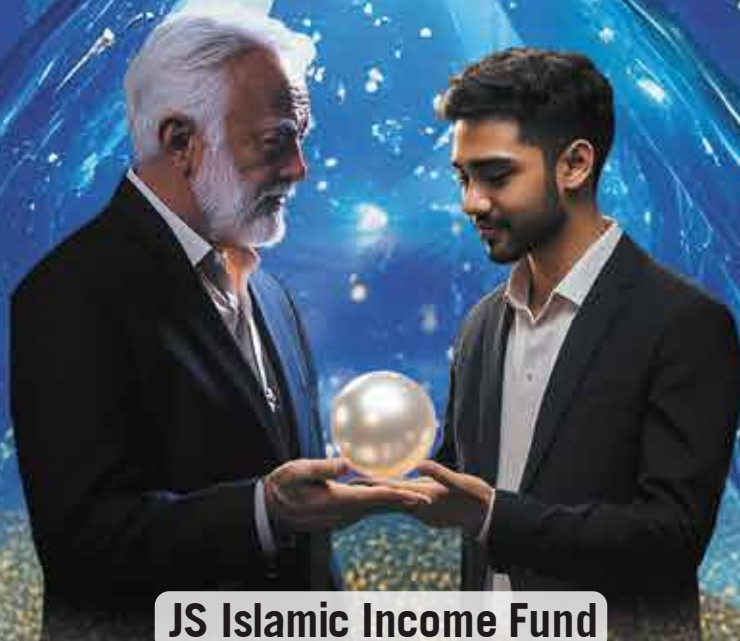




JS investments
Better Investments for a Better Future!

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& EXCELLENCE



JS Islamic Income Fund

ANNUAL REPORT 2025

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COMPANY INFORMATION



BOARD OF DIRECTORS

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

Chief Executive Officer

Ms. Iffat Zehra Mankani

Chief Financial Officer

Mr. Raheel Rehman

Chief Investment Officer

Syed Hussain Haider

Chief Operating Officer & Company Secretary

Mr. Muhammad Khawar Iqbal

Statutory Auditors

A.F. Ferguson Co Chartered Accountants

Legal Advisors

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

Audit Committee

Ms. Mediha Kamal Afsar (Chairperson)
Mr. Hasan Shahid
Mr. Faisal Anwar

Trustee

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

Shariah Advisors

AI - Hilal Shariah Advisors (Pvt) Limited.

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

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

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

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

VISION

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



MISSION

To establish a leadership position in bringing more investable asset classes and innovative products, while managing them with prudence and excellence.

DIRECTORS' REPORT TO THE UNITHOLDERS

FOR THE YEAR ENDED JUNE 30, 2025

The Board of Directors of JS Investments Limited, the Management Company of **JS Islamic Income Fund** (the Fund), is pleased to present the Annual Report for the year ended June 30, 2025.

ECONOMIC REVIEW

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

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

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

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

INCOME / MONEY MARKET REVIEW

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

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

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

REVIEW OF FUND PERFORMANCE

The Fund return was 12.75% for the year ended June 30, 2024, against the benchmark return of 10.90%. The Fund's Net Assets increased from PKR 0.897 billion as at June 30, 2024, to PKR 1.632 billion as at June 30, 2025. The Fund's total expense ratio is 1.59%, which includes 0.20% of government levies on the Fund.

DIVIDEND

The Fund paid an interim cash dividend of Rs 13.37 per unit during the year ended June 30, 2025.

ASSET MANAGER & FUND RATING

The Management Company has an asset manager rating of 'AM2++' with a 'Stable Outlook' from the Pakistan Credit Rating Agency Limited (PACRA). This rating reflects the Company's strong management quality, sound governance framework, and consistent operational performance, underscoring its continued commitment to delivering sustainable value to investors and stakeholders. PACRA also reaffirmed a Stability rating of 'AA-(f)' with 'stable outlook' to the Fund dated June 10, 2025 (2024: 'AA-(f)' with 'stable outlook' dated 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, 2026.

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, 2026.

ADDITIONAL INFORMATION

- 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.
- The Pattern of Unit holding as at June 30, 2025, is annexed to this annual report.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- A performance table / key financial data is annexed to this annual report.

ACKNOWLEDGMENT

The Directors express their gratitude to the Securities and Exchange Commission of Pakistan and Digital Custodian Company Limited for their valuable support, assistance and guidance. The Board also thanks the employees of the Management Company for their dedication and hard work and the unit holders for their confidence in the Management.

On behalf of the Board



Director



Chief Executive Officer

August 19, 2025
Karachi

اضافی معلومات:

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

اظہار تشکر:

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

بورڈ کی جانب سے

چیف ایگزیکٹو آفیسر

ڈائریکٹر

کراچی، 19 اگست 2025

فنڈ کی کارکردگی کا جائزہ:

30 جون 2025 کو اختتام پذیر ہونے والی مدت کے لیے فنڈ کا منافع 12.75 فیصد رہا، جبکہ بیچ مارک کا منافع 10.90 فیصد رہا۔ 30 جون 2024 کو فنڈ کے خالص اثاثے 0.897 بلین روپے سے بڑھ کر 30 جون 2025 کو 1.632 بلین روپے ہو گئے۔ فنڈ کا کل اخراجاتی تناسب 1.59 فیصد رہا، جس میں 0.20 فیصد حکومتی لیویز پر مشتمل ہے۔

ڈویڈنڈ:

30 جون 2025 کو اختتام پذیر ہونے والی مدت کے دوران فنڈ نے فی یونٹ 13.37 روپے کا عبوری کیش ڈویڈنڈ ادا کیا۔

ایسیٹ مینجمنٹ اور فنڈ ریٹنگ:

بینجمنٹ کمپنی کو پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) کی جانب سے 'AM2++' کی ایسیٹ مینجمنٹ ریٹنگ 'اسٹیبیل آؤٹ لک' کے ساتھ حاصل ہے۔ یہ ریٹنگ کمپنی کے مضبوط بینجمنٹ کے معیار، مستحکم گورننس فریم ورک اور مسلسل بہتر آپریشنل کارکردگی کی عکاسی کرتی ہے، جو سرمایہ کاروں اور اسٹیک ہولڈرز کو پائیدار قدر فراہم کرنے کے اس کے عزم کو اجاگر کرتی ہے۔ پاکستان کریڈٹ ریٹنگ ایجنسی (PACRA) نے 10 جون 2025 کو فنڈ کی مستحکم ریٹنگ 'AA-(f)' بمعہ 'مستحکم آؤٹ لک' دوبارہ برقرار رکھی۔ جبکہ 2024 میں، 05 اپریل 2024 کو فنڈ کی مستحکم ریٹنگ 'AA-(f)' بمعہ 'مستحکم آؤٹ لک' برقرار رکھی گئی تھی۔

آڈیٹرز:

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

شرعیہ ایڈوائزر:

میسرز الہلال شریعہ ایڈوائزرز (پرائیویٹ) لمیٹڈ نے اپنی مدت مکمل کر لی ہے۔ فنڈ کی بینجمنٹ کمیٹی، جے ایس انویسٹمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز نے، آڈٹ کمیٹی کی سفارش پر، الہلال شریعہ ایڈوائزرز کو 30 جون 2026 کو اختتام پذیر ہونے والی آئندہ مدت کیلئے دوبارہ تقرر کرنے کی منظوری دی ہے۔

