Allocated expenses payable	-	26,096
Payable against Selling and marketing expenses	<b>1,914,459</b>	2,279,108
Payable against printing and stationery	<b>78,741</b>	78,741
<b>Digital Custodian Company Limited (Trustee)</b>		
Trustee remuneration payable	<b>349,347</b>	167,607
Sindh Sales Tax payable on trustee remuneration	<b>45,415</b>	21,789
<b>EFU General Insurance Limited</b> <b>(Common Directorship of Ultimate Parent Company)</b>		
Units held: Nil (June 30, 2023: 964,718)	-	104,884,084
<b>EFU Life Assurance Limited</b> <b>(Common Directorship of Ultimate Parent Company)</b>		
Units held: 25,970,097 (June 30, 2023: 21,248,932)	<b>2,832,298,800</b>	2,310,183,890
<b>Pakistan National Shipping Corporation</b> <b>(Entity holding 10% or more of units)</b>		
Units held: 25,233,329 (June 30, 2023: Nil)	<b>2,751,946,826</b>	-
<b>Key management personnel of the Management Company</b>		
Units held: 4.5317 (June 30, 2023: Nil)	<b>494</b>	-

21 FINANCIAL INSTRUMENTS BY CATEGORY

Particulars	2024		
	At amortised cost	At fair value through profit or loss	Total
(Rupees)			
<b>Financial assets</b>			
Bank balances	346,211,995	-	346,211,995
Investments	-	5,756,951,260	5,756,951,260
Profit receivable	10,304,489	-	10,304,489
	<u>356,516,484</u>	<u>5,756,951,260</u>	<u>6,113,467,744</u>
<b>Financial liabilities</b>			
Payable to JS Investments Limited - Management Company	1,993,200	-	1,993,200
Payable to Digital Custodian Company Limited - Trustee	394,762	-	394,762
Accrued expenses and other liabilities	1,618,789	-	1,618,789
	<u>4,006,751</u>	<u>-</u>	<u>4,006,751</u>
Particulars	2023		
	At amortised cost	At fair value through profit or loss	Total
(Rupees)			
<b>Financial assets</b>			
Bank balances	15,361,504	-	15,361,504
Investments	-	2,403,422,475	2,403,422,475
Profit receivable	19,356	-	19,356
	<u>15,380,860</u>	<u>2,403,422,475</u>	<u>2,418,803,335</u>
<b>Financial liabilities</b>			
Payable to JS Investments Limited - Management Company	3,764,676	-	3,764,676
Payable to Digital Custodian Company Limited - Trustee	189,396	-	189,396
Payable against redemption of units	52,140	-	52,140
Accrued expenses and other liabilities	385,154	-	385,154
	<u>4,391,366</u>	<u>-</u>	<u>4,391,366</u>

22 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

22.1 Market risk

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

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

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

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

## 22.1.1 Currency risk

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

## 22.1.2 Yield / Interest rate risk

Yield / interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest / profit rates. As of June 30, 2024, the Fund is exposed to such risk on its balances held with banks, market treasury bills and Pakistan investment bonds. 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.

### Sensitivity analysis for variable rate instruments

As at June 30, 2024, the Fund holds balances with banks and Pakistan investment bonds amounting Rs.348.19 million (2023: Rs. 15.85 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. 3.48 million (2023: Rs. 0.16 million).

The composition of the Fund's investment portfolio, KIBOR rates and the rates announced by the Financial Markets Association of Pakistan 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 interest rates.

Yield / interest rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off-balance sheet 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:

2024					
Yield / effective interest rate	Exposed to yield / interest rate risk			Not exposed to yield / interest risk	Total
	Upto three months	More than three months and upto one year	More than one year		
(Rupees)					
<b>On-balance sheet financial instruments</b>					
<b>Financial assets</b>					
Bank balances	19.24 - 20.5	346,211,995	-	-	346,211,995
Investments	19.45 - 22.32	482,574,000	478,831,360	-	5,756,951,260
Profit receivable		-	-	10,304,489	10,304,489
		828,785,995	478,831,360	4,795,545,900	10,304,489
					6,113,467,744
<b>Financial liabilities</b>					
Payable to JS Investments Limited - the Management Company		-	-	-	1,993,200
Payable to Digital Custodian Company Limited - Trustee		-	-	-	394,762
Accrued and other liabilities		-	-	-	1,618,789
		-	-	-	4,006,751
					4,006,751
<b>On-balance sheet gap</b>		<b>828,785,995</b>	<b>478,831,360</b>	<b>4,795,545,900</b>	<b>6,297,738</b>
<b>Off-balance sheet financial instruments</b>		-	-	-	-
<b>Off-balance sheet gap (b)</b>		-	-	-	-
<b>Total profit rate sensitivity gap (a+b)</b>		<b>828,785,995</b>	<b>478,831,360</b>	<b>4,795,545,900</b>	<b>6,297,738</b>
					<b>6,109,460,993</b>

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

2023					
Yield / effective interest rate	Exposed to yield / interest rate risk			Not exposed to yield / interest risk	Total
	Upto three months	More than three months and upto one year	More than one year		
(Rupees)					

## On-balance sheet financial instruments

### Financial assets

Bank balances	12.25-19.5	15,361,504	-	-	-	15,361,504
Investments:	21.98 - 23	2,402,935,275	-	487,200	-	2,403,422,475
Profit receivable		-	-	-	19,356	19,356
		2,418,296,779	-	487,200	19,356	2,418,803,335

### Financial liabilities

Payable to JS Investments Limited - the Management Company		-	-	-	3,764,676	3,764,676
Payable to Digital Custodian Company Limited - Trustee		-	-	-	189,396	189,396
Payable against redemption of units		-	-	-	52,140	52,140
Accrued and other liabilities		-	-	-	385,154	385,154
		-	-	-	4,391,366	4,391,366

### On-balance sheet gap

		2,418,296,779	-	487,200	(4,372,010)	2,414,411,969
--	--	---------------	---	---------	-------------	---------------

### Off-balance sheet financial instruments

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

### Off-balance sheet gap (b)

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

### Total profit rate sensitivity gap (a+b)

		2,418,296,779	-	487,200	(4,372,010)	2,414,411,969
--	--	---------------	---	---------	-------------	---------------

## 22.1.3 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 rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

Equity price risk is the risk that the fair value of equity instruments decreases as a result of changes in the level of equity indices and the value of individual stocks. The Fund does not have any investment in equity securities as of June 30, 2024.

## 22.2 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 obligations as it falls due.

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. In addition, the risk is managed through assignment of credit limits and by following strict credit evaluation criteria laid down by the Management Company. The Fund does not expect to incur material credit losses on its financial assets.

**22.2.1 Exposure to credit risk**

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

	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)				
Bank balances	346,211,995	346,211,995	15,361,504	15,361,504
Investments	5,756,951,260	-	2,403,422,475	-
Profit receivable	10,304,489	10,279,456	19,356	19,356
	<u>6,113,467,744</u>	<u>356,491,451</u>	<u>2,418,803,335</u>	<u>15,380,860</u>

The difference in the balance as per the statement of assets and liabilities and maximum exposure is due to the fact that investments in Government Securities of Rs. 5,756 million (June 30, 2023: Rs. 2,403 million) are not exposed to credit risk.

The maximum exposure to credit risk before any credit enhancement as at June 30, 2024 is the carrying amount of the financial assets.

No financial assets were considered to be past due or impaired either at June 30, 2024 and June 30, 2023.

**22.2.2 Credit quality of financial assets**

The Fund's significant credit risk arises mainly on account of its placements in banks and profit accrued thereon, credit exposure arising as a result of investment in term finance certificates and sukuk certificates and profit accrued thereon.

**Bank balances**

The Fund held bank balances at June 30, 2024 with banks having following credit ratings:

Name of Bank	June 30, 2024		
	Rating Agency	Latest available published rating	Percentage
United Bank Limited	VIS	AAA	0.002%
Bank of Punjab Limited	PACRA	AA+	0.002%
Allied Bank Limited	PACRA	AAA	99.924%
Bank AL Habib Limited	PACRA	AAA	0.005%
Habib Bank Limited	VIS	AAA	0.067%
			<u>100%</u>

Name of Bank	June 30, 2023		
	Rating Agency	Latest available published rating	Percentage
United Bank Limited	VIS	AAA	0.205%
Bank of Punjab Limited	PACRA	AA+	98.471%
Allied Bank Limited	PACRA	AAA	0.092%
Habib Bank Limited	VIS	AAA	1.232%
			<u>100%</u>

Above rates are on the basis of available ratings assigned by PACRA and VIS as of June 30, 2024.

**22.2.3 Concentration of credit risk**

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

**22.2.4 Liquidity risk**

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

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

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

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

----- 2024 -----						
Within one month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial Instruments with no fixed maturity	Total
----- (Rupees) -----						

**Financial liabilities**

Payable to JS Investments Limited - the Management Company  
 Payable to Digital Custodian Company Limited - Trustee  
 Accrued and other liabilities

1,993,200	-	-	-	-	-	1,993,200
394,762	-	-	-	-	-	394,762
1,618,789	-	-	-	-	-	1,618,789
<b>4,006,751</b>	-	-	-	-	-	<b>4,006,751</b>

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

----- 2023 -----						
Within one month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial Instruments with no fixed maturity	Total
----- (Rupees) -----						
<b>Financial liabilities</b>						
Payable to JS Investments Limited - the Management Company	3,764,676	-	-	-	-	3,764,676
Payable to Digital Custodian Company Limited - Trustee	189,396	-	-	-	-	189,396
Payable against redemption of units	52,140	-	-	-	-	52,140
Accrued and other liabilities	385,154	-	-	-	-	385,154
	<b>4,391,366</b>	-	-	-	-	<b>4,391,366</b>

## 23 FAIR VALUE MEASUREMENT

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

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

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the 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.

### 23.1 Fair value hierarchy

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

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

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

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

As at June 30, 2024, the Fund held the following financial instruments measured at fair values:

----- 2024 -----				
	Level 1	Level 2	Level 3	Total
----- (Rupees) -----				
<b>Financial assets 'at fair value through profit or loss'</b>				
Investments				
Market Treasury Bills	-	5,754,975,860	-	5,754,975,860
Pakistan Investment Bonds	-	1,975,400	-	1,975,400
	-	<b>5,756,951,260</b>	-	<b>5,756,951,260</b>

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

	2023			
	Level 1	Level 2	Level 3	Total
<b>Financial assets 'at fair value through profit or loss'</b>	<b>(Rupees)</b>			
Investments				
Government securities - Treasury bills	-	2,402,935,275	-	2,402,935,275
Pakistan Investment Bonds	-	487,200	-	487,200
	-	2,403,422,475	-	2,403,422,475

During the year ended June 30, 2024, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements.

## 24 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	21	4,607,035	502,451,530	8.22%
Associated Companies and Directors	1	25,970,097	2,832,347,352	46.35%
Others	5	25,449,884	2,775,610,159	45.43%
	27	56,027,016	6,110,409,041	100%

Category	As at June 30, 2023			
	Number of unit holders	Number of units held	Investment amount (Rupees)	Percentage of total investment
Individuals	5	5,294	568,456	0.02%
Associated Companies and Directors	2	22,213,650	2,415,067,974	99.98%
	7	22,218,944	2,415,636,430	100%

## 25 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	Ms. Samina Faisal	Country Head Business Development	33	MBA
4	Mr. Asim Ilyas	Head of Fixed Income	28	MAS
5	Mr. Syed Hussain Haider	Chief Investment Officer	22	CFA / CIPM
6	Mr. Safdar Raza	Fund Manager	8	B.Com

### 25.1 Name and qualification of the Fund Manager

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

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

## 26 LIST OF 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 (Pvt) Limited	26.90%	C & M Management (Pvt) Limited	20.45%
Alfalah CLSA Securities Pvt Ltd	19.76%	Vector Capital (Pvt) Limited	14.81%
Pearl Securities Limited (PSL)	10.77%	Paramount Capital Private Limited	12.72%
KTrade Securities Limited	8.78%	Magenta Capital (Pvt) Limited	10.51%
Vector Capital (Pvt) Limited	7.47%	Alfalah CLSA Securities Pvt Ltd	10.46%
Summit Capital (Pvt) Ltd	6.83%	Optimus Markets (Pvt) Limited	7.24%
Magenta Capital (Pvt) Limited	6.50%	Continental Exchange (Pvt) Limited	5.67%
Invest One Markets Limited	3.53%	Invest One Markets Limited	4.93%
Optimus Markets (Pvt) Limited	2.69%	Summit Capital (Pvt) Limited	4.58%
JS Global Capital Limited	1.51%	JS Global Capital Limited	4.47%

## 27 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					
			August 04, 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	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	✓	✓	✓	✓	✓
			<b>5</b>	<b>7</b>	<b>7</b>	<b>8</b>	<b>7</b>	<b>6</b>

## 28 UNIT HOLDER'S FUND RISK MANAGEMENT

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

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

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

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

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

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

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

## 29 GENERAL

### 29.1 Rounding off

Figures have been rounded off to the nearest rupee.

## 30 CORRESPONDING FIGURES

Corresponding figures have been re-classified and re-arranged in these financial statements, wherever necessary to facilitate comparison and to conform with changes in presentation in the current year. No significant rearrangements or reclassifications have been made in these financial statements during the current year.

## 31 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on August 20, 2024 by the 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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🌐 http://www.linkedin.com/company/js-investment-limited



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# Shaping Tomorrow's Solutions, Today!

**JS ISLAMIC DAILY DIVIDEND FUND**

**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

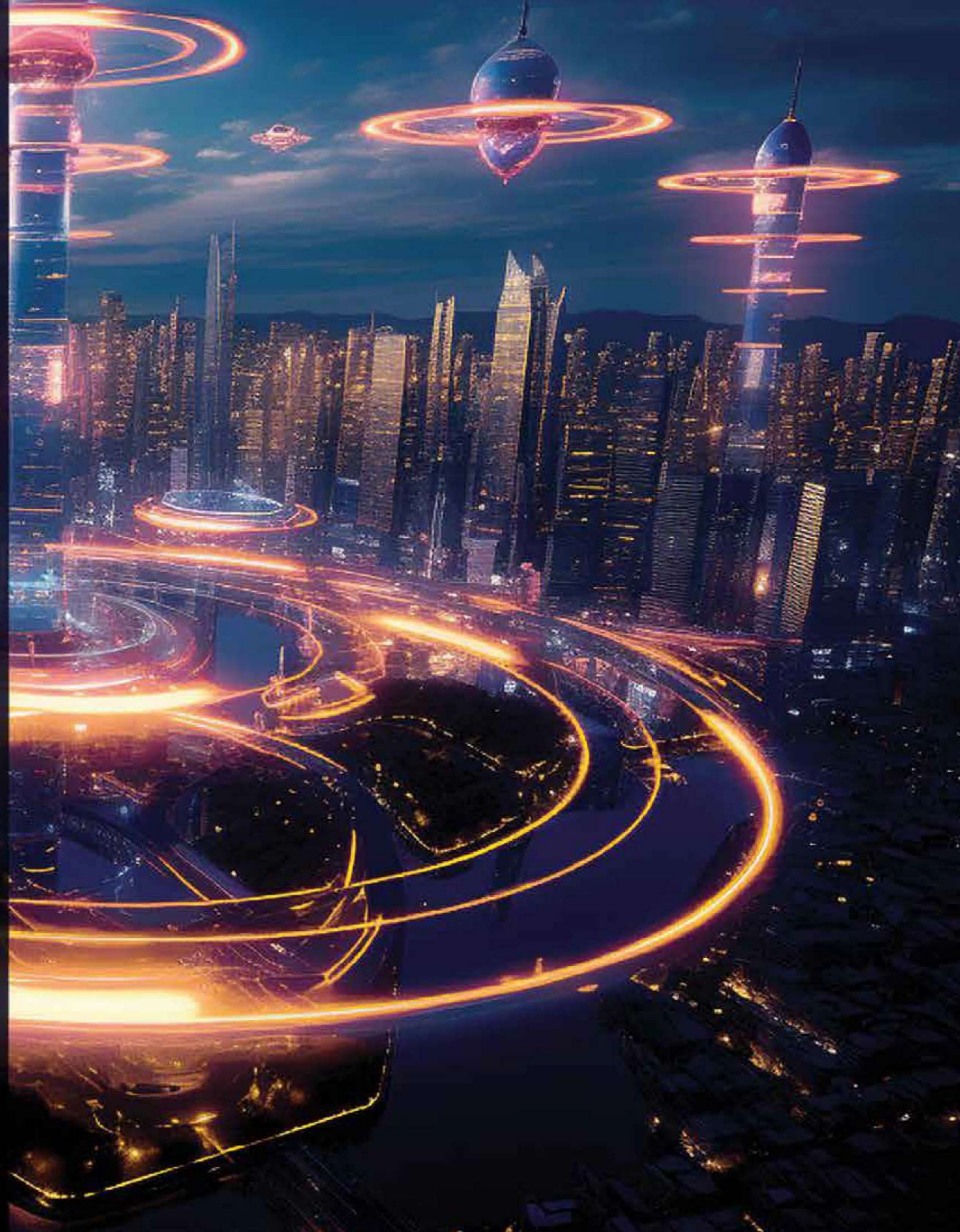
Digital Custodian Company Limited  
4 Floor, Perdesi House  
2/1, R-Y-16, Old Queens Road,  
Karachi - 75530

## Shariah Advisors

AI – Hilal Shariah Advisors (Pvt) Limited

# 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 Islamic Daily Dividend 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 return was 21.64% for the year ended June 30, 2024, against the benchmark return of 10.82%. The Fund's Net Assets decreased from PKR 3,082.82 million as at June 30, 2023, to PKR. 3,018.86 billion as at June 30, 2024. The total expense ratio is 0.82%, which includes 0.13% of government levies on the Fund.

## Dividend

The Fund paid Daily Dividend accumulating to Rs 19.64 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 Pakistan Credit Rating Agency (PACRA) reaffirmed the stability rating of "A + (f)" (A plus – Fund Rating) to the Fund.

## 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.

## Shariah Advisors

Messrs Al-Hilal Shariah Advisors (Pvt.) Limited completed its tenure. The Board of Directors of JS Investment Limited, the Management Company of the Fund, upon recommendation of the Audit Committee, has approved the appointment of Al-Hilal Shariah Advisors 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 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 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، JS اسلامک ڈیلی ڈیویڈنڈ فنڈ (دی فنڈ) کی میٹنگ کمپنی 30 جون 2024 کو اختتام پانے 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 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 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 کمی کی 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 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 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 10.82 فیصد اپنے بیچ مارک منافع کے مقابلے میں 21.64 فیصد رہا۔ 30 جون 2024 کو خالص اثاثہ جات 30 جون 2023 کے 3,082.82 بلین روپے سے 3,018.86 بلین روپے پر پہنچ گئے۔ گل اخراجات کا تناسب 0.82 فیصد ہے، جس میں فنڈ پر حکومتی محصولات کا 0.13 فیصد شامل ہے۔

## ڈیویڈنڈ

30 جون 2024 کو ختم ہونے والے سال کے دوران فنڈ نے 19.64 روپے فی یونٹ یومیہ ڈیویڈنڈ ادا کیا۔

## ایسیٹ مینجمنٹ ریٹنگ

پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) نے ہماری مینجمنٹ کمپنی کی "AM 2+" ایسیٹ مینجمنٹ 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۔ پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) نے فنڈ کی (A + (f)) (اے پلس۔ فنڈ ریٹنگ) کی فنڈ اسٹیبلٹی ریٹنگ برقرار رکھی۔

## آڈیٹرز

ریٹائر ہونے والے بیرونی آڈیٹرز میسرز ایف فرگوسن، 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 ایف فرگوسن، چارٹرڈ اکاؤنٹنٹس کی 30 جون 2025 کو ختم ہونے والے سال کے لیے تقرری کی منظوری دی۔

## شریعہ ایڈوائزرز

میسرزاں۔ ہلال شریعہ ایڈوائزرز (پرائیوٹ) لمیٹڈ نے اپنی مدت مکمل کی۔ JS انویسٹمنٹس لمیٹڈ کے بورڈ آف ڈائریکٹرز، فنڈ کی مینجمنٹ کمپنی نے، آڈٹ کمیٹی کی تجویز پر ہلال شریعہ ایڈوائزرز کو 30 جون 2025 کو ختم ہونے والے سال کے لیے تقرری کی منظوری دی۔

## اضافی معاملات

ا۔ سالانہ رپورٹ کے ساتھ فنڈ مینجمنٹ 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 اور معاونت، مدد اور رہنمائی پر سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) اور ڈی بی سی ایل کسٹومرز کمپنی لمیٹڈ (DCCL) سے اظہار تشکر کرتے ہیں۔ بورڈ ممبران 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**

Shariah Compliant Money Market Scheme / Open end

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

The Objective of the Fund is to meet liquidity needs of the investors by providing daily dividend through investment in Shariah Compliant money market instruments.

