

Shaping Tomorrow's Solutions, Today!

JS ISLAMIC INCOME FUND

ANNUAL REPORT 2024



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COMPANY INFORMATION

Management Company

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

Board of Directors

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

Chief Executive Officer

Ms. Iffat Zehra Mankani

Chief Financial Officer

Mr. Raheel Rehman

Chief Investment Officer

Mr. Syed Hussain Haider

Chief Operating Officer & Company Secretary

Mr. Muhammad Khawar Iqbal

Statutory Auditors

A.F. Ferguson & Co. Chartered Accountants

Legal Advisors

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

Audit Committee

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

Trustee

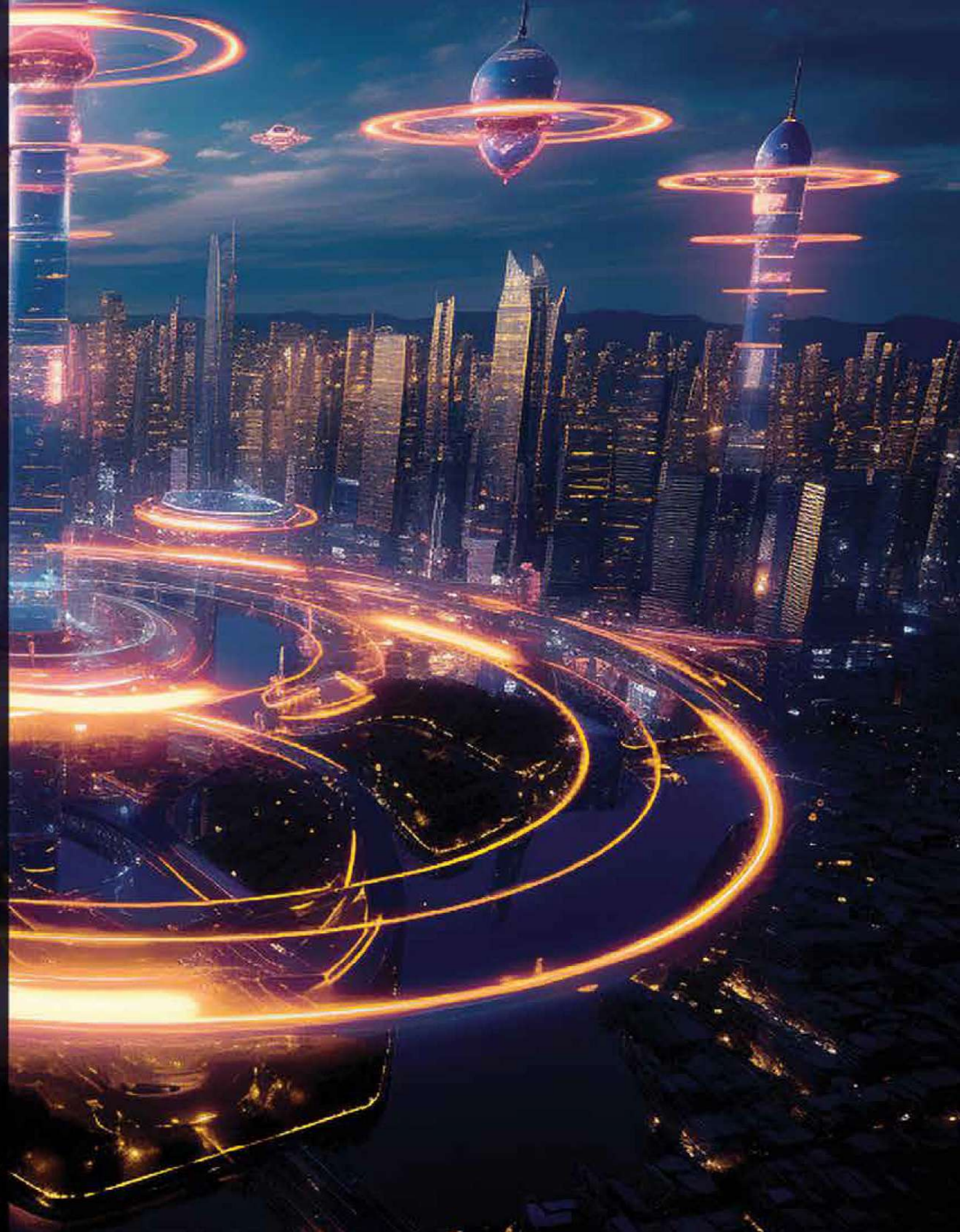
Digital Custodian Company Limited
4th Floor, Perdesi House
2/1, R-Y-16, Old Queens Road,
Karachi - 75530

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 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 20.31% for the year ended June 30, 2024, against the benchmark return of 10.62%. The Fund's Net Assets increased from PKR 0.725 billion as at June 30, 2023, to PKR 0.897 billion as at June 30, 2024. The Fund's total expense ratio is 1.70%, which includes 0.23% of government levies on the Fund.

Dividend

The Fund paid an interim cash dividend of Rs 21.24 per unit during the year ended June 30, 2024.

Asset Manager & Fund Rating

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

Auditors

The Fund's external auditors, M/s. A.F. Ferguson & Co. Chartered Accountants, retired and, 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 Matters

- a. Annexed to the Annual Report is Fund Manager's Report giving a description of principal risks and uncertainties with a 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 اسلاک 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 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 توس 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 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 10.62 فیصد اپنے نچ مارک منافع کے مقابلے میں 20.31 فیصد رہا۔ 30 جون 2024 کو خالص اثاثہ جات 30 جون 2023 کے 0.725 بلین روپے سے 0.897 بلین روپے پر پہنچ گئے۔ کل اخراجات کا تناسب 1.70 فیصد ہے، جس میں فنڈ پر حکومتی محصولات کا 0.23 فیصد شامل ہے۔

ڈیویڈنڈ

30 جون 2024 کو ختم ہونے والے سال کے دوران فنڈ نے 21.24 روپے فی یونٹ انٹرم کیش ڈیویڈنڈ ادا کیا۔

ایسیٹ مینجریٹنگ

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

آڈیٹرز

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

شریعیہ ایڈوائزرز


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


اضافی معاملات

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

اظہار تشکر

ڈائریکٹرز پیش قدر معاونت، 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 2024

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

Shariah Compliant Income Scheme / Open end Fund

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

The objective of JS Islamic Income Fund (JSIIF) is to generate stable returns and ensure capital preservation over medium to long term, by investing primarily in quality Sukuks, Shariah-compliant Government Securities, Shariah-compliant Bank Deposits and other Shariah-compliant debt 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**

From 18 Aug '17 the performance benchmark of the scheme shall be "Six (6) months average deposits rate of three (3) A rated scheduled 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
JSIIF	17.78%	19.46%	18.21%	20.75%	19.85%	19.79%	18.45%	18.26%	17.67%	17.68%	17.42%	18.22%	20.31%
Benchmark	7.16%	7.83%	7.89%	10.21%	10.62%	11.08%	11.15%	11.27%	11.25%	11.16%	11.09%	11.02%	10.62%
Diff.	10.62%	11.64%	10.31%	10.54%	9.22%	8.72%	7.30%	6.99%	6.41%	6.52%	6.33%	7.20%	9.69%

- **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 Shariah-compliant corporate and government debt instruments. The asset allocation was adjusted strategically to benefit from the anticipated monetary easing, focusing on increasing the portfolio's weighted average duration while carefully considering instrument ratings, credit risk, and fundamental analysis in light of the declining interest rate environment.

- **Disclosure of the Collective Investment Scheme's asset allocation as at the date of the report and particulars of significant changes in asset allocation since the last report (if applicable)**

	Jun-24	Jun-23
Cash	43.31%	12.27%
GoP Ijara/Sukkuks	21.39%	26.66%
Sukkuks	31.61%	56.59%
Other including receivables	3.70%	4.49%
Total	100.00%	100.00%

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

	Fund	BM
Standard Deviation	1.7%	0.7%
Duration (Yr)	0.16	
WAM (Yr)	1.72	
Expense Ratio**	1.7%	

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

** This is annualized and Includes 0.23% Government levy & SECP fee; 0.05% 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	897	106.37
30-Jun-23	725	106.07

FUND MANAGER REPORT

Annual Report 2024

- **Disclosure of the markets that the Collective Investment Scheme has invested in:**
JS Islamic income Fund invests in GoP Ijara Sukuks, money market placements, deposits, certificate of musharakas (COM), Term Deposit Receipts (TDR), Islamic commercial paper, reverse repo, and corporate Sukuk.
- **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. 21.24 per unit of Rs. 100/- each i.e. 21.24%. The cumulative distribution for FY24 to Rs. 21.24 per unit.

NAV per unit as on June 30, 2024	
Cum NAV (PKR)	106.37
Ex-NAV (PKR)	106.37

- **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 Income Fund	0.0001	to	9,999.9999	421
	10,000.0000	to	49,999.9999	29
	50,000.0000	to	99,999.9999	5
	100,000.0000	to	499,999.9999	13
	500,000.0000	&	above	4
			Total	472

- **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.	896,713	725,186	1,535,010	2,599,537	1,538,039
Net income / loss	Rs.	147,024	173,820	177,757	147,466	81,157
Total return of the Fund	%	20.31	15.63	9.02	6.97	10.53
Dividend distribution	%	21.24	15.00	7.00	7.10	9.21
Capital Growth	%	(0.93)	0.63	2.02	(0.13)	1.32
Average annual return						
- One Year	%	20.31	15.63	9.02	6.97	10.53
- Two Years	%	17.97	12.33	8.00	8.75	9.60
- Three Years	%	14.99	10.54	8.84	8.72	7.54
NAV per unit	Rs.	106.37	106.07	104.76	102.52	102.48
Year-end offer price per unit	Rs.	107.57	107.27	105.95	103.68	103.64
Highest offer price per unit	Rs.	128.55	121.89	112.93	110.79	107.84
Lowest offer price per unit	Rs.	107.27	106.02	103.73	103.64	102.53
Year-end repurchase price per unit	Rs.	106.37	106.07	104.76	102.52	102.48
Highest repurchase price per unit	Rs.	127.11	120.52	111.66	109.55	106.63
Lowest repurchase price per unit	Rs.	106.07	104.84	102.57	102.48	101.38
First interim distribution	Rs.	-	-	-	-	1.92
Announcement date		-	-	-	-	6-Sep-19
Second interim distribution	Rs.	-	-	-	-	1.05
Announcement date		-	-	-	-	4-Oct-19
Third interim distribution	Rs.	-	-	-	-	1.06
Announcement date		-	-	-	-	1-Nov-19
Fourth interim distribution	Rs.	-	-	-	-	1.00
Announcement date		-	-	-	-	6-Dec-19
Fifth interim distribution	Rs.	-	-	-	-	4.00
Announcement date		-	-	-	-	26-Jun-20
Sixth interim distribution	Re.	-	15.00	7.00	7.10	0.18
Announcement date		-	22-Jun-23	28-Jun-22	28-Jun-21	30-Jun-20
Interim distribution	Rs.	21.24	-	-	-	-
Announcement date		24-Jun-24	-	-	-	-
Total distribution as % of par value	Rs.	21.24	15.00	7.00	7.10	9.21

Fund keeps the weighted average duration of its portfolio to less than or upto 2 years.

Notes

- JS Islamic Government Securities Fund was launched on June 05, 2013.
- The fund has paid interim distribution among the Pre-IPO Investors of Rs. 1.66 million during the inception year (2012-13) of the fund.
- Investment portfolio composition of the Fund is disclosed in note 6 of the financial statements.
- The income distribution have been shown against The year to which they relate although these were declared & distributed subsequently to the year end.

Disclaimer

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

September 24, 2024



الحمد لله رب العالمين، والصلاة والسلام على سيد الأنبياء 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 Income 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 Income 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 INCOME 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 Income 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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■ KARACHI ■ LAHORE ■ ISLAMABAD



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.
Chartered Accountants
Dated: September 27, 2024
Karachi

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

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

JS Islamic Income Fund, an open end scheme was established under a Restated Trust Deed dated executed between JS Investments Limited, as the Management Company and Digital Custodian Company Limited, as the Trustee. The Restated Trust Deed was executed on 21st June 2017 after approval by Securities & Exchange Commission of Pakistan (SECP) on 16th August 2017.

1. JS Investments Limited, the Management Company of JS Islamic Income Fund, has, in all material respects, managed JS Islamic 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 25, 2024

INDEPENDENT AUDITOR'S REPORT

To the Unit Holders of JS Islamic Income Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of JS Islamic 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	Net Asset Value (Refer notes 5 and 6 to the financial statements)	
	<p>Investments and bank balances constitute the most significant component of the net asset value. Investments of the Fund as at June 30, 2024 amounted to Rs. 486.22 million and bank balances aggregated to Rs. 397.37 million.</p> <p>The existence and proper valuation of investments and existence of bank balances for the determination of NAV of the Fund as at June 30, 2024 was considered a high risk area and therefore we considered this as a key audit matter.</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> obtained independent confirmations for verifying the existence of the investment portfolio and bank balances as at June 30, 2024 and traced it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed; re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies; and obtained bank reconciliation statements and tested reconciling items on a sample basis.

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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: AR2024100617CwEXxePJ



Financial Position
& Performance

STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2024

		2024	2023
	Note	----- Rupees -----	
ASSETS			
Bank balances	5	397,371,957	90,215,725
Investments	6	486,223,200	612,204,540
Profit receivable	7	30,949,275	30,330,200
Deposits, prepayments and other receivables	8	3,017,289	2,718,210
Total assets		917,561,721	735,468,675
LIABILITIES			
Payable to JS Investments Limited - Management Company	9	2,016,055	2,206,519
Payable to Digital Custodian Company Limited - Trustee	10	60,466	50,485
Payable to the Securities and Exchange Commission of Pakistan (SECP)	11	53,510	243,998
Payable against redemption and conversion of units		5,673,594	-
Unclaimed dividend		66,322	66,322
Accrued expenses and other liabilities	12	12,978,351	7,715,100
Total liabilities		20,848,298	10,282,424
NET ASSETS		896,713,423	725,186,251
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		896,713,423	725,186,251
CONTINGENCIES AND COMMITMENTS	13		
		----- Number of units -----	
NUMBER OF UNITS IN ISSUE	14	8,430,277	6,837,133
		----- Rupees -----	
NET ASSET VALUE PER UNIT		106.37	106.07

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



Chief Financial Officer



Chief Executive Officer



Director

INCOME STATEMENT >
FOR THE YEAR ENDED JUNE 30, 2024

		2024	2023
	Note	----- Rupees -----	
INCOME			
Profit on bank balances and investments	15	162,377,852	196,698,390
Loss on sale of investments - net		(966,110)	(6,719,582)
Unrealised (diminution) / appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss' - net	6.2	(860,250)	2,734,692
		(1,826,360)	(3,984,890)
Total income		160,551,492	192,713,500
EXPENSES			
Remuneration of JS Investments Limited - Management Company	9.1	7,845,449	11,247,964
Sindh Sales Tax on Management Company's Remuneration	9.2	1,019,908	1,462,233
Accounting and operating expenses	9.3	790,203	1,220,234
Selling and marketing expenses	9.4	427,776	1,350,553
Remuneration of Digital Custodian Company Limited - Trustee	10.1	596,891	915,163
Sindh Sales Tax on remuneration of the Trustee	10.2	77,595	118,974
Annual fee to the Securities and Exchange Commission of Pakistan (SECP)	11	596,891	244,042
Auditors' remuneration	16	828,900	446,831
Printing and stationery		101,468	101,468
Shariah advisory fee		508,035	968,561
PSX listing fee		28,250	25,000
SECP supervisory fee		2,500	2,500
Rating fee		269,662	314,685
Brokerage expense		49,290	-
Bank and settlement charges		1,521	5,736
Securities transaction cost		383,125	469,885
Total expenses		13,527,464	18,893,829
Net income for the year before taxation		147,024,028	173,819,671
Taxation	17	-	-
Net income for the year after taxation		147,024,028	173,819,671
Allocation of net income for the year			
Net income for the year after taxation		147,024,028	173,819,671
Income already paid on units redeemed		(58,066,107)	(127,741,006)
		88,957,921	46,078,665
Accounting income available for distribution			
- Relating to capital gains		-	-
- Excluding capital gains		88,957,921	46,078,665
		88,957,921	46,078,665

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



Chief Financial Officer



Chief Executive Officer



Director

STATEMENT OF COMPREHENSIVE INCOME >
 FOR THE YEAR ENDED JUNE 30, 2024

	2024	2023
	----- Rupees -----	
Net income for the year after taxation	147,024,028	173,819,671
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>147,024,028</u>	<u>173,819,671</u>

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



Chief Financial Officer



Chief Executive Officer



Director

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

	2024	2023
	----- Rupees -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year before taxation	147,024,028	173,819,671
Adjustments for:		
Profit on bank balances and investments	(162,377,852)	(196,698,390)
Net unrealised diminution / (appreciation) on re-measurement of investments classified as financial assets 'at fair value through profit or loss' - net 6.2	860,250	(2,734,692)
Loss on sale of investments - net	966,110	6,719,582
	<u>(160,551,492)</u>	<u>(192,713,500)</u>
Decrease / (increase) in assets		
Investments - net	124,154,980	494,605,276
Deposits, prepayment and other receivables	(299,079)	147,675
	123,855,901	494,752,951
(Decrease) / increase in liabilities		
Payable to JS Investments Limited - Management Company	(190,464)	319,421
Payable to Digital Custodian Company Limited - Trustee	9,981	(56,822)
Payable to the Securities and Exchange Commission of Pakistan (SECP)	(190,488)	(173,453)
Unclaimed dividend	-	(396,472)
Accrued expenses and other liabilities	10,936,845	2,881,432
	10,565,874	2,574,106
Profit received on bank balances and investments	161,758,777	213,406,692
Net cash generated from operating activities	<u>282,653,088</u>	<u>691,839,920</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issuance and conversion of units	2,163,874,604	5,911,400,222
Payments on redemption and conversion of units	(2,053,390,182)	(6,854,426,498)
Dividend paid	(85,981,278)	(40,617,427)
Net cash generated from / (used in) financing activities	<u>24,503,144</u>	<u>(983,643,703)</u>
Net increase / (decrease) in cash and cash equivalents during the year	<u>307,156,232</u>	<u>(291,803,783)</u>
Cash and cash equivalents at the beginning of the year	90,215,725	382,019,508
Cash and cash equivalents at the end of the year	<u>397,371,957</u>	<u>90,215,725</u>

Note

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)		
Net assets at the beginning of the year	699,858,577	25,327,674	725,186,251	1,515,143,847	19,866,436	1,535,010,283
Issue of 19,724,063 (2023: 53,729,048) units						
- Capital value (at net asset value per unit at the beginning of the period)	2,092,131,362	-	2,092,131,362	5,628,655,068	-	5,628,655,068
- Element of income	71,743,242	-	71,743,242	282,745,154	-	282,745,154
Total proceeds on issuance of units	2,163,874,604	-	2,163,874,604	5,911,400,222	-	5,911,400,222
Redemption of 18,130,919 (2023: 61,544,009) units						
- Capital value (at net asset value per unit at the beginning of the period)	(1,923,146,578)	-	(1,923,146,578)	(6,447,350,383)	-	(6,447,350,383)
- Element of loss	(72,177,497)	(58,066,107)	(130,243,604)	(279,335,109)	(127,741,006)	(407,076,115)
Total payments on redemption of units	(1,995,324,075)	(58,066,107)	(2,053,390,182)	(6,726,685,492)	(127,741,006)	(6,854,426,498)
Total comprehensive income for the year	-	147,024,028	147,024,028	-	173,819,671	173,819,671
Total distributions during the year	-	(85,981,278)	(85,981,278)	-	(40,617,427)	(40,617,427)
Net assets at the end of the year	868,409,106	28,304,317	896,713,423	699,858,577	25,327,674	725,186,251
Undistributed income brought forward						
- Realised income		22,592,982			28,927,432	
- Unrealised income		2,734,692			(9,060,996)	
		<u>25,327,674</u>			<u>19,866,436</u>	
Accounting income available for distribution						
- Relating to capital gains		-			-	
- Excluding capital gains		88,957,921			46,078,665	
		<u>88,957,921</u>			<u>46,078,665</u>	
Distribution for the year ended June 30, 2024						
- Rs. 21.24 per unit on June 24, 2024						
(2023: Rs. 15 per unit on June 22, 2023)		(85,981,278)			(40,617,427)	
Undistributed income carried forward		<u>28,304,317</u>			<u>25,327,674</u>	
Undistributed income carried forward						
- Realised income		29,164,567			22,592,982	
- Unrealised (loss) / income		(860,250)			2,734,692	
		<u>28,304,317</u>			<u>25,327,674</u>	
		(Rupees)			(Rupees)	
Net asset value per unit at the beginning of the year	<u>106.07</u>			<u>104.76</u>		
Net asset value per unit at the end of the year	<u>106.37</u>			<u>106.07</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 Islamic Income Fund (the Fund) has been established under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003. The Fund is governed under Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 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 June 21, 2017 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on August 16, 2017.
- 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 ended mutual Fund and is listed on the Pakistan Stock Exchange Limited. The Fund offers units for public subscription on a continuous basis. These can be redeemed by surrendering them to the Fund at the option of the unit holder.
- 1.4 The Fund has been categorized as a 'Shariah Compliant Income Scheme' (based on Wakalat ul Istithmar) as per the criteria for the categorization of open-end collective investment schemes specified by the Securities and Exchange Commission of Pakistan. The objective of the Fund is to generate stable returns and ensure capital preservation over medium to long term, by investing primarily in quality Sukuks, Shariah-compliant Government Securities, Sharia compliant Bank Deposits and other Shariah-compliant debt instruments.
- 1.5 The Scheme is required to keep a minimum exposure of 25% in cash and near cash instruments. The Fund, in line with its investment objective, invest in authorized investments only. In keeping with the investment objective, the Scheme's Net Assets shall be invested in quality Shariah-compliant debt instruments including, but not limited to Sukuks, Ijarah Sukuks, Shariah-compliant bank deposits and other Shariah-compliant debt instruments. Weighted average time to maturity of the net assets shall not exceed 4 years. However, this condition shall not apply to securities issued by the Federal Government.
- 1.6 Title to the assets of the Fund is held in the name of Digital Custodian Company Limited as Trustee of the Fund.
- 1.7 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' dated December 27, 2022). Further, PACRA has also reaffirmed a Stability rating of 'AA-(f)' with 'stable outlook' to the Fund dated April 05, 2024 (2023: 'AA-(f)' with 'stable outlook' dated September 29, 2022).
- 1.8 The Trust Act, 1882 has been repealed due to promulgation of Provincial Trust Act "Sindh Trusts Act 2020" as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration under the Sindh Trusts Act had been introduced. The Management Company has registered the Trust Deed of the Collective Investment Scheme under Sindh Trusts Act, 2020.
- 1.9 Transactions are undertaken by the Fund in accordance with the guidelines issued by the Shariah Advisory Council.

2 BASIS OF PRESENTATION

The transactions undertaken by the Fund in accordance with the process prescribed under the Shariah guidelines issued by the Shariah Advisor are accounted for on substance rather than the form prescribed by the aforementioned 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

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

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

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

The estimates and judgements that have a significant effect on the financial statements of the Fund relate to classification, valuation and impairment of financial assets (notes 4.2, 6 and 9.5).

3.5 Accounting convention

These financial statements have been prepared under the historical cost convention except for investments which have been classified as financial asset 'at fair value through profit or loss' and which 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 Pakistani Rupees, 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 applied consistently to all the years presented.

4.1 Cash and cash equivalents

Cash and cash equivalents are carried in the Statement of Assets and Liabilities at cost. These comprise of deposits with banks and highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value and are held for the purpose of meeting short term cash commitments rather than for investments for other purposes.

4.2 Financial assets

4.2.1 Initial recognition and measurement

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

4.2.2 Classification and subsequent measurement

4.2.2.1 Debt instruments

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

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

based on the business model of the entity.

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

4.2.3 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 amortized cost and FVOCI. The Fund recognizes 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.

4.2.3.1 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 recognized 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 been placed on the Management Company's website as required under the SECP's circular.

4.2.4 Regular way contracts

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

4.2.5 Derecognition

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

4.3 Financial liabilities

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

A financial liability is derecognized 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.

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 recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

4.5 Provisions

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

4.6 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.

4.7 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the 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 any 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 / distributors receive redemption applications during business hours on that date. The redemption price represents the NAV as on the close of the business day, less any duties, taxes, charges on redemption and any provision for transaction costs, if applicable.

4.8 Distribution to unit holders

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

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

4.9 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.

4.10 Revenue recognition

- Gains / (losses) arising on sale of investments are included in Income Statement and are recognized on the date when the transaction takes place;

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

- Unrealized gains / (losses) arising on re-measurement of investments classified as financial assets 'at fair value through profit or loss' are included in the Income Statement in the period in which they arise;
- Income on sukuk certificates is recognized on a time proportionate basis using the effective yield method.
- Profit on savings account with banks is recognized on time proportion basis using the effective yield method.

4.11 Expenses

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

4.12 Taxation

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by capital gains, whether realized or unrealized, is distributed amongst the unit holders as cash dividend. 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.

4.13 Earnings per unit

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

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

4.14 Foreign currency translation

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

5	BANK BALANCES	Note	2024	2023
			----- Rupees -----	
	Balances with banks in:			
	Savings accounts	5.1	393,856,364	87,314,388
	Current accounts	5.2	3,515,593	2,901,337
			<u>397,371,957</u>	<u>90,215,725</u>

5.1 These includes bank balance with BankIslami Pakistan Limited (a related party) of Rs. 93.30 million (2023: Rs. 1.076 million) carrying profit at 18.50% (2023: 19.75%) per annum .Other profit and loss sharing accounts carry profit rates ranging from 15.00% to 18.50% (2023: 10.40% to 19.00%) per annum.