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

آمدنی/مضی مارکیٹ جائزہ:

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

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

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

یونٹ ہولڈرز کیلئے ڈائریکٹرز کی رپورٹ

جے ایس انویسٹمنٹس لمیٹڈ کے بورڈ آف ڈائریکٹرز 30 جون 2025 کو اختتام پذیر ہونے والی مدت کیلئے مینجمنٹ کمپنی برائے جے ایس اسلامک انکم فنڈ (فنڈ) کی سالانہ رپورٹ پیش کرتے ہوئے پُرمسرت ہیں۔

معاشی جائزہ:

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

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

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

JS Islamic Income Fund (JS IIF)

- **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**

75% three (6) months PKISRV rates + 25% three (6) months average of the highest rates on savings account of three (3) "AA" 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-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	FY25
JSIIF	17.61%	16.70%	15.03%	14.48%	11.05%	11.17%	10.18%	11.67%	8.53%	9.55%	9.62%	9.04%	12.75%
Benchmark	10.96%	10.91%	10.75%	9.98%	9.51%	8.11%	12.01%	9.87%	10.47%	10.63%	10.61%	10.84%	10.90%
Diff.	6.66%	5.80%	4.29%	4.50%	1.54%	3.07%	-1.83%	1.80%	-1.94%	-1.08%	-0.99%	-1.80%	1.85%

- **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-25	Jun-24
Cash	32.18%	43.31%
GoP Ijara/Sukuks	11.85%	21.39%
Sukuks	3.38%	31.61%
Placement with Banks and DFIs	50.16%	0.00%
Other including receivables	2.43%	3.70%
Total	100.00%	100.00%

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

	Fund	BM
Standard Deviation	1.7%	0.7%
Duration (Yr)	0.08	
WAM (Yr)	0.65	

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

- **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-25	1,632	106.54
30-Jun-24	897	106.37

- **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 Musharakah (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. 13.37 per unit of Rs. 100/- each i.e. 13.37%. The cumulative distribution for FY25 to Rs. 13.37 per unit.

NAV per unit as on June 30, 2025	
Cum NAV (PKR)	106.54
Ex-NAV (PKR)	106.54

- **Description and explanation of any significant changes in the state of affairs of the Collective Investment Scheme during the period and up till the date of the manager's report, not otherwise disclosed in the financial statements**
There were no significant changes in the state of affairs during the year under review.

- **Breakdown of unit holdings by size**

Fund Name	Ranges			Number of Folios
		to		
JS Islamic Income Fund	0.0001	to	9,999.9999	457
	10,000.0000	to	49,999.9999	36
	50,000.0000	to	99,999.9999	9
	100,000.0000	to	499,999.9999	7
	500,000.0000	&	above	7
			Total	516

- **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:-**

Fund Manager Report

Annual Report 2025

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

JS ISLAMIC INCOME FUND PERFORMANCE TABLE

		Years				
		2025	2024	2023	2022	2021
Net assets	Rs.	1,631,698	896,713	725,186	1,535,010	2,599,537
Net income / loss	Rs.	207,961	147,024	173,820	177,757	147,466
Total return of the Fund	%	12.75	20.31	15.63	9.02	6.97
Dividend distribution	%	13.37	21.24	15.00	7.00	7.10
Capital Growth	%	(0.62)	(0.93)	0.63	2.02	(0.13)
Average annual return						
- One Year	%	12.75	20.31	15.63	9.02	6.97
- Two Years	%	16.53	17.97	12.33	8.00	8.75
- Three Years	%	16.23	14.99	10.54	8.84	8.72
NAV per unit	Rs.	106.54	106.37	106.07	104.76	102.52
Year-end offer price per unit	Rs.	107.77	107.57	107.27	105.95	103.68
Highest offer price per unit	Rs.	121.03	128.55	121.89	112.93	110.79
Lowest offer price per unit	Rs.	107.59	107.27	106.02	103.73	103.64
Year-end repurchase price per unit	Rs.	106.54	106.37	106.07	104.76	102.52
Highest repurchase price per unit	Rs.	119.65	127.11	120.52	111.66	109.55
Lowest repurchase price per unit	Rs.	106.37	106.07	104.84	102.57	102.48
Interim distribution	Rs.	13.37	21.24	15.00	7.00	7.10
Announcement date		23-Jun-25	24-Jun-24	22-Jun-23	28-Jun-22	28-Jun-21
Total distribution as % of par value	Rs.	13.37	21.24	15.00	7.00	7.10

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 25, 2025



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, 2025 comply with the provided Shariah guidelines. Therefore, it is resolved that investments in JS Islamic Income Fund managed by JS Investment Limited are halal 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, 2025. The Shariah Advisors has also confirmed that the transactions were observed to be compliant with the guidelines laid down by Shariah Advisors.

Karachi: September 29, 2025


Iffat Zehra Mankani
Chief Executive Officer

**Independent Assurance Report on Compliance with the Shariah Governance Regulations, 2023
To the Unit Holders of JS Islamic Income Fund [the Fund]**

1. Introduction

We have undertaken a reasonable assurance engagement that the Securities and Exchange Commission of Pakistan (SECP) has required in terms of its Shariah Governance Regulations, 2023 [the Regulations] – External Shariah Audit of JS Islamic Income Fund [the Fund] for assessing compliance of the Fund's financial arrangements, contracts, and transactions having Shariah implications with Shariah principles for the year ended June 30, 2025. This engagement was conducted by a multidisciplinary team including assurance practitioners and independent Shariah scholar(s).

2. Applicable Criteria

The criteria for the assurance engagement, against which the underlying subject matter [financial arrangements, contracts, and transactions having Shariah implications for the year ended June 30, 2025] is assessed, comprise the Shariah principles and rules as defined in the Regulations and reproduced as under.

- i. Legal and regulatory framework administered by the Commission;
- ii. Shariah standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), as notified by Commission;
- iii. Islamic Financial Accounting Standards, developed by the Institute of Chartered Accountants of Pakistan, as notified by the Commission;
- iv. Guidance and recommendations of the Shariah advisory committee, as notified by Commission; and
- v. Approvals, rulings or pronouncements of the Shariah supervisory board or the Shariah advisor of the Islamic financial institution, in line with (i) to (iv) above

The above criteria were evaluated for their implications on the financial statements of JS Islamic Income Fund for the year ended June 30, 2025, which are annexed.

3. Management's Responsibility for Shariah Compliance

Management is responsible to ensure that the financial arrangements, contracts, and transactions having Shariah implications, entered into by JS Islamic Income Fund with its customers, other financial institutions, and stakeholders, and related policies and procedures, are, in substance and in their legal form, in compliance with the requirements of Shariah rules and principles. The management is also responsible for the design, implementation, and maintenance of appropriate internal control procedures with respect to such compliance and maintenance of relevant accounting records.

4. Our Independence and Quality Control

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 fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

The firm applies International Standard on Quality Control 1 "Quality Control for Firms That Perform Audits and Reviews of Historical Financial Information, And Other Assurance and Related Services Engagements" and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.





5. Our Responsibility and Summary of the Work Performed

Our responsibility in connection with this engagement is to express an opinion on the compliance of JS Islamic Income Fund's financial arrangements, contracts, and transactions having Shariah implications with Shariah principles, in all material respects, for the year ended June 30, 2025 based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements 3000, 'Assurance engagements other than audits or reviews of historical financial statements', issued by the International Auditing and Assurance Standards Board.