- **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**

The performance benchmark of the Fund shall be Three (3) months average deposits rates of three (3) AA rated Islamic Banks or Islamic windows of conventional 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
JSIDDF	19.64%	20.13%	20.18%	20.30%	20.33%	19.08%	18.97%	20.16%	20.10%	19.57%	19.30%	19.20%	21.64%
Benchmark	7.54%	8.57%	9.02%	10.22%	10.34%	10.74%	11.00%	11.29%	11.32%	11.29%	11.25%	11.27%	10.82%
Diff.	12.10%	11.56%	11.16%	10.08%	9.99%	8.34%	7.97%	8.87%	8.78%	8.28%	8.05%	7.93%	10.82%

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

During the year, the fund's asset allocation remained focused on short-term Shariah-compliant bank placements and short-term Sukuks. The duration was adjusted upward to capitalize on the anticipated monetary easing, as improving inflation numbers signaled a more favorable macroeconomic outlook, allowing the fund to benefit from declining interest rates while managing liquidity and risk.

- **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	26.76%	50.29%
Placement with Banks and DFIs	43.47%	29.13%
TFCs / Sukkuks	21.23%	18.29%
GoP Ijara/Sukkuks	5.80%	0.00%
Other including receivables	2.74%	2.29%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

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

	Fund	BM
Standard Deviation	1.6%	0.8%
Duration (Days)	75	
WAM (Days)	85	
Expense Ratio**	0.8%	

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

\*\* This is annualized and Includes 0.13% Government levy & SECP fee; 0.18% 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	3,019	100.00
30-Jun-23	2,898	100.00

# FUND MANAGER REPORT

Annual Report 2024

- **Disclosure of the markets that the Collective Investment Scheme has invested in:**  
JS Islamic Daily Dividend Fund maintains a diversified portfolio of low-risk short-term Shariah-compliant money market instruments and Shariah-compliant bank placements.
- **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 cumulative distribution for FY24 to Rs. 19.64 per unit i.e. 19.64%.

NAV per unit as on June 30, 2024	
Cum NAV (PKR)	100.00
Ex-NAV (PKR)	100.00

- **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 Islamic Daily Dividend Fund	0.0001	to	9,999.9999	283
	10,000.0000	to	49,999.9999	99
	50,000.0000	to	99,999.9999	20
	100,000.0000	to	499,999.9999	26
	500,000.0000	&	above	10
			<b>Total</b>	<b>438</b>

- **Disclosure on unit split (if any), comprising:-**  
The Fund has not carried out any unit split exercise during the year.
- **Disclosure of circumstances that materially affect any interests of the unit holders**  
Investment is subject to market risk.
- **Disclosure if the Asset Management Company or its delegate, if any, receives any soft commission (i.e. goods and services) from its broker(s) or dealer(s) by virtue of transactions conducted by the Collective Investment Scheme, disclosure of the following:-**  
The Management Company and / or any of its delegates have not received any soft commission from its brokers / dealers by virtue of transactions conducted by the Fund.

# PERFORMANCE TABLE

		30-Jun-24	30-Jun-23	30-Jun-22	For the period from Sept 03, 2020 to June 30, 2021
Net assets - Rupees in "million"		3,018.86	3,082.82	358.31	461.51
Net income / (loss) - Rupees in "million"		587.08	311.25	78.84	25.63
Total return of the Fund (Since inception) *	%	21.64	16.91	9.28	6.42
Dividend distribution - Daily *	%	21.64	16.91	9.28	6.42
Capital Growth *	%	-	-	-	-
Average annual return					
- One Year (Annuallized)	%	21.64	16.91	9.28	6.42
- Two Years	%	19.28	13.10	7.85	n/a
- Three Years	%	15.94	10.87	n/a	n/a
NAV per unit	Rs.	100.00	100.00	100.00	100.00
Highest offer price per unit	Rs.	101.13	101.13	101.13	101.13
Lowest offer price per unit	Rs.	101.13	101.13	101.13	101.13
Year-end offer price per unit	Rs.	101.13	101.13	101.13	101.13
Highest repurchase price per unit	Rs.	100.00	100.00	100.00	100.00
Lowest repurchase price per unit	Rs.	100.00	100.00	100.00	100.00
Year-end repurchase price per unit	Rs.	100.00	100.00	100.00	100.00
Interim distribution (Daily)	Rs.	19.64	15.63	9.28	6.42
Total distribution as % of par value	Rs.	19.64	15.63	9.28	6.42

## Notes

- JS Islamic Daily Dividend Fund was launched on September 03, 2020.
- Investment portfolio composition of the Fund is disclosed in note 6 of the financial statements.
- Income earned by the fund was distributed on daily basis. Therefore, there is no capital growth in the form of NAV appreciation and hence, NAV of the fund will remain to be at par value.

## Disclaimer

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

September 24, 2024



الحمد لله رب العالمين، والصلاة والسلام على سيد الأئبياء والمرسلين، وعلى آله وصحبه أجمعين، وبعد

The purpose of this report is to provide an opinion on the Shariah Compliance of the Fund's investment and operational activities with respect to Shariah guidelines provided.

It is the core responsibility of the Management Company to operate the Fund and invest the amount of money in such a manner which is in compliance with the Shariah principles as laid out in the Shariah guidelines. In the capacity of the Shariah Advisor, our responsibility lies in providing Shariah guidelines and ensuring compliance with the same by review of activities of the fund. We express our opinion based on the review of the information, provided by the management company, to an extent where compliance with the Shariah guidelines can be objectively verified.

Our review of Fund's activities is limited to enquiries of the personnel of Management Company and various documents prepared and provided by the management company.

Keeping in view the above; we certify that:

We have reviewed all the investment and operational activities of the fund including all transactions and found them to comply with the Shariah guidelines. On the basis of information provided by the management company, all operations of the fund for the year ended June 30, 2024 comply with the provided Shariah guidelines. Therefore, it is resolved that investments in **JS Islamic Daily dividend fund** managed by **JS Investments Limited** are permissible and in accordance with Shariah principles.

May Allah (SWT) bless us and forgive our mistakes and accept our sincere efforts in accomplishment of cherished tasks and keep us away from sinful acts.

والله أعلم بالصواب، وصلى الله على نبينا محمد وعلى آله وصحبه وبارك وسلم

For and on behalf of Al-Hilal Shariah Advisors (Pvt.) Limited.



Mufti Irshad Ahmad Aijaz  
Member Shariah Council



Faraz Younus Bandukda, CFA  
Chief Executive

## STATEMENT OF COMPLIANCE WITH SHARIAH PRINCIPLES

**JS Islamic Daily Dividend Fund** (the Fund) has fully complied with Shariah Principles specified in the Trust Deed and in the guidelines issued by the Shariah Advisors for its operations, investments, bank accounts and placements made during the year ended June 30, 2024. The Shariah Advisors has also confirmed that the transactions were observed to be compliant with the guidelines laid down by Shariah Advisors.

Karachi: September 24, 2024



**Iffat Zehra Mankani**  
Chief Executive Officer

**INDEPENDENT REASONABLE ASSURANCE REPORT TO THE UNIT HOLDERS OF JS ISLAMIC DAILY DIVIDEND FUND ON THE STATEMENT OF COMPLIANCE WITH THE SHARIAH PRINCIPLES****Introduction**

We were engaged by the Board of Directors of **JS Investments Limited** (the Management Company) to report on the Management Company's assessment of compliance with the Shariah Principles of **JS Islamic Daily Dividend Fund** (the Fund), as set out in the annexed Statement of Compliance with the Shariah Principles (the Statement) prepared by the Management Company for the year ended June 30, 2024, in the form of an independent reasonable assurance conclusion about whether the annexed statement reflects, in all material respects the status of compliance of the Fund with the Shariah Principles as specified in the Trust Deed and the guidelines issued by the Shariah Advisor in respect of the investments made by the Fund. Our engagement was conducted by a team of assurance practitioners.

**Applicable Criteria**

The criteria for the reasonable assurance engagement against which the annexed Statement has been assessed comprises of the Shariah Principles as specified in the Trust Deed and the guidelines issued by the Shariah Advisor in respect of the investments made by the Fund.

**Management's Responsibility for Shariah Compliance**

The Management Company is responsible for preparation of the annexed Statement that is free from material misstatement. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation of the annexed Statement that is free from material misstatement, whether due to fraud or error. It also includes ensuring the overall compliance of the Fund with the Shariah Principles and guidelines issued by the Shariah Advisor.

**Our Independence and Quality Management**

We have complied with the independence and other ethical requirements of the Code of Ethics for Chartered Accountants issued by the Institute of Chartered Accountants of Pakistan, which is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The Firm applies International Standard on Quality Management (ISQM) 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**Our responsibility and summary of work performed**

Our responsibility is to examine the annexed Statement and to report thereon in the form of an independent reasonable assurance conclusion based on the evidences obtained. We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000, "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" issued by the International Auditing and Assurance Standards Board. That Standard requires that we plan and perform our procedures to obtain reasonable assurance about whether the annexed statement reflects the status of compliance of the Fund with the Shariah Principles as specified in the Trust Deed and the guidelines issued by the Shariah Advisor, in all material respects.



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The procedures selected depend on our judgment, including the assessment of the risks of material non-compliances with the Shariah Principles, whether due to fraud or error. In making those risk assessments, we have considered internal controls relevant to the Fund's compliance with the Shariah Principles, in order to design reasonable assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing a conclusion as to the effectiveness of the Management Company's internal controls over the Fund's compliance with the Shariah Principles. A system of internal controls, because of its nature, may not prevent or detect all instances of non-compliances with Shariah Principles, and consequently cannot provide absolute assurance that the objective of compliance with the Shariah Principles, will be met. Also, projection of any evaluation of effectiveness to future periods is subject to the risk that the controls may become inadequate or fail.

The procedures performed primarily comprise of the following:

- checking compliance of specific Shariah guidelines relating to the charity, maintaining of bank accounts and investments of the Fund; and
- checking that the Shariah Advisor has certified that the operations of the Fund, its investments and placements made during the year ended June 30, 2024 are in compliance with the Shariah guidelines.

We believe that the evidences we have obtained through performing our procedures were sufficient and appropriate to provide a basis for our conclusion.

#### **Conclusion**

Based on the procedures performed during our reasonable assurance engagement, we report that in our opinion, the annexed Statement presents fairly, in all material respects, the status of the Fund's compliance with the Shariah Principles specified in the Trust Deed and in the guidelines issued by the Shariah Advisor for the year ended June 30, 2024.

*A.F. Ferguson & Co.*

A.F. Ferguson & Co.

Chartered Accountants

Dated: September 27, 2024

Karachi

REPORT OF THE TRUSTEE TO THE UNIT HOLDERS  
JS ISLAMIC DAILY DIVIDEND FUND

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

JS Islamic Daily Dividend Fund, an open-end scheme established under a trust deed executed between JS Investments Limited as the Management Company and Digital Custodian Company Limited as the Trustee. The Trust Deed was executed on June 3, 2020 and was approved by the Securities and Exchange Commission of Pakistan on June 25, 2020.

1. JS Investments Limited, the Management Company of JS Islamic Daily Dividend Fund has, in all material respects, managed JS Islamic Daily Dividend 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 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 6, 2024

## INDEPENDENT AUDITOR'S REPORT

### To the Unit Holders of JS Islamic Daily Dividend Fund

#### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of JS Islamic Daily Dividend 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	<b>Net Asset Value</b> (Refer notes 5 and 6 to the financial statements)	
	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. 2,140.59 million and bank balances aggregated to Rs. 808.76 million. 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.	Our audit procedures amongst others included the following: <ul style="list-style-type: none"> <li>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;</li> <li>re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies; and</li> <li>obtained bank reconciliation statements and tested reconciling items on a sample basis.</li> </ul>

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### Other Matter

The financial statements of the Fund for the year ended June 30, 2023 were audited by another firm of Chartered Accountants who had expressed an unmodified opinion thereon vide their report dated September 28, 2023.

### 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.
- 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: AR202410061yQDNJnvi6



**Financial Position**  
& Performance

# STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2024

		2024	2023
	<b>Note</b>	----- Rupees -----	
<b>Assets</b>			
Bank balances	5	808,761,388	1,554,351,509
Investments	6	2,140,587,255	1,465,000,000
Deposits, prepayments and other receivables	7	83,178,022	70,557,188
Deferred formation cost	8	220,518	393,418
<b>Total assets</b>		<b>3,032,747,183</b>	<b>3,090,302,115</b>
<b>Liabilities</b>			
Payable to JS Investments Limited - Management Company	9	1,506,039	2,460,121
Payable to Digital Custodian Company Limited - Trustee	10	234,616	189,533
Payable to the Securities and Exchange Commission of Pakistan (SECP)	11	239,567	376,136
Payable against redemption of units		50,976	-
Accrued expenses and other liabilities	12	11,853,208	4,459,065
<b>Total liabilities</b>		<b>13,884,406</b>	<b>7,484,855</b>
<b>Net assets</b>		<b>3,018,862,777</b>	<b>3,082,817,260</b>
<b>Unit holders' fund (as per the statement attached)</b>		<b>3,018,862,777</b>	<b>3,082,817,260</b>
<b>Contingencies and commitments</b>	13		
		----- Number of units -----	
<b>Number of units in issue</b>	14	<b>30,188,628</b>	<b>30,828,173</b>
		----- Rupees -----	
<b>Net asset value per unit</b>		<b>100.000</b>	<b>100.000</b>

The annexed notes from 1 to 31 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 -----	
<b>Income</b>			
Profit on savings accounts	17	106,445,030	274,365,603
Income on Term Deposit Receipts		16,060,548	-
Income on GoP Ijarah Sukuk		160,928,432	38,809,674
Income on Musharakah / Mudarabah		329,104,485	9,104,589
Net unrealised appreciation on remeasurement of investments classified as financial asset 'at fair value through profit or loss'	6.4	1,453,182	-
Loss on sale of investments - net		(2,092,129)	-
<b>Total income</b>		<b>611,899,548</b>	<b>322,279,866</b>
<b>Expenses</b>			
Remuneration of JS Investment Limited - Management Company	9.1	6,561,415	3,236,935
Sindh Sales Tax on remuneration of the Management Company	9.2	852,984	420,806
Allocated expenses by the Management Company	9.3	2,996,026	1,687,524
Selling and marketing expenses	9.4	5,285,599	1,525,078
Remuneration of Digital Custodian Company Limited - Trustee	10.1	1,967,696	1,228,845
Sindh Sales Tax on remuneration of the Trustee	10.2	255,800	159,750
Fee to the Securities and Exchange Commission of Pakistan (SECP)	11.1	2,266,446	376,161
Amortisation of deferred formation costs	8	172,900	173,375
Rating fee		188,552	185,424
Listing fee		28,250	25,000
Auditors' remuneration	18	948,528	515,962
Bank and settlement charges		584,010	55,466
Brokrage expense		685,087	4,319
Printing and stationery charges		101,468	101,468
SECP supervisory fee		2,500	2,500
Shariah advisory fee		1,924,884	1,328,443
<b>Total expenses</b>		<b>24,822,145</b>	<b>11,027,056</b>
<b>Net income for the year before taxation</b>		<b>587,077,403</b>	<b>311,252,810</b>
Taxation	16	-	-
<b>Net income for the year after taxation</b>		<b>587,077,403</b>	<b>311,252,810</b>
<b>Allocation of net income for the year</b>			
Net income for the year after taxation		587,077,403	311,252,810
Income already paid on units redeemed		-	-
		<b>587,077,403</b>	<b>311,252,810</b>
<b>Accounting income available for distribution</b>			
- Relating to capital gain		-	-
- Excluding capital gain		587,077,403	311,252,810
		<b>587,077,403</b>	<b>311,252,810</b>

The annexed notes from 1 to 31 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 -----	
<b>Net income for the year after taxation</b>	<b>587,077,403</b>	311,252,810
Other comprehensive income for the year	-	-
<b>Total comprehensive income for the year</b>	<b><u>587,077,403</u></b>	<u>311,252,810</u>

The annexed notes from 1 to 31 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 -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the year before taxation	587,077,403	311,252,810
<b>Adjustments for:</b>		
Profit on savings accounts	(106,445,030)	(274,365,603)
Income on sukuk certificates	(160,928,432)	(38,809,674)
Profit on musharaka / mudarabah certificates	(329,104,485)	(9,104,589)
Amortisation of deferred formation cost	172,900	173,375
Net unrealised appreciation on remeasurement of investment classified as financial asset 'at fair value through profit or loss'	(1,453,182)	-
Loss on sale of investments - net	2,092,129	-
	(8,588,697)	(10,853,681)
<b>Increase in assets</b>		
Investments - net	(1,576,226,202)	(414,000,000)
Deposits, prepayments and other receivables	341,539	(355,174)
	(1,575,884,663)	(414,355,174)
<b>Increase in liabilities</b>		
Payable to JS Investments Limited - Management Company	(954,082)	2,061,432
Payable to Digital Custodian Company Limited - Trustee	45,083	112,479
Payable to the Securities and Exchange Commission of Pakistan (SECP)	(136,569)	190,726
Accrued expenses and other liabilities	7,394,143	4,212,201
	6,348,575	6,576,838
Profit received on savings account	123,091,878	245,638,414
Income received on sukuk certificates	160,722,388	10,029,048
Profit received on musharaka / mudarabah certificates	299,701,308	4,927,192
<b>Net cash used in operating activities</b>	(994,609,211)	(158,037,363)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts against issuance of units	10,841,208,100	7,949,470,768
Payments against redemption of units	(10,905,111,607)	(5,224,960,664)
Dividend paid	(587,077,403)	(311,252,810)
<b>Net cash (used in) / generated from financing activities</b>	(650,980,910)	2,413,257,294
<b>Net (decrease) / increase in cash and cash equivalents during the year</b>	(1,645,590,121)	2,255,219,931
Cash and cash equivalents at the beginning of the year	2,454,351,509	199,131,578
<b>Cash and cash equivalents at the end of the year</b>	808,761,388	2,454,351,509

Note

The annexed notes from 1 to 31 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

Note	2024			2023		
	Capital value	Undistributed income / (Accumulated loss)	Total	Capital value	Undistributed income / (Accumulated loss)	Total
	(Rupees)			(Rupees)		
<b>Net assets at the beginning of the year</b>	3,082,817,260	-	3,082,817,260	358,307,156	-	358,307,156
Issuance of 108,412,081 (2023: 79,494,708) units						
- Capital value (net asset value per unit at the beginning of the year)	10,841,208,100	-	10,841,208,100	7,949,470,768	-	7,949,470,768
- Element of income / (loss)	-	-	-	-	-	-
<b>Total proceeds on issuance of units</b>	10,841,208,100	-	10,841,208,100	7,949,470,768	-	7,949,470,768
Redemption of 109,051,626 (2023: 52,249,607) units						
- Capital value (net asset value per unit at the beginning of the year)	10,905,162,583	-	10,905,162,583	(5,224,960,664)	-	(5,224,960,664)
- Element of (income) / loss	-	-	-	-	-	-
<b>Total payments on redemption of units</b>	10,905,162,583	-	10,905,162,583	(5,224,960,664)	-	(5,224,960,664)
Total comprehensive income for the year	-	587,077,403	587,077,403	-	311,252,810	311,252,810
Distributions during the year	20	(587,077,403)	(587,077,403)	-	(311,252,810)	(311,252,810)
<b>Net assets at the end of the year</b>	<b>3,018,862,777</b>	<b>-</b>	<b>3,018,862,777</b>	<b>3,082,817,260</b>	<b>-</b>	<b>3,082,817,260</b>
<b>Undistributed income / (loss) brought forward</b>						
- Realised income / (loss)		-			-	
- Unrealised income / (loss)		-			-	
<b>Accounting income available for distribution</b>						
- Relating to capital gain / (loss)		-			-	
- Excluding capital gains		587,077,403			311,252,810	
		587,077,403			311,252,810	
Distributions during the year: Rs. 19.6333 (2023: Rs. 15.6022) per unit at par value of Rs. 100/- each	20	(587,077,403)			(311,252,810)	
<b>Undistributed income / (loss) carried forward</b>						
Net asset value per unit at the beginning of the year		100.00			100.00	
Net asset value per unit at the end of the year		100.00			100.00	

The annexed notes from 1 to 31 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 Islamic Daily Dividend ("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 (SECP) vide its letter dated April 2, 2020 consequent to which the Trust Deed was executed on June 3, 2020 in accordance with the requirement of Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules). The Trust Deed was registered under the Sindh Trust Act, 2020 on August 23, 2021
- 1.2 The Fund is an open end mutual fund categorised as "Shariah Compliant MoneyMarket Scheme" pursuant to the Circular 7, 2009 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 and highly liquid short term assets including money market instruments.
- 1.3 The Management Company of the Fund has obtained a license to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of JS Investments Limited is situated at 19th Floor, The Centre, Plot No.28 SB-5, Abdullah Haroon Road, Saddar, Karachi, Pakistan.
- 1.4 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 (PACRA) reaffirmed the stability rating of the Fund to "AA(f)" dated April 5, 2024 (2023: AA(f) dated April 5, 2023).
- 1.5 The Fund has the following specific features:
- (a) Dividend will be distributed to the entitled unit holders on a daily basis (i.e. each business day).
  - (b) Daily dividend received by the unit holder shall be reinvested.