5.2 This represents bank balances with JS Bank Limited (related party).

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

5.3 The Fund has maintained balances with banks under shariah arrangement.

6	INVESTMENTS	Note	2024	2023
			----- Rupees -----	
	At fair value through profit or loss			
	Sukuk certificates	6.1	486,223,200	612,204,540
			<u>486,223,200</u>	<u>612,204,540</u>
6.1	Sukuk certificates			
	Listed debt securities	6.1.1	272,697,700	467,290,290
	Unlisted debt securities	6.1.2	213,525,500	144,914,250
			<u>486,223,200</u>	<u>612,204,540</u>

6.1.1 Listed debt securities - Corporate sukuk

Name of the security	Face value per certificate (Rupees)	Profit rate	Maturity date	As at July 1, 2023	Purchased during the year	Sold during the year	As at June 30, 2024	Balance as at June 30, 2024			Market value as percentage of	
								Carrying value	Market value	Unrealised appreciation / (diminution)	Net assets of the Fund	Total investment
Hub Power Holdings Limited Unsecured (AA+, PACRA)	75,000	6 months KIBOR plus base rate of 2.50%	November 12, 2025	2,643	-	1,643	1,000	77,630,000	76,462,500	(1,167,500)	8.53	15.73
Pakistan Energy Sukuk II Secured (AAA, PACRA)	5,000	6 months KIBOR minus base rate of 0.10%	May 21, 2030	39,200	-	-	39,200	196,039,200	196,235,200	196,000	21.88	40.36
Total as at June 30, 2024								<u>273,669,200</u>	<u>272,697,700</u>	<u>(971,500)</u>	<u>30.41</u>	<u>56.09</u>
Total as at June 30, 2023								<u>462,361,949</u>	<u>467,290,290</u>	<u>4,928,341</u>	<u>36.03</u>	<u>61.78</u>

6.1.2 Unlisted debt securities - Corporate sukuk

Name of the security	Face value per certificate (Rupees)	Profit rate	Maturity date	As at July 1, 2023	Purchased during the year	Sold during the year	As at June 30, 2024	Balance as at June 30, 2024			Market value as percentage of	
								Carrying value	Market value	Unrealised appreciation / (diminution)	Net assets of the Fund	Total investment
OBS AGP Private Limited Secured (A1, VIS)	56,250	6 months KIBOR plus base rate of 1.75%	July 15, 2026	1,780	-	-	1,780	100,414,250	100,525,500	111,250	11.21	20.67
K-Electric Limited sst 25 Unsecured (A1+, VIS)	5,000	6 months KIBOR plus base rate of 1.50%	November 02, 2024	-	100	-	100	100,000,000	100,000,000	-	11.15	20.57
K-Electric Limited sst 24 Unsecured (A1+, PACRA)	100,000	6 months KIBOR plus base rate of 0.20%	September 30, 2024	-	13	-	13	13,000,000	13,000,000	-	1.45	2.67
Total as at June 30, 2024								<u>213,414,250</u>	<u>213,525,500</u>	<u>111,250</u>	<u>24</u>	<u>44</u>
Total as at June 30, 2023								<u>147,107,899</u>	<u>144,914,250</u>	<u>(2,193,649)</u>	<u>16.61</u>	<u>28.48</u>

6.2	Net unrealized (diminution) / appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss'	Note	2024	2023
			----- Rupees -----	
	Market value of investments	6.1.1 & 6.1.2	486,223,200	612,204,540
	Less: carrying value of investments	6.1.1 & 6.1.2	(487,083,450)	(609,469,848)
			<u>(860,250)</u>	<u>2,734,692</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024	2023
----- Rupees -----			
7	PROFIT RECEIVABLE		
	Profit receivable on:		
	- Bank balances - under shariah arrangements	11,414,666	7,878,321
	- Sukuk certificates	19,534,609	22,451,879
		<u>30,949,275</u>	<u>30,330,200</u>
8	DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES		
	Security deposit with:		
	- National Clearing Company of Pakistan Limited (NCCPL)	2,500,000	2,500,000
	- Central Depository Company of Pakistan Limited (CDC)	100,000	100,000
	Prepayments	370,101	71,022
	Advance tax	47,188	47,188
	8.1	<u>3,017,289</u>	<u>2,718,210</u>

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, during the prior years, withholding tax on profit on debt 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 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. The tax withheld on profit on debt securities and profit on bank deposits amounts to Rs.0.047 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 Favor 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.

	Note	2024	2023
----- Rupees -----			
9	PAYABLE TO JS INVESTMENTS LIMITED - MANAGEMENT COMPANY		
	Remuneration payable to the Management Company	665,261	595,679
	Sindh Sales Tax payable on remuneration of the Management Company	86,663	77,438
	Accounting and operational charges payable	71,347	59,568
	Selling and marketing expenses payable	48,831	279,855
	Federal excise duty payable on Management Company's remuneration	987,701	987,701
	Shariah advisory fee	81,215	84,194
	Printing charges payable	75,037	122,084
		<u>2,016,055</u>	<u>2,206,519</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 offering document subject to total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged remuneration at the rate of 1% (2023: 1%) per annum calculated on average annual net assets of the Fund during the period of June 30, 2024. The remuneration is payable to the Management Company monthly in arrears.

9.2 During the year, an amount of Rs. 1.019 million (2023: Rs. 1.462 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%).

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).

The Management Company, based on its discretion has charged such expenses at the rate of 0.1% (2023: 0.1%) per annum of the average annual net assets of the Fund during the year, not being higher than actual expense incurred.

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

The Management Company has charged selling and marketing expenses to the Fund to the extent as it has think expedient on its discretion subject to not being higher than actual expenses.

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.

9.5 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. 0.987 million is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision not been made, the Net Asset Value (NAV) per unit of the Fund would have been higher by Re 0.12 (2023: Re 0.14) per unit.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

10	PAYABLE TO DIGITAL CUSTODIAN COMPANY LIMITED - TRUSTEE	Note	2024	2023
			----- Rupees -----	
	Remuneration payable	10.1	53,510	44,676
	Sindh Sales Tax payable on remuneration of the Trustee	10.2	6,956	5,809
			60,466	50,485

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

10.2 During the year, an amount of Rs. 0.078 million (2023: Rs. 0.119 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%).

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

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

Effective from July 1, 2023, the SECP vide SRO No. 592(I)/2023 dated May 17, 2023, revised the rate of annual fee to 0.075% of net assets, applicable on "Shariah Compliant Income Scheme". Previously, the rate of fee applicable on all categories of CISs was 0.02% per annum of the daily net assets of the Fund. Accordingly, the Fund has charged the SECP Fee at the rate of 0.075% of net assets during the current year.

Further, 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	541,011	314,060
	Rating fee payable	226,311	27,671
	CDC custodian, transaction & connection fee payable	858	8,206
	Withholding tax payable	11,234,767	7,065,001
	Capital gain tax payable	750,006	182,035
	Zakat payable	56,932	53,469
	Other payable	168,466	64,658
		12,978,351	7,715,100

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
		----- Rupees -----	
	Units in issue at the beginning of the year	6,837,133	14,652,094
	Units issued during the year	19,724,063	53,729,048
	Units redeemed during the year	(18,130,919)	(61,544,009)
	Total units in issue as the end of the year	8,430,277	6,837,133

	2024	2023
	----- Rupees -----	
15 PROFIT ON BANK BALANCES AND INVESTMENTS		
Profit on:		
- Bank balances - under shariah arrangement	44,242,833	65,549,805
- Sukuk certificates	118,135,019	131,148,585
	<u>162,377,852</u>	<u>196,698,390</u>
16 AUDITORS' REMUNERATION		
Annual audit fee	342,500	215,600
Fee for half yearly review of condensed interim financial statements	230,000	135,520
Fee for other certifications	125,000	-
Out of pocket expenses	70,000	62,612
Sindh Sales Tax	61,400	33,099
	<u>828,900</u>	<u>446,831</u>

17 TAXATION

The income of the Fund is exempt from income tax under Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realized or unrealized, 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 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, therefore no provision for taxation has been made in these financial statements.

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.

18 TOTAL EXPENSE RATIO

Total expense ratio (TER) of the Fund as at June 30, 2024 is 1.70% (2023: 1.55%), this includes 0.23% (2023: 0.17%) representing Government Levy and the SECP fee. This ratio is within the maximum limit of 2.5% prescribed under the NBFC regulation 60(5) for a collective investment scheme categorized as a Shariah Compliant Income Scheme.

19 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

Connected persons / related parties include JS Investments Limited (JSIL) being the Management Company of the Fund, Digital Custodian Company Limited being the Trustee of the Fund, JS Bank Limited (JSBL) being the holding company of 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.

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.

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

	2024	2023
	----- Rupees -----	
JS Investments Limited - Management Company		
Remuneration of the Management Company	7,845,449	11,247,964
Sales Tax on remuneration to the Management Company	1,019,908	1,462,233
Accounting and operating expenses	790,203	1,220,234
Selling and marketing expense	427,776	1,350,553
Issue of units: 5,185,430 units (2023: 11,084,366 units)	570,000,000	1,246,972,898
Redemption of units: 7,636,374 units (2023: 8,938,104 units)	851,323,035	1,013,550,794
Sales load	92,163	115,183
Other reimbursements	609,503	1,070,029
Reinvest in lieu of dividend paid: Nil units (2022: 1,209 units)	-	150,238
Sale of investment: Nil (2023: 1,780 sukuk certificates)	-	176,000,977
Purchase of investments: Nil (2023: 1,780 sukuk certificates)	-	176,157,422
Digital Custodian Company Limited - Trustee		
Remuneration of the Trustee	596,891	915,163
Sales tax on Trustee fee	77,595	118,974
BankIslami Pakistan Limited (Fellow subsidiary of JSBL)		
Profit on bank balances	25,136,249	1,524,408
Bank charges	-	320
JS Investment limited Staff Provident Fund (Employee benefit fund of the Management Company)		
Redemption of units: 82,464 units (2023: Nil units)	8,817,083	-
Reinvest in lieu of Dividend paid : Nil (2023: 10,258 units)	-	1,083,101
JS Global Capital Limited (Fellow subsidiary of parent company)		
Brokerage expense	-	24,100
JS Fund of Funds (Fund under JSIL Management)		
Issue of units: Nil (2023: 1,036,930 units)	-	115,254,749
Redemption of units: Nil (2023: 1,036,930 units)	-	115,202,903

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

	2024	2023
	----- Rupees -----	
JS Motion Picture Fund		
(Fund Under JSIL Management)		
Issue of units: Nil units (2023: 214,204 units)	-	23,076,202
Redemption of units: Nil units (2023: 26,399 units)	-	3,000,000
Units refunded as Capital : Nil units (2023: 3,806 units)	-	-
Reinvest in lieu of Dividend paid : 42,949 units (2023: 22,873 units)	4,555,655	2,415,176
Key Management Personnel of the Management Company		
Issue of units: 34,225 (2023: 36,731)	4,349,409	4,218,679
Redemption of units: 43,887 (2023: 44,889)	5,493,442	5,169,012
Units refunded as Capital : 6,780 (2023: 2,669)	-	-
Reinvest in lieu of Dividend paid : 60 (2023: 2,416)	6,388	300,072
19.2 Details of balances with related parties / connected persons as at year end		
JS Investments Limited - Management Company		
Remuneration payable to the Management Company	665,261	595,679
Sindh sales tax payable on remuneration of the Management Company	86,663	77,438
Accounting and operational charges payable	71,347	59,568
Federal excise duty payable on remuneration of the Management Company	987,701	987,701
Selling and marketing expense payable	48,831	279,855
Shariah advisory fee	81,215	84,194
Printing charges payable	75,037	122,084
Units outstanding: Nil (2023: 2,450,944 Units)	-	259,971,630
Digital Custodian Company Limited - Trustee		
Remuneration payable to the Trustee	53,510	44,676
Sindh sales tax payable on remuneration of the Trustee	6,956	5,809
JS Bank Limited		
(Parent Company of JSIL)		
Bank balances (Current Account)	3,515,593	2,901,337
BankIslami Pakistan Limited		
(Fellow subsidiary of JSBL)		
Bank balances	93,298,939	1,076,886
Profit receivable	1,365,644	17,668
JS Motion Picture Fund		
(Fund Under JSIL Management)		
Units outstanding: 257,434 units (2023: 214,485 units)	27,383,279	22,750,394
JS Investment Limited Staff Provident Fund		
(Employee benefit fund of the Management Company)		
Units outstanding: Nil units (2023: 82,464 units)	-	8,746,989
Entities holding 10% or more of units		
Units outstanding: 2,371,341 units (2023: 1,002,729 units)	252,239,542	106,359,491
Key Management Personnel of the Management Company		
Units outstanding: 41,057 (2023: 43,879)	4,367,248	4,654,236

19.3 The transactions with related parties / connected persons are in the normal course of business at contracted rates and terms, determined in accordance with market rates.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

20 FINANCIAL INSTRUMENTS BY CATEGORY

Financial assets

Bank balances
Investments
Profit receivable
Deposit and other receivables

Financial liabilities

Payable to JS Investments Limited - Management Company
Payable to Digital Custodian Company Limited - Trustee
Unclaimed dividend
Payable against redemption and conversion of units
Accrued Expenses and other liabilities

----- 2024 -----		
At amortized cost	At fair value through profit or loss	Total
----- (Rupees) -----		
397,371,957	-	397,371,957
-	486,223,200	486,223,200
30,949,275	-	30,949,275
2,600,000	-	2,600,000
<u>430,921,232</u>	<u>486,223,200</u>	<u>917,144,432</u>
2,016,055	-	2,016,055
60,466	-	60,466
66,322	-	66,322
5,673,594	-	5,673,594
936,646	-	936,646
<u>8,753,083</u>	<u>-</u>	<u>8,753,083</u>

Financial assets

Bank balances
Investments
Profit receivable
Deposit and other receivables

Financial liabilities

Payable to JS Investments Limited - Management Company
Payable to Digital Custodian Company Limited - Trustee
Unclaimed dividend
Accrued Expenses and other liabilities

----- 2023 -----		
At amortized cost	At fair value through profit or loss	Total
----- (Rupees) -----		
90,215,725	-	90,215,725
-	612,204,540	612,204,540
30,330,200	-	30,330,200
2,600,000	-	2,600,000
<u>123,145,925</u>	<u>612,204,540</u>	<u>735,350,465</u>
2,206,519	-	2,206,519
50,485	-	50,485
66,322	-	66,322
414,595	-	414,595
<u>2,737,921</u>	<u>-</u>	<u>2,737,921</u>

21 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund's objective in managing risks 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, Fund's constitutive documents 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 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.

21.1 Market risk

Market 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.

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

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

21.1.1 Currency risk

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

21.1.2 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 profit rates. As of June 30, 2024, the Fund is exposed to such risk on its balances held with banks and investments in sukuk certificates. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

a) Sensitivity analysis for variable rate instruments

As at June 30, 2024, the Fund holds KIBOR based profit bearing sukuk certificates and balances in saving accounts exposing the Fund to cash flow profit rate risk. In case of 100 basis points increase / decrease in KIBOR at year end, the net assets attributable to unit holders of the Fund and net income for the year would be higher / lower by Rs. 4.862 million (2023: Rs. 6.122 million).

b) Sensitivity analysis for fixed rate instruments

As at June 30, 2024, the Fund does not hold any investment in a fixed rate instrument which exposes the Fund to fair value profit rate risk.

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

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 and June 30, 2023 can be determined as follows:

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

2024						
Effective profit rate (%)	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total	
	Up to three months	More than three months and up to one year	More than one year			
(Rupees)						
Financial assets						
Bank balances	15.00 - 18.50	393,856,364	-	-	3,515,593	397,371,957
Investments	21.27 - 21.91	13,000,000	100,000,000	373,223,200	-	486,223,200
Profit receivable		-	-	-	30,949,275	30,949,275
Deposit and other receivables		-	-	-	2,600,000	2,600,000
		406,856,364	100,000,000	373,223,200	37,064,868	917,144,432
Financial liabilities						
Payable to JS Investments Limited - Management Company		-	-	-	2,016,055	2,016,055
Payable to Digital Custodian Company Limited - Trustee		-	-	-	60,466	60,466
Unclaimed dividend		-	-	-	66,322	66,322
Payable against redemption and conversion of units		-	-	-	5,673,594	5,673,594
Accrued expenses and other liabilities		-	-	-	936,646	936,646
		-	-	-	8,753,083	8,753,083
On-balance sheet gap (a)		406,856,364	100,000,000	373,223,200	28,311,785	908,391,349
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a+b)		406,856,364	100,000,000	373,223,200		
Cumulative interest rate sensitivity gap		406,856,364	506,856,364	880,079,564		

2023						
Effective profit rate (%)	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total	
	Up to three months	More than three months and up to one year	More than one year			
(Rupees)						
Financial assets						
Bank balances	10.40 - 19.75	87,314,388	-	-	2,901,337	90,215,725
Investments - Sukuk certificates	21.96 - 24.58	-	-	612,204,540	-	612,204,540
Profit receivable		-	-	-	30,330,200	30,330,200
Deposit and other receivables		-	-	-	2,600,000	2,600,000
		87,314,388	-	612,204,540	35,831,537	735,350,465
Financial liabilities						
Payable to JS Investments Limited - Management Company		-	-	-	2,206,519	2,206,519
Payable to Digital Custodian Company Limited - Trustee		-	-	-	50,485	50,485
Unclaimed dividend		-	-	-	66,322	66,322
Accrued expenses and other liabilities		-	-	-	414,595	414,595
		-	-	-	2,737,921	2,737,921
On-balance sheet gap (a)		87,314,388	-	612,204,540	33,093,616	732,612,544
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a+b)		87,314,388	-	612,204,540		
Cumulative interest rate sensitivity gap		87,314,388	87,314,388	699,518,928		

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.

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. The Fund's policy is to enter into financial contracts with reputable counter parties in accordance with the internal guidelines, offering document and regulatory requirements. The table below analyses the Fund's maximum exposure to credit risk:

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	397,371,957	397,371,957	90,215,725	90,215,725
Investments	486,223,200	289,988,000	612,204,540	416,165,340
Profit receivable	30,949,275	30,949,275	30,330,200	30,330,200
Deposit and other receivable	3,017,289	2,600,000	2,718,210	2,600,000
	<u>917,561,721</u>	<u>720,909,232</u>	<u>735,468,675</u>	<u>539,311,265</u>

21.2.1 Credit quality of financial assets

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

Name of Bank	----- June 30, 2024 -----		
	Rating Agency	Latest available published rating	Percentage
Meezan Bank Limited	VIS	AAA	0.003%
Habib Bank Limited	VIS	AAA	0.001%
Zarai Tarqiyati Bank Limited	VIS	AAA	0.003%
Bank Alfalah Limited	PACRA	AA+	0.003%
JS Bank Limited	PACRA	AA	0.885%
Faysal Bank Limited	PACRA	AA	0.562%
Dubai Islamic Bank Limited	VIS	AA	27.957%
BankIslami Pakistan Limited	PACRA	AA-	23.479%
Soneri Bank Limited	PACRA	AA-	0.487%
The Bank of Khyber	PACRA	A+	0.008%
Al Baraka Islamic Bank Limited	VIS	A+	0.003%
U Microfinance Bank Limited	VIS	A	46.599%
Nrsp Microfinance Bank Limited	VIS	A-	0.010%
			<u>100.00%</u>

Name of Bank	-----June 30, 2023-----		
	Rating Agency	Latest available published rating	Percentage
JS Bank Limited	PACRA	AA-	3.216%
Faysal Bank Limited	PACRA	AA	5.015%
BankIslami Pakistan Limited	PACRA	AA-	1.194%
Dubai Islamic Bank Limited	VIS	AA	90.092%
Nrsp Microfinance Bank Limited	VIS	A-	0.046%
Soneri Bank Limited	PACRA	AA-	0.144%
The Bank of Khyber	VIS	A+	0.034%
Zarai Tarqiyati Bank Limited	VIS	AAA	0.011%
U Microfinance Bank Limited	VIS	A+	0.208%
Meezan Bank Limited	VIS	AAA	0.011%
Habib Bank Limited	VIS	AAA	0.005%
Bank Alfalah Limited	PACRA	AA+	0.011%
Al Baraka Islamic Bank Limited	VIS	A+	0.013%
			100.00%

Ratings of outstanding investments have been disclosed in related notes to the financial statements.

21.2.2 Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counter parties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure.

As transactions are entered with credit worthy parties and are within the regulatory limits, therefore any significant concentration of credit risk is mitigated.

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

21.2.3 Liquidity risk

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

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

As per NBFC Regulations, 2008, the Fund can borrow in the short term to ensure settlement, the maximum limit of which is fifteen percent of net assets up to 90 days and would be secured by the assets of the Fund. However the fund has not borrowed any sum during 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 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 ended June 30, 2024.

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

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FOR THE YEAR ENDED JUNE 30, 2024

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)						
Payable to JS Management Limited - Management Company	2,016,055	-	-	-	-	2,016,055
Payable to Digital Custodian Company Limited - Trustee	60,466	-	-	-	-	60,466
Payable against redemption and conversion of units	5,673,594	-	-	-	-	5,673,594
Unclaimed dividend	66,322	-	-	-	-	66,322
Accrued expenses and other liabilities	936,646	-	-	-	-	936,646
	8,753,083	-	-	-	-	8,753,083

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)						
Payable to JS Management Limited - Management Company	2,206,519	-	-	-	-	2,206,519
Payable to Digital Custodian Company Limited - Trustee	50,485	-	-	-	-	50,485
Unclaimed dividend	66,322	-	-	-	-	66,322
Accrued expenses and other liabilities	414,595	-	-	-	-	414,595
	2,737,921	-	-	-	-	2,737,921

22 UNIT HOLDERS' FUND RISK MANAGEMENT

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

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

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

In accordance with the risk management policies as stated in note 21, 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 necessary.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

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 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.

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:

ASSETS	2024			
	Level 1	Level 2	Level 3	Total
Financial assets 'at fair value through profit or loss'	(Rupees)			
Sukuk certificates	272,697,700	213,525,500	-	486,223,200
	<u>272,697,700</u>	<u>213,525,500</u>	<u>-</u>	<u>486,223,200</u>
	2023			
	Level 1	Level 2	Level 3	Total
Financial assets 'at fair value through profit or loss'	(Rupees)			
Sukuk certificates	467,290,290	144,914,250	-	612,204,540
	<u>467,290,290</u>	<u>144,914,250</u>	<u>-</u>	<u>612,204,540</u>

24 DETAILS OF MEMBERS OF INVESTMENT COMMITTEE AND FUND MANAGER

Details of the members of Investment Committee 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. Asim Ilyas	Head of Fixed Income / Fund Manager	28	MAS
5	Ms. Samina Faisal	Country Head, Business Development	33	MBA
6	Mr. Safdar Raza	Fund Manager	8	BCOM

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

24.1 Name and qualification of the Fund Manager

Name	Designation	Qualification	Other funds managed by the Fund Manager
Mr. Safdar Raza	Fund Manager	Bachelors in Commerce	JS Cash Fund, JS Income Fund, JS Government Securities Fund, JS Microfinance Sector Fund, JS Islamic Daily Dividend Fund, JS Pension Savings Fund and JS Islamic Pension Savings Fund

25 UNIT HOLDING PATTERN OF THE FUND

Category	----- 2024 -----			
	Number of unit holders	Number of units held	Investment amount (Rupees)	Percentage of total
Individuals	443	2,999,532	319,054,819	35.58%
Associated company	1	257,434	27,382,791	3.05%
Insurance companies	2	1,001,324	106,509,067	11.88%
Retirement funds	18	4,132,716	439,589,561	49.02%
Others	8	39,271	4,177,185	0.47%
	<u>472</u>	<u>8,430,277</u>	<u>896,713,423</u>	<u>100.00%</u>

Category	----- 2023 -----			
	Number of unit holders	Number of units held	Investment amount (Rupees)	Percentage of total
Individuals	435	1,151,353	122,095,607	16.84%
Associated company	1	214,485	22,750,394	3.14%
Insurance companies	2	910,958	96,625,315	13.32%
Non Banking Finance Companies	1	2,450,944	259,971,661	35.85%
Retirement funds	17	1,024,132	108,629,642	14.98%
Others	9	1,085,261	115,113,632	15.87%
	<u>465</u>	<u>6,837,133</u>	<u>725,186,251</u>	<u>100.00%</u>

26 LIST OF TOP BROKERS BY PERCENTAGE OF COMMISSION PAID

----- 2024 -----		----- 2023 -----	
Name of broker	Percentage of commission paid	Name of broker	Percentage of commission paid
Next Capital Limited	100.00%	Next Capital Limited	55.50%
		JS Global Capital Limited	24.32%
		Continental Exchange (Pvt) Limited	20.18%

27 MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

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	✓	✓	✓	✓	✓
			5	7	7	8	7	6

28 GENERAL

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

28.2 Corresponding figures have been re-classified and re-arranged in these financial statements, whatever necessary to facilities 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 authorized 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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📘 www.facebook.com/jsinvestments 🐦 http://twitter.com/JSinvestment

🌐 http://www.linkedin.com/company/js-investment-limited



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JS ISLAMIC PREMIUM 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

Grant Thornton Anjum Rahman, Chartered Accountants

Legal Advisors

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

Audit Committee

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

Trustee

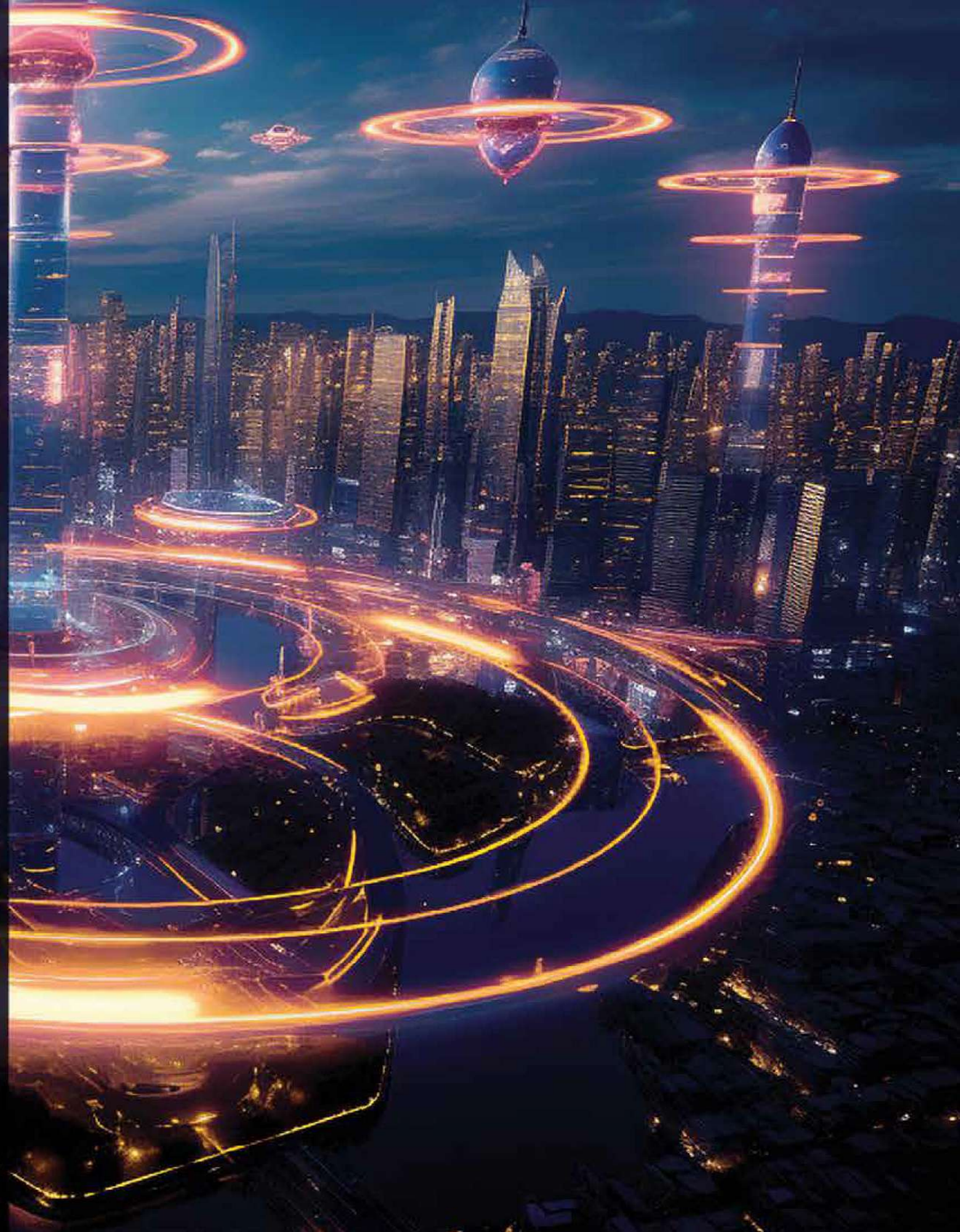
Digital Custodian Company Limited
4th Floor, Perdesi House
2/1, R-Y-16, Old Queens Road,
Karachi - 75530

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 Premium Fund** (the Fund), is pleased to present the Annual Report for the year ended June 30, 2024.