That standard requires that we plan and perform this engagement to obtain reasonable assurance about whether the compliance of JS Islamic Income Fund's financial arrangements, contracts, and transactions having Shariah implications with Shariah principles is free from material misstatement.

The procedures selected by us for the engagement depended on our judgment, including the assessment of the risks of material non-compliance with the Shariah principles. In making those risk assessments, we considered and tested the internal control relevant to the Fund's compliance with the Shariah principles in order to design 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. We have designed and performed necessary verification procedures on various financial arrangements, contracts, and transactions having Shariah implications and related policies and procedures based on judgmental and systematic samples with regard to the compliance of Shariah principles [criteria specified in para 2 above].

We believe that the evidence we have obtained through performing our procedures was sufficient and appropriate to provide a basis for our opinion.

6. Conclusion

Based on our reasonable assurance engagement, we report that in our opinion, JS Islamic Income Fund's financial arrangements, contracts, and transactions for the year ended June 30, 2025 are in compliance with the Shariah principles, in all material respects.

(Chartered Accountants)

Engagement Partner: Muhammad Shabbir Kasbati

Date: September 29, 2025

Karachi.



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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, 2025 in accordance with the provisions of the following:
 - (i) Investment limitations imposed on the Asset Management Company and the Trustee under the trust deed and other applicable laws;
 - (ii) the valuation or pricing is carried out in accordance with the deed and any regulatory requirement;
 - (iii) the creation and cancellation of units are carried out in accordance with the deed;
 - (iv) and any regulatory requirement
2. Statement on the shortcoming(s) that may have impact on the decision of the existing or the potential unit holders remaining or investing in the Collective Investment Scheme; and

Statement

No short coming has been addressed during the year ended June 30, 2025. 3. Disclosure of the steps taken to address the shortcoming(s) or to prevent the recurrence of the short coming(s).

Disclosure of the steps

We have critically examine the fund in accordance with circular, directives, NBFC Regulations 2008 and its constitutive documents. However, no shortcoming has been addressed.

4. Trustee's opinion regarding the calculation of the management fee, CIS Monthly Fee Payable to the Commission and other expenses in accordance with the applicable regulatory framework.

Trustee Opinion

"The Management fee, CIS monthly fee payable to the Commission and other expenses has been accurately calculated in accordance with the NBFC Regulations, 2008 and its constitutive documents".

Dabeer Khan
Manager Compliance
Digital Custodian Company Limited

Karachi: September 24, 2025

ONLINE

+923-111-322-228

digitalcustodian.co

/ digitalcustodian

LAHORE

LSE Plaza, 508

Kashmir Egerton Road

+92 42 3630 4406

KARACHI

Perdesi House

Old Queens Road

+92 21 3241 9770

INDEPENDENT AUDITOR'S REPORT

To the Unit holders of JS 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 / Collective Investment Scheme), which comprise the statement of assets and liabilities as at June 30, 2025, and the income statement, the statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the 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, 2025, 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	<p>Net Asset Value (NAV) (Refer notes 5 and 6 to the annexed financial statements)</p> <p>Balances with banks and investments constitute the most significant components of the net assets value. Balances with banks aggregated to Rs. 532.34 million and investments of the Fund amounted to Rs. 1,100.10 million as at June 30, 2025.</p> <p>The existence of balances with banks and the existence and proper valuation of investments for the determination of NAV of the Fund as at June 30, 2025 was considered a high risk area and therefore we considered this as a key audit matter.</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> Obtained independent confirmations for verifying the existence of the investment portfolio and balances with banks as at June 30, 2025 and traced it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed; 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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A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
 State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
 Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>

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Other Information

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

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


 A. F. Ferguson & Co.
 Chartered Accountants
 Dated: September 30, 2025
 Karachi
 UDIN: AR202510061uSariWDoR

**FINANCIAL
STATEMENTS**

STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2025

	2025	2024
Note	(Rupees)	
ASSETS		
Bank balances	532,336,891	397,371,957
Investments	1,100,096,800	486,223,200
Profit receivable	18,602,300	30,949,275
Advances, deposits and prepayments	3,148,580	3,017,289
Total assets	1,654,184,571	917,561,721
LIABILITIES		
Payable to JS Investments Limited - Management Company	3,698,263	2,016,055
Payable to Digital Custodian Company Limited - Trustee	121,645	60,466
Payable to the Securities and Exchange Commission of Pakistan (SECP)	105,803	53,510
Payable against redemption and conversion of units	-	5,673,594
Dividend payable	66,322	66,322
Accrued expenses and other liabilities	18,494,511	12,978,351
Total liabilities	22,486,544	20,848,298
NET ASSETS	1,631,698,027	896,713,423
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)	1,631,698,027	896,713,423
CONTINGENCIES AND COMMITMENTS	13	
	----- Number of units -----	
NUMBER OF UNITS IN ISSUE	15,315,066	8,430,277
	----- Rupees -----	
NET ASSET VALUE PER UNIT	106.54	106.37

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, 2025

	2025	2024
Note	(Rupees)	
INCOME		
Profit on saving accounts with banks	97,778,858	44,242,833
Profit on corporate sukuk certificates	64,288,501	118,135,019
Profit on bai muajjal	75,648,121	-
Loss on sale of investments - net	(1,850,900)	(966,110)
Unrealised diminution on re-measurement of investments classified as financial assets 'at fair value through profit or loss' - net	6.4 (63,259)	(860,250)
	<u>(1,914,159)</u>	<u>(1,826,360)</u>
Total income	235,801,321	160,551,492
EXPENSES		
Remuneration of JS Investments Limited - Management Company	9.1 11,385,808	7,845,449
Sindh Sales Tax on Management Company's remuneration	9.2 1,707,871	1,019,908
Accounting and operating expenses	9.3 1,457,105	790,203
Selling and marketing expenses	9.4 7,199,611	427,776
Remuneration of Digital Custodian Company Limited - Trustee	10.1 1,312,716	596,891
Sindh Sales Tax on remuneration of the Trustee	10.2 196,907	77,595
Annual fee to the Securities and Exchange Commission of Pakistan (SECP)	11 1,312,743	596,891
Auditors' remuneration	15 1,069,200	828,900
Printing and stationery	126,500	101,468
Shariah advisory fee	923,591	508,035
PSX listing fee	28,250	28,250
SECP supervisory fee	2,500	2,500
Rating fee	410,813	269,662
Brokerage expense	257,750	49,290
Bank and settlement charges	10,055	1,521
Securities transaction cost	438,581	383,125
Total expenses	<u>27,840,001</u>	<u>13,527,464</u>
Net income for the year before taxation	207,961,320	147,024,028
Taxation	16 -	-
Net income for the year after taxation	207,961,320	147,024,028
Allocation of net income for the year		
Net income for the year after taxation	207,961,320	147,024,028
Income already paid on units redeemed	(72,822,229)	(58,066,107)
	<u>135,139,091</u>	<u>88,957,921</u>
Accounting income available for distribution		
- Relating to capital gains	-	-
- Excluding capital gains	135,139,091	88,957,921
	<u>135,139,091</u>	<u>88,957,921</u>