By distributing dividend on a daily basis, the Management Company is required to ensure that total distribution in an accounting period accumulates to an amount that is required under the tax laws and other regulations in force.

- 1.6 Title to the assets of the Fund are held in the name of Digital Custodian Company Limited (DCCL) as a Trustee of the Fund

## 2 BASIS OF PRESENTATION

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

## 3 BASIS OF PREPARATION

### 3.1 Statement of compliance

These financial statements have been prepared in accordance with 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;
- Provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984; and
- the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part 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.

### **3.2 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 hence, therefore, have not been disclosed in these financial statements.

### **3.3 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; and

Amendments to IFRS 9 'Financial Instruments' which clarify the date of recognition and derecognition of a financial asset or financial liability including settlement of liabilities through banking instruments and channels including electronic transfers. 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.

### **3.4 Critical accounting estimates and judgments**

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

By distributing dividend on a daily basis, the Management company is required to ensure that total distribution in an accounting period accumulates to an amount that is required under the tax laws and other regulations in force.

### **3.5 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 are measured at fair value.

## 3.6 Functional and presentation currency

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

## 4 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented.

### 4.1 Cash and cash equivalents

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

### 4.2 Financial assets

#### 4.2.1 Initial recognition and measurement

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

#### 4.2.2 Classification and subsequent measurement

##### a) Debt instruments

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

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

based on the business model of the entity.

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

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

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

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

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

#### 4.2.4 Impairment loss on debt securities

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

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

#### 4.2.5 Regular way contracts

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

#### 4.2.6 Derecognition

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

#### 4.3 Financial liabilities

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

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

#### 4.4 Offsetting of financial assets and financial liabilities

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

#### 4.5 Provisions

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

#### 4.6 Taxation

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. Furthermore, for the purpose of determining distribution of at least 90 percent of the accounting income, the income distributed through bonus units shall not be taken into account.

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

#### 4.7 Deferred formation cost

These represent expenditure incurred prior to the commencement of the operations of the Fund. These costs are being amortised over a period of 5 years in accordance with the requirements set out in the Trust Deed of the fund.

#### 4.8 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.

#### 4.9 Issue and redemption of units

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

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

#### 4.10 Distributions to unit holders

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

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

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

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

#### 4.12 Revenue recognition

- Gains / (losses) arising on sale of investments classified as financial assets at 'fair value through profit or loss' are recognised in the "Income Statement" at the date on which the transaction takes place;
- Income on Musharaka / Mudarabah is recognised on time proportion basis using the effective yield;

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

- Income on government securities is recognised on a time proportion basis using effective interest rate method
- Unrealised gains / (losses) arising on remeasurement of investments classified as 'at fair value through profit or loss' are included in the Income Statement in the period in which they arise.
- Income on sukuk certificates 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 33 of 2012 issued by SECP for which the profits are recorded on cash basis;
- Profit on bank balances is recognised on an accrual basis.

## 4.13 Expenses

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

## 4.14 Earnings per unit

Earnings per unit is calculated by dividing the net income for the period 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.

5	BANK BALANCES	Note	2024	2023
			----- (Rupees) -----	
	In savings accounts	5.1	808,761,388	1,554,351,509

5.1 This includes an amount of Rs. 0.01 million (June 30, 2023: Rs. 0.01 million) maintained with BankIslami Pakistan Limited, a related party. These accounts carry profit rates ranging between 18.50% to 20.5% (June 30, 2023: 14.50% to 19.00%) per annum.

6	INVESTMENTS	Note	2024	2023
			----- (Rupees) -----	
	<b>At fair value through profit or loss</b>			
	Musharakah / Mudarabah certificates	6.1	1,319,943,855	900,000,000
	GoP Ijara Sukuk	6.2	273,643,400	-
	Sukuk certificate	6.3	547,000,000	565,000,000
			<u>2,140,587,255</u>	<u>1,465,000,000</u>

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

## 6.1 Musharakah / Mudarabah - at fair value through profit or loss

Name of the Investee Company	Rating	Profit Rate	Issue Date	Face value			As at June 30, 2024			Market value as a percentage of			
				As at July 01, 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	
				(Rupees)									
Faysal Bank Limited	AA, PACRA	19.50%	April 4, 2023	440,000,000	-	440,000,000	-	-	-	-	-	-	-
Faysal Bank Limited	AA, PACRA	21.10%	July 7, 2023	-	410,000,000	410,000,000	-	-	-	-	-	-	-
Faysal Bank Limited	AA, PACRA	20.50%	August 25, 2023	-	495,000,000	495,000,000	-	-	-	-	-	-	-
Faysal Bank Limited	AA, PACRA	20.50%	November 10, 2023	-	325,000,000	325,000,000	-	-	-	-	-	-	-
Faysal Bank Limited	AA, PACRA	20.60%	November 17, 2023	-	325,000,000	325,000,000	-	-	-	-	-	-	-
Faysal Bank Limited	AA, PACRA	20.50%	November 24, 2023	-	350,000,000	350,000,000	-	-	-	-	-	-	-
Faysal Bank Limited	AA, PACRA	21.55%	January 5, 2024	-	600,000,000	600,000,000	-	-	-	-	-	-	-
Faysal Bank Limited	AA, PACRA	21.50%	January 12, 2024	-	600,000,000	600,000,000	-	-	-	-	-	-	-
Faysal Bank Limited	AA, PACRA	21.00%	February 23, 2024	-	300,000,000	300,000,000	-	-	-	-	-	-	-
Faysal Bank Limited	AA, PACRA	21.35%	March 8, 2024	-	300,000,000	300,000,000	-	-	-	-	-	-	-
Faysal Bank Limited	AA, PACRA	21.40%	March 15, 2024	-	300,000,000	300,000,000	-	-	-	-	-	-	-
Faysal Bank Limited	AA, PACRA	21.00%	March 22, 2024	-	325,000,000	325,000,000	-	-	-	-	-	-	-
Faysal Bank Limited	AA, PACRA	21.00%	March 29, 2024	-	325,000,000	325,000,000	-	-	-	-	-	-	-
Faysal Bank Limited	AA, PACRA	21.00%	April 5, 2024	-	325,000,000	325,000,000	-	-	-	-	-	-	-
Faysal Bank Limited	AA, PACRA	21.00%	April 15, 2024	-	325,000,000	325,000,000	-	-	-	-	-	-	-
Faysal Bank Limited	AA, PACRA	20.75%	April 26, 2024	-	325,000,000	325,000,000	-	-	-	-	-	-	-
Faysal Bank Limited	AA, PACRA	21.00%	May 3, 2024	-	390,000,000	390,000,000	-	-	-	-	-	-	-
Faysal Bank Limited	AA, PACRA	21.10%	May 24, 2024	-	450,000,000	450,000,000	-	-	-	-	-	-	-
Faysal Bank Limited	AA, PACRA	21.10%	May 31, 2024	-	500,000,000	500,000,000	-	-	-	-	-	-	-
Faysal Bank Limited	AA, PACRA	19.50%	June 14, 2024	-	600,000,000	600,000,000	-	-	-	-	-	-	-
Faysal Bank Limited	AA, PACRA	19.25%	June 21, 2024	-	100,000,000	100,000,000	-	-	-	-	-	-	-
Faysal Bank Limited	AA, PACRA	19.25%	June 21, 2024	-	500,000,000	500,000,000	-	-	-	-	-	-	-
Meezan Bank Limited	A1+, VIS	20.50%	July 31, 2023	-	490,000,000	490,000,000	-	-	-	-	-	-	-
Meezan Bank Limited	A1+, VIS	20.60%	August 18, 2023	-	500,000,000	500,000,000	-	-	-	-	-	-	-
Meezan Bank Limited	A1+, VIS	20.60%	September 1, 2023	-	500,000,000	500,000,000	-	-	-	-	-	-	-
Meezan Bank Limited	A1+, VIS	20.50%	September 12, 2023	-	470,000,000	470,000,000	-	-	-	-	-	-	-
Meezan Bank Limited	A1+, VIS	20.50%	November 24, 2023	-	350,000,000	350,000,000	-	-	-	-	-	-	-
Meezan Bank Limited	A1+, VIS	20.50%	December 15, 2023	-	290,000,000	290,000,000	-	-	-	-	-	-	-
Meezan Bank Limited	A1+, VIS	22.25%	December 27, 2023	-	260,000,000	260,000,000	-	-	-	-	-	-	-
Meezan Bank Limited	A1+, VIS	21.75%	January 2, 2024	-	250,000,000	250,000,000	-	-	-	-	-	-	-
Meezan Bank Limited	A1+, VIS	21.50%	January 10, 2024	-	500,000,000	500,000,000	-	-	-	-	-	-	-
Meezan Bank Limited	A1+, VIS	21.25%	March 4, 2024	-	300,000,000	300,000,000	-	-	-	-	-	-	-
Meezan Bank Limited	A1+, VIS	21.25%	February 16, 2024	-	200,000,000	200,000,000	-	-	-	-	-	-	-
Meezan Bank Limited	A1+, VIS	21.35%	March 8, 2024	-	300,000,000	300,000,000	-	-	-	-	-	-	-
Meezan Bank Limited	A1+, VIS	21.40%	March 15, 2024	-	300,000,000	300,000,000	-	-	-	-	-	-	-
Meezan Bank Limited	A1+, VIS	21.00%	March 22, 2024	-	300,000,000	300,000,000	-	-	-	-	-	-	-
Meezan Bank Limited	A1+, VIS	20.60%	April 4, 2024	-	250,000,000	250,000,000	-	-	-	-	-	-	-
Meezan Bank Limited	A1+, VIS	21.10%	May 24, 2024	-	450,000,000	450,000,000	-	-	-	-	-	-	-
Meezan Bank Limited	A1+, VIS	21.10%	May 31, 2024	-	525,000,000	525,000,000	-	-	-	-	-	-	-
Meezan Bank Limited	A1+, VIS	20.10%	June 7, 2024	-	500,000,000	500,000,000	-	-	-	-	-	-	-
Meezan Bank Limited	A1+, VIS	19.00%	June 11, 2024	-	550,000,000	550,000,000	-	-	-	-	-	-	-
Pak Oman Investment Company Limited	AA+, VIS	21.10%	July 7, 2023	-	410,885,151	410,885,151	-	-	-	-	-	-	-
Pak Oman Investment Company Limited	AA+, VIS	21.10%	August 9, 2023	-	418,687,227	418,687,227	-	-	-	-	-	-	-
Pak Oman Investment Company Limited	AA+, VIS	21.05%	September 18, 2023	-	545,975,479	545,975,479	-	-	-	-	-	-	-
Pak Oman Investment Company Limited	AA+, VIS	20.75%	December 5, 2023	-	306,152,942	306,152,942	-	-	-	-	-	-	-
Pak Oman Investment Company Limited	AA+, VIS	21.80%	December 6, 2023	-	124,527,627	124,527,627	-	-	-	-	-	-	-
Pak Oman Investment Company Limited	AA+, VIS	19.90%	June 6, 2024	-	410,677,959	-	410,677,959	410,677,959	410,677,959	-	-	13.60%	19.19%
Pak Oman Investment Company Limited	AA+, VIS	19.90%	June 6, 2024	-	99,688,153	-	99,688,153	99,688,153	99,688,153	-	-	3.30%	4.66%
Pak China Investment Company Limited	AAA, VIS	20.80%	May 6, 2024	-	405,256,088	-	405,256,088	405,256,088	405,256,088	-	-	13.42%	18.93%
Pak Kuwait Investment Company (Private) Limited	AAA, PACRA	21.20%	July 6, 2023	-	410,647,573	410,647,573	-	-	-	-	-	-	-
Pak Kuwait Investment Company (Private) Limited	AAA, PACRA	21.05%	September 18, 2023	-	551,002,740	551,002,740	-	-	-	-	-	-	-
Pak Oman Investment Company Limited	AA+, VIS	20.50%	August 7, 2023	-	418,250,071	418,250,071	-	-	-	-	-	-	-
Pak Oman Investment Company Limited	AA+, VIS	21.05%	September 18, 2023	-	556,094,658	556,094,658	-	-	-	-	-	-	-
Pak Oman Investment Company Limited	AA+, VIS	21.35%	November 1, 2023	-	449,504,735	449,504,735	-	-	-	-	-	-	-
Pak Oman Investment Company Limited	AA+, VIS	20.60%	May 2, 2024	-	404,321,653	-	404,321,653	404,321,653	404,321,653	-	-	13.39%	18.89%
United Bank Limited - Islamic Banking	A1+, VIS	20.25%	March 9, 2023	460,000,000	-	460,000,000	-	-	-	-	-	-	-
United Bank Limited - Islamic Banking	A1+, VIS	20.75%	July 24, 2023	-	480,000,000	480,000,000	-	-	-	-	-	-	-
United Bank Limited - Islamic Banking	A1+, VIS	22.00%	August 15, 2023	-	495,000,000	495,000,000	-	-	-	-	-	-	-
United Bank Limited - Islamic Banking	A1+, VIS	21.30%	November 3, 2023	-	320,000,000	320,000,000	-	-	-	-	-	-	-
Zarai Taraqati Bank Limited	AAA, VIS	20.60%	July 14, 2023	-	485,000,000	485,000,000	-	-	-	-	-	-	-
Zarai Taraqati Bank Limited	AAA, VIS	20.25%	July 26, 2023	-	496,000,000	496,000,000	-	-	-	-	-	-	-
Zarai Taraqati Bank Limited	AAA, VIS	20.50%	August 7, 2023	-	510,000,000	510,000,000	-	-	-	-	-	-	-
Zarai Taraqati Bank Limited	AAA, VIS	20.90%	August 11, 2023	-	500,000,000	500,000,000	-	-	-	-	-	-	-
Zarai Taraqati Bank Limited	AAA, VIS	20.50%	August 22, 2023	-	495,000,000	495,000,000	-	-	-	-	-	-	-
Zarai Taraqati Bank Limited	AAA, VIS	21.05%	September 20, 2023	-	382,632,945	382,632,945	-	-	-	-	-	-	-
Zarai Taraqati Bank Limited	AAA, VIS	21.05%	September 20, 2023	-	164,807,589	164,807,589	-	-	-	-	-	-	-
Zarai Taraqati Bank Limited	AAA, VIS	21.10%	November 2, 2023	-	320,000,000	320,000,000	-	-	-	-	-	-	-
Zarai Taraqati Bank Limited	AAA, VIS	20.60%	November 17, 2023	-	96,000,000	96,000,000	-	-	-	-	-	-	-
Zarai Taraqati Bank Limited	AAA, VIS	21.75%	November 20, 2023	-	145,000,000	145,000,000	-	-	-	-	-	-	-
Zarai Taraqati Bank Limited	AAA, VIS	20.75%	December 11, 2023	-	100,000,000	100,000,000	-	-	-	-	-	-	-
Zarai Taraqati Bank Limited	AAA, VIS	20.75%	December 11, 2023	-	220,000,000	220,000,000	-	-	-	-	-	-	-
Zarai Taraqati Bank Limited	AAA, VIS	22.00%	December 28, 2023	-	532,500,000	532,500,000	-	-	-	-	-	-	-
Zarai Taraqati Bank Limited	AAA, VIS	21.00%	February 27, 2024	-	400,000,000	400,000,000	-	-	-	-	-	-	-
Zarai Taraqati Bank Limited	AAA, VIS	21.50%	March 18, 2024	-	300,000,000	300,000,000	-	-	-	-	-	-	-
Zarai Taraqati Bank Limited	AAA, VIS	21.00%	April 15, 2024	-	350,000,000	350,000,000	-	-	-	-	-	-	-
Zarai Taraqati Bank Limited	AAA, VIS	20.80%	April 19, 2024	-	375,000,000	375,000,000	-	-	-	-	-	-	-
Zarai Taraqati Bank Limited	AAA, VIS	20.75%	April 26, 2024	-	375,000,000	375,000,000	-	-	-	-	-	-	-
Zarai Taraqati Bank Limited	AAA, VIS	20.75%	June 4, 2024	-	525,000,000	525,000,000	-	-	-	-	-	-	-
<b>Total as at June 30, 2024</b>								<b>1,319,943,855</b>	<b>1,319,943,855</b>	<b>1,319,943,855</b>			
<b>Total as at June 30, 2023</b>								<b>900,000,000</b>	<b>900,000,000</b>	<b>900,000,000</b>			

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

6.1.1 These will mature latest by October 31, 2024 and carry effective yield rates ranging from 19.90% to 20.80% per annum.