Economic Review:

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

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

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

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

Income / Money Market Review:

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

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

Review of Fund Performance

The Fund's return was 19.33% for the year ended June 30, 2024, against a benchmark return of 11.45%. The Fund's Net Assets are PKR 674.94 million as of June 30, 2024. The Fund's total expense ratio is 0.86% which includes 0.13% of government levies on the Fund.

Dividend

The fund paid an interim dividend of Rs 12.06 per unit for the half year ended June 30, 2024.

Asset Manager & Fund Rating

Pakistan Credit Rating Agency Limited (PACRA) has maintained our Management Company's asset manager rating of 'AM2+' with a 'stable outlook'. This rating underscores our dedication to maintaining high-quality management standards and reflects positively on the overall performance and outlook of our operations. The Fund has maintained a stability rating of 'A(f)' by PACRA on December 29, 2023.

Auditors

The external auditors of the Fund Messrs Grant Thornton Anjum Rahman Chartered Accountants retire and being eligible offer themselves for reappointment. The Board of Directors, upon recommendation of the Audit Committee of the Board has approved the appointment of Messrs Grant Thornton Anjum Rahman, Chartered Accountants, as the Fund's auditors for the ensuing year ending June 30, 2025.

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 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 اسلامک پریمیئم فنڈ (دی فنڈ) کی میٹنگ میں 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 آپ 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 چمک 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 دست طلب سے موصوم ہے۔

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

بیرونی کھاتے میں کافی مضبوطی دیکھی گئی اور اسٹیٹ بینک آف پاکستان کے غیر ملکی زرمبادلہ کے ذخائر جون 2023 کے اختتام پر اپنی کم ترین سطح سے دگنا ہو کر جون 2024 کے اختتام پر 9.4 بلین امریکی ڈالر تک پہنچ گئے۔ پاکستانی روپے امریکی ڈالر کے مقابلے میں 2.8 فیصد کے اضافے سے 278 پر بند ہوا۔ مئی 2024 تک 11 ماہ کے دوران کرنٹ اکاؤنٹ خسارہ نمایاں طور پر کم ہو کر 464 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 پیس پوائنٹس کی کمی کے ساتھ 18.68 فیصد پر بند ہوا۔ اسٹیٹ بینک آف پاکستان کی مانیٹری پالیسی کمیٹی (MPC) نے 10 جون کو اپنے اجلاس میں پالیسی کی شرح میں 150 پیس پوائنٹس کی کمی کی تھی۔ یہ فیصلہ مئی کی کلیدی افراط زر کی شرح میں توقع سے زیادہ کمی کے بعد کیا گیا تھا، جو 11.8 فیصد رہی، جس کی بنیادی وجہ غذائی افراط زر میں کمی تھی۔

زرمبادلہ کے ذخائر کی مستحکم جمع ہونے اور افراط زر میں کمی نے آہستہ آہستہ مارکیٹ کا اعتماد پیدا کیا، جس کی عکاسی 12 ماہ کے ٹریڈری بلز (T - Bills) کی حالیہ نیلامیوں میں اعلیٰ سطحوں کی شرکت سے ہوتی ہے۔ سال کی گزشتہ ششماہی کے مقابلے میں سال کی دوسری ششماہی کے دوران 12 ماہ کی مدت کے لیے نیلامی میں آفرٹو ٹارگٹ کا تناسب تقریباً دوگنا ہو کر 5.9 گنا ہو گیا ہے۔ ایم ٹو کی نمو حکومتی قرضوں کی وجہ سے جاری رہی، جو اوپن مارکیٹ آپریشنز (OMOs) کے ذریعے خالص بقا یا 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 11.45 فیصد اپنے بیچ مارک منافع کے مقابلے میں 19.33 فیصد رہا۔ 30 جون 2024 کو فنڈ کے خالص اثاثہ جات 674.94 ملین روپے ہیں۔ کل اخراجات کا تناسب 0.86 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 12.06 روپے فی یونٹ انٹرم کیش ڈیویڈنڈ ادا کیا۔

ایسیٹ مینجریٹنگ

پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) نے ہماری مینجمنٹ کمپنی کی "AM 2+" ایسیٹ مینجریٹنگ کو "مستحکم" منظر نامے کے ساتھ برقرار رکھا ہے۔ یہ ریٹنگ اعلیٰ معیار کے انتظامی معیار کو برقرار رکھنے کے لیے ہماری لگن کی نشاندہی کرتی ہے، جو ہمارے آپریشنز کی مجموعی کارکردگی اور منظر نامے پر مثبت عکاسی کرتی ہے۔ فنڈ نے 29 دسمبر 2023 پر "A (f)" اسٹیبلٹی ریٹنگ برقرار رکھی۔

آڈیٹرز

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

شریعیہ ایڈوائزرز

میسرز ال۔ ہلال شریعی 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 ال۔ ہلال شریعی ایڈوائزرز کو 30 جون 2025 کو ختم ہونے والے سال کے لیے تقرری کی منظوری دی۔

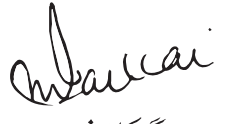
اضافی معاملات

- 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۔
- 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 سی بی سی ایس کی 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**

Shariah Compliant Sector Specific Income Scheme / Open end Fund

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

The primary objective of the JSIPF is to optimize income generation for its investors through prudent investment strategies adhering to Islamic principles. This is achieved by strategically allocating funds towards shariah-compliant, high-caliber Islamic Financial Sector instruments (primarily Islamic microfinance banks/Islamic windows of conventional microfinance banks), Sukuks, Bank deposits of Islamic microfinance banks and Islamic banks, and short-term 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**

6 months Average deposit rate of three (3) A rated Scheduled 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
JSIIF	n/a	n/a	n/a	n/a	18.71%	20.63%	18.57%	17.52%	18.09%	18.14%	18.01%	16.95%	19.33%
Benchmark	n/a	n/a	n/a	n/a	9.56%	11.08%	11.15%	11.27%	11.25%	11.16%	11.09%	11.02%	11.45%
Diff.	n/a	n/a	n/a	n/a	9.15%	9.55%	7.42%	6.25%	6.84%	6.98%	6.92%	5.94%	7.89%

- **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 assets remained primarily allocated to bank placements with top-rated microfinance banks' Islamic windows and other Shariah-compliant money market placements while strategically maintaining a low-duration profile.

- **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	98.64%	n/a
Other including receivables	1.36%	n/a
Total	100.00%	n/a

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

	Fund	BM
Standard Deviation	0.4%	0.2%
Duration (Yr)	0.00	
WAM (Yr)	0.00	
Expense Ratio**	0.9%	

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

** This is annualized and Includes 0.13% Government levy & SECP fee; 0.00% Selling & marketing expenses.

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

	Net Assets Excluding JSIL FoFs (PKR mn)	NAV per Unit (PKR)
30-Jun-24	675	100.51
30-Jun-23	n/a	n/a

FUND MANAGER REPORT

Annual Report 2024

- **Disclosure of the markets that the Collective Investment Scheme has invested in:**
JS Islamic Premium Fund invests in GoP Ijara Sukuks, money market placements, deposits, certificate of musharakas (COM), Term Deposit Receipts (TDR), Islamic commercial paper, reverse repo, and corporate Sukuk.
- **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. 11.01 per unit of Rs. 100/- each i.e. 11.01%. The cumulative distribution for FY24 to Rs. 12.06 per unit.

NAV per unit as on June 30, 2024	
Cum NAV (PKR)	100.51
Ex-NAV (PKR)	100.51

- **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 Premium Fund	0.0001	to	9,999.9999	25
	10,000.0000	to	49,999.9999	4
	50,000.0000	to	99,999.9999	3
	100,000.0000	to	499,999.9999	3
	500,000.0000	&	above	2
			Total	37

- **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
Net assets	Rs.	674,940,844
Net income / loss	Rs.	61,901,519
Total return of the Fund	%	16.95
Annual dividend distribution	%	12.06
Capital Growth	%	4.89
Average annual return		
- One Year	%	16.95
- Two Years	%	N/A
- Three Years	%	N/A
NAV per unit	Rs.	100.51
Year-end offer price per unit	Rs.	102.79
Highest offer price per unit	Rs.	113.75
Lowest offer price per unit	Rs.	102.30
Year-end repurchase price per unit	Rs.	100.51
Highest repurchase price per unit	Rs.	111.23
Lowest repurchase price per unit	Rs.	100.00
Interim distribution	Rs.	1.05
Announcement date		28-Nov-23
Interim distribution	Rs.	11.01
Announcement date		25-Jun-24
Total distribution as % of par value	%	12.06

Notes

- JS Islamic Premium Fund was launched on November 03, 2023.
- Investment portfolio composition of the Fund is disclosed in note 7 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.

September 24, 2024

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

الحمد لله رب العالمين، والصلاة والسلام على سيد الأئمة 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 Premium 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 Premium 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 HOLDER OF JS ISLAMIC PREMIUM FUND
ON THE STATEMENT OF COMPLIANCE WITH THE
SHARIAH PRINCIPLES**

**Grant Thornton Anjum
Rahman**

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Modern Motors House,
Beaumont Road,
Karachi, Pakistan.

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Introduction

We were engaged by the Board of Director of JS Investment Limited (the Management Company) to report on the Management Company's assessment of compliance with the Shariah Principles of JS Islamic Premium Fund (the Fund), as set out in the annexed Statement of Compliance with Shariah Principles (the Statement) prepared by the Management Company for the period from November 08, 2023 to 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 guidelines approved by the Shariah Advisor. Our engagement was carried out as required by the offering document of the Fund.

Applicable Criteria

The criteria for the assurance engagement against which the annexed Statement is assessed is the Shariah guidelines issued by the Shariah Advisor (the Shariah Principles).

Management's Responsibility

The Management Company of the Fund is responsible for preparation of annexed Statement. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation of 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.

Our Independence and Quality Control

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

The Firm applies International Standard on Quality Management (ISQM) 1, "Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance and Related Services Engagements" and accordingly maintains a comprehensive system of quality control including documented policies and procedure regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our engagement was conducted by a team of assurance practitioners.

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 evidence obtained. We conducted our engagement in accordance with International Standard on Assurance Engagement (ISAE) 3000, “Assurance Engagement Other Than Audit or Reviews of Historical Financial Information” issued by the International Auditing and Assurance Standards Board. That Standard requires that we plan and perform our procedure to obtain reasonable assurance about whether the annexed statement reflects the status of compliance of the Fund with the Shariah guidelines duly approved by the Shariah Advisor, in all material respects.

The procedure selected depend on our judgement, including the assessment of the risk of material non-compliance with the Shariah Principles, whether due to fraud or error. In making those risk assessments, we have considered internal control relevant to the Fund’s compliance with the Shariah Principles, in order to design assurance procedure 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 control over the Fund’s compliance with the Shariah Principles. A system of internal control, because of its nature, may not prevent and detect all instances of non-compliance with the Shariah Principles, will be met. Also, projection of any evaluation of effectiveness of future periods is subject to the risk that the controls may become inadequate or fail.

The procedures performed primarily comprised the following:

- check compliance of specific guidelines relating to charity, maintaining bank accounts and for making investment of the Fund.
- check that the Shariah Advisor has certified that the operations of the Fund, its investments and placements made during the period from November 08, 2023 to June 30, 2024 are in compliance with Shariah Principles.

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

Conclusion

Based on the procedure 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 guidelines approved by the Shariah Advisor for the period from November 08, 2023 to June 30, 2024.



Chartered Accountants

Karachi:
Date: September 27, 2024



#MonetizeYourAssets

REPORT OF THE TRUSTEE TO THE UNIT HOLDERS JS ISLAMIC PREMIUM FUND

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

JS Islamic Premium 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 February 08, 2023 whereas the date of execution of the Trust Deed was May 29, 2023.

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

Grant Thornton Anjum Rahman

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 Modern Motors House,
 Beaumont Road,
 Karachi, Pakistan.

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INDEPENDENT AUDITOR'S REPORT TO THE UNIT HOLDERS

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **JS Islamic Premium Fund** (the Fund), which comprise the statement of assets and liabilities as at June 30, 2024, and the related income statement, statement of comprehensive income, statement of movements in unit holder's fund, statement of cash flow for the period from November 03, 2024 to June 30, 2024, and notes to the financial statements, including a summary of material accounting policies.

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

Basis for Opinion

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

Key Audit Matters

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

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



Key audit matter	How our audit addressed the key audit matter
<p>The balances with banks as at June 30, 2024 amounted to Rs. 669.06 million as disclosed in note 6.</p> <p>The existence of balances with banks for the determination of NAV of the Fund as at June 30, 2024 was considered as a high risk area and therefore we consider this as a Key Audit Matter (KAM).</p>	<ul style="list-style-type: none"> • Obtained independent confirmations for verifying the existence of the balances with banks as at June 30, 2024 and reconciled it with the books and records of the fund. • Obtained the reconciliation statements and tested reconciling items on a sample basis. • Checked presentation and disclosure as per applicable financial reporting framework.

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

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

The Board of Directors is responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management;
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

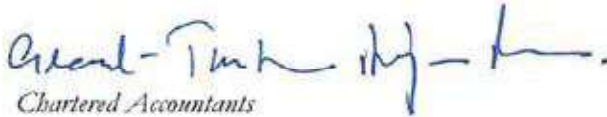
We also provide to the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements

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

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



Chartered Accountants

Karachi

Date: September 27, 2024

UDIN: AR202410154RozFVIBCn



Financial Position
& Performance

STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2024

		June 30, 2024
	Note	----- Rupees -----
Assets		
Bank balances	6	669,055,209
Investments	7	-
Profit receivable	8	8,557,627
Deferred formation cost	9	945,429
Deposits and prepayments	10	170,393
Total assets		678,728,658
Liabilities		
Payable to JS Investments Limited - Management Company	11	1,687,609
Payable to Digital Custodian Company Limited - Trustee	12	38,069
Payable to Securities and Exchange Commission of Pakistan	13	33,689
Accrued expenses and other liabilities	14	2,028,447
Total liabilities		3,787,814
Net assets		674,940,844
Unit holders' funds (as per statement attached)		674,940,844
Contingencies and Commitments	15	
		----- Number of units -----
Number of units in issue	19	6,715,446
		----- Rupees -----
Net assets value per unit		100.51

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



Chief Financial Officer



Chief Executive Officer



Director

INCOME STATEMENT >

FOR THE PERIOD FROM NOVEMBER 03, 2023 TO JUNE 30, 2024

	Note	For the period from November 03, 2023 to June 30, 2024
		----- Rupees -----
Income		
Mark-up / return on balances with banks and investments	16	65,223,969
Net realized gain on sale of investments at fair value through profit or loss		1,162,508
Total income		66,386,477
Expenses		
Remuneration to JS Investments Limited- Management Company	11.1	2,604,626
Sindh Sales Tax on Management Company's Remuneration	11.2	338,601
Remuneration of the Digital Custodian Company Limited - Trustee	12.1	254,981
Sindh Sales Tax on remuneration of the Trustee	12.2	33,147
Fee to the Securities & Exchange Commission of Pakistan (SECP)	13	254,981
Auditors' remuneration	17	355,800
Listing Fee		25,000
SECP Supervisory fee		2,500
Brokerage and settlement charges		42,313
Bank charges		2,088
Amortization of deferred Formation Cost		156,366
Shariah Advisory Fee		225,953
Mutual fund rating fee		101,367
Printing and stationery		87,235
Total expenses		4,484,958
Net income for the period before taxation		61,901,519
Taxation	18	-
Net income for the period after taxation		61,901,519
Allocation of income for the period:		
Net income for the period after taxation		61,901,519
Income already distributed on units redeemed		(2,792,752)
		59,108,767
Accounting income available for distribution:		
Relating to capital gain		1,162,508
Excluding capital gain		57,946,259
		59,108,767

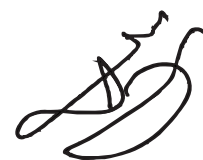
The annexed notes from 1 to 28 form an integral part of these financial statements.



Chief Financial Officer



Chief Executive Officer



Director

STATEMENT OF COMPREHENSIVE INCOME >
 FOR THE PERIOD FROM NOVEMBER 03, 2023 TO JUNE 30, 2024

For the period from November 03, 2023 to June 30, 2024	
----- Rupees -----	
Net income for the period after taxation	61,901,519
Other comprehensive income for the period	-
Total comprehensive income for the period	<u><u>61,901,519</u></u>

Net income for the period after taxation

Other comprehensive income for the period

Total comprehensive income for the period

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



Chief Financial Officer



Chief Executive Officer



Director

STATEMENT OF CASH FLOW >
FOR THE PERIOD FROM NOVEMBER 03, 2023 TO JUNE 30, 2024

For the period from November 03, 2023 to June 30, 2024	
----- Rupees -----	
CASH FLOWS FROM OPERATING ACTIVITIES	
Net income for the period before taxation	61,901,519
Adjustments for:	
Net realised gain on sale of investments	(1,162,508)
Amortization of deferred Formation Cost	156,366
Operating loss before working capital changes	(1,006,142)
Decrease / (increase) in assets	
Investments - net	1,162,508
Profit receivable	(8,557,627)
Deferred formation cost	(1,101,795)
Deposits, prepayments and receivables	(170,393)
	(8,667,307)
Increase / (decrease) in liabilities	
Payable to JS Investments Limited - Management Company	1,687,609
Payable to Digital Custodian Company Limited - Trustee	38,069
Fee payable to Securities and Exchange Commission of Pakistan (SECP)	33,689
Accrued and other liabilities	2,028,447
	3,787,814
Net cash generated from operating activities	56,015,884
CASH FLOWS FROM INVESTING ACTIVITIES	-
CASH FLOWS FROM FINANCING ACTIVITIES	
Amounts received against issue of units	810,505,184
Payment made against redemption of units	(141,204,440)
Dividend paid	(56,261,419)
Net cash generated from financing activities	613,039,325
Net increase in cash and cash equivalents	669,055,209
Cash and cash equivalents at beginning of the period	-
Cash and cash equivalents at end of the period	669,055,209

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



Chief Financial Officer



Chief Executive Officer



Director

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND >

FOR THE PERIOD FROM NOVEMBER 03, 2023 TO JUNE 30, 2024

For the period from November 03, 2023 to June 30, 2024		
Capital Value	Undistributed income	Total
Rupees		

Issuance of units 8,064,720

Capital value (at net asset value per unit at the beginning of the period)

Element of income

Total proceeds on issuance of units

806,472,025	-	806,472,025
4,033,159	-	4,033,159
810,505,184	-	810,505,184

Redemption of units 1,349,275

Capital value (at net asset value per unit at the beginning of the period)

Amount paid out of element of income

Refund / adjustment on units as element of income

(134,927,467)	-	(134,927,467)
-	(2,792,752)	(2,792,752)
(3,484,221)	-	(3,484,221)
(138,411,688)	(2,792,752)	(141,204,440)

Total comprehensive income for the period

Interim Dividend Distribution @1.05 per units

Interim Dividend Distribution @11.01 per units

-	61,901,519	61,901,519
-	(4,589,892)	(4,589,892)
-	(51,671,527)	(51,671,527)

Net assets at end of the period

672,093,496	2,847,348	674,940,844
--------------------	------------------	--------------------

Undistributed income brought forward

- Realized income

- Unrealized gain

-
-
-

Accounting income available for distribution

- Relating to capital gains

- Excluding capital gains

Net income for the period after taxation

Distribution during the period

Undistributed income carried forward

1,162,508
57,946,259
59,108,767
(56,261,419)
2,847,348

Undistributed income carried forward

- Realized income

- Unrealized income

2,847,348
-
2,847,348

Rupees

Net assets value per unit at start of the Fund

Net assets value per unit at end of the period

100.00
100.51

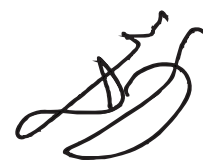
The annexed notes from 1 to 28 form an integral part of these financial statements.



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) and Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations) and was approved as an open-end mutual fund by the Securities and Exchange Commission of Pakistan (SECP). It was constituted under the Trust Deed registered under the Sindh Trust Act, 2020, dated May 29, 2023 between JS Investments Limited (a subsidiary company of JS Bank Limited) as the Management Company, a company incorporated under the Companies Act 2017 and Digital Custodian Company Limited (DCCL) as the Trustee.
- 1.2 The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through certificate of registration issued by SECP. The registered office of the Management Company is situated at 19th Floor, the Centre, Saddar, Karachi, Pakistan.
- 1.3 The Fund is income scheme and units of the Fund are listed on the Pakistan Stock Exchange. Units are offered for public subscription on a continuous basis. The units of the Fund can be transferred to / from other funds managed by the Management Company and can also be redeemed by surrendering to the Fund. As per the offering document, the Fund shall invest 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.
- 1.4 Title to the assets of the Fund is held in the name of Digital Custodian Company Limited (DCCL) as a Trustee of the Fund.
- 1.5 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. The Pakistan Credit Rating Agency (PACRA) assigned the stability rating of "A (f)" (A - Fund Rating) to the Fund.
- 1.6 These are the first financial statements for the period November 03, 2023 to June 30, 2024 and therefore, comparative figures have not been included.

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 for annual financial reporting. The accounting and reporting standards as applicable in Pakistan for annual financial reporting 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 VIII A of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

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

2.2 Basis of measurement

This financial information has been prepared under the historical cost convention except for investments which are valued as stated in note 7.

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

2.4 Standards, amendments and interpretations to the published standards that maybe relevant but not yet effective and not early adopted by the Fund

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

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

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

3 CRITICAL ACCOUNTING ESTIMATE AND JUDGEMENT

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

The areas involving a degree of judgment or complexity, or areas where estimates and assumption are significant to these financial statements relate to:

- Impairment of financial assets (note 4.1.3)
- Provisions (note 4.4)
- Taxation (note 4.7)

4 SUMMARY OF MATERIAL ACCOUNTING POLICIES

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

4.1 Financial assets

4.1.1 Initial recognition and measurement

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

4.1.2 Classification and subsequent measurement

Debt instruments

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

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

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

4.1.3 Impairment

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

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

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

4.1.4 Impairment loss on debt securities

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

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

4.1.5 Regular way contracts

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

4.1.6 Derecognition

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

4.2 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.

4.3 Financial liabilities

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

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

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 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 are regularly reviewed and adjusted to reflect the current best estimate.

4.6 Cash and cash equivalents

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

4.7 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 among the unit holders in cash.

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.

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

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

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

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

4.10 Distribution to unit holders

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

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

4.11 Revenue recognition

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

4.12 Expenses

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

4.13 Net asset value per unit

The Net Asset Value (NAV) per unit, as disclosed on the statement of assets and liabilities, is calculated by dividing the net assets of the Fund by the number of units in issue as at the year end.

4.14 Earning/(loss) per unit

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

5 TOTAL EXPENSE RATIO

The total expense ratio (TER) of the Fund for the period from November 03, 2023 to June 30, 2024 is 0.86% which includes 0.13% representing government levies on the Fund such as sales taxes, monthly fee payable 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 "shariah income" fund.