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



Chief Financial Officer



Chief Executive Officer



Director

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2025

	2025	2024
Note	----- (Rupees) -----	-----
Net income for the year after taxation	207,961,320	147,024,028
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u><u>207,961,320</u></u>	<u><u>147,024,028</u></u>

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



Chief Financial Officer



Chief Executive Officer



Director

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2025

	2025	2024
Note	----- (Rupees) -----	-----
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year before taxation	207,961,320	147,024,028
Adjustments for:		
Profit on saving accounts with banks	(97,778,858)	(44,242,833)
Profit on corporate sukuk certificates	(64,288,501)	(118,135,019)
Profit on bai muajjal	(75,648,121)	-
Net unrealised diminution on re-measurement of investments classified as financial assets 'at fair value through profit or loss' - net	6.4 63,259	860,250
Loss on sale of investments - net	1,850,900	966,110
	(235,801,321)	(160,551,492)
(Increase) / decrease in assets		
Investments - net	(615,787,759)	124,154,980
Deposits, prepayment and other receivables	(131,291)	(299,079)
	(615,919,050)	123,855,901
Increase / (decrease) in liabilities		
Payable to JS Investments Limited - Management Company	1,682,208	(190,464)
Payable to Digital Custodian Company Limited - Trustee	61,179	9,981
Payable to the Securities and Exchange Commission of Pakistan (SECP)	52,293	(190,488)
Unclaimed dividend	-	-
Accrued expenses and other liabilities	5,516,160	10,936,845
	7,311,840	10,565,874
Profit received on bank balances	94,837,549	40,706,488
Profit received on investments	155,224,906	121,052,289
Net cash (used in) / generated from operating activities	(386,384,756)	282,653,088
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issuance of units	3,338,201,378	2,163,874,604
Payments on redemption of units - net	(2,683,298,803)	(2,053,390,182)
Dividend paid	(133,552,885)	(85,981,278)
Net cash generated from financing activities	521,349,690	24,503,144
Net increase in cash and cash equivalents during the year	134,964,934	307,156,232
Cash and cash equivalents at the beginning of the year	397,371,957	90,215,725
Cash and cash equivalents at the end of the year	532,336,891	397,371,957

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, 2025

	2025			2024		
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
Rupees						
Net assets at the beginning of the year	868,409,106	28,304,317	896,713,423	699,858,577	25,327,674	725,186,251
Issue of 30,780,791 (2024: 19,724,063) units						
- Capital value (at net asset value per unit at the beginning of the year)	3,274,152,739	-	3,274,152,739	2,092,131,362	-	2,092,131,362
- Element of income	115,080,251	-	115,080,251	129,542,033	-	129,542,033
Total proceeds on issuance of units	3,389,232,990	-	3,389,232,990	2,221,673,395	-	2,221,673,395
Redemption of 23,896,002 (2024: 18,130,919) units						
- Capital value (at net asset value per unit at the beginning of the year)	(2,541,817,733)	-	(2,541,817,733)	(1,923,146,578)	-	(1,923,146,578)
- Element of loss	(62,985,247)	(72,822,229)	(135,807,476)	(72,177,497)	(58,066,107)	(130,243,604)
Total payments on redemption of units	(2,604,802,980)	(72,822,229)	(2,677,625,209)	(1,995,324,075)	(58,066,107)	(2,053,390,182)
Total comprehensive income for the year	-	207,961,320	207,961,320	-	147,024,028	147,024,028
Distribution for the year ended June 30, 2025 on June 23, 2025 @ Rs. 13.37 per unit	-	(133,552,885)	(133,552,885)	-	(85,981,278)	(85,981,278)
Refund of capital	(51,031,612)	-	(51,031,612)	(57,798,791)	-	(57,798,791)
Net assets at the end of the year	1,601,807,504	29,890,523	1,631,698,027	868,409,106	28,304,317	896,713,423
Undistributed income brought 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>	
Accounting income available for distribution						
- Relating to capital gains		-			-	
- Excluding capital gains		135,139,091			88,957,921	
		<u>135,139,091</u>			<u>88,957,921</u>	
Distribution for the year ended June 30, 2025 - Rs. 13.37 per unit on June 23, 2025 (2024: Rs. 21.24 per unit on June 24, 2024)		(133,552,885)			(85,981,278)	
Undistributed income carried forward		<u>29,890,523</u>			<u>28,304,317</u>	
Undistributed income carried forward						
- Realised income		29,953,782			29,164,567	
- Unrealised loss		(63,259)			(860,250)	
		<u>29,890,523</u>			<u>28,304,317</u>	
			(Rupees)			(Rupees)
Net asset value per unit at the beginning of the year			<u>106.37</u>			<u>106.07</u>
Net asset value per unit at the end of the year			<u>106.54</u>			<u>106.37</u>

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



Chief Financial Officer



Chief Executive Officer



Director

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** JS 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 on the 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 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 categorised as a 'Shariah Compliant Income Scheme' (based on Wakalat ul Istithmar) as per the criteria for the categorisation of open-end collective investment schemes specified by the SECP. 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, Shariah-compliant bank deposits and other Shariah-compliant debt instruments.
- 1.5** The Fund 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 authorised investments only. In keeping with the investment objective, the Fund'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 accredited the credit rating of the Management Company to 'AM2++' with 'stable outlook' dated November 30, 2024 (2024: 'AM2+' with 'stable outlook' dated December 27, 2023).
- 1.8** During the year ended June 30, 2021, The Trusts Act, 1882 was repealed due to the promulgation of Provincial Trusts Act namely "Sindh Trusts Act, 2020" (the Sindh Trusts Act) as empowered under the Eighteenth Amendment the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trusts Act. Accordingly the above-mentioned Trust Deed has been registered under the Sindh Trusts Act.
- 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

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 (IFRS Accounting Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017, along with part 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 IFRS Accounting Standards, 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

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2024. 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

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

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

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 judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities and income and expenses. The estimates, judgments and associated assumptions are based on historical experience and various other factors including expectations of future events that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities. The estimates and underlying assumptions are

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

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 and 6).

3.5 Accounting convention

These financial statements have been prepared under the historical cost convention except for investments classified as 'at fair value through profit or loss' which are measured at their respective fair values. The details in respect of valuation techniques under IFRS 13 'Fair Value Measurement' used for the fair valuation of financial assets has been disclosed in note 23.1

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 at amortised cost. These comprise of balances with banks in savings accounts.

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); and
- at fair value through profit or loss (FVPL)

based on the business model of the entity.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

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

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 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 recognised on debt securities can be reversed through the Income Statement.

As allowed by the SECP, the Management Company may make provision against debt securities over and above the minimum provision requirement prescribed by the SECP, considering the specific credit and financial condition of the debt security issuer and in accordance with the provisioning policy duly approved by the Board of Directors of the Management Company. The provisioning policy approved by the Board of Directors has 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 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, the Fund has transferred substantially all the risks and rewards of ownership or the Fund neither transfers nor retains substantially all the risks and rewards of ownership and the Fund has not retained control. Any gain or loss on derecognition of financial assets is taken to the Income Statement.

4.3 Financial liabilities

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

4.3.2 Derecognition

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

4.4 Offsetting of financial assets and financial liabilities

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

Income and expenses are presented on a net basis only when permitted by the accounting and reporting standards as applicable in Pakistan.

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 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 recognised 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 recognised in the financial statements of the year in which such distributions are declared and approved by the Board of Directors of the Management Company.