## 6.2 GOP Ijara Sukuk - at fair value through profit or loss

Name of the Investee Company	Issue date	As at July 01, 2023	Purchased during the year	Sold / matured 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	net assets of the Fund	total investments
(Number of certificates)						(Rupees)			%	
GOP Ijara Sukuk (FRR-20)	April 17, 2023	-	1,545,000,000	1,545,000,000	-	-	-	-	-	-
GOP Ijara Sukuk	May 22, 2022	-	4,220,000,000	4,220,000,000	-	-	-	-	-	-
GOP Ijara Sukuk	March 29, 2024	-	200,000,000	-	200,000,000	175,084,904	176,003,200	918,296	5.83%	8.22%
GOP Ijara Sukuk (FRR-32)	October 9, 2023	-	97,000,000	-	97,000,000	97,105,314	97,640,200	534,886	3.23%	4.56%
GOP Ijara Sukuk (FRR-13)	October 26, 2022	-	1,200,000,000	1,200,000,000	-	-	-	-	-	-
GOP Ijara Sukuk (FRR-33)	December 4, 2023	-	100,000,000	100,000,000	-	-	-	-	-	-
<b>Total as at June 30, 2024</b>						<b>272,190,218</b>	<b>273,643,400</b>	<b>1,453,182</b>		
<b>Total as at June 30, 2023</b>						<b>-</b>	<b>-</b>	<b>-</b>		

## 6.3 Short term sukus - at fair value through profit or loss

Name of the Investee Company	Profit rate	Rating of investee company	Issue date	As at July 01, 2023	Purchased during the year	Sold / matured 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 of the Fund	total investments
(Number of certificates)								(Rupees)			%	
<b>Power Generation and Distribution</b>												
K-Electric Ltd STS XIX	23.61%	AA	August 29, 2023	-	350	350	-	-	-	-	-	-
Face value: Rs. 1,000,000 each												
K-Electric Ltd STS XX	23.49%	AA	September 22, 2023	-	170	170	-	-	-	-	-	-
Face value: Rs. 1,000,000 each												
K-Electric Ltd STS XIV	20.71%	AA	February 28, 2023	380	1,520	1,900	-	-	-	-	-	-
Face value: Rs. 1,000,000 each												
K-Electric Ltd STS XVI	22.39%	AA	April 11, 2023	-	500	500	-	-	-	-	-	-
Face value: Rs. 1,000,000 each												
K-Electric Ltd STS XVII	22.49%	AA	May 18, 2023	45	406	451	-	-	-	-	-	-
Face value: Rs. 1,000,000 each												
K-Electric Ltd STS XXIV	21.86%	AA	March 28, 2024	-	205	-	205	205,000,000	205,000,000	-	6.79%	9.58%
Face value: Rs. 1,000,000 each												
K-Electric Ltd STS XXV	21.73%	AA	May 2, 2024	-	90	-	90	90,000,000	90,000,000	-	2.98%	4.20%
Face value: Rs. 1,000,000 each												
Lucky Electric Power Company Ltd - PPSTS 9	22.73%	AA	April 11, 2023	-	850	850	-	-	-	-	-	-
Face value of Rs 1,000,000 each												
Lucky Electric Power Company Ltd - PPSTS 8	21.76%	AA	March 12, 2023	-	150	150	-	-	-	-	-	-
Face value of Rs 1,000,000 each												
Lucky Electric Power Company Ltd - PPSTS 17	21.25%	AA	March 26, 2024	-	252	-	252	252,000,000	252,000,000	-	8.35%	11.77%
Face value of Rs 1,000,000 each												
The Hub Power Company Ltd - STS	22.34%	AA+	May 17, 2023	140	-	140	-	-	-	-	-	-
Face value: Rs. 1,000,000 each												
<b>Total as at June 30, 2024</b>								<b>547,000,000</b>	<b>547,000,000</b>	<b>-</b>		
<b>Total as at June 30, 2023</b>								<b>565,000,000</b>	<b>565,000,000</b>	<b>-</b>		

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

6.3.1 These will mature latest by November 2, 2024 and carry effective yield rates ranging from 21.25% to 21.86% per annum.

	Note	2024	2023
----- (Rupees) -----			
<b>6.4</b>	<b>Net unrealised appreciation on re-measurement of investments classified as 'at fair value through profit or loss'</b>		
	Market value of investments	2,140,587,255	1,465,000,000
	Less: carrying value of investments	(2,139,134,073)	(1,465,000,000)
		<u>1,453,182</u>	<u>-</u>
<b>7</b>	<b>DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES</b>		
	<b>Profit receivable on:</b>		
	- Bank balances	15,085,153	31,732,001
	- Sukuk certificate	34,359,102	34,153,058
	- Musharaka / mudarabah certificates	33,580,574	4,177,397
		<u>83,024,829</u>	<u>70,062,456</u>
	Receivable from JS Investments Limited - Management Company	-	351,464
	Security deposit with Central Depository Company of Pakistan Limited	100,000	100,000
	Prepaid rating fee	53,193	43,268
		<u>83,178,022</u>	<u>70,557,188</u>
<b>8</b>	<b>DEFERRED FORMATION COST</b>		
	Deferred formation cost	393,418	566,793
	Less: amortised during the year	(172,900)	(173,375)
		<u>220,518</u>	<u>393,418</u>

8.1 These represents expenditure incurred prior to the commencement of operations of the Fund. These costs are being amortised over a period of five years in accordance with the requirements set out in the Trust Deed of the fund.

	Note	2024	2023
----- (Rupees) -----			
<b>9</b>	<b>PAYABLE TO JS INVESTMENTS LIMITED MANAGEMENT COMPANY</b>		
	Remuneration payable to the Management Company	547,911	-
	Sindh Sales Tax payable on remuneration of the Management Company	71,228	-
	Accounting and operational charges payable	528,360	497,465
	Selling and marketing expenses payable	-	1,525,078
	Printing charges payable	31,824	78,741
	Shariah advisory fee	323,371	344,033
	Sales load payable	3,345	14,804
		<u>1,506,039</u>	<u>2,460,121</u>

9.1 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 the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged remuneration not exceeding 1% of average net assets of the Fund, during the year ended June 30, 2024 (June 30,2023: Nil to 0.25%).

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

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

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

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

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

**9.4** 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 up to 0.22% (2023:0.08%) 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.

10	PAYABLE TO DIGITAL CUSTODIAN COMPANY LIMITED - TRUSTEE	Note	2024	2023
			----- (Rupees) -----	
	Trustee remuneration payable	10.1	207,625	167,728
	Sindh Sales Tax payable on trustee remuneration	10.2	26,991	21,805
			<u>234,616</u>	<u>189,533</u>

**10.1** The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the trust deed at 0.065% (June 30, 2023: 0.065%) per annum on the average annual net assets of the Fund calculated on a daily basis.

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

11	PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)	Note	2024	2023
			----- (Rupees) -----	
	Fee payable	11.1	239,567	376,136

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

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

12	ACCRUED EXPENSES AND OTHER LIABILITIES	2024	2023
		----- (Rupees) -----	
	Auditors' remuneration payable	580,521	316,360
	Brokerage expense payable	53,725	4,319
	Withholding tax payable	8,846,988	3,007,675
	Zakat payable	41,964	33,606
	Sales load payable	2,329,338	1,095,426
	Settlement charges payable	672	1,679
		<u>11,853,208</u>	<u>4,459,065</u>

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

## 13 CONTINGENCIES AND COMMITMENTS

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

	2024	2023
<b>14 NUMBER OF UNITS IN ISSUE</b>	----- Number of units -----	
Units in issue at the beginning of the year	30,828,173	3,583,072
Units issued during the year	108,412,081	79,494,708
Units redeemed during the year	109,051,626	52,249,607
Total units in issue at the end of the year	30,188,628	30,828,173

	2024	2023
<b>15 CASH AND CASH EQUIVALENTS</b>	----- (Rupees) -----	
Savings accounts	808,761,388	1,554,351,509
Musharakah / Mudarabah certificates (with original maturity of 3 months or less)	-	900,000,000
	808,761,388	2,454,351,509

## 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 of the Income Tax Ordinance, 2001.

	2024	2023
<b>17 PROFIT ON SAVINGS ACCOUNTS</b>	----- (Rupees) -----	
- Bank deposits	106,445,030	274,365,603
	106,445,030	274,365,603
<b>18 AUDITORS' REMUNERATION</b>		
Annual audit fee	435,000	224,000
Fee for half yearly review	290,000	168,000
Out of pocket expenses	153,267	54,000
Sindh Sales Tax	70,261	69,962
	948,528	515,962

## 19 TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund as at June 30, 2024 is 0.8% (June 30, 2023: 0.58%) which included 0.13% (June 30, 2023: 0.6%) representing Government levies on the Fund such as provision for sales taxes, federal excise duties, annual fee to the SECP, etc. This ratio is within the maximum limit of 2% (excluding government levies) prescribed under the NBFC Regulations for a collective investment scheme categorised as an "Shariah Compliant Money Market Scheme".

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

## 20 DISTRIBUTION DURING THE YEAR

The Fund makes distribution on daily basis as per clause 16.2 of the Trust Deed and clause 5.1 of the Offering Document and re-invests the distributed dividend as per clause 5.1 of the Offering Document. During the year ended June 30, 2024, the Management Company on behalf of the Fund, has distributed total profit earned during the year amounting to Rs 587.077 million as dividend after deducting applicable taxes.

Payout date	Payout per unit Rupees	Payout date	Payout per unit Rupees	Payout date	Payout per unit Rupees	Payout date	Payout per unit Rupees
July 1, 2023	0.0513	August 18, 2023	0.0550	October 5, 2023	0.0521	November 22, 2023	0.0548
July 2, 2023	0.0514	August 19, 2023	0.0551	October 6, 2023	0.0521	November 23, 2023	0.0548
July 3, 2023	0.0514	August 20, 2023	0.0551	October 7, 2023	0.0556	November 24, 2023	0.0548
July 4, 2023	0.0514	August 21, 2023	0.0551	October 8, 2023	0.0557	November 25, 2023	0.0547
July 5, 2023	0.0514	August 22, 2023	0.0551	October 9, 2023	0.0556	November 26, 2023	0.0548
July 6, 2023	0.0521	August 23, 2023	0.0551	October 10, 2023	0.0557	November 27, 2023	0.0548
July 7, 2023	0.0521	August 24, 2023	0.0551	October 11, 2023	0.0556	November 28, 2023	0.0548
July 8, 2023	0.0521	August 25, 2023	0.0551	October 12, 2023	0.0556	November 29, 2023	0.0548
July 9, 2023	0.0521	August 26, 2023	0.0551	October 13, 2023	0.0556	November 30, 2023	0.0531
July 10, 2023	0.0521	August 27, 2023	0.0551	October 14, 2023	0.0556	December 1, 2023	0.0545
July 11, 2023	0.0521	August 28, 2023	0.0550	October 15, 2023	0.0557	December 2, 2023	0.0545
July 12, 2023	0.0520	August 29, 2023	0.0550	October 16, 2023	0.0556	December 3, 2023	0.0545
July 13, 2023	0.0521	August 30, 2023	0.0551	October 17, 2023	0.0556	December 4, 2023	0.0545
July 14, 2023	0.0527	August 31, 2023	0.0551	October 18, 2023	0.0557	December 5, 2023	0.0545
July 15, 2023	0.0543	September 1, 2023	0.0551	October 19, 2023	0.0556	December 6, 2023	0.0545
July 16, 2023	0.0543	September 2, 2023	0.0551	October 20, 2023	0.0556	December 7, 2023	0.0546
July 17, 2023	0.0542	September 3, 2023	0.0550	October 21, 2023	0.0556	December 8, 2023	0.0545
July 18, 2023	0.0543	September 4, 2023	0.0552	October 22, 2023	0.0556	December 9, 2023	0.0545
July 19, 2023	0.0542	September 5, 2023	0.0551	October 23, 2023	0.0555	December 10, 2023	0.0546
July 20, 2023	0.0542	September 6, 2023	0.0576	October 24, 2023	0.0558	December 11, 2023	0.0545
July 21, 2023	0.0543	September 7, 2023	0.0576	October 25, 2023	0.0557	December 12, 2023	0.0545
July 22, 2023	0.0543	September 8, 2023	0.0575	October 26, 2023	0.0556	December 13, 2023	0.0546
July 23, 2023	0.0543	September 9, 2023	0.0576	October 27, 2023	0.0556	December 14, 2023	0.0545
July 24, 2023	0.0542	September 10, 2023	0.0576	October 28, 2023	0.0556	December 15, 2023	0.0545
July 25, 2023	0.0543	September 11, 2023	0.0575	October 29, 2023	0.0556	December 16, 2023	0.0546
July 26, 2023	0.0543	September 12, 2023	0.0576	October 30, 2023	0.0556	December 17, 2023	0.0545
July 27, 2023	0.0543	September 13, 2023	0.0576	October 31, 2023	0.0556	December 18, 2023	0.0546
July 28, 2023	0.0543	September 14, 2023	0.0590	November 1, 2023	0.0556	December 19, 2023	0.0545
July 29, 2023	0.0543	September 15, 2023	0.0589	November 2, 2023	0.0556	December 20, 2023	0.0545
July 30, 2023	0.0542	September 16, 2023	0.0576	November 3, 2023	0.0559	December 21, 2023	0.0545
July 31, 2023	0.0542	September 17, 2023	0.0548	November 4, 2023	0.0559	December 22, 2023	0.0545
August 1, 2023	0.0543	September 18, 2023	0.0549	November 5, 2023	0.0558	December 23, 2023	0.0545
August 2, 2023	0.0542	September 19, 2023	0.0548	November 6, 2023	0.0558	December 24, 2023	0.0546
August 3, 2023	0.0542	September 20, 2023	0.0548	November 7, 2023	0.0558	December 25, 2023	0.0546
August 4, 2023	0.0542	September 21, 2023	0.0521	November 8, 2023	0.0559	December 26, 2023	0.0545
August 5, 2023	0.0542	September 22, 2023	0.0521	November 9, 2023	0.0559	December 27, 2023	0.0545
August 6, 2023	0.0542	September 23, 2023	0.0521	November 10, 2023	0.0559	December 28, 2023	0.0545
August 7, 2023	0.0542	September 24, 2023	0.0520	November 11, 2023	0.0559	December 29, 2023	0.0521
August 8, 2023	0.0543	September 25, 2023	0.0520	November 12, 2023	0.0559	December 30, 2023	0.0022
August 9, 2023	0.0542	September 26, 2023	0.0521	November 13, 2023	0.0559	December 31, 2023	0.0221
August 10, 2023	0.0542	September 27, 2023	0.0521	November 14, 2023	0.0559	January 1, 2024	0.0565
August 11, 2023	0.0542	September 28, 2023	0.0521	November 15, 2023	0.0559	January 2, 2024	0.0574
August 12, 2023	0.0543	September 29, 2023	0.0520	November 16, 2023	0.0559	January 3, 2024	0.0535
August 13, 2023	0.0543	September 30, 2023	0.0521	November 17, 2023	0.0559	January 4, 2024	0.0505
August 14, 2023	0.0543	October 1, 2023	0.0522	November 18, 2023	0.0548	January 5, 2024	0.0305
August 15, 2023	0.0543	October 2, 2023	0.0521	November 19, 2023	0.0548	January 6, 2024	0.0504
August 16, 2023	0.0543	October 3, 2023	0.0521	November 20, 2023	0.0548	January 7, 2024	0.0470
August 17, 2023	0.0550	October 4, 2023	0.0520	November 21, 2023	0.0548	January 8, 2024	0.0535

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

Payout date	Payout per unit Rupees	Payout date	Payout per unit Rupees	Payout date	Payout per unit Rupees	Payout date	Payout per unit Rupees
January 9, 2024	0.0536	February 22, 2024	0.0548	April 6, 2024	0.0536		
January 10, 2024	0.0502	February 23, 2024	0.0549	April 7, 2024	0.0538	May 20, 2024	0.0522
January 11, 2024	0.0535	February 24, 2024	0.0548	April 8, 2024	0.0539	May 21, 2024	0.0523
January 12, 2024	0.0468	February 25, 2024	0.0548	April 9, 2024	0.0538	May 22, 2024	0.0519
January 13, 2024	0.0535	February 26, 2024	0.0548	April 10, 2024	0.0527	May 23, 2024	0.0518
January 14, 2024	0.0532	February 27, 2024	0.0548	April 11, 2024	0.0528	May 24, 2024	0.0527
January 15, 2024	0.0532	February 28, 2024	0.0548	April 12, 2024	0.0528	May 25, 2024	0.0511
January 16, 2024	0.0532	February 29, 2024	0.0548	April 13, 2024	0.0528	May 26, 2024	0.0533
January 17, 2024	0.0563	March 1, 2024	0.0548	April 14, 2024	0.0528	May 27, 2024	0.0535
January 18, 2024	0.0548	March 2, 2024	0.0548	April 15, 2024	0.0500	May 28, 2024	0.0535
January 19, 2024	0.0515	March 3, 2024	0.0548	April 16, 2024	0.0531	May 29, 2024	0.0534
January 20, 2024	0.0547	March 4, 2024	0.0549	April 17, 2024	0.0533	May 30, 2024	0.0534
January 21, 2024	0.0537	March 5, 2024	0.0548	April 18, 2024	0.0533	May 31, 2024	0.0535
January 22, 2024	0.0537	March 6, 2024	0.0549	April 19, 2024	0.0537	June 1, 2024	0.0532
January 23, 2024	0.0537	March 7, 2024	0.0548	April 20, 2024	0.0539	June 2, 2024	0.0533
January 24, 2024	0.0452	March 8, 2024	0.0548	April 21, 2024	0.0538	June 3, 2024	0.0534
January 25, 2024	0.0505	March 9, 2024	0.0548	April 22, 2024	0.0535	June 4, 2024	0.0534
January 26, 2024	0.0514	March 10, 2024	0.0548	April 23, 2024	0.0535	June 5, 2024	0.0535
January 27, 2024	0.0549	March 11, 2024	0.0548	April 24, 2024	0.0534	June 6, 2024	0.0525
January 28, 2024	0.0515	March 12, 2024	0.0548	April 25, 2024	0.0533	June 7, 2024	0.0507
January 29, 2024	0.0515	March 13, 2024	0.0549	April 26, 2024	0.0532	June 8, 2024	0.0525
January 30, 2024	0.0515	March 14, 2024	0.0547	April 27, 2024	0.0532	June 9, 2024	0.0533
January 31, 2024	0.0515	March 15, 2024	0.0548	April 28, 2024	0.0529	June 10, 2024	0.0533
February 1, 2024	0.0548	March 16, 2024	0.0548	April 29, 2024	0.0529	June 11, 2024	0.0529
February 2, 2024	0.0548	March 17, 2024	0.0547	April 30, 2024	0.0530	June 12, 2024	0.0523
February 3, 2024	0.0548	March 18, 2024	0.0547	May 1, 2024	0.0529	June 13, 2024	0.0519
February 4, 2024	0.0548	March 19, 2024	0.0548	May 2, 2024	0.0538	June 14, 2024	0.0516
February 5, 2024	0.0547	March 20, 2024	0.0548	May 3, 2024	0.0538	June 15, 2024	0.0519
February 6, 2024	0.0546	March 21, 2024	0.0548	May 4, 2024	0.0475	June 16, 2024	0.0519
February 7, 2024	0.0548	March 22, 2024	0.0548	May 5, 2024	0.0529	June 17, 2024	0.0519
February 8, 2024	0.0549	March 23, 2024	0.0548	May 6, 2024	0.0530	June 18, 2024	0.0520
February 9, 2024	0.0548	March 24, 2024	0.0548	May 7, 2024	0.0530	June 19, 2024	0.0519
February 10, 2024	0.0548	March 25, 2024	0.0548	May 8, 2024	0.0456	June 20, 2024	0.0519
February 11, 2024	0.0548	March 26, 2024	0.0548	May 9, 2024	0.0539	June 21, 2024	0.0513
February 12, 2024	0.0548	March 27, 2024	0.0548	May 10, 2024	0.0541	June 22, 2024	0.0512
February 13, 2024	0.0549	March 28, 2024	0.0548	May 11, 2024	0.0534	June 23, 2024	0.0515
February 14, 2024	0.0548	March 29, 2024	0.0548	May 12, 2024	0.0523	June 24, 2024	0.0515
February 15, 2024	0.0549	March 30, 2024	0.0548	May 13, 2024	0.0527	June 25, 2024	0.0510
February 16, 2024	0.0548	March 31, 2024	0.0530	May 14, 2024	0.0527	June 26, 2024	0.0518
February 17, 2024	0.0548	April 1, 2024	0.0532	May 15, 2024	0.0526	June 27, 2024	0.0508
February 18, 2024	0.0549	April 2, 2024	0.0527	May 16, 2024	0.0525	June 28, 2024	0.0529
February 19, 2024	0.0549	April 3, 2024	0.0533	May 17, 2024	0.0527	June 29, 2024	0.0476
February 20, 2024	0.0548	April 4, 2024	0.0534	May 18, 2024	0.0523	June 30, 2024	0.0527
February 21, 2024	0.0548	April 5, 2024	0.0534	May 19, 2024	0.0523		

## 21 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 JS Bank Limited, BankIslami Pakistan Limited (BIPL) which is a fellow subsidiary of JSBL - 75.12% shares are held by JS Bank Limited, JS

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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. The management considers that the transactions between the related parties / connected persons are executed in accordance with the parameters defined in the Offering Document, Trust Deed and NBFC Regulations which are publicly available documents.