		June 30, 2024
		Rupees
6	BALANCES WITH BANKS	Note
	- In saving accounts	669,045,209
	- In current accounts	10,000
		669,055,209
		6.1
6.1	This includes bank balance of Rs. 226.13 million with BankIslami Pakistan Limited (a related party) carrying profit at the rate of 18.50% per annum. Other PLS accounts of the Fund carry profit rates ranging from 18.50% to 19.50% per annum.	

		June 30, 2024
		Rupees
7	INVESTMENTS	Note
	<i>At fair value through profit or loss</i>	
	Government securities - Pakistan Ijara Sukuks	7.1
	<i>At amortised cost</i>	
	Bai Muajjal- Unquoted	7.2
		-
		-

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

Note	As at November 03, 2023	Purchased during the period	Sold during the year	As at June 30, 2024	Value as at June 30, 2024			Market value as a % of net assets	Market value as a % of total investment
					Carrying value	Market value	Unrealised loss		
7.1	Government securities - Pakistan Ijara Sukuks				(Number of holding)			Rupees	
								%	
	Sukuks - 1 years	-	100	(100)	-	-	-	-	-
	Sukuks - 5 years	-	2,780	(2,780)	-	-	-	-	-
7.2	Bai Muajjal- Unquoted								
		-	680	(680)	-	-	-	-	-

	Note	June 30, 2024
		Rupees
8	PROFIT RECEIVABLE	
	Accrued profit on balances with banks	8,557,627
9	DEFERRED FORMATION COST	
	Deferred formation cost	1,101,795
	Amortized over the year	(156,366)
		945,429
10	DEPOSITS AND PREPAYMENTS	
	Security deposit with:	
	CDC security deposits	100,000
	Prepayment	
	Mutual fund stability rating fee	70,393
		170,393
11	PAYABLE TO JS INVESTMENTS LIMITED - MANAGEMENT COMPANY	
	Remuneration payable to Management Company	11.1 336,889
	Sales tax payable on management company's remuneration	11.2 43,796
	Payable against printing and stationery	87,235
	Payable against shariah advisory fee	50,394
	Payable against SECP supervisory fee	2,500
	Payable against annual listing fee	25,000
	Payable against deferred formation cost	1,101,795
	Payable against bank account opening	40,000
		1,687,609

11.1 According to the provisions of the Trust Deed of the Fund, the Management Company has prescribed a maximum rate of 2.00% of average daily net assets. The Management Company has charged 0.75% to 1% from November 03, 2023 to June 30, 2024 per annum on the average annual net assets of the Fund calculated on a daily basis.

11.2 Sindh Provincial Government has levied Sindh Sales Tax at the rate of 13% on Management Company's remuneration through Sindh Sales Tax on Services Act, 2011.

	Note	June 30, 2024
		Rupees
12	PAYABLE TO DIGITAL CUSTODIAN COMPANY LIMITED - TRUSTEE	
	Remuneration payable to Trustee Company	12.1 33,689
	Sales tax payable on trustee company's remuneration	12.2 4,380
		38,069

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

12.1 The Trustee is entitled to a 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 daily net assets value of the Fund. The remunerations paid to the Trustee on monthly basis in arrears. The applicable tariff is 0.075% per annum on the average annual net assets of the Fund calculated on a daily basis.

12.2 The Sindh Provincial Government levied Sindh Sales Tax at the rate of 13% on the remuneration of the Trustee through Sindh Sales Tax on Services Act, 2011.

13 FEE PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)

The fee have been charged, at the rate of 0.075% on the net asset of the Fund, during the year ended June 30, 2024.

14 ACCRUED EXPENSES AND OTHER LIABILITIES

Audit fee payable
Zakat Payable
CDS Connection Charges
Tax on dividend payable
Payable against redemption of units
Other liabilities

June 30, 2024
Rupees
266,700
192
565
1,279,530
460,343
21,117
2,028,447

15 CONTINGENCIES AND COMMITMENTS

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

16 MARK-UP/RETURN ON BALANCES WITH BANKS AND INVESTMENTS

Balances with banks and term deposits receipts
Government securities
Bai Muajjal

For the period from November 03, 2023 to June 30, 2024
Rupees
52,403,471
5,424,044
7,396,454
65,223,969

17 AUDITORS' REMUNERATION

Annual audit fee
Half yearly review of financial statements
Out of pocket expenses

200,000
75,000
54,444
329,444
26,356
355,800

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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

		June 30, 2024
		Rupees
19	NUMBER OF UNITS IN ISSUE	
	Issued during the year	8,064,720
	Redemption during the year	(1,349,275)
	Total outstanding as of June 30	6,715,446

20 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

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

		For the period from November 03, 2023 to June 30, 2024
		Rupees
20.1	Transactions during the period ended	
	JS Investments Limited (Management Company)	
	Remuneration to JS Investments Limited - Management Company	2,604,626
	Sindh Sales Tax on Management Company's Remuneration	338,601
	Printing and stationery	87,235
	Sales load	424,163
	Shariah advisory fee	225,953
	Digital Custodian Company Limited (Trustee)	
	Remuneration of the Digital Custodian Company Limited - Trustee	254,981
	Sindh Sales Tax on remuneration of the Trustee	33,147
	BankIslami Pakistan Limited (Fellow subsidiary of Parent Company)	
	Return on bank balances	20,347,985
	Key Management Personnel of the Management Company	
	Issue of units: 4071	407,777
	Redemption of units: 4071	410,307

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

		June 30, 2024
		Rupees
20.2	Balance as at period ended	
	JS Investments Limited (Management Company)	
	Remuneration payable to Management Company	336,889
	Sales tax payable on management company's remuneration	43,796
	Payable against printing and stationery	87,235
	Payable against shariah advisory fee	50,394
	Payable against deferred formation cost	1,101,795
	Payable against bank account opening	40,000
	Payable against listing fee	25,000
	Payable against SECP supervisory fee	2,500
	Digital Custodian Company Limited (Trustee)	
	Payable to Digital Custodian Company Limited - Trustee	33,689
	Sales tax payable to Digital Custodian Company Limited - Trustee	4,380
	BankIslami Pakistan Limited (Fellow subsidiary of Parent Company)	
	Bank balances	226,127,651
	Profits receivable on bank balances	1,407,892
	Unitholders holding 10% or more of units in issue	
	Units held: 5,625,982	565,467,426

20.3 The transactions with related parties / connected persons are in the normal course of business at contracted rates and terms, determined in accordance with market rates.

21 RECONCILIATION OF LIABILITIES ARISING OUT OF FINANCING ACTIVITIES

	Receivable against issuance	Payable against redemption of units	Total
June 30, 2024	-----Rupees-----		
Receivable against issuance of units	810,505,184	-	810,505,184
Payable against redemption of units	-	(141,204,440)	(141,204,440)
	810,505,184	(141,204,440)	669,300,744
Amount received on issuance of units	(810,505,184)	-	(810,505,184)
Amount paid on redemption of units	-	141,204,440	141,204,440
	(810,505,184)	141,204,440	(669,300,744)
Balance as at June 30, 2023	-	-	-

22 FINANCIAL INSTRUMENTS - BY CATEGORY

Particulars	-----As at June 30, 2024-----		
	At amortised cost	Financial asset at 'fair value through profit or loss'	Total
	----- (Rupees) -----		
Financial assets			
Balances with bank	669,055,209	-	669,055,209
Profit receivables	8,557,627	-	8,557,627
Deposits	70,393	-	70,393
	677,683,229	-	677,683,229

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

Particulars	-----As at June 30, 2024-----		
	At amortised cost	Financial asset at 'fair value through profit or loss'	Total
	----- (Rupees) -----		
Financial liabilities			
Payable to JS Investments Limited - Management Company	1,643,813	-	1,643,813
Payable to Digital Custodian Company Limited - Trustee	33,689	-	33,689
Annual fee payable to Securities and Exchange Commission of Pakistan	33,689	-	33,689
Accrued expenses and other liabilities	748,725	-	748,725
	2,459,916	-	2,459,916

23 FINANCIAL RISK MANAGEMENT

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

Risk management framework

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

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

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

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

23.1 Market risk

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

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

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

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. At present, the Fund is not exposed to currency risk as all the transactions are carried out in Pakistani Rupees.

23.1.2 Profit rate risk

Yield / profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates.

a) Sensitivity analysis for variable rate instruments

Presently, the Fund does not hold any variable profit based investment as at the reporting date except balances with banks in profit and loss (PLS) sharing account exposing the Fund to cash flow profit rate risk. The Fund is also exposed to mark-up rate risk on bank deposits. In case of 100 basis points increase / decrease in KIBOR at year end, the net income for the year and the net assets would be higher / lower by Rs. 6.69 million.

b) Sensitivity analysis for fixed rate instruments

As at June 30, 2024, the Fund does not hold any instrument exposing the Fund to mark-up interest rate risk.

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.

Particulars	June 30, 2024					
	Interest rate	Total	-- Exposed to interest rate risk --			Not exposed to interest rate risk
			Upto three months	More than three months and upto one year	More than one year	
%	(Rupees)					
On-balance sheet financial instruments						
Financial assets						
Balances with bank	19.00%	669,055,209	669,045,209	-	-	10,000
Profit receivables		8,557,627	-	-	-	8,557,627
Deposits		70,393	-	-	-	70,393
		<u>677,683,229</u>	<u>669,045,209</u>	-	-	<u>8,638,020</u>
Financial liabilities						
Payable to JS Investments Limited - Management Company		1,643,813	1,643,813	-	-	-
Payable to Digital Custodian Company Limited - Trustee		33,689	33,689	-	-	-
Fee payable to Securities and Exchange Commission of Pakistan		33,689	33,689	-	-	-
Accrued expenses and other liabilities		748,725	748,725	-	-	-
		<u>2,459,916</u>	<u>2,459,916</u>	-	-	-
On-balance sheet gap (a)		<u>675,223,313</u>	<u>666,585,293</u>	-	-	<u>8,638,020</u>
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a+b)		<u>675,223,313</u>	<u>666,585,293</u>	-	-	<u>8,638,020</u>
Cumulative interest rate sensitivity gap			<u>666,585,293</u>	-	-	

23.1.3 Price risk

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

23.2 Credit risk

Credit risk is the risk of financial loss to the Fund if a customer or counter party to a financial instrument fails to meet its contractual obligations. This mainly arises principally from bank balances, security deposits and receivable against sale of securities.

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

	June 30, 2024
	----Rupees----
Balances with bank	669,055,209
Profit receivables	8,557,627
Deposits	70,393
	<u>677,683,229</u>

Management of credit risk

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

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

- Where the investment committee makes an investment decision, the credit rating and credit worthiness of the issuer is taken into account along with the financial background so as to minimise the risk of default.
- Analyses of credit ratings and obtaining adequate collaterals wherever appropriate / relevant.
- The risk of counterparty exposure due to failed trades causing a loss to the Fund is mitigated by a periodic review of the credit ratings and financial statements of the counter party on a regular basis.
- Cash is held only with reputable banks with high quality external credit enhancements.
- Investment transactions are carried out with a large number of brokers, whose credit worthiness is taken into account so as to minimise the risk of default and transactions are settled or paid for only upon delivery.
- The Fund's policy is to enter into financial contracts in accordance with the internal risk management policies and investment guidelines approved by the Investment Committee. The Fund does not expect to incur material credit losses on its financial assets.

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

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

Name of the Bank	Rating agency	Long term rating	Short term rating	Percentage
Bank Islami Pakistan Limited	PACRA	AA-	A1	33.80%
NRSP Microfinance Bank Limited	PACRA	A -	A2	0.00%
U Microfinance Bank Limited	PACRA	A+	A1	66.20%
Bank Alfalah Limited	PACRA	AAA	A1+	0.00%
MCB Islamic Bank Limited	PACRA	A+	A1	0.00%

23.2.2 Concentration of credit risk

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

23.3 Liquidity risk

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

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

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

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

Particulars	June 30, 2024			
	Total	Upto three months	Over three months and upto one year	Over one year
-----Rupees-----				
Financial Liabilities				
Payable to JS Investments Limited - Management Company	1,643,813	1,643,813		
Payable to Digital Custodian Company Limited - Trustee	33,689	33,689		
Fee payable to Securities and Exchange Commission of Pakistan	33,689	33,689	-	-
Accrued expenses and other liabilities	748,725	748,725	-	-
	2,459,916	2,459,916	-	-

24 UNIT HOLDERS' FUND RISK MANAGEMENT

The Unit Holders' Fund is represented by redeemable units. These units are entitled to distributions and to payment of a proportionate share, based on the Fund's net asset value per unit as of the close of the business day less any back end load, provision for transaction cost and any provision for duty and charge, if applicable. The relevant movements are shown on the 'Statement of Movement in Unit holders' Fund'.

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

The Fund has no restrictions on the subscription and redemption of units.

The Fund meets the requirements of sub-regulation 54(3a) which requires that the minimum size of an Open End Scheme shall be one hundred million rupees at all times during the life of the scheme.

In accordance with the risk management policies stated in note 24, the Fund endeavors to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by short-term borrowings or disposal of investments where necessary.

25 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

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

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

25.1 Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify fair value measurements 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 carrying value of the assets approximate their fair values since these are short term in nature and are placed with counterparties which have high credit rating.

26 SUPPLEMENTARY NON FINANCIAL INFORMATION

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

26.1 Details of the members of investment committee of the Fund are as follows:

S. No	Name	Designation	Experience in years	Qualification
1	Ms. Iffat Zehra Mankani	Chief Executive Officer	23	MBA
2	Mr. Khawar Iqbal	Chief Operating Officer & Company Secretary	31	MBA
3	Mr. Syed Hussain Haider	Chief Investment Officer	22	CFA
4	Ms. Samina Faisal	Country Head Business Development	33	MBA
5	Mr. Asim Ilyas	Head Fixed Income	23	MAS
6	Mr. Safdar Raza	Fund Manager	08	B.Com

26.2 Transactions with Brokers/Dealers

26.2.1 List of brokers by percentage of commission charged during the year ended June 30, 2024:

S. No	Name	Percentage of Commission/ Brokerage
1	Alfalah CLSA Securities (Private) Limited	77.45%
2	C and M Management (Private) Limited	22.55%

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

26.3 Pattern of unit holding

Particulars	June 30, 2024			
	Number of unitholders	Number of units held	Net asset value of the amount invested	% age of total investment
Individuals	34	975,715	138.48	15%
Retirement Fund	3	5,739,730	814.61	85%
Corporate	-	-	-	-
Insurance Companies	-	-	-	-
Others	-	-	-	-
	37	6,715,445	953.09	100%

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

The 169th, 170th, 171th, 172th, 173th and 174th meetings of the Board of Directors were held on August 04, 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 held on						
		Meetings attended	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	-	-	✓	✓	-	-
5	Mr. Mirza M. Sadeed Hasan Barlas	4	✓	✓	-	✓	✓	-
6	Mr. Atif Salim Malik	5	-	✓	✓	✓	✓	✓
7	Ms. Mediha Kamal Afsar	6	✓	✓	✓	✓	✓	✓
8	Mr. Farooq Ahmed Malik	5	-	✓	✓	✓	✓	✓

26.5 Meetings of the audit committee

S.	Name of Directors	Meetings held on				
		Meetings attended	August 17, 2023	October 20, 2023	February 19, 2024	April 22, 2024
1	Ms. Mediha Kamal Afsar	4	✓	✓	✓	✓
2	Mr. Hasan Shahid	4	✓	✓	✓	✓
3	Mr. Mirza M. Sadeed Hasan Barlas	2	✓	-	-	✓

26.6 Meetings of the Human Resource and Remuneration Committee

S. No	Name of Directors	Meetings held on		
		Meetings attended	November 30, 2023	February 24, 2024
1	Ms. Aisha Fariel Salahuddin	2	✓	✓
2	Mr. Suleman Lalani	2	✓	✓
3	Ms. Iffat Zehra Mankani	2	✓	✓

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

27 GENERAL

27.1 Figures have been rounded off to the nearest Rupee.

28 DATE OF AUTHORISATION FOR ISSUE

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



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 ISLAMIC PENSION SAVINGS 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

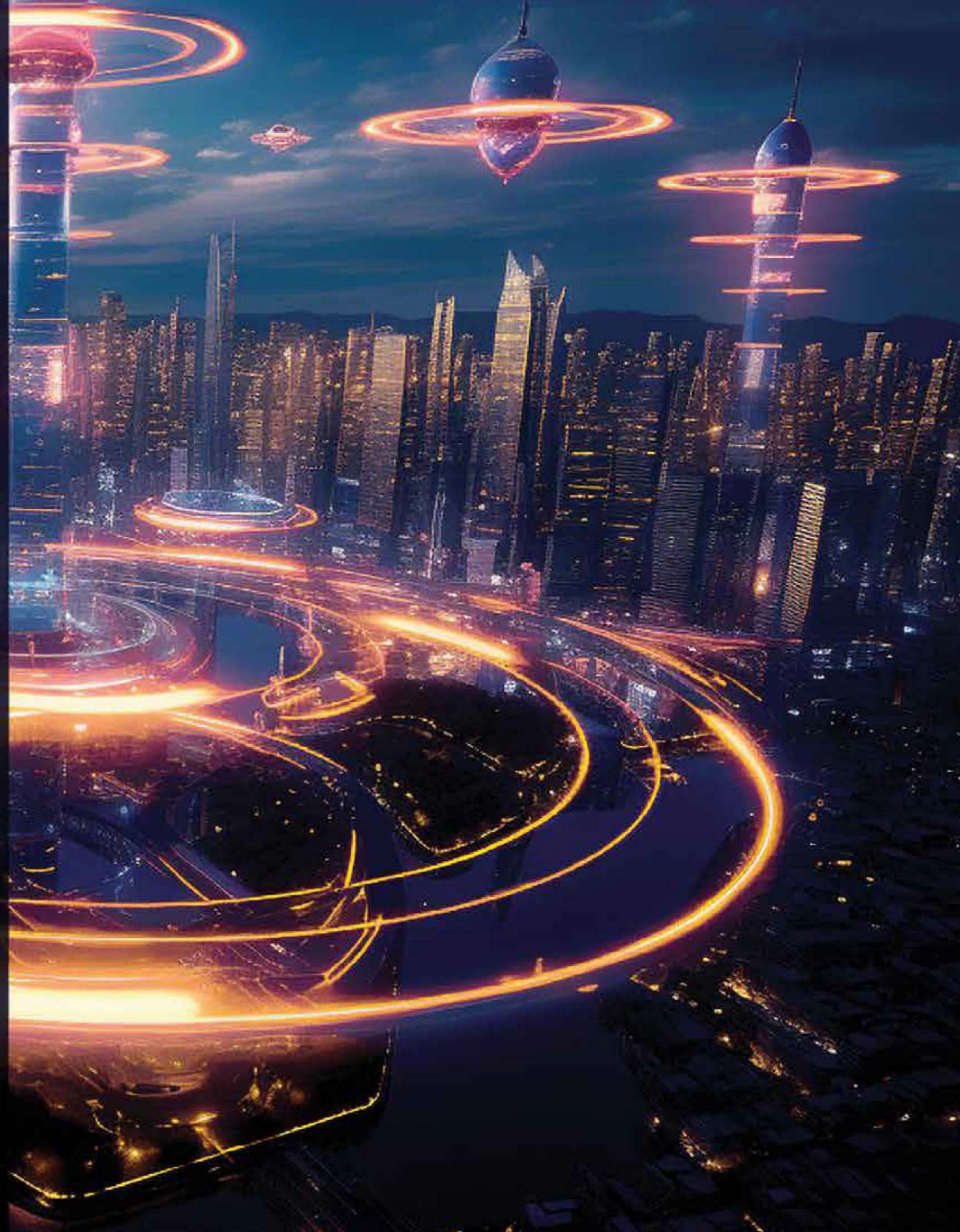
Central Depository Company of Pakistan Limited
CDC House, 99-B, Block 'B', S.M.C.H.S.,
Main Sharah-e-Faisal, Karachi-74400 Pakistan.
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Fax: (92-21) 34326040

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 Pension Fund Manager of **JS Islamic Pension Savings Fund** (the Fund), is pleased to present the Annual Report for the year ended June 30, 2024.

Economy Review:

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

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

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

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

Equity Market Review:

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

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

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

Income / Money Market Review:

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

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

Review of Fund Performance

The Fund was launched on June 16, 2008 for contributions by eligible participants, under the Voluntary Pension System Rules, 2005 (VPS Rules, 2005), with the objective of assisting and facilitating them to plan for their retirement. The Fund presently has three sub-funds that are Equity Sub-Fund, Debt Sub-Fund, and Money Market Sub-Fund.

The Equity Sub-Fund return was 74.25% for the year ended June 30, 2024. The Equity Sub-Fund's Net Assets decreased from PKR 76.35 million as of June 30, 2023, to PKR 30.92 million as of June 30, 2024. The Equity Sub-Fund's total expense ratio is 3.17% which includes 0.36% of government levies on the Fund.

The Debt Sub-Fund return was 20.30% for the year ended June 30, 2024. The Debt Sub-Fund's Net Assets increased from PKR 30.97 million as of June 30, 2023, to PKR 45.33 million as of June 30, 2024. The Debt Sub-Fund's total expense ratio is 2.18% which includes 0.24% of government levies on the Fund.

The Money Market Sub-Fund return was 21.99% for the year ended June 30, 2024. The Money Market Sub-Fund's Net Assets increased from PKR 44.25 million (June 30, 2023) to PKR 126.49 million as of June 30, 2024. The Money Market Sub-Fund's total expense ratio is 0.99% which includes 0.13% of government levies on the Fund.

The Fund has 392 participants as of June 30, 2024.

Pension Fund 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.

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.

Pattern of Unit Holding:

Category	Equity Sub Fund			Debt Sub Fund			Money Market Sub Fund			Total Rupees in millions	% of total investment
	No. of Unit holders	No. of Units held	Rupees in million	No. of Unit holders	No. of Units held	Rupees in million	No. of Unit holders	No. of Units held	Rupees in million		
Individuals	73	30,344	30.92	148	126,191	45.33	358	378,703	126.49	202.74	100.00
	73	30,344	30.92	148	126,191	45.33	358	378,703	126.49	202.74	100.00

Acknowledgment

The directors express their gratitude to the Securities and Exchange Commission of Pakistan and Central Depository Company of Pakistan Limited for their valuable support, assistance and guidance. The Board also thanks the employees of the Pension Fund Manager for their dedication and hard work and the participants 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 پینشن سیونگ فنڈ (دی فنڈ) کی پینشن فنڈ مینجیجنگ 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 چمک کی نشاندہی ہوتی ہے۔ اس پس منظر میں، اس مدت کے دوران زری پالیسی میں نرمی اور بینک 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۔

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 رفتاری کا

آغاز سال کی شروعات میں آئی ایم ایف کی اسٹیٹڈ بائی آرٹجمنٹ (ایس بی اے) فنڈنگ فیصلیٹی پر دستخط کے بعد ہوا تھا۔ KSE - 100 انڈیکس 89.2 فیصد اضافے سے 78,445 پر بند ہوا۔ اسی طرح دیگر اہم ایکویٹی انڈیکس جیسے KSE - 30 ٹوٹل ریٹرن انڈیکس اور KMI - 30 انڈیکس میں جون 2024 کے اختتام تک بالترتیب 95.1 فیصد اور 78.7 فیصد اضافہ ہوا۔ روایتی انڈیکس (KSE - 100 اور KSE - 30) اور شریعہ کمپلائنٹ انڈیکس (KMI - 30) کے درمیان کارکردگی میں نمایاں فرق کمرشل بینکنگ حصص میں تیز اضافے کی عکاسی کرتا ہے، جس نے وسیع تر اشاریوں سے نمایاں طور پر بہتر کارکردگی کا مظاہرہ کیا اور اس مدت کے دوران مارکیٹ میں زیادہ تر اضافے کا سبب بنے۔

اس مدت کے دوران ایکویٹی مارکیٹ میں غیر ملکی سرمایہ کار اور مقامی انشورنس کمپنیاں سب سے اہم خریدار کے طور پر ابھر کر سامنے آئے، انہوں نے بالترتیب 157 بلین امریکی ڈالر اور 127 بلین امریکی ڈالر کی ایکویٹیز خریدے۔ اس کے برعکس بینکوں / ڈی ایف آیز اور انفرادی سرمایہ کار بڑے فروخت کنندگان تھے، جنہوں نے بالترتیب 150 بلین امریکی ڈالر اور 60 بلین امریکی ڈالر مالیت کی ایکویٹیز فروخت کیں۔

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

انکم / منی مارکیٹ کا جائزہ

مالی سال 2024 کے دوران، پیداوار کی قوس واضح طور پر نیچے کی جانب منتقل ہو گئی، اور پیداوار تمام مدتوں میں زوال پذیر ہوئی۔ 12 ماہ کے سرمایہ کاری کے پیپر میں سب سے واضح کمی دیکھنے میں آئی، جو دسمبر 2023 کے اختتام سے 425 پیس پوائنٹس کی کمی کے ساتھ 18.68 فیصد پر بند ہوا۔ اسٹیٹ بینک آف پاکستان کی مانیٹری پالیسی کمیٹی (MPC) نے 10 جون کو اپنے اجلاس میں پالیسی کی شرح میں 150 پیس پوائنٹس کی کمی کی تھی۔ یہ فیصلہ منی 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۔

زیر مبادلہ 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 نمونہ 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

فنڈ اہل شرکت کنندگان کی طرف سے حصہ جمع کرانے کے لیے والٹنری پینشن سسٹم رولز، 2005 (VPS Rules, 2005) کے تحت 16 جون 2008 کو لانچ کیا گیا جس کا مقصد انہیں ریٹائرمنٹ کے لیے منصوبہ سازی میں مدد اور سہولت فراہم کرنا تھا۔ یہ فنڈ اس وقت تین ذیلی فنڈز کا حامل ہے جو ایکویٹی سب فنڈ، ڈیبٹ سب فنڈ اور منی مارکیٹ سب فنڈ ہیں۔