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 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, 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

4.10 Revenue recognition

- Gains / (losses) arising on sale of investments are included in Income Statement and are recognised on the date when the transaction takes place;
- 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;
- Income on sukuk certificates is recognised on a time proportionate basis using the effective yield method.
- Profit on savings account with banks is recognised 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 recognised 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 realised or unrealised, is distributed amongst the unit holders. Furthermore, for the purpose of determining distribution of at least 90 percent of the accounting income, the income distributed through bonus units shall not be taken into account.

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

	Note	2025	2024
		----- Rupees -----	
5 BANK BALANCES			
Balances with banks in:			
Savings accounts	5.1	515,135,131	393,856,364
Current accounts	5.2	17,201,760	3,515,593
		<u>532,336,891</u>	<u>397,371,957</u>
5.1			
These include a bank balance with BankIslami Pakistan Limited (a related party) of Rs. 2.003 million (2024: Rs. 93.300 million) carrying profit at 0.10% (2024: 18.50%) per annum. Other profit and loss sharing accounts carry profit rates ranging from 5.00% to 17.00% (2024: 15.00% to 18.50%) per annum.			
5.2			
This represents bank balances with JS Bank Limited (a related party).			
5.3			
The Fund has maintained balances with banks under Shariah arrangements.			
6 INVESTMENTS			
At fair value through profit or loss			
Corporate sukuk certificates	6.1	251,865,994	486,223,200
Bai muajjal receivable	6.2	848,230,806	-
Government of Pakistan - Ijarah sukuk certificates - unlisted	6.3	-	-
		<u>1,100,096,800</u>	<u>486,223,200</u>
6.1 Corporate sukuk certificates			
Listed debt securities	6.1.1	196,000,000	272,697,700
Unlisted debt securities	6.1.2	55,865,994	213,525,500
		<u>251,865,994</u>	<u>486,223,200</u>

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6.1.1 Listed debt securities - Corporate sukuk certificates

Name of the security	Face value per certificate (Rupees)	Profit rate	Maturity date	As at July 1, 2024	Purchased during the year	Sold during the year	As at June 30, 2025	Balance as at June 30, 2025			Market value as percentage of	
								Carrying value	Market value	Unrealised diminution	net assets of the Fund	total investments of the fund
Hub Power Holdings Limited Unsecured (AA, PACRA)	75,000	6 months KIBOR plus base rate of 2.50%	November 12, 2025	1,000	-	1,000	-	-	-	-	-	-
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	196,081,753	196,000,000	(81,753)	12.01	17.82
Total as at June 30, 2025								196,081,753	196,000,000	(81,753)	12.01	17.82
Total as at June 30, 2024								273,669,200	272,697,700	(971,500)	30.41	56.09

6.1.2 Unlisted debt securities - Corporate sukuk certificates

Name of the security	Face value per certificate (Rupees)	Profit rate	Maturity date	As at July 1, 2024	Purchased during the year	Sold during the year	As at June 30, 2025	Balance as at June 30, 2025			Market value as percentage of	
								Carrying value	Market value	Unrealised appreciation	net assets of the Fund	total investments of the fund
Airlink Communication Limited, Secured (A+, PACRA)	100,000	6 months KIBOR plus base rate of 1.75%	January 10, 2025	-	590	590	-	-	-	-	-	-
OBS AGP Private Limited Secured (A+, VIS)	31,250	3 months KIBOR plus base rate of 1.55%	July 15, 2026	1,780	-	-	1,780	55,847,500	55,865,994	18,494	3.42	5.08
K-Electric Limited STS 25 Unsecured (A-1+, VIS)	1,000,000	6 months KIBOR plus base rate of 1.50%	November 02, 2024	13	-	13	-	-	-	-	-	-
K-Electric Limited STS 29 Unsecured (A-1+, PACRA)	1,000,000	6 months KIBOR plus base rate of 0.20%	September 28, 2024	100	-	100	-	-	-	-	-	-
Total as at June 30, 2025								55,847,500	55,865,994	18,494	3.42	5.08
Total as at June 30, 2024								213,414,250	213,525,500	111,250	23.81	43.91

6.2 Bai muajjal receivable

Name of the investee company	Rating	Issue date	Maturity date	Profit rate	As at July 1, 2024	Purchased during the year	Matured during the year	Total deferred income	Accrued profit for the year	As at June 30, 2025	Balance as at June 30, 2025			Market value as a percentage of			
											Carrying value	Market value	Unrealised appreciation / (diminution)	net assets of the fund	Total investments of the fund		
																----- (Rupees in '000) -----	
United Bank Limited	AAA	May 5, 2025	August 5, 2025	11.60%	-	283,902,496	-	7,716,075	4,780,612	283,902,496	266,683,108	266,683,108	-	16.47	24.42		
Askari Bank Limited	AA+	May 2, 2025	August 1, 2025	11.50%	-	199,422,148	-	5,717,679	3,769,898	199,422,148	203,192,046	203,192,046	-	12.45	18.47		
Pak Oman Investment Company Limited	AA+	April 8, 2025	July 9, 2025	11.75%	-	281,750,315	-	7,752,112	7,078,015	281,750,315	268,828,330	268,828,330	-	16.48	24.44		
Pak China Investment Company Limited	AAA	April 7, 2025	July 9, 2025	11.70%	-	104,675,279	-	3,120,470	2,852,043	104,675,279	107,527,322	107,527,322	-	6.59	9.77		
Zirai Taraqati Bank Limited	AAA	February 24, 2025	April 7, 2025	11.35%	-	103,596,700	103,596,700	-	-	-	-	-	-	-	-		
Pak Brunei Investment Company Limited	AA+	February 7, 2025	April 8, 2025	11.40%	-	259,488,699	259,488,699	-	-	-	-	-	-	-	-		
United Bank Limited	AAA	February 4, 2025	May 5, 2025	11.30%	-	259,748,538	259,748,538	-	-	-	-	-	-	-	-		
Habib Bank Limited	AAA	November 26, 2024	February 24, 2025	13.00%	-	101,064,579	101,064,579	-	-	-	-	-	-	-	-		
Pak Brunei Investment Company Limited	AA+	November 12, 2024	February 7, 2025	13.00%	-	253,331,155	253,331,155	-	-	-	-	-	-	-	-		
United Bank Limited	AA+	November 6, 2024	February 4, 2025	13.00%	-	255,347,346	255,347,346	-	-	-	-	-	-	-	-		
Askari Bank Limited	AA+	November 1, 2024	April 25, 2025	13.50%	-	190,700,736	190,700,736	-	-	-	-	-	-	-	-		
Zirai Taraqati Bank Limited	AAA	August 20, 2024	November 5, 2024	17.70%	-	323,959,401	323,959,401	-	-	-	-	-	-	-	-		
Total as at June 30, 2025											18,480,568	629,750,238	848,230,806	848,230,806	-	52	77
Total as at June 30, 2024																	

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6.3 Government of Pakistan - Ijarah sukuk certificates - unlisted