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

Allocated expenses and selling and marketing expenses are charged to the Fund by the Management Company subject to the maximum prescribed Total Expense Ratio.

Details of transactions and balances at period end with related parties / connected persons, other than those which have been disclosed elsewhere in these financial statements, are as follows:

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

	2024	2023
	------(Rupees)-----	
<b>JS Investments Limited - Management Company</b>		
Remuneration to the Management Company	6,561,415	3,236,935
Sindh Sales Tax on remuneration of the Management Company	852,984	420,806
Sales load for the year	517,388	388,001
Amortisation of deferred formation cost	172,900	173,375
Shariah advisory fee	1,924,884	1,328,443
Printing and stationery charges	101,468	101,468
Marketing and selling expenses	5,285,599	1,525,078
Allocated expenses by the Management Company	2,996,026	1,687,524
Issuance of: 7,623,926 (2023: 480,404) units	762,392,631	48,040,399
Redemption of: 7,707,395 (2023: 482,664) units	770,739,563	48,266,381
Dividend reinvested: 83,469 (2023: 2,260) units	8,346,931	225,982
<b>Digital Custodian Company Limited - Trustee</b>		
Remuneration of the Trustee	1,967,696	1,228,845
Sindh Sales Tax on remuneration of the Trustee	255,800	159,750
<b>JS Islamic Hybrid Fund of Funds - 3 (JSICPAP-6) (Fund under JSIL Management)</b>		
Issuance of: Nil (2023: 200,079) units	-	20,007,887
Redemption of: Nil (2023: 1,027,878) units	-	102,787,795
Dividend reinvested: Nil (2023: 124,542) units	-	12,454,202
<b>JS Islamic Hybrid Fund of Funds - 3 (JSICPAP-7) (Fund under JSIL Management)</b>		
Issuance of: Nil (2023: 196,395) units	-	19,639,450
Redemption of: 529,206 (2023: 411,110) units	52,920,612	41,111,000
Dividend reinvested: 21,978 (2023: 84,560) units	2,197,771	8,456,019

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FOR THE YEAR ENDED JUNE 30, 2024

	2024	2023
	------(Rupees)-----	
<b>JS Islamic Hybrid Fund of Funds (JSICPAP-8) (Fund under JSIL Management)</b>		
Issuance of: Nil (2023: 488,500) units	-	48,850,000
Redemption of: 1,398,194 (2023: 1,368,380 ) units	139,819,408	136,838,000
Dividend reinvested: 68,671 (2023: 264,860) units	6,867,072	26,485,962
<b>JS Islamic Hybrid Fund of Funds - Mutanasib (Fund Under JSIL Management)</b>		
Issuance of: Nil (2023 15,295) units	-	1,529,534
Redemption of: 17,525 (2023: Nil ) units	1,752,549	-
Dividend reinvested: 1,273 (2023: 957) units	127,349	95,694
<b>JS Fund of Funds (Fund Under JSIL Management)</b>		
Issuance of: Nil (2023: 1,000,000) units	-	100,000,000
Redemption of: Nil (2023: 1,006,860) units	-	100,685,593
Dividend reinvested: Nil (2023: 6,860) units	-	685,593
<b>Al-Abbas Sugar Mills Limited (Common directorship)</b>		
Issuance of: 8,445,000 (2023: Nil) units	844,500,000	-
Redemption of: 8,453,687 (2023: Nil) units	845,368,673	-
Dividend reinvested: 8,687 (2023: Nil) units	868,673	-
<b>Key Management Personnel of the Management Company</b>		
Issuance of: Nil (2023 : 214,798) units	-	21,679,809
Redemption of: 20,152 (2023: 22,129) units	2,015,232	2,212,947
Dividend reinvested: 53 (2023: 10,760) units	5,312	1,075,966
<b>21.2 Details of balances with connected persons / related parties as at year end</b>		
<b>JS Investments Limited - Management Company</b>		
Remuneration payable to the Management Company	547,911	-
Sindh Sales Tax payable on remuneration of the Management Company	71,228	-
Receivable from the Management Company	-	351,464
Shariah advisory fee payable	323,371	344,033
Printing charges payable	31,824	78,741
Sales load payable	3,345	14,804
Allocated expenses by the Management Company	528,360	497,465
Selling and marketing expense payable	-	1,525,078
<b>Digital Custodian Company - Trustee</b>		
Remuneration of the trustee	207,625	167,728
Sindh Sales Tax on trustee remuneration	26,991	21,805
<b>BankIslami Pakistan Limited - Associated Company (Fellow subsidiary of JSBL)</b>		
Bank balances	10,000	-

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	2024	2023
	------(Rupees)-----	
<b>JS Islamic Hybrid Fund of Funds - 3 (JSICPAP-7)</b> <b>(Fund Under JSIL Management)</b> Nil (June 30, 2023: 507,228) units held	-	50,722,841
<b>JS Islamic Hybrid Fund of Funds (JSICPAP-8)</b> <b>(Fund Under JSIL Management)</b> Nil (June 30, 2023: 1,329,523) units held	-	132,952,302
<b>JS Islamic Hybrid Fund of Funds (Mutasib)</b> <b>(Fund Under JSIL Management)</b> Nil (June 30, 2023: 16,252) units held	-	1,625,227
<b>Key Management Personnel of the Management Company</b> Nil (June 30, 2023: 220,667) units held	-	22,066,728
<b>Entity holding 10% or more units</b> 8,473,730 (June 2023: 9,694,558)	847,373,026	969,455,757

## 22 FINANCIAL INSTRUMENTS BY CATEGORY

	----- 2024 -----		
	At amortised cost	At fair value through profit or loss	Total
	------(Rupees)-----		
<b>Financial assets</b>			
Bank balances	808,761,388	-	808,761,388
Investments	-	2,140,587,255	2,140,587,255
Deposits and other receivables	83,124,829	-	83,124,829
	<u>891,886,217</u>	<u>2,140,587,255</u>	<u>3,032,473,472</u>
<b>Financial liabilities</b>			
Payable to JS Investments Limited - Management Company	1,506,039	-	1,506,039
Payable to Digital Custodian Company Limited - Trustee	234,616	-	234,616
Payable against redemption of units	50,976	-	50,976
Accrued expenses and other liabilities	2,964,256	-	2,964,256
	<u>4,755,887</u>	<u>-</u>	<u>4,755,887</u>
	----- 2023 -----		
	At amortised cost	At fair value through profit or loss	Total
	------(Rupees)-----		
<b>Financial assets</b>			
Bank balances	1,554,351,509	-	1,554,351,509
Investments	-	1,465,000,000	1,465,000,000
Deposits and other receivables	70,513,920	-	70,513,920
	<u>1,624,865,429</u>	<u>1,465,000,000</u>	<u>3,089,865,429</u>
<b>Financial liabilities</b>			
Payable to JS Investments Limited - Management Company	2,460,121	-	2,460,121
Payable to Digital Custodian Company Limited - Trustee	189,533	-	189,533
Payable against redemption of units	-	-	-
Accrued expenses and other liabilities	1,417,784	-	1,417,784
	<u>4,067,438</u>	<u>-</u>	<u>4,067,438</u>

## 23 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

### 23.1 Market risk

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

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

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

#### 23.1.1 Currency risk

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

#### 23.1.2 Profit rate risk

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 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. The interest rate profile of the Fund's interest bearing financial instruments, as at June 30, 2024, is as follows:

##### Sensitivity analysis for variable rate instrument

Presently, the Fund holds balances with banks which expose the Fund to cash flow profit rate risk. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the net income / (loss) for the year and net assets of the Fund would have been higher / lower by Rs. 13.56 million (June 30, 2023: Rs. 21.19 million).

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.

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

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

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

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----- 2024 -----					
Effective yield / profit rate	Exposed to yield / profit risk			Not exposed to yield / profit rate risk	Total
	Upto three months	More than three months and up to one year	More than one year		
----- (Rupees) -----					
<b>On-balance sheet financial instruments</b>					
<b>Financial assets</b>					
Bank balances	18.5% - 20.5%	808,761,388	-	-	808,761,388
Investments	19.9% - 20.86%	457,000,000	1,683,587,255	-	2,140,587,255
Deposit and profit receivables		-	-	83,124,829	83,124,829
<b>Sub total</b>		<u>1,265,761,388</u>	<u>1,683,587,255</u>	<u>83,124,829</u>	<u>3,032,473,472</u>
<b>Financial liabilities</b>					
Payable to JS Management Limited - Management Company		-	-	1,506,039	1,506,039
Payable to Digital Custodian Company Limited - Trustee		-	-	234,616	234,616
Payable against redemption of units		-	-	50,976	50,976
Accrued expenses and other liabilities		-	-	2,964,256	2,964,256
<b>Sub total</b>		<u>-</u>	<u>-</u>	<u>4,755,887</u>	<u>4,755,887</u>
<b>On-balance sheet gap</b>		<u>1,265,761,388</u>	<u>1,683,587,255</u>	<u>-</u>	<u>3,027,717,585</u>
<b>Total interest rate sensitivity gap</b>		<u>1,265,761,388</u>	<u>1,683,587,255</u>	<u>-</u>	<u>3,027,717,585</u>
<b>Cumulative interest rate sensitivity gap</b>		<u>1,265,761,388</u>	<u>2,949,348,643</u>	<u>2,949,348,643</u>	

----- 2023 -----					
Effective yield / profit rate	Exposed to yield / profit risk			Not exposed to yield / profit rate risk	Total
	Upto three months	More than three months and up to one year	More than one year		
----- (Rupees) -----					
<b>On-balance sheet financial instruments</b>					
<b>Financial assets</b>					
Bank balances	14.5% - 19%	1,554,351,509	-	-	1,554,351,509
Investments	19.50% - 22.82%	1,280,000,000	185,000,000	-	1,465,000,000
Deposits, prepayments and other receivables		-	-	70,513,920	70,513,920
<b>Sub total</b>		<u>2,834,351,509</u>	<u>185,000,000</u>	<u>70,513,920</u>	<u>3,089,865,429</u>
<b>Financial liabilities</b>					
Payable to JS Management Limited - Management Company		-	-	2,460,121	2,460,121
Payable to Digital Custodian Company Limited - Trustee		-	-	189,533	189,533
Payable against redemption of units		-	-	-	-
Accrued expenses and other liabilities		-	-	1,417,784	1,417,784
<b>Sub total</b>		<u>-</u>	<u>-</u>	<u>4,067,438</u>	<u>4,067,438</u>
<b>On-balance sheet gap</b>		<u>2,834,351,509</u>	<u>185,000,000</u>	<u>-</u>	<u>3,085,797,991</u>
<b>Total interest rate sensitivity gap</b>		<u>2,834,351,509</u>	<u>185,000,000</u>	<u>-</u>	<u>3,085,797,991</u>
<b>Cumulative interest rate sensitivity gap</b>		<u>2,834,351,509</u>	<u>3,019,351,509</u>	<u>3,019,351,509</u>	

## 21.1.3 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 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.

## 23.2 Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge its obligation as it falls due. Credit risk arises from deposits with banks and financial institutions, profit receivable on bank deposits, credit exposure arising as a result of investment in debt securities, profit receivable on debt securities and receivable against conversion of units and sale of investments.

Credit risk arising on the debt instruments other than government securities is mitigated by investing in rated instruments or instruments issued by rated counterparties of credit ratings of at least investment grade by the recognised rating agencies. The Fund receives a monthly rating update, against which investments are reviewed. The Fund, however, also invests in unrated instruments based on internal ratings assigned by the Fund manager using an approach that is consistent with the approach used by the rating agencies. Credit risk arising on other financial assets is monitored through a regular analysis of financial position of brokers and other parties. In accordance with the risk management policy of the Fund, the investment manager monitors the credit position on a daily basis which is reviewed by the Board of Directors of the Management Company on a quarterly basis.

### 23.2.1 Exposure to credit risk

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

	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)				
Bank balances	808,761,388	808,761,388	1,554,351,509	1,554,351,509
Investments	2,140,587,255	1,866,943,855	1,465,000,000	1,465,000,000
Deposits and other receivables	83,124,829	83,071,636	70,557,188	70,513,920
	<u>3,032,473,472</u>	<u>2,758,776,879</u>	<u>3,089,908,697</u>	<u>3,089,865,429</u>

The maximum exposure to credit risk before any credit enhancement as at June 30, 2024 is the carrying amount of the financial assets. The difference in the balance as per the statement of assets and liabilities and maximum exposure is due to the fact that investments in Government Securities of Rs. 273.64 million (June 30, 2023: Nil) and its accrued profit are not exposed to credit risk.

The maximum exposure to credit risk before any credit enhancement as at June 30, 2024 is the carrying amount of the financial assets.

**23.2.2 Credit quality of financial assets**

The Fund held bank balances as at June 30, 2024 with banks having following credit ratings:

Banks	Rating agency	Rating (Short Term / Long Term)	2024	2023
			% of financial assets exposed to credit risk	% of financial assets exposed to credit risk
Dubai Islamic Bank Pakistan Limited	VIS	A-1+ / AA	99.67%	99.70%
Faysal Bank Limited	VIS	A-1+ / AA	0.33%	0.30%
Meezan Bank Limited *	VIS	A-1+ / AAA	-	-
Bank Alfalah Limited *	PACRA	A1+ / AAA	-	-
BankIslami Pakistan Limited *	PACRA	A1 / AA-	-	-
Zarai Taraqati Bank Limited *	VIS	A-1+ / AAA	-	-
			100%	100%

\* Nil figure due to round off

Above ratings are on the basis of available ratings assigned by PACRA and VIS as of June 30, 2024.

Ratings of Mudaraba/Musharka, Sukuk certificate, and Ijara Sukuk have been disclosed in related notes to financial statements.

**23.2.3 Concentration of credit risk**

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

All financial asset of the fund as at June 30, 2024 and June 30, 2023 are unsecured and are not impaired

**23.3 Liquidity risk**

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

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

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 redemption 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:

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----- June 30, 2024 -----						
Within one month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial Instruments with no fixed maturity	Total
----- (Rupees) -----						
<b>Financial liabilities</b>						
Payable to JS Management Limited - Management Company	1,506,039	-	-	-	-	1,506,039
Payable to Digital Custodian Company Limited - Trustee	234,616	-	-	-	-	234,616
Payable against redemption of units	50,976	-	-	-	-	50,976
Accrued expenses and other liabilities	2,383,735	-	580,521	-	-	2,964,256
	4,175,366	-	580,521	-	-	4,755,887

----- June 30, 2023 -----						
Within one month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial Instruments with no fixed maturity	Total
----- (Rupees) -----						
<b>Financial liabilities</b>						
Payable to JS Management Limited - Management Company	2,460,121	-	-	-	-	2,460,121
Payable to Digital Custodian Company Limited - Trustee	189,533	-	-	-	-	189,533
Payable against redemption of units	-	-	-	-	-	-
Accrued expenses and other liabilities	1,097,105	-	320,679	-	-	1,417,784
	3,746,759	-	320,679	-	-	4,067,438

## 24 FAIR VALUE MEASUREMENT

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

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

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

### 24.1 Fair value hierarchy

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

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

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, the Fund held the following financial instruments measured at fair values:

	2024			
	Level 1	Level 2	Level 3	Total
	(Rupees)			
<b>At fair value through profit or loss</b>				
Sukuk certificate	-	547,000,000	-	547,000,000
GoP Ijara Sukuk	-	273,643,400	-	273,643,400
Musharakah / Mudarabah certificates	-	1,319,943,855	-	1,319,943,855
	-	2,140,587,255	-	2,140,587,255
	2023			
	Level 1	Level 2	Level 3	Total
	(Rupees)			
<b>At fair value through profit or loss</b>				
Sukuk certificate	-	565,000,000	-	565,000,000
Musharakah / Mudarabah certificates	-	900,000,000	-	900,000,000
		1,465,000,000		1,465,000,000

## 25 UNIT HOLDING PATTERN OF THE FUND

Category	As at June 30, 2024			
	Number of unit holders	Number of units held	Investment amount (Rupees)	Percentage of total investment (%)
Individuals	408	9,517,288	951,728,828	31.53%
Retirement Funds	8	794,467	79,446,682	2.63%
Others	22	19,876,873	1,987,687,267	65.84%
	438	30,188,628	3,018,862,777	100%

Category	As at June 30, 2023			
	Number of unit holders	Number of units held	Investment amount (Rupees)	Percentage of total investment (%)
Individuals	130	4,177,305	417,730,550	13.55%
Associated Companies and Directors	4	1,873,103	187,310,292	6.08%
Retirement Funds	6	3,751,427	375,142,726	12.17%
Others	17	21,026,337	2,102,633,693	68.20%
	157	30,828,173	3,082,817,260	100%

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

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

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

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

### 26.1 Name and qualification of the Fund Manager

Name	Designation	Qualification	Other funds managed by the Fund Manager
Mr. Safdar Raza	Fund Manager	Bachelor's of Commerce	JS Cash Fund, JS Money Market Fund, JS Fixed Term Munafa Fund, JS Income Fund, JS Government Securities Fund, JS Microfinance Sector Fund, JS Islamic Income Fund, JS Pension Savings Fund and JS Islamic Pension Savings Fund, Js Islamic Premium Fund, JS KPK Pension Fund

## 27 LIST OF TOP 10 BROKERS BY PERCENTAGE OF COMMISSION PAID

----- 2024 -----		----- 2023 -----	
Name of broker	Percentage of commission paid	Name of broker	Percentage of commission paid
Pearl Securities Ltd.	58.13%	Continental Exchange Private Limited	100.00%
C & M Management Private Ltd.	26.60%		
Alfalah Securities (Pvt.) Ltd.	6.96%		
Optimus Capital Management (Private) Limited	3.00%		
K Trade Securities Ltd	2.35%		
Summit Capital (Pvt.) Ltd	1.26%		
Bright Capital Private Limited	0.44%		
Vector Securities Ltd.	0.44%		
Paramount Capital Private Limited	0.43%		
Magenta Capital Private Limited	0.39%		
	<u>100.00%</u>		<u>100.00%</u>

## 28 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					
			August 04, 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	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	✓	✓	✓	✓	✓
			<b>5</b>	<b>7</b>	<b>7</b>	<b>8</b>	<b>7</b>	<b>6</b>

## 29 UNIT HOLDER'S FUND RISK MANAGEMENT

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

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

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

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

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

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

## 30 GENERAL

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

**30.2** Corresponding figures have been re-classified and re-arranged in these financial statements, wherever necessary to facilitate comparison and to conform with changes in presentation in the current year. No significant rearrangements or reclassifications have been made in these financial statements during the current year.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS** >

FOR THE YEAR ENDED JUNE 30, 2024

**31 DATE OF AUTHORISATION FOR ISSUE**

These financial statements were authorised for issue on August 20, 2024 by the 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 INCOME FUND**

