



Unit Trust of Pakistan

Annual Report 2021



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VISION

To be recognized as a responsible asset manager respected for continually realizing goals of its investors.

MISSION

To build JS Investments into a top ranking Asset Management Company; founded on sound values; powered by refined knowhow; supported by a committed team operating within an accountable framework of social, ethical and corporate responsibility - a strong and reliable institution for its shareholders to own; an efficient service provider and value creator for clients; an exciting and fulfilling work place for employees; and a participant worth reckoning for competitors.

BROAD POLICY OBJECTIVES

- Value creation for clients on a sustainable basis
- Maintain high standards of ethical behaviors and fiduciary responsibility
- Manage Investments with Prudence and with the aim of providing consistent returns better than that of peers
- Take Products and Services to the People, Create awareness on understanding financial goals, risks and rewards
- Professional Excellence – Adapt, Evolve and Continuously Improve
- Maintain highly effective controls through strong compliance and risk management
- A talented, diligent and diverse HR



ORGANIZATION

Management Company

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

Board of Directors

Mr. Suleman Lalani	Chairman
Ms. Iffat Zehra Mankani	Chief Executive Officer
Mr. Hasan Shahid	Non-Executive Director
Mr. Asif Reza Sana	Independent Director
Ms. Aisha Fariel Salahuddin	Independent Director
Mr. Zahid Ullah Khan	Non-Executive Director
Mr. Imran Haleem Shaikh	Non-Executive Director
Mr. Mirza Muhammad Sadeed Hassan Barlas*	Non-Executive Director

Audit Committee

Mr. Asif Reza Sana	Chairman
Ms. Aisha Fariel Salahuddin	Member
Mr. Hasan Shahid	Member

Director Finance & Company Secretary

Mr. Muhammad Khawar Iqbal

Chief Financial Officer

Mr. Zafar Iqbal Ahmed

Trustee

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

Auditors

Yousuf Adil
Chartered Accountants

Legal Adviser

Bawaney & Partners

* Mr. Mirza Muhammad Sadeed Hassan Barlas has been appointed as Director of JS Investments Limited w.e.f August 09, 2021 in



Unit Trust of Pakistan

Directors' Report to the Unit Holders

The Board of Directors of JS Investments Limited, the Management Company of **Unit Trust of Pakistan** (the Fund), is pleased to present the Annual Report for the year ended June 30, 2021.

Economic Review:

Despite innumerable challenges, Pakistan's economy is moving progressively on a sustainable growth path. Before the COVID-19 pandemic hit Pakistan's economy, the reforms had laid the base for an economic recovery as was visible in 2H FY19 figures, however, it was brought to a halt due to the incidence of the coronavirus pandemic. Pakistan did much better in coping up with the pandemic compared to many countries and as a result GDP growth came in at 3.94% for FY21; sharply recovering from the FY20 decline of 0.5%. The rebound in GDP growth was underpinned by a recovery in industrial sector growth from an FY20 contraction of 3.8% to an FY21 expansion of 3.6%. Similarly, the services sector grew 4.4% in FY21, after constricting by 0.6% in the preceding year.

Inflation is still one of the bigger issues that our economy faces today. Headline CPI and core CPI averaged 8.9% and 6.6% respectively. The latter remained below 7%, allowing the SBP to accommodate growth by continuing to maintain a dovish monetary policy stance. It is also pertinent to mention that inflation all over the world remained volatile mainly due to supply-side disruptions in commodities due to the COVID-19 pandemic.

The SBP also maintained its policy of a flexible exchange rate regime. The rupee appreciated by 9.4% against the greenback; largely a consequence of the current account surplus reported during the period. As a result, SBP reserves rose 54% to USD 17.8 bn while total liquid FX reserves rose 36% to USD 24.8 bn. The import cover has remained steady at 5 months despite a rise in imports as a result of a rebound in economic activity.

Equity Market Review:

The KSE100 index rose 37.6% in FY21 while the KSE30 and KMI 30 indices rose 27.6% and 39.3% respectively. The stellar returns are mostly due to COVID-induced market decline in the preceding year which was recovered in the current fiscal year.

Technology & Communication returned 294% during the year while Glass & Ceramics rose 171%. Refinery, Engineering, Auto Assemblers, Paper & Board and Cement were the other sectors that gained the most during the period. The biggest underperforming sectors were Food & Personal Care, Oil & Gas Exploration and Fertilizer with a return of -3.2%, -0.4% and 1.8% respectively.

The dominant theme during the fiscal year was high beta pro-cyclical stocks that tend to benefit from economic expansion, higher large-scale manufacturing growth and higher demand from housing in particular. The incumbent government's focus on promoting housing and water conservation (through construction of dams) has led to a sharp rally in construction sector related stocks.

On the other hand, traditional blue-chip companies sharply underperformed. The same earnings stability that helped prop up valuations during the FY17 – FY19 recession led to a lack of interest in these stocks when corporate earnings growth concerns were at the forefront.

Traded value improved significantly on the bourse. KSE 100 average traded value rose from PKR 6.1 bn in FY20 to PKR 13.2 bn in FY21, a historic increase of 116%. Traded value has improved significantly on the back of the sharpest rebound in equities since 2017.