Name of the security	Issue date	Maturity date	Profit rate	Number of certificates			Balance as at June 30, 2025			Market Value as a percentage of		
				As at July 01, 2024	Purchased during the year	Sold during the year	As at June 30, 2025	Carrying value	Market value	Unrealised appreciation / (diminution)	net assets of the fund	total investments of the fund
				(Rupees in '000)						%		
Government of Pakistan- Ijara Sukuk												
1 year	December 4, 2023	December 4, 2024	20.00%	-	175,000,000	175,000,000	-	-	-	-	-	-
1 year	October 9, 2023	October 9, 2024	22.00%	-	300,000,000	300,000,000	-	-	-	-	-	-
Government of Pakistan- Ijara Sukuk												
5 year	June 26, 2023	June 26, 2028	13.00%	-	225,000,000	225,000,000	-	-	-	-	-	-
5 year	July 29, 2020	July 29, 2025	11.00%	-	194,000,000	194,000,000	-	-	-	-	-	-
5 year	May 29, 2020	May 29, 2025	13.00%	-	100,000,000	100,000,000	-	-	-	-	-	-
5 year	May 29, 2020	May 29, 2025	13.00%	-	250,000,000	250,000,000	-	-	-	-	-	-
5 year	May 29, 2020	May 29, 2025	13.00%	-	250,000,000	250,000,000	-	-	-	-	-	-
5 year	May 29, 2020	May 29, 2025	13.00%	-	100,000,000	100,000,000	-	-	-	-	-	-
5 year	April 30, 2020	April 30, 2025	13.00%	-	250,000,000	250,000,000	-	-	-	-	-	-
5 year	April 30, 2020	April 30, 2025	13.00%	-	100,000,000	100,000,000	-	-	-	-	-	-
5 year	April 30, 2020	April 30, 2025	13.00%	-	250,000,000	250,000,000	-	-	-	-	-	-
5 year	April 27, 2022	April 27, 2027	14.00%	-	245,000,000	245,000,000	-	-	-	-	-	-
Total as at June 30, 2025							-			-		
Total as at June 30, 2024							-			-		

6.4 Net unrealised diminution on re-measurement of investments classified as financial assets 'at fair value through profit or loss'

	Note	2025	2024
		Rupees	
Market value of investments	6.1, 6.2 & 6.3	1,100,096,800	486,223,200
Less: carrying value of investments	6.1, 6.2 & 6.3	(1,100,160,059)	(487,083,450)
		(63,259)	(860,250)

7 PROFIT RECEIVABLE

Profit receivable on:

- Bank balances - under shariah arrangements		14,355,975	11,414,666
- Corporate sukuk certificates		4,246,325	19,534,609
		18,602,300	30,949,275

8 ADVANCES, DEPOSITS AND PREPAYMENTS

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		501,392	370,101
Advance tax	8.1	47,188	47,188
		3,148,580	3,017,289

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 (2024: 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 (SCP) by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the SCP

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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, 2025 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

9	PAYABLE TO JS INVESTMENTS LIMITED - MANAGEMENT COMPANY	Note	2025 ----- Rupees -----	2024 -----
		9.1	1,522,607	665,261
	Remuneration payable to the Management Company			
	Sindh Sales Tax payable on remuneration of the Management Company	9.2	228,391	86,663
	Accounting and operational charges payable	9.3	-	71,347
	Selling and marketing expenses payable	9.4	773,190	48,831
	Federal excise duty payable on Management Company's remuneration	9.5	987,701	987,701
	Sales load payable		13,617	-
	Shariah advisory fee		62,912	81,215
	Printing charges payable		109,845	75,037
			3,698,263	2,016,055

9.1 As per Regulation 61 of the NBFC Regulations, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in 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 0.65% (2024: 1%) per annum calculated on average annual net assets of the Fund during the year ended of June 30, 2025. The remuneration is payable to the Management Company monthly in arrears.

During the year ended June 30, 2025, the SECP, vide S.R.O.600(I)/2025 dated April 10, 2025, revised the management fee cap to 1.50% to be calculated on a per annum basis of the average daily net assets, applicable to an "Income Scheme". This revision is effective from July 1, 2025.

9.2 Sindh sales tax levied through Sindh Sales Tax on Services Act, 2011 on remuneration of the Management Company has been enhanced from rate of 13% to 15% (2024: 13%) effective from July 1, 2024 vide Sindh Finance Act, 2024.

9.3 In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to accounting and operational 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% (2024: 0.1%) per annum of the average annual net assets of the Fund during the year, not being higher than actual expense incurred.

Further, the SECP, vide S.R.O.600(I)/2025 dated April 10, 2025, has issued amendments in respect of expenses chargeable to CISs as prescribed in Schedule XX of the NBFC Regulations, from which the chargeability of expenses related to accounting and operational services has been excluded. This amendment was effective immediately upon its release on April 10, 2025.

9.4 In accordance with Circular 11 dated July 5, 2019 with respect to charging selling and marketing expenses, the Management Company, based on its own discretion, has charged such expenses to the Fund till April 30, 2025 at the rate of 0.5% (2024: 0.50%) per annum on average daily net assets of the Fund.

Further, the SECP, vide S.R.O.600(I)/2025 dated April 10, 2025, has issued amendments in respect of expenses chargeable to CISs, as prescribed in Schedule XX of the NBFC Regulations, from which the chargeability of expenses related to selling and marketing services has been excluded. This amendment was effective immediately upon its release on April 10, 2025.

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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 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. 0.988 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 0.064 (2024: Re 0.12) per unit.

	Note	2025	2024
		----- Rupees -----	
10	PAYABLE TO DIGITAL CUSTODIAN COMPANY LIMITED - TRUSTEE		
	Remuneration payable	105,778	53,510
	Sindh Sales Tax payable on remuneration of the Trustee	15,867	6,956
		<u>121,645</u>	<u>60,466</u>

10.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the trust deed at 0.075% (2024: 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. 0.197 million (2024: Rs. 0.078 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 15% (2024: 13%).

	Note	2025	2024
		----- Rupees -----	
11	PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)		
	Fee payable	105,803	53,510

11.1 In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay non-refundable fee to the Securities and Exchange Commission of Pakistan (SECP) at the rate of fee to 0.075% (2024: 0.075%) per annum of the daily net assets of the Fund.

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

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12	ACCRUED EXPENSES AND OTHER LIABILITIES	2025	2024
		----- Rupees -----	-----
	Auditors' remuneration payable	630,111	541,011
	Rating fee payable	352,414	226,311
	CDC custodian, transaction & connection fees payable	2,708	858
	Withholding tax payable	13,506,391	11,234,767
	Capital gain tax payable	2,792,835	750,006
	Zakat payable	291,201	56,932
	Other payable	918,851	168,466
		<u>18,494,511</u>	<u>12,978,351</u>

13 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2025 and June 30, 2024.

14	NUMBER OF UNITS IN ISSUE	2025	2024
		----- Rupees -----	-----
	Units in issue at the beginning of the year	8,430,277	6,837,133
	Units issued during the year	30,780,791	19,724,063
	Units redeemed during the year	<u>(23,896,002)</u>	<u>(18,130,919)</u>
	Total units in issue as the end of the year	<u>15,315,066</u>	<u>8,430,277</u>

15 AUDITORS' REMUNERATION

Annual audit fee	450,000	342,500
Fee for half yearly review	300,000	230,000
Fee for other certifications	150,000	125,000
Out of pocket expenses	90,000	70,000
Sindh Sales Tax	79,200	61,400
	<u>1,069,200</u>	<u>828,900</u>

16 TAXATION

The income of the Fund is exempt from income tax under Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the Management Company has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2025 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.