**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

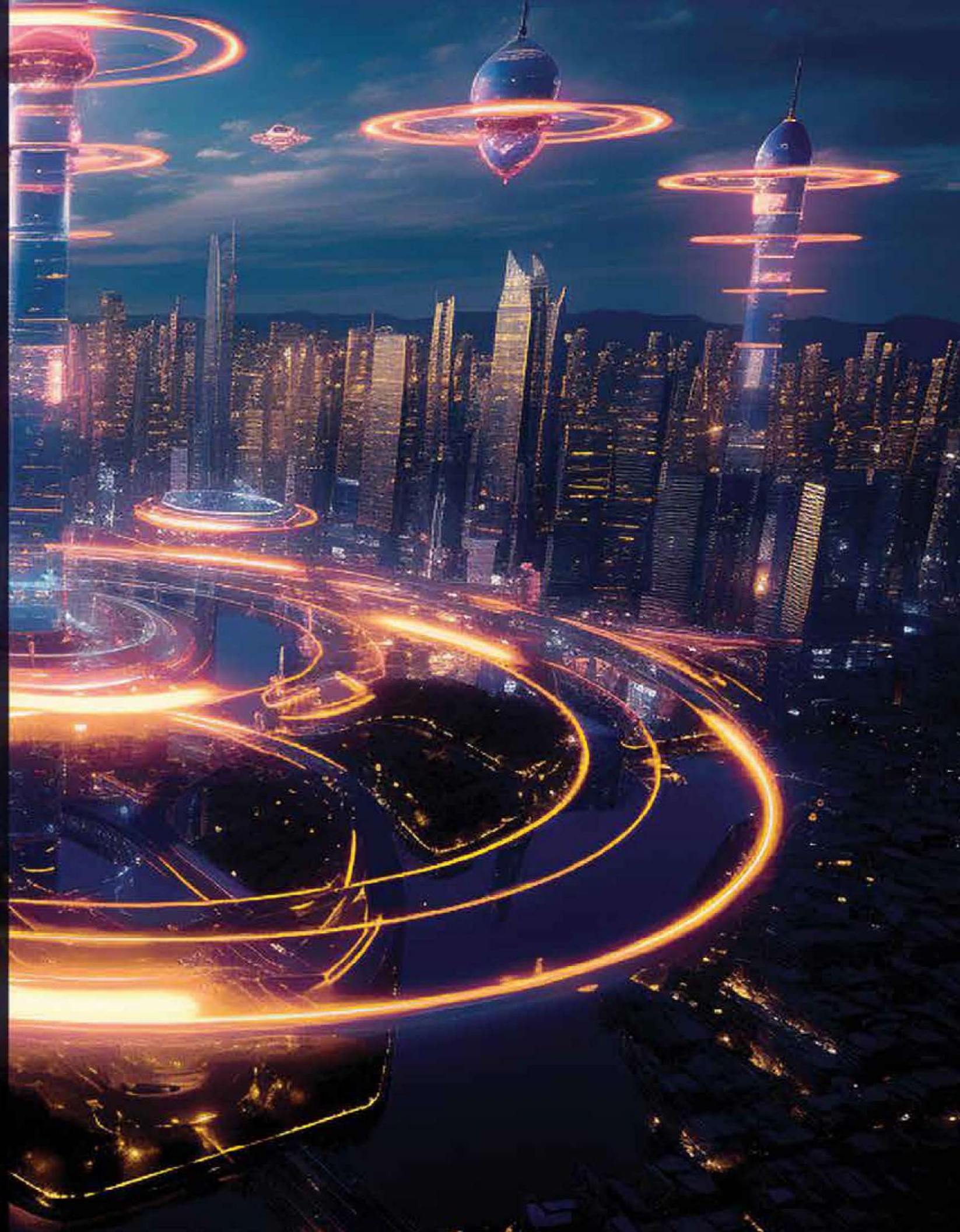
Ms. Mediha Kamal Afsar (Chairperson)  
Mr. Hasan Shahid (Member)  
Mr. Mirza M. Sadeed H. Barlas (Member)

## Trustee

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 Income 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 return was 20.65% for the year ended June 30, 2024, against the benchmark return of 21.88%. The fund's Net Assets increased from PKR 942.19 million as of June 30, 2023, to PKR 8,520.97 million as of June 30, 2024. The Fund's total expense ratio is 2.50%, which includes 0.25% of government levies on the Fund.

## Dividend

The Fund paid an interim cash dividend of Rs 19.62 per unit during the year ended June 30, 2024.

## Asset Manager and 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 'A+(f)' by PACRA on April 05, 2024.

## 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 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 انویسٹمنٹس لمیٹڈ کے بورڈ آف ڈائریکٹرز، JS انکم فنڈ (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۔ 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 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 سخت 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 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 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 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 21.88 فیصد اپنے بیچ مارک منافع کے مقابلے میں 20.65 فیصد رہا۔ 30 جون 2024 کو خالص اثاثہ جات 30 جون 2023 کے 942.19 ملین روپے سے 8,520.97 ملین روپے پر پہنچ گئے۔ کل اخراجات کا تناسب 2.50 فیصد ہے، جس میں فنڈ پر حکومتی محصولات کا 0.25 فیصد شامل ہے۔

## ڈیویڈنڈ

30 جون 2024 کو ختم ہونے والے سال کے دوران فنڈ نے 19.62 روپے فی یونٹ انٹیرم کیس ڈیویڈنڈ ادا کیا۔

## ایسیٹ مینجمنٹ ریٹنگ

پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) نے ہماری مینجمنٹ کمپنی کی "AM 2+" ایسیٹ مینجمنٹ ریٹنگ کو "مشحکم" 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۔ پاکستان کریڈٹ ایجنسی لمیٹڈ (PACRA) نے مورخہ 05 اپریل 2024 کو فنڈ کی "A+ (f)" کی اسٹیبلٹی ریٹنگ برقرار رکھی۔

## آڈیٹرز

ریٹائر ہونے والے بیرونی آڈیٹرز میسرز ایف فرگوسن، 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 ایف فرگوسن، چارٹرڈ اکاؤنٹنٹس کی 30 جون 2025 کو ختم ہونے والے سال کے لیے تقرری کی منظوری دی۔

## اضافی معاملات

1۔ سالانہ رپورٹ کے ساتھ فنڈ مینجمنٹ رپورٹ منسلک ہے جس میں مرکزی خطرات اور منافع جات کے مستقبل کے امکانات کی مناسب علامت کے ساتھ ہجماں 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 بیش قدر معاونت، مدد اور رہنمائی پر سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) اور ڈیجیٹل 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**

Income Fund Scheme / Open end

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

The main objective of JS Income Fund is to preserve investor's capital while providing a regular stream of current income on an annual basis, which is higher than that offered by commercial banks on deposits of a similar liquidity profile as this fund. The fund operates a diverse portfolio of investment-grade debt securities, government securities and money market instruments. The fund may maintain liquidity in the form of spread transactions and bank deposits.

- **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**

The performance benchmark of the Fund shall be 'Average Return of Six (6) months KIBOR for any period of return.

- **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
JSIF	20.79%	19.59%	15.40%	21.49%	21.18%	17.25%	20.48%	13.75%	16.20%	20.58%	19.95%	20.06%	20.65%
Benchmark	23.03%	23.07%	23.55%	22.48%	21.54%	21.53%	20.98%	21.44%	21.51%	21.63%	21.41%	20.35%	21.88%
<b>Diff.</b>	<b>-2.24%</b>	<b>-3.48%</b>	<b>-8.14%</b>	<b>-0.99%</b>	<b>-0.37%</b>	<b>-4.28%</b>	<b>-0.50%</b>	<b>-7.70%</b>	<b>-5.31%</b>	<b>-1.05%</b>	<b>-1.46%</b>	<b>-0.29%</b>	<b>-1.23%</b>

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

During the year, the fund maintained a balanced exposure to corporate and government debt instruments. Asset allocation was strategically aligned with the anticipated monetary easing, focusing on increasing the portfolio's weighted average duration while considering instrument ratings, credit risk, and fundamental analysis. This allowed the fund to benefit from improving macroeconomic conditions and declining interest rates.

- **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	28.95%	30.19%
TFCs / Sukkuks	10.59%	59.11%
T Bills	14.98%	2.57%
PIBs	42.30%	5.01%
Other including receivables	3.18%	3.11%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

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

	Fund	BM
Standard Deviation	3.7%	1.4%
Duration (Yr)	0.24	
WAM (Yr)	1.77	
Expense Ratio**	2.5%	

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

\*\* This is annualized and Includes 0.25% Government levy & SECP fee; 0.83% 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	8,468	102.45
30-Jun-23	942	102.10

- Disclosure of the markets that the Collective Investment Scheme has invested in:**  
JS Income Fund invests in government securities, cash in bank account, money market placements, deposits, certificate of deposits (COD), certificate of musharakas (COM), Term Deposit Receipts (TDR), commercial paper, reverse repo, term-finance certificates, sukuks, spread transactions and Margin Trading System.
- 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. 3.22 per unit of Rs. 100/- each i.e. 3.22%. The cumulative distribution for FY24 is Rs. 19.62 per unit.

NAV per unit as on June 30, 2024	
Cum NAV (PKR)	102.45
Ex-NAV (PKR)	102.45

- 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 Income Fund	0.0001	to	9,999.9999	554
	10,000.0000	to	49,999.9999	40
	50,000.0000	to	99,999.9999	7
	100,000.0000	to	499,999.9999	16
	500,000.0000	&	above	14
			<b>Total</b>	<b>631</b>

- Disclosure on unit split (if any), comprising:-**  
The Fund has not carried out any unit split exercise during the year.
- Disclosure of circumstances that materially affect any interests of the unit holders**  
Investment is subject to market risk.
- Disclosure if the Asset Management Company or its delegate, if any, receives any soft commission (i.e. goods and services) from its broker(s) or dealer(s) by virtue of transactions conducted by the Collective Investment Scheme, disclosure of the following:-**  
The Management Company and / or any of its delegates have not received any soft commission from its brokers / dealers by virtue of transactions conducted by the Fund.

# PERFORMANCE TABLE

		Years				
		2024	2023	2022	2021	2020
Net assets	Rs.	8,520,971,715	942,196,742	1,250,077,496	1,925,390,249	1,922,312,353
Net income / loss	Rs.	1,028,944,251	172,533,740	190,750,777	135,520,424	189,624,892
Total return of the Fund	%	20.65	16.01	9.51	6.89	11.33
Annual dividend distribution	%	19.62	10.40	8.00	6.58	10.50
Capital Growth	%	1.03	5.61	1.51	0.31	0.83
Average annual return						
- One Year	%	20.65	16.01	9.51	6.89	11.33
- Two Years	%	18.33	12.76	8.20	9.11	10.04
- Three Years	%	15.39	10.80	9.24	8.99	8.67
NAV per unit	Rs.	102.45	102.10	97.02	95.91	95.89
Year-end offer price per unit	Rs.	104.77	104.41	99.22	98.08	98.06
Highest offer price per unit	Rs.	116.09	114.43	107.26	104.75	105.6727
Lowest offer price per unit	Rs.	104.41	99.33	98.14	97.87	46.0127
Year-end repurchase price per unit	Rs.	102.45	102.10	97.02	95.91	95.89
Highest repurchase price per unit	Rs.	113.52	111.9	104.88	102.43	105.9841
Lowest repurchase price per unit	Rs.	102.10	97.13	95.97	95.70	46.0127
1st Interim distribution	Rs.	11.45	10.40	8.00	6.58	10.50
Announcement date		16-Jan-24	22-Jun-23	28-Jun-22	29-Jun-21	26-Jun-20
2st Interim distribution	Rs.	4.95	-	-	-	-
Announcement date		25-Apr-24	-	-	-	-
3rd Interim distribution	Rs.	3.22	-	-	-	-
Announcement date		24-Jun-24	-	-	-	-
Total distribution as % of par value	%	19.62	10.40	8.00	6.58	10.50

## Notes

- JS Income Fund was launched on August 26, 2002.
- Investment portfolio composition of the Fund is disclosed in note 5 of the financial statements.

## Disclaimer

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



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## REPORT OF THE TRUSTEE TO THE UNIT HOLDERS JS INCOME FUND

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

JS Income Fund, an open-end scheme established under a trust deed executed between JS Investments Limited as the Management Company and Digital Custodian Company Limited as the Trustee. The Trust Deed was executed on July 18, 2002 and was approved by the Securities and Exchange Commission of Pakistan on August 22, 2002.

1. JS Investments Limited, the Management Company of JS Income Fund has, in all material respects, managed JS Income Fund during the 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 6, 2024

**INDEPENDENT AUDITOR'S REPORT**

**To the Unit Holders of JS Income Fund**

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the financial statements of JS Income 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	<b>Net Asset Value</b> (Refer notes 4 and 5 to the financial statements)	
	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. 5,832.86 million and bank balances aggregated to Rs. 2,487.78 million. 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.	Our audit procedures amongst others included the following: <ul style="list-style-type: none"> <li>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;</li> <li>re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies; and</li> <li>obtained bank reconciliation statements and tested reconciling items on a sample basis.</li> </ul>



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### **Other Matter**

The financial statements of the Fund for the year ended June 30, 2023 were audited by another firm of Chartered Accountants who had expressed an unmodified opinion thereon vide their report dated September 28, 2023.

### **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.
- 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: AR202410061M6URrV29c



**Financial Position**  
& Performance

# STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2024

		2024	2023
	<b>Note</b>	----- Rupees -----	
<b>Assets</b>			
Bank balances	4	2,487,778,267	291,165,486
Investments	5	5,832,863,945	643,206,081
Mark-up receivable	6	267,692,468	23,795,423
Deposits, prepayments and other receivables	7	6,329,613	6,296,702
<b>Total assets</b>		<b>8,594,664,293</b>	<b>964,463,692</b>
<b>Liabilities</b>			
Payable to JS Investment Limited - Management Company	8	34,146,833	8,613,060
Payable to Digital Custodian Company Limited - Trustee	9	591,886	78,692
Payable to the Securities and Exchange Commission of Pakistan (SECP)	10	523,793	232,720
Accrued expenses and other liabilities	11	38,430,066	13,342,478
<b>Total liabilities</b>		<b>73,692,578</b>	<b>22,266,950</b>
<b>Net assets</b>		<b>8,520,971,715</b>	<b>942,196,742</b>
<b>Unit holders' fund (as per statement attached)</b>		<b>8,520,971,715</b>	<b>942,196,742</b>
<b>Contingencies and commitments</b>	12	----- Number of units -----	
<b>Number of units in issue</b>		<b>83,169,163</b>	<b>9,228,478</b>
<b>Net asset value per unit</b>		<b>102.45</b>	<b>102.10</b>

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 -----	
<b>Income</b>			
Mark-up on bank deposits	13	323,385,879	51,944,609
Income from government securities		695,267,787	36,339,765
Income from debt securities		147,357,761	104,721,561
Loss on sale of investments - net		(3,902,413)	(17,050,429)
Net unrealised (diminution) / appreciation on re-measurement of investments classified as financial assets at 'fair value through profit or loss'	5.7	(2,910,754)	12,641,403
Income on spread transactions		-	8,923,500
Other income		8,755,099	6,611,525
<b>Total income</b>		<b>1,167,953,359</b>	<b>204,131,934</b>
<b>Expenses</b>			
Remuneration of JS Investment Limited - Management Company	8.1	65,030,034	16,360,640
Sindh Sales Tax on remuneration of the Management Company	8.2	8,453,904	2,126,882
Allocated expenses by the Management Company	8.4	5,566,772	1,163,544
Selling and marketing expenses	8.5	46,300,062	6,416,494
Remuneration of Digital Custodian Company Limited - Trustee	9.1	4,175,075	872,657
Sindh Sales Tax on remuneration of the Trustee	9.2	542,760	113,447
Fee to the Securities and Exchange Commission of Pakistan (SECP)	10.1	4,174,864	232,745
Auditors' remuneration	14	1,033,079	677,798
Mutual fund rating fee		511,092	639,755
PSX listing fee		28,250	25,000
SECP supervisory fee		2,500	2,500
Brokerage and settlement charges		2,443,189	582,311
Bank and settlement charges		633,317	872,955
Legal and professional charges		-	1,400,000
Provision for diminution in investment		-	10,000
Printing and stationery charges		114,210	101,466
<b>Total expenses</b>		<b>139,009,108</b>	<b>31,598,194</b>
<b>Net income for the year before taxation</b>		<b>1,028,944,251</b>	<b>172,533,740</b>
Taxation	18	-	-
<b>Net income for the year after taxation</b>		<b>1,028,944,251</b>	<b>172,533,740</b>
<b>Allocation of net income for the year</b>			
Net income for the year after taxation		1,028,944,251	172,533,740
Income already paid on units redeemed		(167,791,899)	(66,848,811)
		<b>861,152,352</b>	<b>105,684,929</b>
<b>Accounting income available for distribution</b>			
- Relating to capital gain		-	-
- Excluding capital gain		861,152,352	105,684,929
		<b>861,152,352</b>	<b>105,684,929</b>

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 -----	
<b>Net income for the year after taxation</b>	1,028,944,251	172,533,740
Other comprehensive income for the year	-	-
<b>Total comprehensive income for the year</b>	<u>1,028,944,251</u>	<u>172,533,740</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 -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the year before taxation	1,028,944,251	172,533,740
<b>Adjustments for:</b>		
Mark-up on bank deposits	(323,385,879)	(51,944,609)
Loss on sale of investments - net	3,902,413	17,050,429
Net unrealised diminution / (appreciation) on re-measurement of investments classified as financial assets at 'fair value through profit or loss'	2,910,754	(12,641,403)
Income on spread transactions	-	(8,923,500)
	(316,572,712)	(56,459,083)
<b>Increase in assets</b>		
Investments - net	(5,221,289,331)	(16,637,597)
Deposits, prepayments and other receivables	(32,911)	591,513
	(5,221,322,242)	(16,046,084)
<b>Increase in liabilities</b>		
Payable to JS Investment Limited - Management Company	25,533,773	2,257,548
Payable to Digital Custodian Company Limited - Trustee	513,194	(18,331)
Payable to the Securities and Exchange Commission of Pakistan (SECP)	291,073	(214,618)
Accrued expenses and other liabilities	25,087,588	(1,870,266)
	51,425,628	154,333
Income received on spread transactions	-	8,923,500
Mark-up received on bank deposits	79,488,834	56,947,162
<b>Net cash (used in) / generated from operating activities</b>	<b>(4,378,036,241)</b>	<b>166,053,568</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts against issuance of units	29,118,570,380	1,553,408,273
Payments against redemption of units	(21,739,026,614)	(1,945,515,613)
Dividend paid	(829,713,044)	(88,307,154)
<b>Net cash generated from / (used in) financing activities</b>	<b>6,549,830,722</b>	<b>(480,414,494)</b>
<b>Net increase / (decrease) in cash and cash equivalents during the year</b>	<b>2,171,794,481</b>	<b>(314,360,926)</b>
Cash and cash equivalents at the beginning of the year	315,983,786	630,344,712
<b>Cash and cash equivalents at end of the year</b>	<b>2,487,778,267</b>	<b>315,983,786</b>

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
	(Rupees)			(Rupees)		
<b>Net assets at beginning of the year</b>	922,242,345	19,954,397	942,196,742	1,247,500,874	2,576,622	1,250,077,496
Issuance of 282,173,233 (2023:14,548,293) units						
- Capital value (at net asset value per unit at the beginning of the year)	28,809,887,074	-	28,809,887,074	1,411,475,384	-	1,411,475,384
- Element of income	308,683,306	-	308,683,306	141,932,889	-	141,932,889
<b>Total proceeds on issuance of units</b>	29,118,570,380	-	29,118,570,380	1,553,408,273	-	1,553,408,273
Redemption of 208,232,548 (2023:18,204,776) units						
- Capital value (at net asset value per unit at the beginning of the year)	(21,260,543,151)	-	(21,260,543,151)	(1,766,227,364)	-	(1,766,227,364)
- Element of loss	(310,691,564)	(167,791,899)	(478,483,463)	(112,439,438)	(66,848,811)	(179,288,249)
<b>Total payments on redemption of units</b>	(21,571,234,715)	(167,791,899)	(21,739,026,614)	(1,878,666,802)	(66,848,811)	(1,945,515,613)
<b>Total comprehensive income for the year</b>	-	1,028,944,251	1,028,944,251	-	172,533,740	172,533,740
Interim distribution on January 16, 2024 @ Rs. 11.45 per unit	-	(352,590,187)	(352,590,187)	-	-	-
Interim distribution on April 25, 2024 @ Rs. 4.95 per unit	-	(248,389,193)	(248,389,193)	-	-	-
Interim distribution on June 24, 2024 @ Rs. 3.22 per unit	-	(228,733,664)	(228,733,664)	-	-	-
Interim distribution on June 22, 2023 @ Rs. 10.4 per unit	-	-	-	-	(88,307,154)	(88,307,154)
<b>Total distribution during the year</b>	-	(829,713,044)	(829,713,044)	-	(88,307,154)	(88,307,154)
<b>Net assets at end of the year</b>	<u>8,469,578,010</u>	<u>51,393,705</u>	<u>8,520,971,715</u>	<u>922,242,345</u>	<u>19,954,397</u>	<u>942,196,742</u>
<b>Undistributed income brought forward</b>						
- Realised income		7,312,994			8,853,096	
- Unrealised income / (loss)		12,641,403			(6,276,474)	
		<u>19,954,397</u>			<u>2,576,622</u>	
<b>Accounting income available for distribution</b>						
- Relating to capital gains / (loss)		-			-	
- Excluding capital gains		861,152,352			105,684,929	
		<u>861,152,352</u>			<u>105,684,929</u>	
Total distribution during the year		(829,713,044)			(88,307,154)	
Undistributed income carried forward		<u>51,393,705</u>			<u>19,954,397</u>	
<b>Undistributed income carried forward</b>						
- Realised income		54,304,459			7,312,994	
- Unrealised (loss) / Income		(2,910,754)			12,641,403	
		<u>51,393,705</u>			<u>19,954,397</u>	
Net asset value per unit at the beginning of the year		<u>102.10</u>			<u>97.02</u>	
Net asset value per unit at the end of the year		<u>102.45</u>			<u>102.10</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 Income Fund ("the Fund") was established under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) as an open-end unit trust scheme. The Fund is governed under Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations). JS Investments Limited is the Management Company of the Fund, and Digital Custodian Company Limited (DCCL) is the Trustee. The Trust Deed was executed on July 18, 2002 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on August 22, 2002.