30 جون 2024 کو ختم ہونے والے سال کے لیے ایکویٹی سب فنڈ کا منافع 74.25 فیصد رہا۔ 30 جون 2023 کو ایکویٹی سب فنڈ کے خالص اثاثہ جات 76.35 بلین روپے سے 30 جون 2024 کو 30.92 بلین روپے پر پہنچ گئے۔ ایکویٹی سب فنڈ کے کل اخراجات کا تناسب 3.17 فیصد ہے جس میں 0.36 فیصد فنڈ پر حکومتی محصولات کی نمائندگی کرتا ہے۔

30 جون 2024 کو ختم ہونے والے سال کے لیے ڈیبٹ سب فنڈ کا منافع 20.30 فیصد رہا۔ 30 جون 2023 کو ڈیبٹ سب فنڈ کے خالص اثاثہ جات 30.97 بلین روپے سے 30 جون 2024 کو 45.33 بلین روپے پر پہنچ گئے۔ ڈیبٹ سب فنڈ کے کل اخراجات کا تناسب 2.18 فیصد

ہے جس میں 0.24 فیصد فنڈ پر حکومتی محصولات کی نمائندگی کرتا ہے۔

30 جون 2024 کو ختم ہونے والے سال کے لیے منی مارکیٹ سب- فنڈ کا منافع 21.99 فیصد رہا۔ 30 جون 2023 کو منی مارکیٹ سب- فنڈ کے خالص اثاثہ جات 44.25 ملین روپے سے 30 جون 2024 کو 126.49 ملین روپے پر پہنچ گئے۔ منی مارکیٹ سب- فنڈ کے کل اخراجات کا تناسب 0.99 فیصد ہے جس میں 0.13 فیصد فنڈ پر حکومتی محصولات کی نمائندگی کرتا ہے۔ 30 جون 2024 کو فنڈ کے 392 شرکت کنندگان ہیں۔

پینشن فنڈ مینجر ریٹنگ

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

آڈیٹرز

ریٹائر ہونے والے بیرونی آڈیٹرز میسرز اے ایف فرگوسن چارٹرڈ اکاؤنٹنٹس 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۔

شریعہ ایڈوائزرز

میسرز ال-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 ال-ہلال شریعہ ایڈوائزرز کو 30 جون 2025 کو ختم ہونے والے سال کے لیے تقرری کی منظوری دی۔

یونٹ ہولڈنگ کا نمونہ

کل سرمایہ کاری	میزان	منی مارکیٹ سب فنڈ			ڈیٹ سب فنڈ			ایکیویٹی سب فنڈ			کمیٹری
		ملکیتی یونٹ کی تعداد	(روپے ملین میں)	یونٹ ہولڈرز کی تعداد	ملکیتی یونٹ کی تعداد	(روپے ملین میں)	یونٹ ہولڈرز کی تعداد	ملکیتی یونٹ کی تعداد	(روپے ملین میں)	یونٹ ہولڈرز کی تعداد	
100.00	202.74	126,49	378,703	358	45.33	126,191	142	30.92	30,344	73	انفرادی
100.00	202.74	126,49	378,703	358	45.33	126,191	142	30.92	30,344	73	

اظہار تشکر

ڈائریکٹرز بیش قدر معاونت، مدد اور رہنمائی پر سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) اور سینٹرل ڈپازٹری کمپنی آف پاکستان لمیٹڈ (CDCPL) سے اظہار تشکر کرتے ہیں۔ بورڈ لگن اور سخت محنت پر پینشن فنڈ مینجر کے ملازمین اور انتظامیہ پر اعتماد پر شرکت کنندگان 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/Voluntary Pension Scheme category and type**

Shariah Compliant Voluntary Pension Scheme

- **Statement of VPS's investment objective**

JS Islamic Pension Savings Fund is designed to provide a Halal and secure source of savings and retirement income to individuals according to the principles of Islamic Shariah. JS IPSF is a portable pension scheme allowing individuals the flexibility of contributions and portfolio customization through allocation of such contributions among equity, fixed income and other Halal investment avenues suited to their specific needs and risk profile.

- **Explanation as to whether the VPS has achieved its stated objective**

The VPS achieved its stated objective.

- **Statement of benchmark(s) relevant to the VPS**

None

- **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
JSIPS-ESF	15.73%	-8.17%	3.06%	11.72%	11.87%	10.13%	-0.05%	2.45%	2.60%	5.36%	5.60%	-1.11%	74.25%
JSIPS-DSF	15.58%	16.39%	16.19%	17.54%	37.15%	17.06%	17.82%	16.96%	17.18%	16.97%	16.67%	18.39%	20.30%
JSIPS-MMSF	30.12%	18.58%	19.50%	18.09%	29.62%	16.14%	17.93%	17.66%	17.23%	18.04%	18.15%	19.58%	21.99%

- **Description of the strategies and policies employed during the period under review in relation to the VPSs performance**

Money Market Sub-Fund: During the year, the sub-fund asset allocation was primarily directed toward short-term Shariah-compliant money market instruments and Islamic bank cash balances. The duration was adjusted upward to capitalize on anticipated monetary easing, allowing the fund to benefit from declining interest rates while maintaining liquidity and risk management in light of improved macroeconomic indicators.

Debt Sub-Fund: During the year, the fund strategically maintained a balanced exposure to a mix of Shariah-compliant corporate and government debt instruments. The asset allocation was adjusted to leverage the anticipated monetary easing, focusing on increasing the portfolio's weighted average duration while carefully considering instrument ratings, credit risk, and fundamental analysis of underlying securities to optimize returns amid an improved economic landscape.

Equity Sub-Fund: During the year, the fund shifted its focus toward growth-oriented sectors with strong fundamentals, capturing opportunities in undervalued Shariah-compliant stocks showing promising recovery potential. The allocation strategy was refined to embrace cyclical sectors benefiting from improved macroeconomic conditions while still applying a disciplined approach to risk management to ensure overall portfolio stability.

- **Disclosure of the VPS's asset allocation as at the date of the report and particulars of significant changes in asset allocation since the last report (if applicable)**

Equity Sub Fund	Jun-24	Jun-23
Cash	10.04%	3.10%
Equity	87.27%	94.95%
Other including receivables	2.69%	1.95%
Total	100.00%	100.00%

Debt Sub Fund	Jun-24	Jun-23
Cash	40.62%	56.73%
Commercial Papers	0.00%	12.62%
Sukuk	54.86%	27.19%
Other including receivables	4.52%	3.46%
Total	100.00%	100.00%

FUND MANAGER REPORT

Annual Report 2024

Money Market Sub Fund		
Cash	60.02%	82.31%
Commercial Papers	0.00%	13.36%
Sukuk	21.15%	2.23%
Other including receivables	2.28%	2.10%
Total	100.00%	100.00%

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

Equity Sub Fund

	Net Assets Excluding JSIL FoFs (PKR mn)	NAV per Unit (PKR)
30-Jun-24	31	1,019.15
30-Jun-23	76	584.88

Debt Sub Fund

	Net Assets Excluding JSIL FoFs (PKR mn)	NAV per Unit (PKR)
30-Jun-24	45	359.26
30-Jun-23	31	298.51

Money Market Sub Fund

	Net Assets Excluding JSIL FoFs (PKR mn)	NAV per Unit (PKR)
30-Jun-24	126	334.03
30-Jun-23	44	273.68

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

Money Market Sub Fund: The fund invests in Shariah-compliant short-term government and corporate debt securities and cash placements in bank accounts (excluding TDRs).

Debt Sub Fund: The fund invests in GoP Ijarah Sukuks, Shariah-compliant money market placements, deposits, certificate of musharakas (COM), Shariah-compliant Term Deposit Receipts (TDR), Islamic commercial paper, reverse repo, and corporate sukuks.

Equity Sub Fund: The fund invests in Shariah-compliant equity securities listed on the Pakistan Stock Exchange (PSX).

- Description and explanation of any significant changes in the state of affairs of the VPS 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.

FUND MANAGER REPORT

Annual Report 2024

- Breakdown of unit holdings by size**

Fund Name	Ranges			Number of Folios
JS Islamic Pension Savings Fund-Equity Sub-Fund	0.0001	to	9,999.9999	73
	10,000.0000	to	49,999.9999	-
	50,000.0000	to	99,999.9999	-
	100,000.0000	to	499,999.9999	-
	500,000.0000	&	above	-
			Total	73

Fund Name	Ranges			Number of Folios
JS Islamic Pension Savings Fund-Debt Sub-Fund	0.0001	to	9,999.9999	147
	10,000.0000	to	49,999.9999	1
	50,000.0000	to	99,999.9999	-
	100,000.0000	to	499,999.9999	-
	500,000.0000	&	above	-
			Total	148

Fund Name	Ranges			Number of Folios
JS Islamic Pension Savings Fund-Money Market Sub-Fund	0.0001	to	9,999.9999	352
	10,000.0000	to	49,999.9999	6
	50,000.0000	to	99,999.9999	-
	100,000.0000	to	499,999.9999	-
	500,000.0000	&	above	-
			Total	358

- 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 VPS, 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

2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
------	------	------	------	------	------	------	------	------	------

JS Islamic Pension Savings Fund

Equity Sub Fund

Net assets - Rupees in "000"		30,925	76,356	86,501	130,987	114,754	103,253	152,446	190,370	124,071	116,694
Net income / (loss) - Rupees in "000"		24,801	(1,430)	(15,127)	41,519	4,270	(32,246)	(40,017)	52,429	4,918	28,310
NAV per unit	Rs.	1,019.15	584.88	596.55	689.26	509.66	488.39	627.01	793.17	574.73	551.95
Highest NAV price per unit	Rs.	1,053.99	620.80	706.56	722.42	607.30	646.74	802.37	875.36	587.76	561.38
Lowest NAV price per unit	Rs.	620.70	555.60	586.44	521.62	390.76	474.01	588.88	574.70	501.11	390.32

Debt Sub Fund

Net assets - Rupees in "000"		45,335	30,973	30,449	86,342	84,886	78,563	81,553	69,633	61,735	61,076
Net income / (loss) - Rupees in "000"		6,530	3,291	3,923	4,776	7,157	6,011	1,809	3,423	2,445	2,570
NAV per unit	Rs.	359.26	298.51	265.34	250.93	236.90	216.97	201.09	196.63	186.96	179.90
Highest NAV price per unit	Rs.	360.62	298.51	265.34	250.93	238.54	216.97	201.09	196.96	186.96	179.90
Lowest NAV price per unit	Rs.	298.58	265.59	250.98	236.86	217.04	201.09	195.52	186.98	179.90	172.79

Money Market Sub Fund

Net assets - Rupees in "000"		126,498	44,250	36,620	87,961	82,998	66,984	59,893	54,930	53,257	54,850
Net income / (loss) - Rupees in "000"		17,946	5,741	5,221	3,972	7,414	4,977	1,649	2,032	1,391	3,018
NAV per unit	Rs.	334.03	273.68	236.42	217.48	207.05	188.03	174.20	169.53	163.26	159.41
Highest NAV price per unit	Rs.	335.38	273.68	236.42	217.57	207.05	188.03	174.20	169.58	163.31	159.41
Lowest NAV price per unit	Rs.	274.19	236.74	217.55	207.08	188.08	174.20	169.31	163.27	159.41	151.21

Notes

- JS Islamic Pension Savings Fund was launched on June 16, 2008.
- Investment portfolio composition of the Fund is disclosed in note 7 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.

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 Pension saving 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 Pension Savings 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 PENSION SAVINGS 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 Pension Savings 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

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TRUSTEE REPORT TO THE PARTICIPANTS

JS ISLAMIC PENSION SAVINGS FUND

Report of the Trustee pursuant to Regulation 67D in conjunction with Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of JS Islamic Pension Savings Fund (the Fund) are of the opinion that JS Investment Limited being the Pension Fund Manager has in all material respects managed the Fund during the year ended June 30, 2024 in accordance with the provisions of the constitutive documents of the Fund, the Voluntary Pension System Rules, 2005 and the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

Further, in our opinion, the management fee, fee payable to Securities & Exchange Commission of Pakistan and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework.


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, September 24, 2024

INDEPENDENT AUDITOR'S REPORT**To the Participants of JS Islamic Pension Savings Fund****Report on the Audit of the Financial Statements****Opinion**

We have audited the financial statements of JS Islamic Pension Savings 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 participants' sub-funds 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.

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.



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■ KARACHI ■ LAHORE ■ ISLAMABAD



Responsibilities of Management and Board of Directors of the Pension Fund Manager 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 Pension Fund Manager 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 Pension Fund Manager 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.

AH/c6




Report on Other Legal and Regulatory Requirements

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

- a) the financial statements prepared for the year ended June 30, 2024 have been properly drawn in accordance with the relevant provisions of the Trust Deed and the Voluntary Pension System Rules, 2005 including the guidelines thereunder;
- b) the allocation and reallocation of units of the sub-funds for all the participants have been made in accordance with the Voluntary Pension System Rules, 2005;
- c) the cost and expenses debited to the Fund and apportionment of expenses between sub-funds are as specified in the constitutive documents of the Fund;
- d) the financial statements prepared are in agreement with the Fund's books and records; and
- e) we were able to obtain all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of the audit.

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


 A. F. Ferguson & Co.
 Chartered Accountants
 Karachi
 Dated: September 27, 2024
 UDIN: AR2024100613wuOvU2gp



Financial Position
& Performance

STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2024

	Note	2024			Total
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	
ASSETS					
----- Rupees -----					
Bank balances	5	4,204,823	18,767,947	76,598,478	99,571,248
Investments	6	28,847,536	25,265,573	48,120,384	102,233,493
Profit receivable	7	7,361	1,829,084	2,694,786	4,531,231
Advances and deposits	8	388,910	250,446	219,878	859,234
Total assets		33,448,630	46,113,050	127,633,526	207,195,206
LIABILITIES					
Payable to JS Investments Limited - Pension Fund Manager	9	818,908	549,975	500,102	1,868,985
Payable to Central Depository Company of Pakistan Limited - Trustee	10	10,257	6,596	17,908	34,761
Payable to the Securities and Exchange Commission of Pakistan (SECP)	11	16,324	14,162	36,749	67,235
Payable against redemption of units		72,769	43,553	394,171	510,493
Accrued expenses and other liabilities	12	1,605,447	163,394	186,129	1,954,970
Total liabilities		2,523,705	777,680	1,135,059	4,436,444
NET ASSETS		30,924,925	45,335,370	126,498,467	202,758,762
PARTICIPANTS' SUB - FUNDS (AS PER STATEMENT ATTACHED)		30,924,925	45,335,370	126,498,467	202,758,762
CONTINGENCIES AND COMMITMENTS	13	----- (Number of units) -----			
NUMBER OF UNITS IN ISSUE	14	30,344	126,190	378,702	
----- (Rupees) -----					
NET ASSET VALUE PER UNIT		1,019.15	359.26	334.03	

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



Chief Financial Officer



Chief Executive Officer



Director

STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2024

	Note	2023			
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
ASSETS					
----- Rupees -----					
Bank balances	5	4,725,621	17,986,027	36,940,640	59,652,288
Investments	6	74,473,226	12,619,090	7,000,000	94,092,316
Profit receivable	7	42,391	835,848	725,101	1,603,340
Advances and deposits	8	388,910	262,059	219,878	870,847
Total assets		79,630,148	31,703,024	44,885,619	156,218,791
LIABILITIES					
Payable to JS Investments Limited - Pension Fund Manager	9	937,086	549,291	474,831	1,961,208
Payable to Central Depository Company of Pakistan Limited - Trustee	10	14,874	6,151	8,639	29,664
Payable to the Securities and Exchange Commission of Pakistan (SECP)	11	32,052	11,089	15,578	58,719
Payable against redemption of units		72,769	43,553	15,872	132,194
Accrued expenses and other liabilities	12	2,217,653	119,802	121,104	2,458,559
Total liabilities		3,274,434	729,886	636,024	4,640,344
NET ASSETS		76,355,714	30,973,138	44,249,595	151,578,447
PARTICIPANTS' SUB - FUNDS (AS PER STATEMENT ATTACHED)		76,355,714	30,973,138	44,249,595	151,578,447
CONTINGENCIES AND COMMITMENTS	13	----- (Number of units) -----			
NUMBER OF UNITS IN ISSUE	14	<u>130,549</u>	<u>103,759</u>	<u>161,682</u>	
		----- (Rupees) -----			
NET ASSET VALUE PER UNIT		<u>584.88</u>	<u>298.51</u>	<u>273.68</u>	

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



Chief Financial Officer



Chief Executive Officer



Director

INCOME STATEMENT >

FOR THE YEAR ENDED JUNE 30, 2024

Note	2024				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	
----- Rupees -----					
INCOME					
Profit on bank balances and investments	17	435,624	6,830,256	17,746,687	25,012,567
Dividend income		2,214,852	-	-	2,214,852
Gain on sale of investments - net		18,865,523	462,418	1,012,177	20,340,118
Net unrealised appreciation in fair value of investments classified as financial assets 'at fair value through profit or loss'	6.7	4,577,821	10,644	110,192	4,698,657
Total income		<u>26,093,820</u>	<u>7,303,318</u>	<u>18,869,056</u>	<u>52,266,194</u>
EXPENSES					
Remuneration of JS Investments Limited - Pension Fund Manager	9.1	361,934	320,990	314,614	997,538
Sindh Sales Tax on remuneration of the Pension Fund Manager	9.2	47,051	41,729	40,899	129,679
Remuneration of Central Depository Company of Pakistan Limited - Trustee	10.1	75,416	63,138	163,128	301,682
Sindh Sales Tax on remuneration of the Trustee	10.2	9,804	8,208	21,206	39,218
Annual fee to the Securities and Exchange Commission of Pakistan (SECP)	11	16,324	14,162	36,749	67,235
Auditors' remuneration	16	275,401	275,401	275,401	826,203
Printing and stationery charges		38,071	38,349	38,071	114,491
Securities transaction cost		445,691	4,081	25,340	475,112
Bank and settlement charges		22,654	6,997	7,304	36,955
Total expenses		<u>1,292,346</u>	<u>773,055</u>	<u>922,712</u>	<u>2,988,113</u>
Net income for the year before taxation		<u>24,801,474</u>	<u>6,530,263</u>	<u>17,946,344</u>	<u>49,278,081</u>
Taxation	4.6	-	-	-	-
Net income for the year after taxation		<u>24,801,474</u>	<u>6,530,263</u>	<u>17,946,344</u>	<u>49,278,081</u>

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



Chief Financial Officer



Chief Executive Officer



Director

INCOME STATEMENT >

FOR THE YEAR ENDED JUNE 30, 2024

	Note	2023			
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
----- Rupees -----					
INCOME					
Profit on bank balances and investments	17	1,071,760	4,346,061	6,283,866	11,701,687
Dividend income		7,181,010	-	-	7,181,010
Loss on sale of investments - net		(213,012)	(579,271)	-	(792,283)
Net unrealised (diminution) / appreciation in fair value of investments classified as financial assets 'at fair value through profit or loss'	6.7	(7,350,570)	100,193	-	(7,250,377)
Total income		<u>689,188</u>	<u>3,866,983</u>	<u>6,283,866</u>	<u>10,840,037</u>
EXPENSES					
Remuneration of JS Investments Limited - Pension Fund Manager	9.1	1,201,918	255,710	194,733	1,652,361
Sindh Sales Tax on remuneration of the Pension Fund Manager	9.2	156,249	33,242	25,185	214,676
Remuneration of Central Depository Company of Pakistan Limited - Trustee	10.1	163,369	47,147	79,699	290,215
Sindh Sales Tax on remuneration of the Trustee	10.2	21,237	6,129	10,362	37,728
Annual fee to the Securities and Exchange Commission of Pakistan (SECP)	11	32,076	11,114	18,410	61,600
Auditors' remuneration	16	173,232	171,165	173,237	517,634
Printing and stationery charges		33,822	33,823	33,819	101,464
Securities transaction cost		321,023	17,272	367	338,662
Bank and settlement charges		16,025	104	6,812	22,941
Total expenses		<u>2,118,951</u>	<u>575,706</u>	<u>542,624</u>	<u>3,237,281</u>
Net (loss) / income for the year before taxation		<u>(1,429,763)</u>	<u>3,291,277</u>	<u>5,741,242</u>	<u>7,602,756</u>
Taxation	4.6	-	-	-	-
Net (loss) / income for the year after taxation		<u>(1,429,763)</u>	<u>3,291,277</u>	<u>5,741,242</u>	<u>7,602,756</u>

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



Chief Financial Officer



Chief Executive Officer



Director

STATEMENT OF COMPREHENSIVE INCOME >

FOR THE YEAR ENDED JUNE 30, 2024

	2024			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	Rupees			
Net income for the year after taxation	24,801,474	6,530,263	17,946,344	49,278,081
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	<u>24,801,474</u>	<u>6,530,263</u>	<u>17,946,344</u>	<u>49,278,081</u>

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



Chief Financial Officer



Chief Executive Officer



Director

STATEMENT OF COMPREHENSIVE INCOME >

FOR THE YEAR ENDED JUNE 30, 2024

	2023			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	Rupees			
Net (loss) / income for the year after taxation	(1,429,763)	3,291,277	5,741,242	7,602,756
Other comprehensive income	-	-	-	-
Total comprehensive (loss) / income for the year	<u>(1,429,763)</u>	<u>3,291,277</u>	<u>5,741,242</u>	<u>7,602,756</u>

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



Chief Financial Officer



Chief Executive Officer



Director

STATEMENT OF CASH FLOW

FOR THE YEAR ENDED JUNE 30, 2024

Note	2023			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
Rupees				
CASH FLOWS FROM OPERATING ACTIVITIES				
Net (loss) / income for the year before taxation	(1,429,763)	3,291,277	5,741,242	7,602,756
Adjustments for:				
Profit on bank balances and investments	(1,071,760)	(4,346,061)	(6,283,866)	(11,701,687)
Loss on sale of investments - net	213,012	579,271	-	792,283
Net unrealised diminution / (appreciation) in fair value of investments classified as financial assets 'at fair value through profit or loss'	6.7 7,350,570	(100,193)	-	7,250,377
	5,062,059	(575,706)	(542,624)	3,943,729
Decrease / (increase) in assets				
Investments - net	(13,627,392)	10,377,658	4,000,000	750,266
Advances and deposits	(40,191)	(150,990)	(37,242)	(228,423)
	(13,667,583)	10,226,668	3,962,758	521,843
Increase / (decrease) in liabilities				
Payable to JS Investments Limited - Pension Fund Manager	1,902	51,186	18,151	71,239
Payable to Central Depository Company of Pakistan Limited - Trustee	(2,118)	112	1,423	(583)
Payable to the Securities and Exchange Commission of Pakistan (SECP)	(4,381)	(9,473)	(6,243)	(20,097)
Payable against redemption of units	-	(18,672)	-	(18,672)
Accrued expenses and other liabilities	1,108,066	12,992	13,795	1,134,853
	1,103,469	36,145	27,126	1,166,740
Profit received	1,283,641	4,191,265	6,138,245	11,613,151
Net cash (used in) / generated from operating activities	(6,218,414)	13,878,372	9,585,505	17,245,463
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts from issuance of units	5,854,336	18,770,075	57,439,505	82,063,916
Payments on redemption of units	(12,543,808)	(20,527,067)	(58,587,104)	(91,657,979)
Receipts / (payments) on reallocation of units	(2,025,912)	(1,010,504)	3,036,416	-
Net cash (used in) / generated from financing activities	(8,715,384)	(2,767,496)	1,888,817	(9,594,063)
Net (decrease) / increase in cash and cash equivalents	(14,933,798)	11,110,876	11,474,322	7,651,400
Cash and cash equivalents at the beginning of the year	19,659,419	10,875,151	31,466,318	62,000,888
Cash and cash equivalents at the end of the year	18 4,725,621	21,986,027	42,940,640	69,652,288

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



Chief Financial Officer



Chief Executive Officer



Director

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND

FOR THE YEAR ENDED JUNE 30, 2024

Note	2024			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
Rupees				
Net assets at the beginning of the year	76,355,714	30,973,138	44,249,595	151,578,447
Amount received from issuance of units	15 12,175,387	33,927,186	119,074,285	165,176,858
Amount paid on redemption of units	(84,119,299)	(26,014,566)	(53,140,759)	(163,274,624)
Amount received / (paid) on reallocation of units	1,711,649	(80,651)	(1,630,998)	-
	(70,232,263)	7,831,969	64,302,528	1,902,234
Gain on sale of investments - net	18,865,523	462,418	1,012,177	20,340,118
Net unrealised appreciation in fair value of investments classified as financial assets 'at fair value through profit or loss'	4,577,821	10,644	110,192	4,698,657
Other income (net of expenses)	1,358,130	6,057,201	16,823,975	24,239,306
Total comprehensive income for the year	24,801,474	6,530,263	17,946,344	49,278,081
Net assets at the end of the year	<u>30,924,925</u>	<u>45,335,370</u>	<u>126,498,467</u>	<u>202,758,762</u>

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



Chief Financial Officer



Chief Executive Officer



Director

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND

FOR THE YEAR ENDED JUNE 30, 2024

Note	2023			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
----- Rupees -----				
Net assets at the beginning of the year	86,500,861	30,449,357	36,619,536	153,569,754
Amount received from issuance of units	15 5,854,336	18,770,075	57,439,505	82,063,916
Amount paid on redemption of units	(12,543,808)	(20,527,067)	(58,587,104)	(91,657,979)
Amount received / (paid) on reallocation of units	(2,025,912)	(1,010,504)	3,036,416	-
	(8,715,384)	(2,767,496)	1,888,817	(9,594,063)
Loss on sale of investments - net	(213,012)	(579,271)	-	(792,283)
Net unrealised (diminution) / appreciation in fair value of investments classified as financial assets 'at fair value through profit or loss'	(7,350,570)	100,193	-	(7,250,377)
Other income (net of expenses)	6,133,819	3,770,355	5,741,242	15,645,416
Total comprehensive (loss) / income for the year	(1,429,763)	3,291,277	5,741,242	7,602,756
Net assets at the end of the year	<u>76,355,714</u>	<u>30,973,138</u>	<u>44,249,595</u>	<u>151,578,447</u>

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



Chief Financial Officer



Chief Executive Officer



Director

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 JS Islamic Pension Savings Fund ("the Fund") has been established under the Voluntary Pension System Rules, 2005 (the VPS Rules) and has been approved as a pension fund by the Securities and Exchange Commission of Pakistan (the SECP) on February 29, 2008. It has been constituted under a Trust Deed, dated January 08, 2008, between JS Investments Limited as the Pension Fund Manager and Central Depository Company of Pakistan Limited as the Trustee of the Fund. The Pension Fund Manager (PFM) of the Fund has been licensed to act as a Pension Fund Manager under the VPS 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,

The Trust Act, 1882 has been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trusts Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trusts Act. Accordingly, on September 03, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trusts Act.