17 TOTAL EXPENSE RATIO

The annualised Total Expense Ratio (TER) of the Fund as at June 30, 2025 is 1.59% (2024: 1.70%) which includes government levies which is 0.20% (2024: 0.23%) such as sales taxes, annual fee to the SECP etc. This ratio is within the maximum limit of 2.5% (excluding govt. levies) prescribed under the NBFC Regulations for a collective investment scheme categorised as an 'Shariah Compliant Income Scheme'.

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During the year ended June 30, 2025, the Securities and Exchange Commission of Pakistan (SECP), vide S.R.O. 600(I)/2025 dated April 10, 2025, amended the previously applicable Total Expense Ratio (TER) cap. With effect from July 1, 2025, this amendment replaces the earlier TER-based cap structure with a direct cap on the management fee, irrespective of the scheme's overall expense ratio. The revised management fee limits have been disclosed in note 9.1 to the financial statements.

18 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.

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.

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

	2025	2024
	----- Rupees -----	
JS Investments Limited - Management Company		
Remuneration of the Management Company	11,385,808	7,845,449
Sales Tax on remuneration to the Management Company	1,707,871	1,019,908
Accounting and operating expenses	1,457,105	790,203
Selling and marketing expense	7,199,611	427,776
Issue of units: Nil (2024: 5,185,430) units	-	570,000,000
Redemption of units: Nil (2024: 7,636,374) units	-	851,323,035
Sales load	129,309	92,163
Other reimbursements	1,050,091	609,503
Digital Custodian Company Limited - Trustee		
Remuneration of the Trustee	1,312,716	596,891
Sales tax on Trustee fee	196,907	77,595
BankIslami Pakistan Limited (Fellow subsidiary of JSBL)		
Profit on bank balances	2,570,417	25,136,249
JS Investment limited Staff Provident Fund (Employee benefit fund of the Management Company)		
Redemption of units: Nil (2024: 82,464) units	-	8,817,083

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	2025	2024
	----- Rupees -----	
JS Motion Picture Fund		
(Fund under JSIL Management)		
Redemption of units: 257,434 (2024: Nil) units	28,052,608	-
Dividend reinvest: Nil (2024: 42,949) units	-	4,555,655
Entities holding 10% or more of units		
Issue of units: 5,792,168 (2024: 2,152,057) units	639,723,018	251,528,129
Redemption of units: 2,371,341 (2024: Nil) units	252,239,542	-
Refund of capital: 221,962 (2024: 219,284) units	-	-
Dividend reinvest: 506,075 (2024: Nil) units	53,831,236	-
Dividend distribution	-	22,450,190
Key Management Personnel of the Management Company		
Issue of units: 51,792 (2024: 34,225) units	6,122,205	4,349,409
Redemption of units: 47,369 (2024: 43,887) units	5,568,609	5,493,442
Refund of capital: 5,671 (2024: 6,780) units	-	-
Dividend reinvest: 34 (2024: 60) units	3,659	6,388
18.2 Details of balances with related parties / connected persons as at year end	2025	2024
	----- Rupees -----	
JS Investments Limited - Management Company		
Remuneration payable to the Management Company	1,522,607	665,261
Sindh sales tax payable on remuneration of the Management Company	228,391	86,663
Accounting and operational charges payable	-	71,347
Federal excise duty payable on remuneration of the Management Company	987,701	987,701
Selling and marketing expense payable	773,190	48,831
Sales load payable	13,617	-
Shariah advisory fee	62,912	81,215
Printing charges payable	109,845	75,037
Digital Custodian Company Limited - Trustee		
Remuneration payable to the Trustee	105,778	53,510
Sindh sales tax payable on remuneration of the Trustee	15,867	6,956
JS Bank Limited		
(Parent Company of JSIL)		
Bank balances (Current account)	17,201,760	3,515,593
BankIslami Pakistan Limited		
(Fellow subsidiary of JSBL)		
Bank balances	2,002,946	93,298,939
Profit receivable	13,544	1,365,644
JS Motion Picture Fund		
(Fund under JSIL Management)		
Units outstanding: Nil (2024: 257,434) units	-	27,383,279
Entities holding 10% or more of units		
Units outstanding: 6,520,205 (2024: 2,371,341) units	694,662,689	252,239,542
Key Management Personnel of the Management Company		
Units outstanding: 51,185 (2024: 41,057) units	5,453,321	4,367,248

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

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18.3 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.

19 FINANCIAL INSTRUMENTS BY CATEGORY

	2025		
	At amortised cost	At fair value through profit or loss	Total
	----- Rupees -----		
Financial assets			
Bank balances	532,336,891	-	532,336,891
Investments	-	1,100,096,800	1,100,096,800
Profit and dividend receivable	18,602,300	-	18,602,300
Deposits	2,600,000	-	2,600,000
	<u>553,539,191</u>	<u>1,100,096,800</u>	<u>1,653,635,991</u>
Financial liabilities			
Payable to JS Investments Limited - Management Company	3,698,263	-	3,698,263
Payable to Digital Custodian Company Limited - Trustee	121,645	-	121,645
Dividend payable	66,322	-	66,322
Accrued expenses and other liabilities	1,904,084	-	1,904,084
	<u>5,790,314</u>	<u>-</u>	<u>5,790,314</u>

	2024		
	At amortised cost	At fair value through profit or loss	Total
	----- Rupees -----		
Financial assets			
Bank balances	397,371,957	-	397,371,957
Investments	-	486,223,200	486,223,200
Profit and dividend receivable	30,949,275	-	30,949,275
Deposits	2,600,000	-	2,600,000
	<u>430,921,232</u>	<u>486,223,200</u>	<u>917,144,432</u>
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
Dividend payable	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
	<u>8,753,083</u>	<u>-</u>	<u>8,753,083</u>

	Note	2025		2024	
		----- Rupees -----			
Balances with banks	5	<u>532,336,891</u>		<u>397,371,957</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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

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: currency risk, profit rate risk and price risk.

21.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. At present, the Fund 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, 2025, 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, 2025, 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. 16.152 million (2024: Rs. 8.801 million).

b) Sensitivity analysis for fixed rate instruments

As at June 30, 2025, 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, 2025, 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, 2025 and June 30, 2024 can be determined as follows:

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

2025						
Effective yield / interest rate	Exposed to yield / interest risk			Not exposed to yield / interest rate risk	Total	
	Upto three months	More than three months and up to one year	More than one year			
Financial assets						
Bank balances	0.10% - 17.00%	515,135,131	-	-	17,201,760	532,336,891
Investments	11.30% - 17.70%	848,230,806	-	251,865,994	-	1,100,096,800
Profit receivable		-	-	-	18,602,300	18,602,300
Deposits		-	-	-	2,600,000	2,600,000
		1,363,365,937	-	251,865,994	38,404,060	1,653,635,991
Financial liabilities						
Payable to JS Investments Limited - Management Company		-	-	-	3,698,263	3,698,263
Payable to Digital Custodian Company Limited - Trustee		-	-	-	121,645	121,645
Unclaimed dividend		-	-	-	66,322	66,322
Accrued expenses and other liabilities		-	-	-	1,904,084	1,904,084
		-	-	-	5,790,314	5,790,314
On-balance sheet gap (a)		1,363,365,937	-	251,865,994	32,613,746	1,647,845,677
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a+b)		1,363,365,937	-	251,865,994		
Cumulative interest rate sensitivity gap		1,363,365,937	1,363,365,937	1,615,231,931		