The Trust Act, 1882 was repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act). Accordingly, on August 23, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

1.2 The Management Company of the Fund has been licensed by the SECP to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 through a certificate of registration issued by the Securities and Exchange Commission of Pakistan (SECP). The registered office of JS Investments Limited is situated at 19th Floor, The Centre, Plot No. 28 SB-5, Abdullah Haroon Road, Saddar, Karachi.

1.3 The Fund is an open end mutual fund categorised as "Income Scheme" and is listed on the Pakistan Stock Exchange Limited. The objective of JS Income Fund is to generate competitive returns by investing in a diversified portfolio of Government securities, investment grade term finance certificates (TFCs), rated corporate debts, spread transactions (including spread on equity transactions) and other money market instruments. The investment objectives and policies are explained in the Fund's offering document.

1.4 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 (PACRA) reaffirmed the stability rating of "A + (f)" to the Fund.

1.5 Title to the assets of the Fund are held in the name of Digital Custodian Company Limited (DCCL) as a Trustee of 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;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

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

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

The areas involving a higher degree of judgment or complexity, or areas where estimates and assumptions are significant to the financial statements relate to classification, impairment and valuation of financial assets (notes 3.2 and 5).

## 2.5 Accounting convention

These financial statements have been prepared under the historical cost convention, except for certain investments measured 'at fair value through profit or loss' category which are stated at fair value.

## 2.6 Functional and presentation currency

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

## 3 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented.

### 3.1 Cash and cash equivalents

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

### 3.2 Financial assets

#### 3.2.1 Initial recognition and measurement

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

#### 3.2.2 Classification and subsequent measurement

##### a) Debt instruments

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

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

based on the business model of the entity.

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

##### b) 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 recognised 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 Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The management considers its investment in equity securities as a group of assets and assesses them on a fair value basis and hence has classified them as at FVPL. Accordingly, the irrevocable option has not been considered.

The dividend income for equity securities classified under FVPL is recognised 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".

The Fund can only invest in equity securities for the purpose of spread transactions.

### 3.2.3 Impairment (other than debt securities)

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

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

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

### 3.2.4 Impairment loss on debt securities

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

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

### 3.2.5 Regular way contracts

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

### 3.2.6 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred 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".

### 3.2.7 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".

### 3.3 Financial liabilities

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

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

### 3.4 Offsetting of financial assets and financial liabilities

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

### 3.5 Provisions

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

### 3.6 Taxation

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. Furthermore, for the purpose of determining distribution of at least 90 percent of the accounting income, the income distributed through bonus units shall not be taken into account.

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

### 3.7 Net asset value per unit

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

### 3.8 Issue and redemption of units

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

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

### 3.9 Distributions to unit holders

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

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

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

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

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

### 3.11 Revenue recognition

- Gains or (losses) arising on sale of investments classified as financial assets at 'fair value through profit or loss' are recognised in the "Income Statement" at the date on which the transaction takes place;
- Unrealised gains / losses arising on remeasurement of investments classified as financial assets 'at fair value through profit or loss' included in Income Statement in the period in which they arise.
- Income on government securities, term finance certificates, sukuks and margin trading system (MTS) is recognised on a time proportionate basis using the effective yield method.
- Profit on bank balances is recognised on an accrual basis.

### 3.12 Expenses

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

### 3.13 Earnings per unit

Earnings per unit is calculated by dividing the net income for the period 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 Margin Trading System

Transactions of purchase under Margin Trading System (MTS) of marketable securities are entered into at contracted rates for specified periods of time. Securities purchased under MTS are not recognised in the "Statement of Assets and Liabilities". The amount paid under such agreements is recognised as receivable in respect of MTS. Profit is recognised on an accrual basis using the effective interest method. Cash releases are adjusted against the receivable as a reduction in the amount of receivable. The maximum maturity of an MTS contract is 60 calendar days out of which 25 percent exposure is automatically released at expiry of every 15th day from the date of contract.

4	BANK BALANCES	Note	2024	2023
			(Rupees)	
	In savings accounts	4.1	<u>2,487,778,267</u>	<u>291,165,486</u>

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



# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

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

Name of security	Issue date	Face Value				Balance as at June 30, 2024			Market value as a percentage of	
		As at July 01, 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
					Rupees			%		

Face Value of Rs. 100,000/- each

### Pakistan Investment Bonds

- 3 Years	July 4, 2023	-	2,254,000,000	704,000,000	1,550,000,000	1,420,151,176	1,424,327,550	4,176,374	16.72%	24.42%
- 3 Years	February 15, 2024	-	150,000,000	-	150,000,000	141,856,350	141,702,120	(154,230)	1.66%	2.43%

### Pakistan Investment Bonds

- 5 Years	August 10, 2023	-	75,000,000	75,000,000	-	-	-	-	-	-
- 5 Years	January 17, 2024	-	1,875,000,000	1,700,000,000	175,000,000	167,533,100	165,863,425	(1,669,675)	1.95%	2.84%
- 5 Years	October 19, 2023	-	2,750,000,000	1,400,000,000	1,350,000,000	1,311,666,750	1,306,125,000	(5,541,750)	15.33%	22.39%
- 5 Years	September 21, 2023	-	1,550,000,000	1,000,000,000	550,000,000	538,031,450	529,540,000	(8,491,450)	6.21%	9.08%
- 5 Years	May 6, 2021	50,000,000	-	50,000,000	-	-	-	-	0.00%	0.00%

### Pakistan Investment Bonds

- 10 Years	November 4, 2021	-	500,000,000	500,000,000	-	-	-	-	-	-
- 10 Years	April 21, 2016	-	78,000,000	-	78,000,000	65,571,324	68,014,965	2,443,641	0.80%	1.17%

Total as at June 30, 2024

3,644,810,150 3,635,573,060 (9,237,090)

Total as at June 30, 2023

48,156,661 48,320,000 163,339

These will mature latest by January 17, 2029 and carry effective yield rates ranging from 14.00% to 24.79% per annum.

## 5.3 Listed debt Securities - Term Finance Certificate and Sukuk Certificate

Face value of Rs. 5,000 each unless otherwise stated)

Name of the investee company	As at July 01, 2023	Purchase d during the year	Sold / matured during the year	As at June 30, 2024	Balance as at June 30, 2024			Market value as a percentage of		Investment as a percentage of issue size
					Carrying value	Market value	Unrealised appreciation / (diminution)	net assets	total investment	
					(Rupees)			%		

### Power generation & distribution

The Hub Power Company Limited	2,150	1,653	-	3,803	294,185,400	290,786,888	(3,398,512)	3.41%	4.99%	6.34%
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### Commercial Banks

Bank Alfalah Limited	20,000	-	20,000	-	-	-	-	-	-	-
Bank Al-Habib	20,000	-	-	20,000	101,697,448	103,140,827	1,443,379	1.21%	1.77%	1.43%

Total as at June 30, 2024

395,882,848 393,927,715 (1,955,133)

Total as at June 30, 2023

406,707,400 416,894,448 10,187,048

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

## 5.4 Unlisted debt Securities - Term Finance Certificate and Sukuk Certificate

(face value of Rs. 5,000 each unless otherwise stated)

Name of the investee company	As at July 01, 2023	Purchased during the year	Matured / sold during the year	As at June 30, 2024	Balance as at June 30, 2024			Market value as a percentage of		Investment as a percentage of issue size
					Carrying value	Market value	Unrealised appreciation / (diminution)	net assets	total investment	
<b>Pharmaceutical</b>										
OBS AGP Private Limited (A+, PACRA) (Face value: Rs. 100,000)	500	-	-	500	28,206,250	28,237,500	31,250	0.33%	0.48%	0.19%
<b>Power generation &amp; distribution</b>										
K-Electric Limited*	22,000	-	22,000	-	-	-	-	-	-	-
K-Electric Limited (AA+, VIS) (Face value: Rs. 100,000)	-	1,100	-	1,100	112,467,083	110,868,670	(1,598,413)	1.30%	1.90%	1.64%
<b>Power generation &amp; distribution</b>										
K-Electric Limited (SST 25) (A1+,VIS) (Face value: Rs. 1,000,000)	-	377	-	377	377,000,000	377,000,000	-	4.42%	6.46%	7.54%
<b>Total as at June 30, 2024</b>					<u>517,673,333</u>	<u>516,106,170</u>	<u>(1,567,163)</u>			
<b>Total as at June 30, 2023</b>					<u>150,875,000</u>	<u>153,173,333</u>	<u>2,298,333</u>			

\*K-Electric Limited having face value of Rs 5,000 each has been restructured to Rs.100,000 each

## 5.5 Debt securities - Term Finance Certificates (TFCs) and Sukuks - 'at amortised cost'

(face value of Rs. 5,000 each unless otherwise stated)

Name of the investee company	Note	-----Number of certificates-----				Balance as at June 30, 2024			Market value as a percentage of	
		As at July 01, 2023	Purchased during the year	Sold during the year	As at June 30, 2024	Carrying Amount as at June 30, 2024	Market value	Unrealised appreciation / (diminution)	Net assets	Total investments
<b>Personal Goods</b>										
Azgard Nine Limited - Privately placed 6th issue (related party) Provision held	5.5.2	5,844	-	-	5,844	21,915,000 (21,915,000)	-	-	-	-
Azgard Nine Limited - Privately placed 7th issue (related party) Provision held	5.5.2	12,408	-	-	12,408	62,040,000 (62,040,000)	-	-	-	-
<b>Chemicals</b>										
Agritech Limited - Privately placed Provision held	5.6.3 & 5.6.4	12,484	-	-	12,484	54,409,240 (54,409,240)	-	-	-	-
Agritech Limited - Privately Placed TFC Provision held	5.6.4	2,249	-	-	2,249	11,245,000 (11,245,000)	-	-	-	-
<b>Total as at June 30, 2024</b>						<u>-</u>	<u>-</u>	<u>-</u>		
<b>Total as at June 30, 2023</b>						<u>-</u>	<u>-</u>	<u>-</u>		

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

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

**5.5.2** On April 29, 2021, the facility was restructured through approved scheme of arrangement ("Approved Scheme") under the terms approved by Honorable Lahore High Court. According to the arrangement the principal outstanding on TFC is payable starting from April 29, 2021 over a period of 10 years. Further, new zero coupon Privately Placed Term Finance Certificates (PPTFCs) were issued for the existing PPTFC and interest accrued on TFC and PPTFC till the date of restructuring on the existing TFC and PPTFC, having redemption of principal through bullet payment from 10th anniversary of the issuance date. During the period, Rs. 5.84 million have been received against principal redemptions till June 30, 2024.

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

In accordance with clause (v) of the investment criteria laid down for 'income scheme' in Circular No. 7 of 2009, the Fund is required to invest in any security having rating not lower than the investment grade (credit rating of BBB and above). However, as at June 30, 2024, the Fund is non-compliant with the above mentioned requirement in respect of the following investments. The securities were in compliance with the circular (i.e. investment grade) at the time of purchase and were subsequently downgraded to non investment grade by MUFAP on default by the respective issuer at the time of repayment of coupon due on the respective dates.

Name of non-compliant security	Note	Type of investment	2024				
			Value of investment before provision	Provision held, if any	Value of investment after provision	Percentage of net assets	Percentage of total investments
			Rupees			%	
Azgard Nine Limited - PPTFCs							
6th issue - restructured	5.6.1	Privately Placed TFC	21,915,000	(21,915,000)	-	-	-
Azgard Nine Limited - PPTFCs 7th issue	5.6.2	Privately Placed TFC	62,040,000	(62,040,000)	-	-	-
Agritech Limited	5.6.3 & 5.6.4	Sukuk Certificates	54,409,240	(54,409,240)	-	-	-
Agritech Limited	5.6.4	Privately Placed TFC	11,245,000	(11,245,000)	-	-	-
Dewan Cement Limited	5.6.5	Pre-IPO Investment	50,000,000	(50,000,000)	-	-	-

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

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

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

SoA has two options for the settlement of liabilities and the Fund has elected for option 2 as mentioned in 'schedule F' of the Scheme for the settlement of fund outstanding liability. As per option 2 of the SOA, the outstanding principal against Sukuk certificate and zero coupon PPTFCs will be converted into preference shares as reduced by application of unutilized Cash Flow Available for Debt Servicing (CFADs). The overdue / outstanding markup amounting to Rs. 19,750,888 shall be converted into Zero coupon PPTFCs payable at the end of FY 2026 as bullet payment. The instruments have not yet been issued by Agritech as at June 30, 2024.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

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

**5.6.4** The Fund has made a full provision against the principal amount of Agritech Limited's Sukuk of amount Rs. 54.41 million in accordance with the requirements of Circular 1 of 2009 issued by the SECP and the provisioning policy of the Fund. The Fund has received Agritech Limited's PPTFC of face value of Rs. 11.245 million against interest due on Agritech Limited's Sukuk which is not recognized as income by the Fund and these PPTFCs are valued at zero. These PPTFCs will be converted into preference shares as explained in note 5.6.3 above.

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

	Note	2024	2023
		----- (Rupees) -----	
<b>5.7 Unrealised (diminution) / appreciation on re-measurement of investments classified as financial assets at 'fair value through profit or loss' - net</b>			
Market value of investments	5.1 to 5.5	5,832,863,945	643,206,081
Less: carrying value of investments	5.1 to 5.5	(5,835,774,699)	(630,564,678)
		<u>(2,910,754)</u>	<u>12,641,403</u>

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

Name of security	Number of certificates	Face value per certificate	Face value / redemption value in total	Interest rate per annum	Maturity	Secured / unsecured	Rating
		Rupees	Rupees				
Hub Power Company Limited	3,803	100,000	100,000	6M KIBOR + 2.5%	November 12, 2025	Unsecured	AA+
OBS AGP (Private) Limited	500	100,000	68,750	3M KIBOR + 1.55%	July 15, 2026	Unsecured	A+
Bank Al-Habib Limited	20,000	5,000	4,998	6M KIBOR + 1.35%	December 23, 2032	Unsecured	AAA
K-Electric Limited	1,100	100,000	100,000	3M KIBOR + 1.70%	November 23, 2029	Secured	AA+
K-Electric Limited (SST-25)	377	1,000,000	1,000,000	6M KIBOR + 0.15%	November 2, 2024	Unsecured	A1+

	Note	2024	2023
		----- (Rupees) -----	
<b>6 MARK-UP RECEIVABLE</b>			
Mark-up / return receivable on:			
- Bank balances		40,022,172	5,426,974
- Government securities		200,357,175	1,662,525
- Debt securities		27,313,121	16,705,924
		<u>267,692,468</u>	<u>23,795,423</u>
<b>7 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES</b>			
Advance tax	7.1	3,115,249	3,115,249
Security deposit with Central Depository Company of Pakistan Limited		100,000	100,000
Security deposit with National Clearing Company of Pakistan Limited		2,750,000	2,750,000
Prepayments and other receivables		364,364	331,453
		<u>6,329,613</u>	<u>6,296,702</u>

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

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

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. A petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgment of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on profit on debt securities and profit on bank deposits has been shown as other receivables as at June 30, 2024 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

8	PAYABLE TO JS INVESTMENT LIMITED - MANAGEMENT COMPANY	Note	2024	2023
			----- (Rupees)-----	
	Remuneration payable to Management Company	8.1	7,868,566	1,057,035
	Sindh sales tax payable on management remuneration	8.2	1,496,108	610,608
	Federal exercise duty payable on management remuneration	8.3	3,143,283	3,143,283
	Allocated expense payable	8.4	698,391	92,852
	Payable against selling and marketing expenses	8.5	20,852,711	3,587,334
	Payable against printing and stationery		87,774	121,948
			<u>34,146,833</u>	<u>8,613,060</u>

- 8.1** As per Regulation 61 of NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged remuneration not exceeding 2% of average daily net assets of the Fund, during the year ended June 30, 2024 (June 30, 2023: Nil to 2%). The remuneration is paid to the Management Company on a monthly basis in arrears.

- 8.2** 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. 0.473 million (2023: 0.473 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. 0.006 (2023: Re. 0.051) per unit.

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

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

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company and sales load with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs. 3.143 million is being retained in these financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision not been made, the NAV per unit of the Fund would have been higher by Re. 0.038 (June 30, 2023: Re. 0.34).

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

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

- 8.5** 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 up to 2.5% (2023: 2.5%) 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.

9	PAYABLE TO DIGITAL CUSTODIAN COMPANY LIMITED - TRUSTEE	Note	2024	2023
			----- (Rupees) -----	
	Trustee remuneration payable	9.1	523,793	69,639
	Sindh Sales Tax payable on trustee remuneration	9.2	68,093	9,053
			<u>591,886</u>	<u>78,692</u>

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

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

10	PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)	Note	2024	2023
			----- (Rupees) -----	
		10.1	<u>523,793</u>	<u>232,720</u>

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

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

Effective from July 1, 2023, the SECP vide SRO No. 592(I)/2023 dated May 17, 2023, revised the rate of annual fee to 0.085% of net assets, applicable on "Income Fund Scheme".