1.2 The Fund is an open-end fund and offers units for public subscription on a continuous basis. The units are non-transferable except in the circumstances mentioned in the Voluntary Pension System Rules, 2005 and can be redeemed by surrendering them to the Fund. Further, as per the offering document the Fund shall not distribute any income from the Fund whether in cash or otherwise from any of the Sub-Funds.

1.3 The objective of the Fund is to provide participants with a portable, individualized, Shariah compliant, funded (based on defined contribution) and flexible pension scheme which is managed by professional investment manager to assist them to plan and provide for their retirement. The design of the scheme empowers the participants to decide how much to invest in their pensions and how to invest it, as well as to continue investing in their pension accounts even if they change jobs.

1.4 The 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 JS Investments Limited (Pension Fund Manager).

1.5 Title to the assets of the Fund is held in the name of Central Depository Company (CDC) of Pakistan Limited as Trustee of the Fund.

1.6 The Fund consists of three sub-funds namely, JS Islamic Pension Savings Fund Equity Sub-Fund (Equity Sub-Fund), JS Islamic Pension Savings Fund Debt Sub-Fund (Debt Sub-Fund) and JS Islamic Pension Savings Fund Money Market Sub-Fund (Money Market Sub-Fund) (collectively the Sub-Funds). Investment policy for each of the Sub-Funds are as follows:

Equity Sub-Fund

Assets of an Equity Sub-Fund shall be invested in equity securities which are listed on the Pakistan Stock Exchange or in securities the application for listing has been approved by the Pakistan Stock Exchange. At least ninety percent (90%) of the net assets of an Equity Sub-Fund shall be invested in listed equity securities. Investments may be made in equity securities of any single company up to ten percent (10%) of net assets of an Equity Sub-Fund or paid-up capital of that single company, whichever is lower. The Pension Fund Manager (PFM) may invest up to maximum thirty percent (30%) or index weightage, whichever is higher subject to maximum thirty five percent (35%) of net asset of Equity Sub-Fund in equity securities of companies belonging to single sector as classified by the Stock Exchange and in case of shariah compliant Equity Sub-Fund, the PFM may invest up to thirty five percent (35%) or index weightage, whichever is higher subject to a maximum of forty percent (40%) of net assets of Equity Sub-Fund. The PFM may invest any surplus (un-invested) funds in government treasury bills or government securities having less than one year time to maturity or keep as deposits with scheduled commercial banks which are rated not less than "A" by a rating agency registered with the SECP.

Debt Sub-Fund

The Debt Sub-Fund shall consist of debt securities and such other assets as specified herein below. The weighted average time to maturity of securities held in the portfolio of a Debt Sub-Fund shall not exceed five (5) years. At least twenty five per cent (25%) Net Assets of the Debt Sub-Fund shall be invested in debt securities issued by the Federal Government not exceeding ninety (90) days maturity or may be deposited with banks having not less than "A plus" rating with stable outlook. Exposure to a single entity shall not exceed fifteen percent (15%) of the net asset for shariah compliant Debt Sub-Fund. Furthermore, the exposure in debt security of a single entity shall not exceed fifteen percent (15%) of net asset of the Debt Sub-Fund or ten percent (10%) of size of issue of that security, whichever is lower.

Money Market Sub-Fund

The weighted average time to maturity of net assets of a Money Market Sub-Fund shall not exceed ninety (90) days except for assets of shariah compliant MoneyMarket Sub-Fund, where time to maturity may be up to one year. Time to maturity of any asset in the portfolio of MoneyMarket Sub-Fund shall not exceed six (6) months except in the case of shariah compliant Money Market Sub-Fund, where time to maturity of shariah compliant Government securities such as Government Ijarah Sukuks may be up to five (5) years. There shall be no limit with respect to investment in the Federal Government securities. Furthermore, there shall be no limits for deposits with commercial banks having "A Plus" or higher rating provided that deposit with all microfinance banks, NBFCs and modarbas shall not exceed twenty five percent (25%) of the net assets of the MoneyMarket Sub-Fund. The exposure in securities of a single entity shall not exceed fifteen percent (15%) of the net assets of the MoneyMarket Sub-Fund or ten percent (10%) of the size of the issue of the security and shall not exceed twenty five percent (25%) of net assets of Money Market Sub-Fund in a single sector.

- 1.7 The Fund offers four (4) types of allocation schemes, as prescribed by the SECP under the VPS Rules, 2005 vide its Circular no. 12 of 2021 dated April 06, 2021, to the participants of the Fund, namely High Volatility, Medium Volatility, Low Volatility and Lower Volatility. The participant has an option to suggest a minimum percentage of allocation to the above allocation schemes (subject to the minimum percentages prescribed in the Offering Document). Based on the minimum allocation, the funds are allocated to the above stated Sub-Funds. A participant has the option to select any allocation scheme in relation to the contributions and shall make such selection at the date of opening his / her individual pension account. A participant may change any allocation scheme selected in relation to his / her contributions to a different allocation scheme selected by him by sending form of the change to the Pension Fund Manager as per the allocation policy approved by the SECP.

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 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
- Voluntary Pension Rules, 2005 (the VPS Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations) and the 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 VPS Rules, the NBFC Regulations and the requirements of the Trust Deed differ from the IFRSs, the provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance, 1984, the VPS Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

3.2 Standards, the 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.

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.

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

The estimates and judgments that have a significant effect on the financial statements of the Fund relate to classification, valuation and impairment of financial assets (notes 4.2, 6 and 9.3).

3.5 Accounting convention

These financial statements have been prepared under the historical cost convention, except for investments classified as financial assets 'at fair value through profit or loss' category which are carried at fair value.

3.6 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.

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 years presented unless otherwise stated.

4.1 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 which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. The short term investments are held for the purpose of meeting short term cash commitments rather than for investments and other purposes.

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

4.2.2.1 Debt instruments

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

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

based on the business model of the entity.

However, IFRS 9 also provides an option whereby securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis, to be recognized at FVPL. The debt sub-fund and money market sub-fund primarily invest in debt securities and their performance is measured on a fair value basis. Hence, the management has classified the debt securities invested through debt sub-fund and money market sub-fund as FVPL.

4.2.2.2 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 equity sub-fund is required to invest at least 90 percent of its assets in equity securities and the management has not opted for the irrevocable option. Therefore, the equity sub-fund investments in equity securities are being classified as FVPL.

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

4.2.3 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 a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

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

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

Impairment 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 Pension Fund Manager 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 Pension Fund Manager 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 Pension Fund Manager. The provisioning policy approved by the Board of Directors has also been placed on the Pension Fund Manager's website as required under the SECP's Circular.

4.2.4 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.

4.2.5 Derecognition

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

4.2.6 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.

4.3 Financial liabilities

4.3.1 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 carried at amortised cost.

4.3.2 Derecognition

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 only offset and the net amount reported in the 'Statement of Assets and Liabilities' when there is a legally enforceable right to set off the recognised amount and the Fund intends to either settle on a net basis, or to realize the asset and settle the liability 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 obligation can be made. Provisions 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 57 (3) (viii) of the Part I of the Second Schedule to the Income Tax Ordinance, 2001.

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

4.7 Revenue recognition

- Gains / (losses) on sale of investments are recorded in the Income Statement on the date on which the transaction takes place.
- Profit on bank balances is recognised on time proportion basis using effective yield method.
- Dividend income is recognised when the right to receive the dividend is established. i.e. on the date of commencement of book closure of the investee company institution declaring the dividend.
- Unrealised gains / (losses) arising on revaluation of investments classified as financial assets 'at fair value through profit or loss' are included in the Income Statement in the year in which these arise.
- Income on sukuks certificates, musharaka certificates and government securities is recognised on time proportion basis using the effective yield method, except for the securities which are classified as Non-Performing Asset under Circular No. 33 of 2012 issued by the SECP for which the profit are recorded on cash basis.

4.8 Expenses

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

4.9 Issue, allocation, reallocation and redemption of units

Contributions received from the participants are allocated to the Sub-Funds on the basis of the allocation scheme selected by each participant out of the allocation schemes offered by the Pension Fund Manager. The Net Asset Value (NAV) per unit of each Sub-Fund is determined at the close of each business day, according to the procedures outlined in the VPS Rules and are applicable for allocation of units in each Sub-Fund for all the contribution amount realized and credited in collection account of the Sub-Fund during the business hours' in that business day.

The Pension Fund Manager makes reallocation of the units between the Sub-Funds at least once a year to ensure that the allocations of the units of all the participants are according to the allocation scheme selected by the participants.

All Sub-Funds units are automatically redeemed at the close of the dealing day at which the retirement date falls or death of a participant has been confirmed. The participants may also withdraw from the scheme prior to retirement. The redemption from the respective Sub-Fund is made at the Net Asset Value per unit prevailing at the close of the dealing day on which the request is received, subject to deduction of zakat and taxes, as applicable.

In case of partial withdrawals, units are redeemed on a pro rata basis by ensuring that the remaining units are in accordance with the allocation scheme last selected by the participant.

Proceeds received on issuance and paid on redemption of units are reflected in the Participants' Sub-Funds. The Voluntary Pension System Rules, 2005 specify that the distribution of dividend shall not be allowed for pension funds and return to participant holders is, therefore, only possible through redemption of units which is based on the Net Asset Value (NAV). Hence, the management believes that creation of income equalization mechanism through separate recording of "element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed" is not required.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

4.10 Net asset value per unit

The net asset value (NAV) per unit for each sub-fund, as disclosed in the 'Statement of Assets and Liabilities' is calculated by dividing the net assets of the sub-fund by the number of units in issue of the respective sub-fund at the year end.

4.11 Earnings / (loss) per unit

Earnings / (loss) per unit is calculated by dividing the net income / (loss) of the year after taxation of each sub-fund by the weighted average number of units outstanding during the year for the respective sub-fund.

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.

4.12 Foreign currency translation

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

5 BANK BALANCES

Note

2024			
Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
Rupees			

Balances with banks in:

- In saving accounts
- In current accounts

5.1	3,258,729	18,767,947	76,598,478	98,625,154
	946,094	-	-	946,094
	<u>4,204,823</u>	<u>18,767,947</u>	<u>76,598,478</u>	<u>99,571,248</u>

2023			
Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
Rupees			

Balances with banks in:

- In saving accounts
- In current accounts

5.1	4,653,971	17,986,027	36,940,640	59,580,638
	71,650	-	-	71,650
	<u>4,725,621</u>	<u>17,986,027</u>	<u>36,940,640</u>	<u>59,652,288</u>

- 5.1 These accounts carry profit rates ranging from 7.00% to 19.70% (2023: 7.00% to 19.75%) per annum. It includes bank balances of Rs. 0.0522 million (2023: Rs. 0.0453 million) maintained with Bank Islami Pakistan Limited (a related party), carrying profit at the rate of 18.50% (2023: 19.75%) per annum.

6 INVESTMENTS

Note

2024			
Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
Rupees			

At fair value through profit or loss

- Shares of listed companies
- Government of Pakistan (GoP) Ijarah Sukuks
- Sukuk certificates - listed
- Sukuk certificates - unlisted
- Musharaka certificates

6.1	28,847,536	-	-	28,847,536
6.2	-	11,819,960	21,120,384	32,940,344
6.3	-	7,445,613	-	7,445,613
6.4	-	6,000,000	27,000,000	33,000,000
6.5	-	-	-	-
	<u>28,847,536</u>	<u>25,265,573</u>	<u>48,120,384</u>	<u>102,233,493</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

Note	2023				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	
Rupees					
At fair value through profit or loss					
Shares of listed companies	6.1	74,473,226	-	-	74,473,226
Government of Pakistan (GoP) Ijarah Sukuks	6.2	-	-	-	-
Sukuk certificates - listed	6.3	-	8,619,090	-	8,619,090
Sukuk certificates - unlisted	6.4	-	-	1,000,000	1,000,000
Musharaka certificates	6.5	-	4,000,000	6,000,000	10,000,000
		<u>74,473,226</u>	<u>12,619,090</u>	<u>7,000,000</u>	<u>94,092,316</u>

6.1 Listed equity securities

Equity Sub-Fund

Ordinary shares having face value of Rs. 10 each, unless stated otherwise.

Name of the investee company	Note	As at July 01, 2023	Purchased during the year	Bonus / right shares received during the year	Sold during the year	As at June 30, 2024	As at June 30, 2024			Market value as a percentage of		Holding as a percentage of paid-up capital of investee company
							Carrying value	Market value	Unrealised (diminution) / appreciation	net assets of the Sub-Fund	total market value of investments	
						(Rupees)			%			
Commercial Banks												
Bank Islami Pakistan Limited (related party)	202,000	43,500	-	245,500	-	-	-	-	-	-	-	-
Faysal Bank Limited	-	12,500	-	12,500	-	-	-	-	-	-	-	-
Meezan Bank Limited *	60,610	7,500	-	61,400	6,710	741,486	1,606,307	864,821	5.19	5.57	-	-
						741,486	1,606,307	864,821	5.19	5.57		
Oil & Gas Exploration Companies												
Mari Petroleum Company Limited *	5,625	600	-	5,615	610	1,113,291	1,654,527	541,236	5.35	5.74	-	-
Oil & Gas Development Company Limited *	42,619	59,350	-	86,750	15,219	2,013,680	2,060,196	46,516	6.66	7.142	-	-
Pakistan Oilfields Limited	15,450	-	-	15,450	-	-	-	-	-	-	-	-
Pakistan Petroleum Limited *	35,831	82,300	-	102,590	15,541	1,455,213	1,820,007	364,794	5.89	6.31	-	-
						4,582,184	5,534,730	952,546	17.90	19.19		
Oil & Gas Marketing Companies												
Pakistan State Oil Company Limited *	25,426	17,250	-	32,400	10,276	1,669,250	1,707,974	38,724	5.52	5.92	-	-
Sui Northern Gas Pipelines Limited	89,250	29,000	-	118,250	-	-	-	-	-	-	-	-
						1,669,250	1,707,974	38,724	5.52	5.92		
Fertilizers												
Engro Corporation Limited *	4,017	15,250	-	16,592	2,675	832,309	889,999	57,690	2.88	3.09	-	-
Engro Fertilizers Limited *	107,000	16,900	-	120,250	3,650	444,964	606,703	161,739	1.96	2.10	-	-
Fauji Fertilizer Bin Qasim Limited *	-	35,000	-	-	35,000	1,161,450	1,241,450	80,000	4.01	4.30	-	-
						2,438,723	2,738,152	299,429	8.85	9.49		
Cement												
Cheral Cement Company Limited	-	28,150	-	28,150	-	-	-	-	-	-	-	-
D.G. Khan Cement Company Limited *	30,000	104,600	-	121,800	12,800	1,040,187	1,155,456	115,269	3.74	4.01	-	-
Lucky Cement Limited *	3,170	8,500	-	9,435	2,235	1,650,222	2,026,542	376,320	6.55	7.03	-	-
Maple Leaf Cement Factory Limited *	137,250	241,350	-	337,950	40,650	1,475,548	1,544,700	69,152	4.99	5.35	-	-
Pioneer Cement Limited *	-	7,000	-	1,200	5,800	790,400	978,170	187,770	3.16	3.39	-	-
						4,956,357	5,704,868	748,511	18.44	19.78		
Chemical												
Engro Polymer & Chemicals Limited	16,000	40,000	-	56,000	-	-	-	-	-	-	-	-

* Nil figure due to rounding off.

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FOR THE YEAR ENDED JUNE 30, 2024

Name of the investee company	Note	As at July 01, 2023	Purchased during the year	Bonus / right shares received during the year	Sold during the year	As at June 30, 2024	As at June 30, 2024			Market value as a percentage of		Holding as a percentage of paid-up capital of investee company
							Carrying value	Market value	Unrealised (diminution) / appreciation	net assets of the Sub-Fund	total market value of investments	
						(Rupees)			%			
Pharmaceuticals												
AGP Limited		37,600	-	-	37,600	-	-	-	-	-	-	-
City Pharma Limited		29,000	-	-	29,000	-	-	-	-	-	-	-
Ferozsons Laboratories Limited		9,000	-	-	9,000	-	-	-	-	-	-	-
Highnoon Laboratories Limited		7,012	-	-	7,012	-	-	-	-	-	-	-
Technology & Communications												
Air Link Communication Limited *		55,712	26,500	-	69,862	12,350	880,837	1,097,051	216,214	3.55	3.80	-
Avanceon Limited		28,750	9,800	-	38,550	-	-	-	-	-	-	-
Octopus Digital Limited		14,950	-	-	14,950	-	-	-	-	-	-	-
Systems Limited		17,150	15,000	-	32,150	-	-	-	-	-	-	-
							880,837	1,097,051	216,214	3.55	3.80	
Glass & Ceramics												
Ghani Glass Limited		-	22,500	-	22,500	-	-	-	-	-	-	-
Tariq Glass Industries Limited *		-	35,000	-	29,000	6,000	632,615	699,300	66,685	2.26	2.42	-
							632,615	699,300	66,685	2.26	2.42	
Engineering												
Aisha Steel Mills Limited		-	375,000	-	255,750	119,250	751,076	877,680	126,604	2.84	3.04	0.010
Amreli Steels Limited *		-	22,000	-	12,000	10,000	265,033	269,900	4,867	0.87	0.94	-
Mughal Iron and Steel Industries Limited *		-	46,000	-	32,200	13,800	988,908	1,283,400	294,492	4.15	4.45	-
							2,005,017	2,430,980	425,963	7.86	8.43	
Textile Composite												
Nishat Mills Limited		-	16,000	-	16,000	-	-	-	-	-	-	-
Refinery												
Pakistan Refinery Limited		-	25,000	-	25,000	-	-	-	-	-	-	-
Attock Refinery Limited		9,000	5,000	-	14,000	-	-	-	-	-	-	-
Power Generation & Distribution												
The Hub Power Company Limited *		54,215	44,450	-	72,615	26,050	3,780,272	4,248,234	467,962	13.74	14.73	-
K-Electric Limited *		-	516,000	-	337,900	178,100	848,366	824,603	(23,763)	2.67	2.86	-
(Face Value Rs. 3.5 each)		-	516,000	-	337,900	178,100	848,366	824,603	(23,763)	2.67	2.86	-
Nishat Chunian Power Limited		-	44,950	-	10,900	34,050	777,271	1,019,798	242,527	3.30	3.54	0.010
Nishat Power Limited		-	31,150	-	500	30,650	941,695	1,211,595	269,900	3.92	4.20	0.010
							6,347,604	7,304,230	956,626	23.63	25.33	
Property												
TPL Properties Limited		-	25,000	-	25,000	-	-	-	-	-	-	-
Miscellaneous												
Synthetic Product Limited *	6.1.1	1,504	-	-	-	1,504	15,642	23,944	8,302	0.08	0.08	-
(Face value of Rs. 5 each)		1,504	-	-	-	1,504	15,642	23,944	8,302	0.08	0.08	-
							15,642	23,944	8,302	0.08	0.08	
As at June 30, 2024							24,269,715	28,847,536	4,577,821			
As at June 30, 2023							81,823,796	74,473,226	(6,794,619)			

* Nil figure due to rounding off.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

6.1.1 The Finance Act, 2014 introduced an amendment 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 / Voluntary Pension Schemes (CISs / VPSs) through their Trustees in the High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs / VPSs. The petition was based on the fact that because CISs / VPSs 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 / VPSs. A stay order had been granted by the Honourable High Court of Sindh in favour of CISs / VPSs.

During the year ended June 30, 2018, the Supreme Court of Pakistan passed a judgment on June 27, 2018 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 / VPSs were required to pay minimum 50% of the tax calculated by the tax authorities for the case to remain continued. The CISs / VPSs failed to deposit the minimum 50% of the tax liability and accordingly the stay got vacated automatically during the current year. Subsequent to the year ended June 30, 2019, the CISs / VPSs have filed a fresh constitutional petition via CP 4653 dated July 11, 2019. In this regard, 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 / VPSs.

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. The Finance Act, 2018 effective from July 1, 2018 has omitted Section 236M of Income Tax Ordinance, 2001 requiring every company quoted on the Pakistan 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 Equity Sub-Fund during the year were not withheld by the investee companies.

Name of the investee company	2024		2023	
	Bonus Shares			
	Number	Market value (Rupees)	Number	Market value (Rupees)
Synthetic Product Limited	1,504	23,944	1,504	15,642
	<u>1,504</u>	<u>23,944</u>	<u>1,504</u>	<u>15,642</u>

6.2 Government of Pakistan (GoP) Ijarah Sukuks

6.2.1 Debt Sub-Fund

Name of security	Issue date	Face value			As at June 30, 2024			Market value as a percentage of		
		As at July 1, 2023	Purchased during the period	Sold / matured during the period	As at June 30, 2024	Carrying value	Market value	Unrealised appreciation	net assets of the Sub-Fund	total investments of the Sub-Fund
							(Rupees)	(%)		
GoP Ijarah Sukuk										
- 01 year	April 17, 2023	-	4,000,000	4,000,000	-	-	-	-	-	-
- 01 year	October 9, 2023	-	3,000,000	-	3,000,000	3,016,887	3,019,800	2,913	6.66	11.95
- 01 year	March 29, 2024	-	10,000,000	-	10,000,000	8,754,249	8,800,160	45,911	19.41	34.83
- 05 years	October 26, 2022	-	3,000,000	3,000,000	-	-	-	-	-	-
Total as at June 30, 2024						<u>11,771,136</u>	<u>11,819,960</u>	<u>48,824</u>		
Total as at June 30, 2023						-	-	-		

* These carry effective yield ranging from 19.99% to 20.24% per annum and will mature latest by October 9, 2024.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

6.2.2 Money Market Sub-Fund

Name of security	Issue date	Face value			As at June 30, 2024			Market value as a percentage of		
		As at July 1, 2023	Purchased during the period	Sold / matured during the period	As at June 30, 2024	Carrying value	Market value	Unrealised appreciation	net assets of the Sub-Fund	total investments of the Sub-Fund
					(Rupees)			(%)		
GoP Ijarah Sukuk										
- 01 year	March 8, 2023	-	60,000,000	60,000,000	-	-	-	-	-	-
- 01 year	April 17, 2023	-	41,000,000	41,000,000	-	-	-	-	-	-
- 01 year	March 29, 2024	-	24,000,000	-	24,000,000	21,010,192	21,120,384	110,192	46.59	83.59
Total as at June 30, 2024						<u>21,010,192</u>	<u>21,120,384</u>	<u>110,192</u>		
Total as at June 30, 2023						-	-	-		

* These carry effective yield of 20.24% per annum will mature latest by October 9, 2024.

6.3 Sukuk certificates - listed

6.3.1 Debt Sub-Fund

Name of security	Issue date	As at July 1, 2023	Purchased during the period	Sold / matured during the period	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 Sub-Fund	total investments of the sub-fund
					(Rupees)			(%)		
Pakistan Energy Sukuk - II Face value: Rs. 5,000 each	May 21, 2021	800	-	-	800	3,990,443	4,004,800	14,357	8.83	15.85
Hub Power Holdings Limited Face value: Rs. 75,000 each	November 12, 2020	45	-	-	45	3,493,350	3,440,813	(52,537)	7.59	13.62
Total as at June 30, 2024						<u>7,483,793</u>	<u>7,445,613</u>	<u>(38,180)</u>		
Total as at June 30, 2023						<u>8,518,897</u>	<u>8,619,090</u>	<u>100,193</u>		

* These carry effective yield ranging from 21.16% to 24.08% per annum and will mature latest by November 12, 2025.

6.4 Sukuk certificates - unlisted

6.4.1 Debt Sub-Fund

Name of security	Rating of investee company	Issue date	As at July 1, 2023	Purchased during the period	Sold / matured during the period	As at June 30, 2024	As at June 30, 2024			Market value as a percentage	
							Carrying value	Market value	Unrealised appreciation / (diminution)	net assets of the Sub-Fund	total investments of the Sub-Fund
						(Rupees)			(%)		
K-Electric Limited - STS XX (Face value: Rs. 1,000,000 each)	A1+	September 22, 2023	-	2	2	-	-	-	-	-	
K-Electric Limited - STS XXIV (Face value: Rs. 1,000,000 each)	A1+	March 28, 2024	-	3	-	3	3,000,000	3,000,000	-	6.62	
K-Electric Limited - STS XXV (Face value: Rs. 1,000,000 each)	A1+	May 02, 2024	-	3	-	3	3,000,000	3,000,000	-	6.62	
Total as at June 30, 2024						<u>6,000,000</u>	<u>6,000,000</u>	<u>-</u>			
Total as at June 30, 2023						-	-	-			

* These carry effective yield ranging from 21.73% to 21.90% per annum and will mature latest by September 30, 2024.