2024						
Effective yield / interest rate	Exposed to yield / interest risk			Not exposed to yield / interest rate risk	Total	
	Upto three months	More than three months and up to one year	More than one year			
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
Deposits		-	-	-	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
Accrued expenses and other liabilities		-	-	-	5,673,594	5,673,594
		-	-	-	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		

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

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:

	2025		2024	
	Balance as per statement of assets and liabilities	Maximum exposure	Balance as per statement of assets and liabilities	Maximum exposure
	----- Rupees -----			
Bank balances	532,336,891	532,336,891	397,371,957	397,371,957
Investments	1,100,096,800	1,100,096,800	486,223,200	289,988,000
Profit and dividend receivable	18,602,300	18,602,300	30,949,275	30,949,275
Deposits	2,600,000	2,600,000	2,600,000	2,600,000
	<u>1,653,635,991</u>	<u>1,653,635,991</u>	<u>917,144,432</u>	<u>720,909,232</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 the Bank	Rating agency	2025	
		Latest available published rating	% of financial assets exposed to credit risk
Meezan Bank Limited	VIS	AAA	0.002%
Zarai Taraqiyati Bank Limited	VIS	AAA	0.002%
Bank Alfalah Limited	PACRA	AAA	0.002%
JS Bank Limited	PACRA	AA	3.231%
Faysal Bank Limited	PACRA	AA	0.442%
Dubai Islamic Bank Limited	VIS	AA	13.923%
BankIslami Pakistan Limited	PACRA	AA-	0.377%
Soneri Bank Limited	PACRA	AA-	0.364%
The Bank of Khyber	PACRA	A+	0.006%
Al Baraka Islamic Bank Limited	VIS	AA-	0.002%
U Microfinance Bank Limited	VIS	A+	81.639%
NRSP Microfinance Bank Limited	VIS	A-	0.0100%
			<u>100.00%</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Name of the Bank	Rating agency	2025	
		Latest available published rating	% of financial assets exposed to credit risk
Meezan Bank Limited	VIS	AAA	0.003%
Habib Bank Limited	VIS	AAA	0.001%
Zarai Taraqati 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%
			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, 2025 and June 30, 2024 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 realisable.

As per NBFC Regulations, 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, no borrowing was required to be obtained by the Fund during the current year.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of 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, 2025.

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

2025						
Within one month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial instruments with no fixed maturity	Total
------(Rupees)-----						
Payable to JS Management Limited - Management Company	3,698,263	-	-	-	-	3,698,263
Payable to Digital Custodian Company Limited - Trustee	121,645	-	-	-	-	121,645
Unclaimed dividend	66,322	-	-	-	-	66,322
Accrued expenses and other liabilities	1,273,973	630,111	-	-	-	1,904,084
	5,160,203	630,111	-	-	-	5,790,314

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	395,635	541,011	-	-	-	936,646
	8,212,072	541,011	-	-	-	8,753,083

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, 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 20, 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, 2025

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, 2025 and June 30, 2024, the Fund held the following financial instruments measured at fair value

ASSETS

	2025			
	Level 1	Level 2	Level 3	Total
Financial assets 'at fair value through profit or loss'	Rupees			
Corporate sukuk certificates - listed	196,000,000	-	-	196,000,000
Corporate sukuk certificates - unlisted	-	55,865,994	-	55,865,994
Bai muajjal receivable*	-	848,230,806	-	848,230,806
	<u>196,000,000</u>	<u>904,096,800</u>	<u>-</u>	<u>1,100,096,800</u>

	2024			
	Level 1	Level 2	Level 3	Total
Financial assets 'at fair value through profit or loss'	Rupees			
Corporate sukuk certificates - listed	272,697,700	-	-	272,697,700
Corporate sukuk certificates - unlisted	-	213,525,500	-	213,525,500
	<u>272,697,700</u>	<u>213,525,500</u>	<u>-</u>	<u>486,223,200</u>

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

23.1 Valuation techniques used in determination of fair values

Item	Valuation approach and input used
Listed corporate sukuks	The fair value of the listed corporate sukuks has been determined based on the closing rates provided by the Pakistan Stock Exchange Limited as of June 30, 2025
Unlisted corporate sukuks	The valuation of unlisted corporate sukuks has been determined from MUFAP debt valuation sheet as on the reporting date. The closing rates are announced by MUFAP daily on its website.

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

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	24	MBA
2	Mr. Khawar Iqbal	Chief Operating Officer & Company Secretary	32	MBA
3	Syed Hussain Haider	Chief Investment Officer	23	CFA, CIPM
4	Ms. Samina Faisal	Country Head, Business Development	34	MBA
5	Syed Muhamamd Safdar Raza	Fund Manager	9	BCOM

24.1 Name and qualification of the Fund Manager

Name	Designation	Qualification	Other funds managed by the Fund Manager
Syed Muhammad Safdar Raza	Fund Manager	Bachelors in Commerce	JS Cash Fund, JS Income Fund, JS Government Securities Fund, JS Microfinance Sector Fund, JS Money Market Fund, JS Islamic Money Market Fund, JS Pension Savings Fund and JS Islamic Pension Savings Fund, JS Fixed Term Munafa Fund, JS Fixed Term Munafa Plan II

25 UNIT HOLDING PATTERN OF THE FUND

Category	As at June 30, 2025			
	Number of unit holders	Number of units held	Investment amount	Percentage of total investment
Individuals	487	3,579,364	381,352,599	23.37%
Associated company	-	-	-	-
Insurance companies	2	824,283	87,820,759	5.38%
Retirement funds	19	10,869,176	1,158,024,015	70.97%
Others	8	42,243	4,500,654	0.28%
	<u>516</u>	<u>15,315,066</u>	<u>1,631,698,027</u>	<u>100</u>

Category	As at June 30, 2024			
	Number of unit holders	Number of units held	Investment amount	Percentage of total investment
Individuals	443	2,999,532	319,054,819	35.58%
Associated company	1	257,434	28,382,791	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>897,713,423</u>	<u>100</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

26 LIST OF TOP BROKERS BY PERCENTAGE OF COMMISSION PAID

----- 2025 -----		----- 2024 -----	
Name of broker	Percentage of commission paid	Name of broker	Percentage of commission paid
Alfalah Securities (Private) Limited	12.80%	Next Capital Limited	100.00%
C & M Management (Private) Limited	21.17%		
Invest One Markets Limited	13.51%		
KTRADE Securities Limited	5.22%		
Paramount Capital (Private) Limited	2.06%		
Pearl Securities Limited	45.24%		

27 MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

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

*Mr. Faisal Anwar joined the Board on January 07, 2025

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

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

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

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, whenever necessary to facilitate comparison and to conform with changes in presentation in the current year. No significant rearrangements or reclassifications have been made in these financial statements during the current year.

29 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on 19, August 2025 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 - Islamabad**
Office No. 414, 4th Floor, PSX Building,
Jinnah Avenue, Islamabad.
- **Regional Office - Lahore**
1st Floor, Plot # 151-MB, DHA Phase 6-C,
Near KFC, Lahore, Pakistan. Phone : 042-38302094
- **Wealth Centre - Lahore**
Ground Floor, Plot # 151-MB, DHA Phase 6-C,
Near KFC, Lahore, Pakistan. Phone : 042-38302094

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