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

11 ACCRUED EXPENSES AND OTHER LIABILITIES	2024	2023
	----- (Rupees) -----	
Brokerage payable	578,234	61,599
Auditors' remuneration payable	692,882	506,782
Zakat payable	54,087	38,838
Withholding Tax on dividend payable	34,063,145	12,352,191
Other payable	3,041,718	383,068
	38,430,066	13,342,478

## 12 CONTINGENCIES AND COMMITMENTS

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

13 MARK-UP ON BANK DEPOSITS	2024	2023
	----- (Rupees) -----	
Savings accounts	323,385,879	51,944,609

14 AUDITORS' REMUNERATION	2024	2023
	----- (Rupees) -----	
Annual audit fee	570,000	433,400
Fee for half yearly review	300,000	140,000
Out of pocket expenses	86,555	54,191
Sindh Sales Tax	76,524	50,207
	1,033,079	677,798

15 NUMBER OF UNITS IN ISSUE	2024	2023
	----- Number of units -----	
Units in issue at the beginning of the year	9,228,478	12,884,961
Units issued during the year	282,173,233	14,548,293
Units redeemed during the year	208,232,548	18,204,776
Total units in issue at the end of the year	83,169,163	9,228,478

16 CASH AND CASH EQUIVALENTS	2024	2023
	----- (Rupees) -----	
Savings accounts	2,487,778,267	291,165,486
Market treasury bills (with original maturity of three months or less)	-	24,818,300
	2,487,778,267	315,983,786

## 17 TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund as at June 30, 2024 is 2.50% (June 30, 2023: 2.71%) which included 0.25% (June 30, 2023: 0.25%) representing Government levies on the Fund such as provision for sales taxes, federal excise duties, annual fee to the SECP, etc. This ratio is within the maximum limit of 2.50% (excluding government levies) prescribed under the NBFC Regulations for a collective investment scheme categorised as an "Income scheme".

**18 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 the Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

**19 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS**

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

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

Allocated expenses and selling and marketing expenses are charged to the Fund by the Management Company subject to the maximum prescribed Total Expense Ratio.

The details of transactions and balances carried out by the Fund with related parties / connected persons, during the year ended June 30, 2024 and balances with them as at year end are as follows:

**19.1 Transactions during the year**

**JS Investments Limited (Management Company)**

Remuneration of JS Investments Limited - Management Company  
 Sindh Sales Tax on Management Company's Remuneration  
 Sales load  
 Allocated expenses by the Management Company  
 Printing and stationery charges  
 Selling and marketing expenses  
 Issuance of: 28,144,314 (June 30, 2023: 4,772,045) units  
 Redemption of: 25,223,134 (June 30, 2023: 5,257,302) units  
 Dividend reinvested: 10,060 (June 30, 2023: NIL) units  
 Units refunded as capital: 1,091,925 (June 30, 2023: NIL) units

	2024	2023
	----- (Rupees) -----	
Remuneration of JS Investments Limited - Management Company	65,030,034	16,360,640
Sindh Sales Tax on Management Company's Remuneration	8,453,904	2,126,882
Sales load	241,846	14,784
Allocated expenses by the Management Company	5,566,772	1,163,544
Printing and stationery charges	114,210	101,466
Selling and marketing expenses	46,300,062	6,416,494
Issuance of: 28,144,314 (June 30, 2023: 4,772,045) units	3,070,448,439	504,642,975
Redemption of: 25,223,134 (June 30, 2023: 5,257,302) units	2,712,455,277	557,814,955
Dividend reinvested: 10,060 (June 30, 2023: NIL) units	1,208,405	-
Units refunded as capital: 1,091,925 (June 30, 2023: NIL) units	-	-

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

	2024	2023
	----- (Rupees) -----	
<b>Digital Custodian Company Limited (Trustee)</b>		
Remuneration of the Digital Custodian Company Limited - Trustee	4,175,075	872,657
Sindh Sales Tax on remuneration of the Trustee	542,760	113,447
<b>JS Bank Limited (Parent Company of JSIL)</b>		
Mark-up on bank balances	13,592,212	2,740,217
Issuance of: 845,626 (June 30, 2023: NIL) units	90,000,000	-
Redemption of: 845,626 (June 30, 2023: NIL) units	90,143,756	-
<b>BankIslami Pakistan Limited (Fellow subsidiary of Parent Company)</b>		
Mark-up on bank balances	8,222	1,677
<b>Azgard Nine Limited (Other related party)</b>		
Mark-up received (Non Performing - ANL PPTFC)	1,355,128	-
Principal redemption	5,844,000	1,461,000
<b>JS Fund of Funds (Fund Under JSIL Management)</b>		
Issuance of: 2,778,746 (June 30, 2023: 4,642,674) units	295,108,824	501,052,999
Redemption of: 2,365,658 (June 30, 2023: 4,642,674) units	250,963,218	509,821,248
Dividend reinvested: 61,894 (June 30, 2023: NIL) units	6,319,332	-
Units refunded as capital: 39,650 (June 30, 2023: NIL) units	-	-
<b>Speed (Private) Limited Staff Provident Fund (Common Directorship)</b>		
Dividend reinvested: 1,529 (June 30, 2023: NIL) units	222,958	-
<b>Key Management Personnel of the Management Company</b>		
Issuance of: 181,699 (June 30, 2023: 12,645) units	19,430,038	1,301,316
Redemption of: 165,693 (June 30, 2023: 20,292) units	17,771,123	2,000,000
Dividend reinvested: 2,676 (June 30, 2023: 4,155) units	321,659	496,677
Units refunded as capital: 8,354 (June 30, 2023: 233) units	-	-
<b>19.2 Amounts / balances outstanding as at year end</b>		
<b>JS Investments Limited (Management Company)</b>		
Remuneration payable to Management Company	7,868,566	1,057,035
Sindh Sales Tax payable on Management Company's remuneration	1,496,108	610,608
Allocated expenses payable	698,391	92,852
Payable against Selling and marketing expenses	20,852,711	3,587,334
Payable against printing and stationery charges	87,774	121,948
Federal excise duty on Management Company's remuneration	3,143,283	3,143,283
4,023,165 (June 30, 2023: NIL) units held	412,173,295	-
<b>Digital Custodian Company Limited (Trustee)</b>		
Payable to Digital Custodian Company Limited - Trustee	523,793	69,639
Sindh Sales Tax payable to Digital Custodian Company Limited - Trustee	68,093	9,053
<b>JS Bank Limited (Parent Company of JSIL)</b>		
Bank balances	54,456,230	23,090,297
Mark-up receivable on bank balances	1,218,000	279,726
<b>BankIslami Pakistan Limited (Fellow subsidiary of Parent Company)</b>		
Bank balance	44,541	36,319

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

	2024	2023
	----- (Rupees) -----	
<b>JS Fund of Funds (Fund under JS Investments Limited Management Company)</b> 514,632 (June 30, 2023: NIL) units held	52,724,068	-
<b>Speed (Private) Limited - Staff Provident Fund (Common Directorship)</b> 12,469 (June 30, 2023: 10,940) units held	1,277,458	1,117,023
<b>Key Management Personnel &amp; Directors</b> 81,457 (June 30, 2023: 54,421) units held	8,345,233	5,556,402
<b>Unit holder holding 10% or more of units in issue</b> 50,574,420 (June 30, 2023: 2,765,150) units held	5,181,349,308	282,321,814

## 20 FINANCIAL INSTRUMENTS BY CATEGORY

	----- 2024 -----		
	At amortised cost	At fair value through profit or loss	Total
	----- (Rupees) -----		
<b>Financial assets</b>			
Bank balances	2,487,778,267	-	2,487,778,267
Investments	-	5,832,863,945	5,832,863,945
Mark-up receivable	267,692,468	-	267,692,468
Deposits and other receivables	2,850,000	-	2,850,000
	<u>2,758,320,735</u>	<u>5,832,863,945</u>	<u>8,591,184,680</u>
<b>Financial liabilities</b>			
Payable to JS Investment Limited - Management Company	34,146,833	-	34,146,833
Payable to Digital Custodian Company Limited - Trustee	591,886	-	591,886
Accrued expenses and other liabilities	4,312,834	-	4,312,834
	<u>39,051,553</u>	<u>-</u>	<u>39,051,553</u>

	----- 2023 -----		
	At amortised cost	At fair value through profit or loss	Total
	----- (Rupees) -----		
<b>Financial assets</b>			
Bank balances	291,165,486	-	291,165,486
Investments	-	643,206,081	643,206,081
Mark-up receivable	23,795,423	-	23,795,423
Deposits and other receivables	2,850,000	-	2,850,000
	<u>317,810,909</u>	<u>643,206,081</u>	<u>961,016,990</u>
<b>Financial liabilities</b>			
Payable to JS Investment Limited - Management Company	8,613,060	-	8,613,060
Payable to Digital Custodian Company Limited - Trustee	78,692	-	78,692
Accrued expenses and other liabilities	951,449	-	951,449
	<u>9,643,201</u>	<u>-</u>	<u>9,643,201</u>

## 21 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

### 21.1 Market risk

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

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

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

#### 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. The Fund does not have any financial instruments in foreign currencies and hence is not exposed to such risk.

#### 21.1.2 Yield / Interest rate risk

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 Yield / Interest rates. As of June 30, 2024, the Fund is exposed to such risk on its balances held with banks. 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.

##### **Sensitivity analysis for variable rate instruments**

Presently, the Fund holds balances with banks, Term finance certificate, Sukuks and Pakistan investment bond, which expose the Fund to cash flow profit rate risk. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the net income for the year and net assets of the Fund would have been higher / lower by Rs 70.33 million (June 30, 2023: Rs.2.91 million).

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.

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

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

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

June 30, 2024						
Yield / effective interest rate	Exposed to yield / interest rate risk			Not exposed to yield / interest risk	Total	
	Upto three months	More than three months and upto one year	More than one year			
-----%	----- (Rupees) -----					
<b>On-balance sheet financial instruments</b>						
<b>Financial assets</b>						
Bank balances	18.50 to 24	2,487,778,267	-	-	-	2,487,778,267
Investments	14.00 to 24.08	-	1,664,257,000	4,168,606,945	-	5,832,863,945
Mark-up receivable		-	-	-	267,692,468	267,692,468
Deposits and other receivables		-	-	-	2,850,000	2,850,000
		2,487,778,267	1,664,257,000	4,168,606,945	270,542,468	8,591,184,680
<b>Financial liabilities</b>						
Payable to JS Investment Limited - the Management Company		-	-	-	34,146,833	34,146,833
Payable to Digital Custodian Company Limited - the Trustee		-	-	-	591,886	591,886
Accrued and other liabilities		-	-	-	4,312,834	4,312,834
		-	-	-	39,051,553	39,051,553
<b>On-balance sheet gap</b>		<b>2,487,778,267</b>	<b>1,664,257,000</b>	<b>4,168,606,945</b>	<b>231,490,915</b>	<b>8,552,133,127</b>

There is no off-balance sheet financial instrument that existed as at year ended June 30, 2024

June 30, 2023						
Yield / effective interest rate	Exposed to yield / interest rate risk			Not exposed to yield / interest risk	Total	
	Upto three months	More than three months and upto one year	More than one year			
-----%	----- (Rupees) -----					
<b>On-balance sheet financial instruments</b>						
<b>Financial assets</b>						
Bank balances	12.40 to 22.00	291,165,486	-	-	-	291,165,486
Investments	9.03 to 24.58	24,818,300	-	618,387,781	-	643,206,081
Advances and profit receivable		-	-	-	23,795,423	23,795,423
Deposits and other receivables		-	-	-	2,850,000	2,850,000
		315,983,786	-	618,387,781	26,645,423	961,016,990
<b>Financial liabilities</b>						
Payable to JS Investment Limited - the Management Company		-	-	-	8,613,060	8,613,060
Payable to Digital Custodian Company Limited - the Trustee		-	-	-	78,692	78,692
Accrued and other liabilities		-	-	-	951,449	951,449
		-	-	-	9,643,201	9,643,201
<b>On-balance sheet gap</b>		<b>315,983,786</b>	<b>-</b>	<b>618,387,781</b>	<b>17,002,222</b>	<b>951,373,789</b>

There is no off-balance sheet financial instrument that existed as at year ended June 30, 2023

## 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 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 is exposed to equity price risk on investments held by the Fund classified as 'at fair value through profit or loss'. To manage its price risk arising from investments in equity securities, the Fund diversifies its portfolio within the eligible stocks prescribed in the Trust Deed. The NBFC Regulations also limit individual equity securities to no more than 15% of net assets and issued capital of the investee company and sector exposure limit to 35% of the net assets or index weight, whichever is higher, subject to maximum of 40%.

## 21.2 Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge its obligation as it falls due. Credit risk arises from deposits with banks and financial institutions, profit receivable on bank deposits, dividend receivable, receivable against conversion of units and receivable against sale of investments.

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

### 21.2.1 Exposure to credit risk

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

	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)				
Bank balances	2,487,778,267	2,487,778,267	291,165,486	291,165,486
Investments	5,832,863,945	910,033,885	643,206,081	570,067,781
Mark-up receivable	267,692,468	267,692,468	23,795,423	23,795,423
Deposits and other receivables	2,850,000	2,850,000	2,850,000	2,850,000
	<u>8,591,184,680</u>	<u>3,668,354,620</u>	<u>961,016,990</u>	<u>887,878,690</u>

The maximum exposure to credit risk before any credit enhancement as at June 30, 2024 is the carrying amount of the financial assets. The difference in the balance as per the statement of assets and liabilities and maximum exposure is due to the fact that investments in Government Securities of Rs. 4,922.83 million (June 30, 2023: Rs. 73.14 million).

The maximum exposure to credit risk before any credit enhancement as at June 30, 2024 is the carrying amount of the financial assets.

### 21.2.2 Credit quality of financial assets

The Fund's significant credit risk (excluding credit risk relating to settlement of equity securities) arises mainly on account of its placements in banks and related profit receivable thereon, dividend receivable and receivable against conversion of units and sale of investments. The credit rating profile of balances with banks is as follows:

**Bank balances**

The Fund held bank balances at June 30, 2024 with banks having following credit ratings:

Name of bank	Rating Agency	Rating (Short Term / Long Term)	2024	2023
			----- (%) -----	
JS Bank Limited	PACRA	A1+ / AA	2.19%	7.93%
Mobilink Microfinance Bank Limited	PACRA	A1 / A	1.01%	0.01%
Samba Bank Limited	PACRA	A1 / AA	-	0.01%
Habib Bank Limited	PACRA	A-1+ / AAA	32.73%	4.91%
U Microfinance Bank Limited	PACRA	A-1 / A+	64.07%	80.27%
NRSP Microfinance Bank Limited	VIS	A2 / A-	-	0.02%
HBL Microfinance Bank (First Micro Finance Bank Limited)	PACRA	A-1 / A+	-	0.01%
Bank Of Punjab Limited	PACRA	A1+ / AA+	-	6.81%
Bankislami Pakistan Limited	PACRA	A1 / AA-	-	0.01%
United Bank Limited	PACRA	A-1+ / AAA	-	0.02%
			100.00%	100.00%

Above rates are on the basis of available ratings assigned by PACRA and VIS as of June 30, 2024.

Ratings of term finance certificates and sukuk certificates have been disclosed in related notes to the financial statements.

**21.2.3 Concentration of credit risk**

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

All financial assets of the Fund as at June 30, 2024 and June 30, 2023 are unsecured and are not impaired.

**21.2.4 Liquidity risk**

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

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

As per the NBFC Regulations, the Fund can borrow in the short-term to ensure settlement. The maximum amount available to the Fund from the borrowing would be limited to fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund. The facility would bear interest at commercial rates. However, no borrowing was required to be obtained by the Fund during the current 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 summaries the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity date. However, the assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month.

June 30, 2024						
Within one month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial Instruments with no fixed maturity	Total
(Rupees)						
<b>Financial liabilities</b>						
Payable to JS Investment Limited - the Management Company	34,146,833	-	-	-	-	34,146,833
Payable to Digital Custodian Company Limited - Trustee	591,886	-	-	-	-	591,886
Accrued and other liabilities	4,312,834	-	-	-	-	4,312,834
	39,051,553	-	-	-	-	39,051,553

June 30, 2023						
Within one month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial Instruments with no fixed maturity	Total
(Rupees)						
<b>Financial liabilities</b>						
Payable to JS Investment Limited - the Management Company	8,613,060	-	-	-	-	8,613,060
Payable to Digital Custodian Company Limited - Trustee	78,692	-	-	-	-	78,692
Accrued and other liabilities	951,449	-	-	-	-	951,449
	9,643,201	-	-	-	-	9,643,201

## 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.

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.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

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

## 22.1 Fair value hierarchy

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

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

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

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

As at June 30, 2024, the Fund held the following financial instruments measured at fair values:

Financial assets 'at fair value through profit or loss'	----- 2024 -----			
	Level 1	Level 2	Level 3	Total
	----- (Rupees) -----			
Investments				
Market Treasury Bills	-	1,287,257,000	-	1,287,257,000
Pakistan Investment Bonds	-	3,635,573,060	-	3,635,573,060
Listed debt securities	393,927,715	-	-	393,927,715
Unlisted debt securities	-	516,106,170	-	516,106,170
	<u>393,927,715</u>	<u>5,438,936,230</u>	<u>-</u>	<u>5,832,863,945</u>
Financial assets 'at fair value through profit or loss'	----- 2023 -----			
	Level 1	Level 2	Level 3	Total
	----- (Rupees) -----			
Investments				
Market Treasury Bills	-	24,818,300	-	24,818,300
Pakistan Investment Bonds	-	48,320,000	-	48,320,000
Listed debt securities	416,894,448	-	-	416,894,448
Unlisted debt securities	-	153,173,333	-	153,173,333
	<u>416,894,448</u>	<u>226,311,633</u>	<u>-</u>	<u>643,206,081</u>

During the year ended June 30, 2024, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements.

## 23 UNIT HOLDING PATTERN OF THE FUND

Category	----- As at June 30, 2024 -----			
	Number of unit holders	Number of units held	Investment amount (Rupees)	Percentage of total investment (%)
Individuals	576	9,727,271	996,592,956	11.70%
Associated Companies and Directors	4	577,790	59,196,608	0.69%
Retirement Funds	19	6,750,500	691,612,306	8.12%
Others	32	66,113,602	6,773,569,842	79.49%
	<u>631</u>	<u>83,169,163</u>	<u>8,520,971,713</u>	<u>100.00%</u>

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

Category	----- As at June 30, 2023 -----			
	Number of unit holders	Number of units held	Investment amount (Rupees)	Percentage of total investment (%)
Individuals	515	1,935,082	197,565,401	20.97%
Associated Companies and Directors	1	28,428	2,902,404	0.31%
Retirement Funds	21	1,737,967	177,440,618	18.83%
Others	28	5,527,001	564,288,319	59.89%
	<u>565</u>	<u>9,228,478</u>	<u>942,196,742</u>	<u>100.00%</u>

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

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

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

### 24.1. Name and qualification of the Fund Manager

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

## 25 LIST OF TOP 10 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	28.51%	Multiline Securities Private Limited	38.24%
Alfalah CLSA Securities Private Limited	28.48%	Alfalah CLSA Securities Private Limited	23.96%
Summit Capital Private Limited	11.96%	Adam Securities Private Limited	10.54%
K Trade Securities Limited	10.66%	Paramount Capital Private Limited	8.05%
Pearl Securities Limited	7.06%	Vector Capital Private Limited	7.59%
Vector Securities Limited	3.98%	Topline Securities Limited	3.32%
Currency Market Associates Private Limited	2.60%	Next Capital Limited	2.15%
Next Capital Limited	2.33%	Summit Capital Private Limited	2.07%
Arif Habib Limited	1.90%	Continental Exchange Private Limited	1.25%
Optimus Capital Management Private Limited	1.64%	Optimus Capital Management Private Limited	1.20%

**26 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	✓	✓	✓	✓	✓
			<b>5</b>	<b>7</b>	<b>7</b>	<b>8</b>	<b>7</b>	<b>6</b>

**27 UNIT HOLDER'S FUND RISK MANAGEMENT**

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

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

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

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

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

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

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

### 28 GENERAL

#### 28.1 Rounding off

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

#### 28.2 Corresponding figures

Corresponding figures have been re-classified and re-arranged in these financial statements, wherever necessary to facilitate comparison and to conform with changes in presentation in the current year. No significant rearrangements or reclassifications have been made in these financial statements during the current year.

### 29 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on August 20, 2024 by the 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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