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6.4.2 Money Market Sub-Fund

Name of security	Rating of investee company	Issue date	As at July 1, 2023	Purchased during the period	Sold / matured during the period	As at June 30, 2024	As at June 30, 2024			Market value as a percentage	
							Carrying value	Market value	Unrealised appreciation / (diminution)	net assets of the Sub-Fund	total investments of the Sub-Fund
							(Rupees)			(%)	
The Hub Power Company Running Finance (Face value: Rs. 1,000,000 each)	A1+	May 18, 2023	1	-	1	-	-	-	-	-	-
K-Electric Limited - STS XIX (Face value: Rs. 1,000,000 each)	A1+	August 28, 2023	-	5	5	-	-	-	-	-	-
K-Electric Limited - STS XX (Face value: Rs. 1,000,000 each)	A1+	September 22, 2023	-	7	7	-	-	-	-	-	-
K-Electric Limited - STS XXIV (Face value: Rs. 1,000,000 each)	A1+	March 28, 2024	-	9	-	9	9,000,000	9,000,000	-	7.11	18.70
K-Electric Limited - STS XXV (Face value: Rs. 1,000,000 each)	A1+	May 02, 2024	-	3	-	3	3,000,000	3,000,000	-	2.37	6.23
Lucky Power Electric Company Limited - LEPCL XVII (Face value: Rs. 1,000,000 each)	A1+	March 26, 2024	-	15	-	15	15,000,000	15,000,000	-	11.86	31.17
Total as at June 30, 2024							<u>27,000,000</u>	<u>27,000,000</u>	<u>-</u>		
Total as at June 30, 2023							<u>1,000,000</u>	<u>1,000,000</u>	<u>-</u>		

* These carry effective yield ranging from 21.73% to 21.90% per annum and will mature latest by September 26, 2024 .

6.5 Musharaka certificates

6.5.1 Debt Sub-Fund

Name of the investee company	Rating of investee company	Issue date	Profit rate	Face value			As at June 30, 2024			Market value as a percentage of		
				As at July 1, 2023	Purchased during the period	Sold / matured during the period	As at June 30, 2024	Carrying value	Market value	Unrealised appreciation / (diminution)	net assets of the Sub-Fund	total investments of the Sub-Fund
				(Rupees)						(%)		
UBL Ameen - Islamic Banking	AAA	June 22, 2023	20.25%	4,000,000	-	4,000,000	-	-	-	-	-	
Zarai Taraqiat Bank Limited	AAA	July 14, 2023	20.60%	-	4,500,000	4,500,000	-	-	-	-	-	
UBL Ameen - Islamic Banking	AAA	July 24, 2023	20.75%	-	4,500,000	4,500,000	-	-	-	-	-	
Zarai Taraqiat Bank Limited	AAA	July 26, 2023	20.25%	-	4,000,000	4,000,000	-	-	-	-	-	
Zarai Taraqiat Bank Limited	AAA	August 7, 2023	20.50%	-	4,000,000	4,000,000	-	-	-	-	-	
Zarai Taraqiat Bank Limited	AAA	August 11, 2023	20.90%	-	4,500,000	4,500,000	-	-	-	-	-	
UBL Ameen - Islamic Banking	AAA	August 15, 2023	20.85%	-	4,500,000	4,500,000	-	-	-	-	-	
Zarai Taraqiat Bank Limited	AAA	August 22, 2023	20.50%	-	4,500,000	4,500,000	-	-	-	-	-	
Zarai Taraqiat Bank Limited	AAA	August 25, 2023	20.50%	-	4,500,000	4,500,000	-	-	-	-	-	
Zarai Taraqiat Bank Limited	AAA	November 2, 2023	19.75%	-	4,500,000	4,500,000	-	-	-	-	-	
UBL Ameen - Islamic Banking	AAA	November 3, 2023	20.60%	-	4,500,000	4,500,000	-	-	-	-	-	
Faysal Bank Limited	AA	November 10, 2023	20.50%	-	3,000,000	3,000,000	-	-	-	-	-	
Faysal Bank Limited	AA	November 17, 2023	20.60%	-	3,000,000	3,000,000	-	-	-	-	-	
Zarai Taraqiat Bank Limited	AAA	December 6, 2023	20.25%	-	4,500,000	4,500,000	-	-	-	-	-	
Zarai Taraqiat Bank Limited	AAA	December 13, 2023	20.35%	-	4,500,000	4,500,000	-	-	-	-	-	
Zarai Taraqiat Bank Limited	AAA	December 28, 2023	21.00%	-	4,500,000	4,500,000	-	-	-	-	-	
Zarai Taraqiat Bank Limited	AAA	January 8, 2024	20.25%	-	4,500,000	4,500,000	-	-	-	-	-	
Zarai Taraqiat Bank Limited	AAA	April 19, 2024	20.80%	-	4,000,000	4,000,000	-	-	-	-	-	
Zarai Taraqiat Bank Limited	AAA	April 26, 2024	20.75%	-	4,000,000	4,000,000	-	-	-	-	-	
Total as at June 30, 2024							<u>-</u>	<u>-</u>	<u>-</u>			
Total as at June 30, 2023							<u>4,000,000</u>	<u>4,000,000</u>	<u>-</u>			

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

6.5.2 Money Market Sub-Fund

Name of the investee company	Rating of investee company	Issue date	Profit rate	Face value			As at June 30, 2024			Market value as a percentage of			
				As at July 1, 2023	Purchased during the period	Sold / matured during the period	As at June 30, 2024	Carrying value	Market value	Unrealised appreciation / (diminution)	net assets of the Sub-Fund	total investments of the Sub-Fund	
							(Rupees)			(%)			
UBL Ameen - Islamic Banking	AAA	June 22, 2023	20.25%	6,000,000	-	6,000,000	-	-	-	-	-	-	
Zarai Taraqjati Bank Limited	AAA	July 14, 2023	20.60%	-	6,500,000	6,500,000	-	-	-	-	-	-	
UBL Ameen - Islamic Banking	AAA	July 24, 2023	20.75%	-	6,500,000	6,500,000	-	-	-	-	-	-	
Zarai Taraqjati Bank Limited	AAA	July 26, 2023	20.25%	-	6,000,000	6,000,000	-	-	-	-	-	-	
Zarai Taraqjati Bank Limited	AAA	August 7, 2023	20.50%	-	6,000,000	6,000,000	-	-	-	-	-	-	
Zarai Taraqjati Bank Limited	AAA	August 11, 2023	20.90%	-	6,500,000	6,500,000	-	-	-	-	-	-	
UBL Ameen - Islamic Banking	AAA	August 15, 2023	20.85%	-	6,500,000	6,500,000	-	-	-	-	-	-	
Zarai Taraqjati Bank Limited	AAA	August 22, 2023	20.50%	-	6,500,000	6,500,000	-	-	-	-	-	-	
Zarai Taraqjati Bank Limited	AAA	August 25, 2023	20.50%	-	6,500,000	6,500,000	-	-	-	-	-	-	
Zarai Taraqjati Bank Limited	AAA	November 2, 2023	19.75%	-	14,500,000	14,500,000	-	-	-	-	-	-	
UBL Ameen - Islamic Banking	AAA	November 3, 2023	20.60%	-	14,500,000	14,500,000	-	-	-	-	-	-	
Faysal Bank Limited	AA	November 10, 2023	20.50%	-	14,000,000	14,000,000	-	-	-	-	-	-	
Faysal Bank Limited	AA	November 17, 2023	20.60%	-	14,000,000	14,000,000	-	-	-	-	-	-	
Faysal Bank Limited	AA	November 24, 2023	20.50%	-	14,000,000	14,000,000	-	-	-	-	-	-	
Zarai Taraqjati Bank Limited	AAA	December 6, 2023	20.25%	-	14,000,000	14,000,000	-	-	-	-	-	-	
Zarai Taraqjati Bank Limited	AAA	December 13, 2023	20.35%	-	13,000,000	13,000,000	-	-	-	-	-	-	
Zarai Taraqjati Bank Limited	AAA	December 28, 2023	21.00%	-	13,000,000	13,000,000	-	-	-	-	-	-	
Zarai Taraqjati Bank Limited	AAA	January 8, 2024	20.25%	-	13,500,000	13,500,000	-	-	-	-	-	-	
Zarai Taraqjati Bank Limited	AAA	February 23, 2024	21.00%	-	7,500,000	7,500,000	-	-	-	-	-	-	
Zarai Taraqjati Bank Limited	AAA	April 19, 2024	20.80%	-	14,000,000	14,000,000	-	-	-	-	-	-	
Zarai Taraqjati Bank Limited	AAA	April 26, 2024	20.75%	-	14,000,000	14,000,000	-	-	-	-	-	-	
Faysal Bank Limited	AA	May 31, 2024	21.10%	-	15,000,000	15,000,000	-	-	-	-	-	-	
Zarai Taraqjati Bank Limited	AAA	June 4, 2024	20.75%	-	15,000,000	15,000,000	-	-	-	-	-	-	
Total as at June 30, 2024							-	-	-	-	-	-	
Total as at June 30, 2023							6,000,000	6,000,000	-	-	-	-	-

6.6 Significant terms and conditions of sukuks outstanding as at June 30, 2024 are as follows:

Name of security	Number of certificate	Face value per unit	Face value / redemption value in total	Profit rate per annum	Maturity date	Secured / unsecured	Rating
(Rupees)							
Listed debt securities							
Pakistan Energy Sukuk - II	800	5,000	4,000,000	6 month kibar - 0.10%	May 21, 2030	Secured	unrated
Hub Power Holdings Limited (Sukuk)	45	100,000	4,500,000	6 month kibar + 2.50%	November 12, 2025	Secured	AA+

6.7 Unrealised gain / (loss) on revaluation of investments classified as financial assets 'at fair value through profit or loss' - net

Particulars	2024			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
(Rupees)				
Market value of investments	28,847,536	25,265,573	48,120,384	102,233,493
Less: Carrying value of investments	(24,269,715)	(25,254,929)	(48,010,192)	(97,534,836)
	<u>4,577,821</u>	<u>10,644</u>	<u>110,192</u>	<u>4,698,657</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

Particulars	2023			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Rupees)			
Market value of investments	74,473,226	12,619,090	7,000,000	94,092,316
Less: Carrying value of investments	(81,823,796)	(12,518,897)	(7,000,000)	(101,342,693)
	<u>(7,350,570)</u>	<u>100,193</u>	<u>-</u>	<u>(7,250,377)</u>

7 PROFIT RECEIVABLE

Particulars	2024			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Rupees)			
Profit receivable on:				
- Investments	-	1,312,915	1,442,626	2,755,541
- Bank balances	7,361	516,169	1,252,160	1,775,690
	<u>7,361</u>	<u>1,829,084</u>	<u>2,694,786</u>	<u>4,531,231</u>

Particulars	2023			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Rupees)			
Profit receivable on:				
- Investments	-	501,821	56,671	558,492
- Bank balances	42,391	334,027	668,430	1,044,848
	<u>42,391</u>	<u>835,848</u>	<u>725,101</u>	<u>1,603,340</u>

8 ADVANCES AND DEPOSITS

Particulars	2024			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Rupees)			
Security Deposit with Central Depository Company of Pakistan Limited	100,000	100,000	100,000	300,000
Advance tax	288,910	150,446	119,878	559,234
	<u>388,910</u>	<u>250,446</u>	<u>219,878</u>	<u>859,234</u>

Particulars	2023			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Rupees)			
Security Deposit with Central Depository Company of Pakistan Limited	100,000	100,000	100,000	300,000
Advance tax	288,910	162,059	119,878	570,847
	<u>388,910</u>	<u>262,059</u>	<u>219,878</u>	<u>870,847</u>

- 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 taxes on dividend, profit on bank deposits and profit on debt securities paid to the Fund were deducted by

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

9.3 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Pension Fund Managers as a result of which FED at the rate of 16 percent on the remuneration of the Pension Fund Manager and sales load was applicable with effect from June 13, 2013. The Pension Fund Manager 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 Pension Fund Manager together with various other pension fund managers 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 Pension Fund Manager with effect from July 1, 2016. However, as a matter of abundant caution the provisions for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs. 0.69 million (2023: Rs. 0.69 million) for Equity Sub-Fund, Rs. 0.40 million (2023: Rs. 0.40 million) for Debt Sub-Fund and Rs. 0.36 million (2023: Rs. 0.36 million) for Money Market Sub-Fund are being retained in these financial statements of the respective Sub-Funds as the matter is pending before the Supreme Court of Pakistan. Had the provision for FED not been recorded in these financial statements of the Fund, the net asset value of the Fund as at June 30, 2024 would have been higher by Rs. 22.66 (June 30, 2023: Rs. 5.27) per unit, Rs. 3.16 (June 30, 2023: Rs. 3.85) per unit and Rs. 0.95 (June 30, 2023: Rs. 2.23) per unit per unit for Equity Sub-Fund, Debt Sub-Fund and Money Market Sub-Fund respectively.

	Note	2024			
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
10 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE		(Rupees)			
Remuneration payable to the Trustee	10.1	5,337	5,337	15,355	26,029
Sindh Sales Tax payable on remuneration of the Trustee	10.2	694	694	1,996	3,384
Settlement charges payable		4,226	565	557	5,348
		<u>10,257</u>	<u>6,596</u>	<u>17,908</u>	<u>34,761</u>
		(Rupees)			
		2023			
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
		(Rupees)			
Remuneration payable to the Trustee	10.1	12,632	4,912	7,114	24,658
Sindh Sales Tax payable on remuneration of the Trustee	10.2	1,642	639	925	3,206
Settlement charges payable		600	600	600	1,800
		<u>14,874</u>	<u>6,151</u>	<u>8,639</u>	<u>29,664</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 the 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:

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

Net Assets (Rs.)	Tariff
-upto Rs. 1 billion	Rs. 0.3 million or 0.15% per annum of net assets, whichever is higher.
-above Rs. 1 billion to Rs. 3 billion	Rs.1.5 million plus 0.10% per annum of net assets, on amount exceeding Rs.1 billion.
-above Rs. 3 billion to Rs. 6 billion	Rs. 3.5 million plus 0.08% per annum of net assets, on amount exceeding Rs. 3 billion.
-above Rs. 6 billion	Rs. 5.9 million plus 0.06% per annum of net assets, on amount exceeding Rs. 6 billion.

- 10.2 During the year, an amount of Rs. 0.039 million (2023: Rs. 0.038 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%).

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

In accordance with the VPS Rules, each Sub-Fund is required to pay annual fee to the SECP at the rate of one twenty-fifth of one percent (0.04%) [2023: 0.04%] of average annual net assets of the Fund, applicable to all Voluntary Pension Schemes.

12 ACCRUED EXPENSES AND OTHER LIABILITIES

	2024			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Rupees)			
Auditors' remuneration payable	150,234	150,236	150,243	450,713
Withholding tax payable	115,548	9,910	30,659	156,117
Charity payable	946,095	-	-	946,095
Zakat payable	1,166	3,248	3,826	8,240
Brokerage and settlement payable	392,404	-	1,401	393,805
	<u>1,605,447</u>	<u>163,394</u>	<u>186,129</u>	<u>1,954,970</u>
	2023			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Rupees)			
Auditors' remuneration payable	103,997	103,997	104,001	311,995
Withholding tax payable	72,582	2,006	1,647	76,235
Charity payable	841,586	-	-	841,586
Zakat payable	3,549	13,799	15,456	32,804
Brokerage and settlement payable	1,195,939	-	-	1,195,939
	<u>2,217,653</u>	<u>119,802</u>	<u>121,104</u>	<u>2,458,559</u>

13 CONTINGENCIES AND COMMITMENTS

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

14 NUMBER OF UNITS IN ISSUE

	2024		
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund
	Number of units		
Total units in issue at the beginning of the year	130,549	103,759	161,682
Units issued during the year	14,209	102,177	396,597
Units redeemed during the year	(117,205)	(78,840)	(173,914)
Reallocation of units during the year	2,791	(906)	(5,663)
Total units in issue at the end of the year	<u>30,344</u>	<u>126,190</u>	<u>378,702</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

	2023		
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund
	-----Number of units-----		
Total units in issue at the beginning of the year	145,002	114,757	154,890
Units issued during the year	9,890	66,635	225,192
Units redeemed during the year	(20,882)	(73,902)	(230,600)
Reallocation of units during the year	(3,461)	(3,731)	12,200
Total units in issue at the end of the year	<u>130,549</u>	<u>103,759</u>	<u>161,682</u>

15 CONTRIBUTION TABLE

	2024					
	Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund	
	Units	Rupees	Units	Rupees	Units	Rupees
From:						
Individuals / Corporate	14,209	12,175,387	102,177	33,927,186	396,597	119,074,285
	<u>14,209</u>	<u>12,175,387</u>	<u>102,177</u>	<u>33,927,186</u>	<u>396,597</u>	<u>119,074,285</u>
	2023					
	Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund	
	Units	Rupees	Units	Rupees	Units	Rupees
From:						
Individuals / Corporate	9,890	5,854,336	66,635	18,770,075	225,192	57,439,505
	<u>9,890</u>	<u>5,854,336</u>	<u>66,635</u>	<u>18,770,075</u>	<u>225,192</u>	<u>57,439,505</u>

16 AUDITORS' REMUNERATION

	2024			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	----- (Rupees) -----			
Annual audit fee	136,667	136,667	136,667	410,001
Half yearly review	80,000	80,000	80,000	240,000
Out of pocket expenses	38,334	38,334	38,334	115,002
Sindh Sales Tax	20,400	20,400	20,400	61,200
	<u>275,401</u>	<u>275,401</u>	<u>275,401</u>	<u>826,203</u>
	2023			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	----- (Rupees) -----			
Annual audit fee	85,867	85,867	85,867	257,600
Half yearly review	44,800	44,800	44,800	134,400
Out of pocket expenses	29,733	27,819	29,738	87,291
Sindh Sales Tax	12,832	12,679	12,832	38,343
	<u>173,232</u>	<u>171,165</u>	<u>173,237</u>	<u>517,634</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

17 PROFIT ON BANK BALANCES AND INVESTMENTS

Profit from:

- Bank balances
- Government of Pakistan (GoP) Ijarah Sukuks
- Sukuk certificates - listed
- Sukuk certificates - unlisted
- Musharika certificates

2024			
Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
(Rupees)			
435,624	2,961,283	10,869,465	14,266,372
-	937,629	2,392,234	3,329,863
-	1,887,413	-	1,887,413
-	508,422	2,973,521	3,481,943
-	535,509	1,511,467	2,046,976
<u>435,624</u>	<u>6,830,256</u>	<u>17,746,687</u>	<u>25,012,567</u>

Profit from:

- Bank balances
- Government of Pakistan (GoP) Ijarah Sukuks
- Sukuk certificates - listed
- Sukuk certificates - unlisted
- Musharika certificates
- Commercial papers

2023			
Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
(Rupees)			
1,071,760	2,387,880	5,213,066	8,672,706
-	277,459	-	277,459
-	1,525,636	-	1,525,636
-	113,415	595,437	708,852
-	41,671	62,507	104,178
-	-	412,856	412,856
<u>1,071,760</u>	<u>4,346,061</u>	<u>6,283,866</u>	<u>11,701,687</u>

18 CASH AND CASH EQUIVALENTS

Bank balances

2024			
Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
(Rupees)			
4,204,823	18,767,947	76,598,478	99,571,248
<u>4,204,823</u>	<u>18,767,947</u>	<u>76,598,478</u>	<u>99,571,248</u>

Bank balances

Musharika (with original maturity of three months or less)

2023			
Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
(Rupees)			
4,725,621	17,986,027	36,940,640	59,652,288
-	4,000,000	6,000,000	10,000,000
<u>4,725,621</u>	<u>21,986,027</u>	<u>42,940,640</u>	<u>69,652,288</u>

19 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Sub-Funds for the year ended June 30, 2024 are: Equity Sub-Fund 3.17% (2023: 2.64%), Debt Sub-Fund 2.18% (2023: 2.11%) and Money Market Sub-Fund 0.99% (2023: 1.39%), which includes 0.36%, 0.24%, 0.13% (2023: 0.33%, 0.25%, 0.19%) respectively representing government levies on the Sub-Funds such as Sales Taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 4.50%, 2.50% and 2.00% (excluding government levies) respectively for Equity Sub-Fund, Debt Sub-Fund and Money Market Sub-Fund respectively prescribed under the NBFC Regulations for a pension scheme.

20 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons / related parties include JS Investments Limited (JSIL) being the Pension Fund Manager of the Fund, Central Depository Company of Pakistan Limited being the Trustee of the Fund, JS Bank Limited (JSBL) being the holding company of the Pension Fund Manager - 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 / related parties essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, other charges, sale and purchase of investment and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with the market rates.

Remunerations to the Pension Fund Manager and the Trustee of the Fund are determined in accordance with the provisions of the VPS Rules and the Trust Deed respectively.

The details of transactions carried out by the Fund with connected persons during the year and balances with them as at year end are as follows:

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

JS Investments Limited - Pension Fund Manager

	June 30, 2024			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
(Rupees)				
Remuneration for the year	361,934	320,990	314,614	997,538
Sindh Sales Tax on remuneration of the Pension Fund Manager	47,051	41,729	40,899	129,679
Amount paid against redemption of units	71,038,640	7,983,215	644,395	79,666,250
Units redeemed (Number of units)	101,755	22,727	1,976	126,458
Printing and stationery charges	38,071	38,349	38,071	114,491
Sales Load	-	-	183	183

Central Depository Company of Pakistan Limited - Trustee

	June 30, 2024			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
(Rupees)				
Remuneration for the year	75,416	63,138	163,128	301,682
Sindh Sales Tax on remuneration of the Trustee	9,804	8,208	21,206	39,218
Settlement charges	20,255	6,971	7,279	34,505

JS Global Capital Limited (Fellow subsidiary of Parent company)

Brokerage expense	60,576	-	-	60,576
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

	June 30, 2024			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Rupees)			
Bank Islami Pakistan Limited				
(Fellow subsidiary of Parent company)				
Profit on bank balances	5,190	-	2,254	7,444
Proceeds from sale of investments	2,770,077	-	-	2,770,077
Key Management Personnel				
Amount received against issuance of units	8,502,772	6,896,496	9,780,287	25,179,555
Units issued (Number of units)	9,447	21,287	32,631	63,365
Amount paid against redemption of units	3,061,788	4,174,505	7,602,062	14,838,355
Units redeemed (Number of units)	3,286	12,166	23,057	38,509
	June 30, 2023			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Rupees)			
JS Investments Limited - Pension Fund Manager				
Remuneration for the year	1,201,918	255,710	194,733	1,652,361
Sindh Sales Tax on remuneration of the Pension Fund Manager	156,249	33,242	25,185	214,676
Printing and stationery charges	33,822	33,823	33,819	101,464
Amount paid against redemption of units	-	-	-	-
Units redeemed (Number of units)	-	-	-	-
Central Depository Company of Pakistan Limited - Trustee				
Remuneration for the period	163,369	47,147	79,699	290,215
Sindh Sales Tax on remuneration of the Trustee	21,237	6,129	10,362	37,728
Settlement charges	14,221	16,947	6,812	37,980
JS Global Capital Limited				
(Fellow subsidiary of Parent company)				
Brokerage expense	56,202	-	-	56,202
Bank Islami Pakistan Limited				
(Fellow subsidiary of Parent company)				
Profit on bank balances	2,796	-	2,254	5,050
Proceeds from sale of investments	-	-	-	-
Key Management Personnel				
Amount received against issuance of units	1,239,868	483,533	2,465,613	4,189,014
Units issued (Number of units)	2,099	1,711	9,490	13,300
Amount paid against redemption of units	1,488,224	417,134	2,587,875	4,493,233
Units redeemed (Number of units)	2,499	1,494	9,593	13,586

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

20.2 Details of balances with connected persons / related parties as at year end

	June 30, 2024			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
(Rupees)				
JS Investments Limited - Pension Fund Manager				
Remuneration payable to the Pension Fund Manager	-	34,943	50,185	85,128
Sindh sales tax payable on remuneration of the Pension Fund Manager	101,957	67,491	60,063	229,511
Federal excise duty payable on remuneration	687,692	399,332	360,594	1,447,618
Printing and stationery charges payable	29,259	48,209	29,260	106,728
Investment at year end	-	-	-	-
Units outstanding (Number of units)	-	-	-	-
Central Depository Company of Pakistan Limited - Trustee				
Remuneration of Trustee	5,337	5,337	15,355	26,029
Sindh sales tax on remuneration of the Trustee	694	694	1,996	3,384
Settlement charges payable	4,226	565	557	5,348
Security deposit	100,000	100,000	100,000	300,000
JS Global Capital Limited (Fellow subsidiary of Parent company)				
Brokerage payable	-	-	-	-
Bank Islami Pakistan Limited (Fellow subsidiary of Parent company)				
Bank balances	48,277	-	3,937	52,214
Key management personnel				
Investment at year end	6,279,285	3,276,734	3,369,594	12,925,613
Units outstanding (Number of units)	6,161	9,121	10,159	25,441

Note

	June 30, 2023			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
(Rupees)				
JS Investments Limited - Pension Fund Manager				
Remuneration payable to the Pension Fund Manager	94,501	24,502	17,741	136,744
Sindh sales tax payable on remuneration of the Pension Fund Manager	114,243	66,134	55,846	236,223
Federal excise duty payable on remuneration of the Pension Fund Manager	687,692	399,332	360,594	1,447,618
Printing and stationery charges payable	40,650	59,323	40,650	140,623
Investment at year end	59,514,582	6,784,347	540,727	66,839,656
Units outstanding (Number of units)	101,755	22,727	1,976	126,458
Central Depository Company of Pakistan Limited - Trustee				
Remuneration of Trustee	12,632	4,912	7,114	24,658
Sindh sales tax on remuneration of the Trustee	1,642	639	925	3,206
Settlement charges payable	600	600	600	1,800
Security deposit	100,000	100,000	100,000	300,000

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

Note	June 30, 2023			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Rupees)			
JS Global Capital Limited (Fellow subsidiary of Parent company)				
Brokerage payable	316	-	-	316
Bank Islami Pakistan Limited (Fellow subsidiary of Parent company)				
Bank balances	43,087	-	2,254	45,341
Key management personnel				
Investment at year end	-	-	174,656	174,656
Units outstanding (Number of units)	-	-	585	585

21 FINANCIAL INSTRUMENTS BY CATEGORY

Particulars	2024									
	Equity Sub-Fund			Debt Sub-Fund			Money Market Sub-Fund			Total
	At amortised cost	At fair value through profit or loss	Sub total	At amortised cost	At fair value through profit or loss	Sub total	At amortised cost	At fair value through profit or loss	Sub total	
	(Rupees)									
Financial assets										
Bank balances	4,204,823	-	4,204,823	18,767,947	-	18,767,947	76,598,478	-	76,598,478	99,571,248
Investments	-	28,847,536	28,847,536	-	25,265,573	25,265,573	-	48,120,384	48,120,384	102,233,493
Profit receivable	7,361	-	7,361	1,829,084	-	1,829,084	2,694,786	-	2,694,786	4,531,231
Deposits and other receivables	100,000	-	100,000	100,000	-	100,000	100,000	-	100,000	300,000
	<u>4,312,184</u>	<u>28,847,536</u>	<u>33,159,720</u>	<u>20,697,031</u>	<u>25,265,573</u>	<u>45,962,604</u>	<u>79,393,264</u>	<u>48,120,384</u>	<u>127,513,648</u>	<u>206,635,972</u>
Financial liabilities										
Payable to JS Investments Limited - Pension Fund Manager	818,908	-	818,908	549,975	-	549,975	500,102	-	500,102	1,868,985
Payable to Central Depository Company of Pakistan Limited - Trustee	10,257	-	10,257	6,596	-	6,596	17,908	-	17,908	34,761
Payable against redemption of units	72,769	-	72,769	43,553	-	43,553	394,171	-	394,171	510,493
Accrued expenses and other liabilities	1,488,733	-	1,488,733	150,236	-	150,236	151,644	-	151,644	1,790,613
	<u>2,390,667</u>	<u>-</u>	<u>2,390,667</u>	<u>750,360</u>	<u>-</u>	<u>750,360</u>	<u>1,063,825</u>	<u>-</u>	<u>1,063,825</u>	<u>4,204,852</u>

Particulars	2023									
	Equity Sub-Fund			Debt Sub-Fund			Money Market Sub-Fund			Total
	At amortised cost	At fair value through profit or loss	Sub total	At amortised cost	At fair value through profit or loss	Sub total	At amortised cost	At fair value through profit or loss	Sub total	
	(Rupees)									
Financial assets										
Bank balances	4,725,621	-	4,725,621	17,986,027	-	17,986,027	36,940,640	-	36,940,640	59,652,288
Investments	-	74,473,226	74,473,226	-	12,619,090	12,619,090	-	7,000,000	7,000,000	94,092,316
Profit receivable	42,391	-	42,391	835,848	-	835,848	725,101	-	725,101	1,603,340
Deposits and other receivables	100,000	-	100,000	100,000	-	100,000	100,000	-	100,000	300,000
	<u>4,868,012</u>	<u>74,473,226</u>	<u>79,341,238</u>	<u>18,921,875</u>	<u>12,619,090</u>	<u>31,540,965</u>	<u>37,765,741</u>	<u>7,000,000</u>	<u>44,765,741</u>	<u>155,647,944</u>
Financial liabilities										
Payable to JS Investments Limited - Pension Fund Manager	937,086	-	937,086	549,291	-	549,291	474,831	-	474,831	1,961,208
Payable to Central Depository Company of Pakistan Limited - Trustee	14,874	-	14,874	6,151	-	6,151	8,639	-	8,639	29,664
Payable against redemption of units	72,769	-	72,769	43,553	-	43,553	15,872	-	15,872	132,194
Accrued expenses and other liabilities	2,141,522	-	2,141,522	103,997	-	103,997	104,001	-	104,001	2,349,520
	<u>3,166,251</u>	<u>-</u>	<u>3,166,251</u>	<u>702,992</u>	<u>-</u>	<u>702,992</u>	<u>603,343</u>	<u>-</u>	<u>603,343</u>	<u>4,472,586</u>

22 FINANCIAL RISK MANAGEMENT

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

22.1 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 Pension Fund Manager 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, interest rate risk and other price risk.

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. At present, the Fund is not exposed to currency risk as all the transactions are carried out in Pakistani Rupees.

22.1.2 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 profit rates. The profit rate profile of the Fund's interest bearing financial instruments is as follows:

	2024			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Rupees)			
Variable rate instruments (financial assets)				
Bank balances	4,204,823	18,767,947	76,598,478	99,571,248
Government of Pakistan (GoP) Ijarah Sukuks	-	8,800,160	21,120,384	29,920,544
Sukuk certificates - listed	-	7,445,613	-	7,445,613
Sukuk certificates - unlisted	-	6,000,000	27,000,000	33,000,000
	<u>4,204,823</u>	<u>41,013,720</u>	<u>124,718,862</u>	<u>169,937,405</u>
Fixed rate instruments (financial assets)				
GoP Ijarah Sukuks	-	3,019,800	-	3,019,800
	<u>-</u>	<u>3,019,800</u>	<u>-</u>	<u>3,019,800</u>
	2023			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Rupees)			
Variable rate instruments (financial assets)				
Bank balances	4,653,971	17,986,027	36,940,640	59,580,638
GoP Ijarah Sukuks	-	-	-	-
Sukuk certificates - listed	-	8,619,090	-	8,619,090
Sukuk certificates - unlisted	-	-	-	-
	<u>4,653,971</u>	<u>26,605,117</u>	<u>36,940,640</u>	<u>68,199,728</u>
Fixed rate instruments (financial assets)				
Sukuk certificates - unlisted	-	-	1,000,000	1,000,000
Musharika certificates	-	4,000,000	6,000,000	10,000,000
	<u>-</u>	<u>4,000,000</u>	<u>7,000,000</u>	<u>11,000,000</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

a) Sensitivity analysis of variable rate instruments

Presently, the Fund holds balances with bank, investment in sukuk certificates and government securities which expose the Fund to cash flow profit rate risk. A reasonably possible change of 100 basis points in profit rates at the reporting date with all other variables held constant the impact on net income and net assets will be as follows:

	2024			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Rupees)			
Change in basis points				
Increase of 100 basis points	42,048	410,137	1,247,189	1,699,374
Decrease of 100 basis points	(42,048)	(410,137)	(1,247,189)	(1,699,374)

	2023			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Rupees)			
Change in basis points				
Increase of 100 basis points	46,540	266,051	369,406	681,997
Decrease of 100 basis points	(46,540)	(266,051)	(369,406)	(681,997)

b) Sensitivity analysis of fixed rate instruments

Presently, the Fund holds investment in government securities which are classified as financial assets 'at fair value through profit or loss' exposing the Fund to fair value profit rate risk. A reasonably possible change of 100 basis points in profit rates at the reporting date with all other variables held constant the impact on net income and net assets will be as follows:

	2024			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Rupees)			
Change in basis points				
Increase of 100 basis points	-	30,198	-	30,198
Decrease of 100 basis points	-	(30,198)	-	(30,198)

	2023			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Rupees)			
Change in basis points				
Increase of 100 basis points	-	40,000	70,000	110,000
Decrease of 100 basis points	-	(40,000)	(70,000)	(110,000)

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 profit rates.

Profit rate sensitivity position for the financial instruments recognised on the statement of assets and liabilities 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 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

JS Islamic Pension Savings Fund - Equity Sub Fur

Particulars	2024					2023						
	Effective interest rate	Exposed to yield / interest risk			Not exposed to yield / interest rate risk	Total	Effective interest Rate	Exposed to yield / interest risk			Not exposed to yield / interest rate risk	Total
		Upto three months	More than three months and upto one year	More than one year				Upto three months	More than three months and upto one year	More than one year		
	%	(Rupees)				%	(Rupees)					
Financial assets												
Bank balances	7 - 19.70	4,204,823	-	-	-	4,204,823	7 - 19.75	4,653,971	-	-	71,650	4,725,621
Investments		-	-	-	28,847,536	28,847,536		-	-	-	74,473,226	74,473,226
Profit receivable		-	-	-	7,361	7,361		-	-	-	42,391	42,391
Deposits and other receivables		-	-	-	100,000	100,000		-	-	-	100,000	100,000
		4,204,823	-	-	28,954,897	33,159,720		4,653,971	-	-	74,687,267	79,341,238
Financial liabilities												
Payable to JS Investments Limited - Pension Fund Manager		-	-	-	818,908	818,908		-	-	-	937,086	937,086
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	10,257	10,257		-	-	-	14,874	14,874
Payable against redemption of units		-	-	-	72,769	72,769		-	-	-	72,769	72,769
Accrued expenses and other liabilities		-	-	-	1,488,733	1,488,733		-	-	-	2,141,522	2,141,522
Sub Total		-	-	-	2,390,667	2,390,667		-	-	-	3,166,251	3,166,251
On-balance sheet gap		4,204,823	-	-	26,564,230	30,769,053		4,653,971	-	-	71,521,016	76,174,987
Total interest rate sensitivity gap		4,204,823	-	-	26,564,230	30,769,053		4,653,971	-	-	71,521,016	76,174,987
Cumulative interest rate sensitivity gap		4,204,823	4,204,823	4,204,823				4,653,971	4,653,971	4,653,971		

JS Islamic Pension Savings Fund - Debt Sub Fund

Particulars	2024					2023						
	Effective interest rate	Exposed to yield / interest risk			Not exposed to yield / interest rate risk	Total	Effective interest Rate	Exposed to yield / interest risk			Not exposed to yield / interest rate risk	Total
		Upto three months	More than three months and upto one year	More than one year				Upto three months	More than three months and upto one year	More than one year		
	%	(Rupees)				%	(Rupees)					
Financial assets												
Bank balances	7 - 19.70	18,767,947	-	-	-	18,767,947	7 - 19.75	17,986,027	-	-	-	17,986,027
Investments	19.99 - 24.08	3,000,000	14,819,960	7,445,613	-	25,265,573	15.60-24.58	4,000,000	8,619,090	-	-	12,619,090
Profit receivable		-	-	-	1,829,084	1,829,084		-	-	-	835,848	835,848
Deposits and other receivables		-	-	-	100,000	100,000		-	-	-	100,000	100,000
		21,767,947	14,819,960	7,445,613	1,929,084	45,962,604		21,986,027	8,619,090	-	935,848	31,540,965
Financial liabilities												
Payable to JS Investments Limited - Pension Fund Manager		-	-	-	549,975	549,975		-	-	-	549,291	549,291
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	6,596	6,596		-	-	-	6,151	6,151
Payable against redemption of units		-	-	-	43,553	43,553		-	-	-	43,553	43,553
Accrued expenses and other liabilities		-	-	-	150,236	150,236		-	-	-	103,997	103,997
Sub Total		-	-	-	750,360	750,360		-	-	-	702,992	702,992
On-balance sheet gap		21,767,947	14,819,960	7,445,613	1,178,724	45,212,244		21,986,027	8,619,090	-	232,856	30,837,973
Total interest rate sensitivity gap		21,767,947	14,819,960	7,445,613	1,178,724	45,212,244		21,986,027	8,619,090	-	232,856	30,837,973
Cumulative interest rate sensitivity gap		21,767,947	36,587,907	44,033,520				21,986,027	30,605,117	30,605,117		

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

JS Islamic Pension Savings Fund - Money Market Sub Fund

Particulars	2024					2023						
	Effective interest rate	Exposed to yield / interest risk			Not exposed to yield / interest rate risk	Total	Effective interest Rate	Exposed to yield / interest risk			Not exposed to yield / interest rate risk	Total
		Upto three months	More than three months and upto one year	More than one year				Upto three months	More than three months and upto one year	More than one year		
	%	(Rupees)				%	(Rupees)					
Financial assets												
Bank balances	7 - 19.70	76,598,478	-	-	-	76,598,478	7 - 19.75	36,940,640	-	-	-	36,940,640
Investments	21.73 - 21.90	24,000,000	24,120,384			48,120,384	20.25-22.34	6,000,000	1,000,000	-	-	7,000,000
Profit receivable		-	-	-	2,694,786	2,694,786		-	-	-	725,101	725,101
Deposits and other receivables		-	-	-	100,000	100,000		-	-	-	100,000	100,000
		100,598,478	24,120,384	-	2,794,786	127,513,648		42,940,640	1,000,000	-	825,101	44,765,741
Financial liabilities												
Payable to JS Investments Limited - Pension Fund Manager		-	-	-	500,102	500,102		-	-	-	474,831	474,831
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	6,596	6,596		-	-	-	8,639	8,639
Payable against redemption of units		-	-	-	394,171	394,171		-	-	-	15,872	15,872
Accrued expenses and other liabilities		-	-	-	150,236	150,236		-	-	-	104,001	104,001
Sub Total		-	-	-	1,051,105	1,051,105		-	-	-	603,343	603,343
On-balance sheet gap		100,598,478	24,120,384	-	1,743,681	126,462,543		42,940,640	1,000,000	-	221,758	44,162,398
Total interest rate sensitivity gap		100,598,478	24,120,384	-	1,743,681	126,462,543		42,940,640	1,000,000	-	221,758	44,162,398
Cumulative interest rate sensitivity gap		100,598,478	124,718,862	124,718,862				42,940,640	43,940,640	43,940,640		

22.1.3 Price risk

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

The Fund has exposure to equity price risk arising from the Fund investments in equity securities. The Fund manages its price risk arising from investment in the equity securities by diversifying its portfolio within the eligible limits prescribed in the Fund's Constitutive Documents, the VPS rules and circulars issued by SECP from time to time.

The table below summarizes the sensitivity of the Fund's net assets attributable to unit holders to the equity price movements as at June 30, 2024. The analysis is based on the assumption that the KSE index increased / decreased by 1%, with all other variables held constant and that the fair value of the Fund's portfolio of equity securities moved according to their historical correlation with the index. This represents managements' best estimate of a reasonable possible shift in the KSE index, having regard to the historical volatility of the index of the past three years.

At June 30, 2024, the fair value of equity securities exposed to price risk was disclosed in note 6.1.

Effect due to increase / decrease in KSE 100 index

	2024	2023
	(Rupees)	
Investment and net assets	288,475	744,732
Income statement	288,475	744,732

22.2 Credit risk

Credit risk represents the risk of a loss if the counter parties fail to perform as contracted. Credit risk mainly arises from deposits with banks, credit exposure arising as a result of dividends receivable on equity securities, receivable against sale of investments and investment in debt securities. For banks and financial institutions balances are kept with reputed parties. Credit risk on dividend receivable is minimal due to statutory protection. All transactions in listed securities are settled / paid for upon delivery market clearing system. The risk of default is considered minimal due to inherent systematic measures taken therein. Debt securities held by the Fund mainly consist of government securities that represent the interest of Government of Pakistan and therefore not exposed to credit risk. The remaining debts securities are with reputable counter parties and therefore credit risk is minimal.

Credit risk is managed and controlled by the Pension Fund Manager of the Fund in the following manner:

- The Fund limits its exposure to credit risk by only investing in liquid debt securities that have at minimum an investment grade as rated by a credit rating agency approved by the SECP. In the absence of issue rating, the Fund ensures that the entity has an investment grade as rated by a credit rating agency approved by the SECP.
- The risk of counter party exposure due to failed trades causing a loss to the Fund is mitigated by a periodic review of trade reports, credit ratings and financial statements on a regular basis.

22.2.1 Exposure to credit risk

The maximum exposure to credit risk as at 30 June 2024 is as follows:

JS Islamic Pension Savings Fund - Equity Sub Fund	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	4,204,823	4,204,823	4,725,621	4,725,621
Investments	28,847,536	-	74,473,226	-
Profit receivable	7,361	7,361	42,391	42,391
Deposits and other receivables	100,000	100,000	100,000	100,000
	<u>33,159,720</u>	<u>4,312,184</u>	<u>79,341,238</u>	<u>4,868,012</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 28.848 million (2023: Rs 74.473 million) are not exposed to credit

JS Islamic Pension Savings Fund- Debt Sub Fund	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	18,767,947	18,767,947	17,986,027	17,986,027
Investments	25,265,573	13,445,613	12,619,090	12,619,090
Profit receivable	1,829,084	1,829,084	835,848	835,848
Deposits and other receivables	100,000	100,000	100,000	100,000
	<u>45,962,604</u>	<u>34,142,644</u>	<u>31,540,965</u>	<u>31,540,965</u>

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 11.820 million (2023: Rs. Nil) are not exposed to credit risk.

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FOR THE YEAR ENDED JUNE 30, 2024

JS Islamic Pension Savings Fund- Money Market Sub Fund

	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	76,598,478	76,598,478	36,940,640	36,940,640
Investments	48,120,384	27,000,000	7,000,000	7,000,000
Profit receivable	2,694,786	2,694,786	725,101	725,101
Deposits and other receivables	100,000	100,000	100,000	100,000
	<u>127,513,648</u>	<u>106,393,264</u>	<u>44,765,741</u>	<u>44,765,741</u>

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 21.120 million (2023: Rs. Nil) 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 as at June 30, 2024.

22.2.2 Credit quality of financial assets

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

Name of bank	Rating agency	Published Rating	2024	2023
			Percentage of total bank balances	
JS Islamic Pension Savings Fund - Equity Sub Fund				
Bank Alfalah Limited	PACRA	AAA	0.79%	0.62%
Habib Metropolitan Bank Limited	PACRA	AA+	75.43%	50.31%
Bank Islami Pakistan Limited	PACRA	AA-	1.15%	0.91%
Dubai Islamic Bank Pakistan Limited	VIS	AA	0.24%	37.81%
Soneri Bank Limited	PACRA	AA-	22.39%	10.35%
			<u>100.00%</u>	<u>100.00%</u>
JS Islamic Pension Savings Fund - Debt Sub Fund				
Bank Alfalah Limited	PACRA	AAA	0.11%	0.00%
Habib Metropolitan Bank Limited	PACRA	AA+	0.07%	0.05%
Allied Bank Limited	PACRA	AAA	0.24%	0.23%
Faysal Bank Limited	PACRA	AA	0.15%	1.77%
Askari Bank Limited	PACRA	AA+	0.00%	0.16%
Dubai Islamic Bank Pakistan Limited	VIS	AA	98.68%	97.67%
Al Baraka Bank (Pakistan) Limited	VIS	A+	0.14%	0.00%
United Bank Limited	VIS	AAA	0.00%	0.12%
Meezan Bank Limited	VIS	AAA	0.62%	0.00%
			<u>100.00%</u>	<u>100.00%</u>

Name of bank	Rating agency	Published Rating	2024	2023
			Percentage of total bank balances	
JS Islamic Pension Savings Fund - Money Market Sub Fund				
Bank Alfalah Limited	PACRA	AAA	0.02%	0.03%
Habib Metropolitan Bank Limited	PACRA	AA+	0.01%	0.03%
Allied Bank Limited	PACRA	AAA	0.02%	0.03%
Bank Islami Pakistan Limited	PACRA	AA-	0.01%	0.01%
Faysal Bank Limited	PACRA	AA	0.23%	0.90%
Askari Bank Limited	PACRA	AA+	0.03%	0.05%
Dubai Islamic Bank Pakistan Limited	VIS	AA	99.67%	98.92%
United Bank Limited	VIS	AAA	0.02%	0.03%
			<u>100.00%</u>	<u>100.00%</u>

The credit ratings of investments have been disclosed in their respective notes.

22.2.3 Concentration of credit risk

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

22.3 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 these 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.

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 up to 90 days and would be secured by the assets of the Fund. The facility would bear interest at commercial rates. However, no borrowing was 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 summarises the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity date. However, the assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

JS Islamic Pension Savings Fund - Equity Sub Fund

----- 2024 -----					
Within 1 month	More than one month and upto three months	More than three months and upto one year	More than one year	Financial instruments with no fixed maturity	Total
----- Rupees -----					

Financial Liabilities

Payable to JS Investments Limited - Pension Fund Manager	818,908	-	-	-	-	818,908
Payable to Central Depository Company of Pakistan Limited - Trustee	10,257	-	-	-	-	10,257
Payable against redemption of units	72,769	-	-	-	-	72,769
Accrued expenses and other liabilities	1,488,733	-	-	-	-	1,488,733
	<u>2,317,898</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,317,898</u>

----- 2023 -----					
Within 1 month	More than one month and upto three months	More than three months and upto one year	More than one year	Financial instruments with no fixed maturity	Total
----- Rupees -----					

Financial Liabilities

Payable to JS Investments Limited - Pension Fund Manager	937,086	-	-	-	-	937,086
Payable to Central Depository Company of Pakistan Limited - Trustee	14,874	-	-	-	-	14,874
Payable against redemption of units	72,769	-	-	-	-	72,769
Accrued expenses and other liabilities	2,141,522	-	-	-	-	2,141,522
	<u>3,093,482</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,093,482</u>

JS Islamic Pension Savings Fund - Debt Sub Fund

----- 2024 -----					
Within 1 month	More than one month and upto three months	More than three months and upto one year	More than one year	Financial instruments with no fixed maturity	Total
----- Rupees -----					

Financial Liabilities

Payable to JS Investments Limited - Pension Fund Manager	549,975	-	-	-	-	549,975
Payable to Central Depository Company of Pakistan Limited - Trustee	6,596	-	-	-	-	6,596
Payable against redemption of units	43,553	-	-	-	-	43,553
Accrued expenses and other liabilities	150,236	-	-	-	-	150,236
	<u>706,807</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>706,807</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

----- 2023 -----					
Within 1 month	More than one month and upto three months	More than three months and upto one year	More than one year	Financial instruments with no fixed maturity	Total

Financial Liabilities

Payable to JS Investments Limited - Pension Fund Manager	549,291	-	-	-	549,291
Payable to Central Depository Company of Pakistan Limited - Trustee	6,151	-	-	-	6,151
Payable against redemption of units	43,553	-	-	-	43,553
Accrued expenses and other liabilities	103,997	-	-	-	103,997
	659,439	-	-	-	659,439

JS Islamic Pension Savings Fund - Money Market Sub Fund

----- 2024 -----					
Within 1 month	More than one month and upto three months	More than three months and upto one year	More than one year	Financial instruments with no fixed maturity	Total

Financial Liabilities

Payable to JS Investments Limited - Pension Fund Manager	500,102	-	-	-	500,102
Payable to Central Depository Company of Pakistan Limited - Trustee	6,596	-	-	-	6,596
Payable against redemption of units	394,171	-	-	-	394,171
Accrued expenses and other liabilities	150,236	-	-	-	150,236
	656,934	-	-	-	656,934

----- 2023 -----					
Within 1 month	More than one month and upto three months	More than three months and upto one year	More than one year	Financial instruments with no fixed maturity	Total

Financial Liabilities

Payable to JS Investments Limited - Pension Fund Manager	474,831	-	-	-	474,831
Payable to Central Depository Company of Pakistan Limited - Trustee	8,639	-	-	-	8,639
Payable against redemption of units	15,872	-	-	-	15,872
Accrued expenses and other liabilities	104,001	-	-	-	104,001
	587,471	-	-	-	587,471

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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

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

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

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:

Equity Sub-Fund

2024			
Level 1	Level 2	Level 3	Total
(Rupees)			

At fair value through profit or loss

Listed equity securities	28,847,536	-	-	28,847,536
	<u>28,847,536</u>	<u>-</u>	<u>-</u>	<u>28,847,536</u>

2023			
Level 1	Level 2	Level 3	Total
(Rupees)			

At fair value through profit or loss

Listed equity securities	74,473,226	-	-	74,473,226
	<u>74,473,226</u>	<u>-</u>	<u>-</u>	<u>74,473,226</u>

Debt Sub-Fund

2024			
Level 1	Level 2	Level 3	Total
(Rupees)			

At fair value through profit or loss

Government of Pakistan (GoP) Ijarah Sukuks	-	11,819,960	-	11,819,960
Sukuk certificates - listed	7,445,613	-	-	7,445,613
Sukuk certificates - unlisted	-	6,000,000	-	6,000,000
Musharika certificates	-	-	-	-
	<u>7,445,613</u>	<u>17,819,960</u>	<u>-</u>	<u>25,265,573</u>

	2023			
	Level 1	Level 2	Level 3	Total
	(Rupees)			
At fair value through profit or loss				
Sukuk certificates - listed	8,619,090	-	-	8,619,090
Sukuk certificates - unlisted	-	-	-	-
Musharika certificates	-	4,000,000	-	4,000,000
	<u>8,619,090</u>	<u>4,000,000</u>	<u>-</u>	<u>12,619,090</u>

Money Market Sub Fund

	2024			
	Level 1	Level 2	Level 3	Total
	(Rupees)			
At fair value through profit or loss				
Government of Pakistan (GoP) Ijarah Sukuks	-	21,120,384	-	21,120,384
Sukuk certificates - unlisted	-	27,000,000	-	27,000,000
	<u>-</u>	<u>48,120,384</u>	<u>-</u>	<u>48,120,384</u>

	2023			
	Level 1	Level 2	Level 3	Total
	(Rupees)			
At fair value through profit or loss				
Sukuk certificates - unlisted	-	1,000,000	-	1,000,000
Musharika certificates	-	6,000,000	-	6,000,000
	<u>-</u>	<u>7,000,000</u>	<u>-</u>	<u>7,000,000</u>

24 PARTICIPANTS' SUB-FUND RISK MANAGEMENT

The Participants' Fund is represented by redeemable units. These units are entitled to payment of a proportionate share, based on the Fund's net asset value per unit on the redemption date.

The Fund has no restrictions on the subscription and redemption of units. There is no specific capital requirement which is applicable to the Fund.

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

In accordance with the risk management policies, the Fund endeavours to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemption. Since the participants of the Fund have invested with a long term objective, the possibility of a significant redemption pressure is limited, such liquidity being augmented by borrowing arrangements (which can be entered if necessary) or disposal of investments where necessary.

All units, including the core units, and fractions thereof represent an undivided share in the pertinent sub-funds of the Fund and rank parry passu as their rights in the net assets and earning of the sub-fund are not tradable or transferable. Each participant has a beneficial interest in the sub-fund proportionate to the units held by such participant in such sub-fund.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

25 GENERAL

25.1 Figures have been rounded off to the nearest rupee. Units have been rounded off to the nearest whole number.

25.2 Corresponding figures have been re-classified and re-arranged in these financial statements, wherever necessary, for the purpose of better presentation. No significant re-arrangements or re-classifications were made in these financial statements.

26 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue on August 20, 2024 by the Board of Directors of the Pension Fund Manager.



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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