Income / Money Market Review:

During the fiscal year to date, State Bank of Pakistan (SBP) kept the Policy Rate unchanged at 7%. The central bank has decreased its supply of Pakistan Investment Bonds and had rejected bids in the new issuance of 5 years instrument until January 2021. However, as demand remained intact particularly from the Insurance and Banking sector, SBP finally started accepting bids in the 5 years instrument at a cut-off yield of 9.52%. Currently, the 5 Year PIB is trading at 9.48%.

The Ministry of Finance and the SBP remain committed towards prioritizing economic growth. Even so concerns around the current account and inflation remain intact; investors have preferred to remain in short-term treasury bills and floating rate bonds due to expectations of modest interest rate tightening in the short term. During the period under review, the secondary market yields for the 3 month, 6 month and 12 month T-bills have increased to 7.28%, 7.53% and 7.81%, respectively.

The Islamic money market witnessed the issuance of Government of Pakistan Ijara Sukuk in the in the second quarter of the financial year 2021 (2QFY21). SBP accepted bids of PKR 335 BN in Variable Rental Rate (VRR) Ijara Sukuk as preference for floating rate Sukuk remained prevalent among investors. Furthermore, bids of PKR 33 billion bids were received for the 5 year Fixed Rental Rate (FRR) Ijara Sukuk, out of which only PKR 14 billion was accepted. In comparison, there was no new issuance of Ijara Sukuks in the previous quarter.



Review of Fund Performance

The Fund return was 25.00% for the year ended June 30, 2021 against benchmark return of 26.72%. Net Assets moved from PKR. 951 million to PKR. 1,101 million as at June 30, 2021.

Asset Manager Rating

The Pakistan Credit Rating Agency Limited (PACRA) has affirmed JS Investments' Management Quality Rating of "AM2"(AM-Two) with a "stable" outlook. The rating denotes High Management Quality.

Auditors

The external auditors of the Fund Messrs Yousuf Adil Chartered Accountants retire and being eligible offers themselves for re-appointment. The Board of Directors, upon recommendation of the Audit Committee of the Board has approved the appointment of Yousuf Adil Chartered Accountants, as the Fund's auditors for the ensuing year ending June 30, 2022.

Board of Directors

During the period Ms. Iffat Zehra Mankani has joined as the Chief Executive Officer of the Company in place of Mr. Hasnain Raza Nensey. In addition to that Syed Tauqir Haider Rizvi, Mr. Babbar Wajid, Mr. Kamran Jafar and Mr. Tahir Ali Sheikh have resigned from the Board whereas, Mr. Suleman Lalani, Mr. Imran Haleem Shaikh, Mr. Zahid Ullah Khan and Mr. Mirza M. Sadeed H. Barlas were appointed as Directors on their places respectively.

Additional Matters

- Annexed to the Annual Report is Fund Manager's Report giving description of principal risks and uncertainties with reasonable indication of future prospects of profit.
- The Pattern of Unit holding as at June 30, 2021 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.

Significant Matters

- Subsequent to the year ended June 30, 2021, Sindh Revenue Board (SRB) through its letter dated August 12, 2021, has intimated MUFAP that the mutual funds do not qualify as Financial Institution/ Industrial Establishment and are, therefore, not liable to pay the Sindh Workers Welfare Fund (SWWF) contributions. This development was discussed at the MUFAP level and has also been taken up with the Securities and Exchange Commission of Pakistan (SECP) and all the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognized in the financial statements of the Funds on August 13, 2021. The SECP has given its concurrence for prospective reversal of provision for SWWF, Accordingly, going forward, no provision for SWWF would be recognized in the financial statement of the Fund.
- The Board approved addition of the note 12.1 related to the prospective reversal of SWWF in the financial statements of Fund on September 22, 2021.
- Due to the enactment of the Sindh Trusts Act, 2020 (as amended vide Sindh Trusts (Amended) Act, 2021) ("the Act"), the Trusts including Collective Investment Schemes, Private Funds etc, being Specialized Trusts are required to be registered with the Assistant Director of Industries and Commerce (Trust Wing), Government of Sindh under Section 12A of the Act. For this purpose, Re-Stated Trust Deeds of all Funds have been executed between the Management Company and the Trustees and all the relevant Trust Deeds along with necessary documents have been submitted with Assistant Director of Industries and Commerce (Trust Wing), Government of Sindh.

Acknowledgment

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

The Directors' Report was initially approved by the Board of Directors of management company on August 21, 2021 and further amended on September 22, 2021 to incorporate the subsequent event as disclosed in above significant matter related to reversal of SWWF provisioning.

شراکت داروں کے لیے ڈائریکٹرز رپورٹ

ہے ایس انویسٹمنٹس لمیٹڈ کے بورڈ آف ڈائریکٹرز، یونٹ ٹرسٹ آف پاکستان (دی فنڈ) کی مینجمنٹ کمپنی نے 30 جون 2021 کو ختم ہونے والے سال کے لیے سالانہ رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

معاشی جائزہ

لا تعداد چیلنجز کے باوجود، پاکستان کی معیشت ترقی کی راہ پر مستحکم نمو کی طرف بڑھ رہی ہے۔ کووڈ-19 کی وباء کے پاکستانی معیشت پر حملے سے پہلے اصلاحات کے ذریعے معاشی بحالی کا آغاز ہو گیا تھا جس کا اندازہ مالی سال 19 کی دوسری ششماہی سے ہوتا ہے، تاہم کرونا وائرس کی وبا پھیلنے کے سبب بحالی کا عمل رک گیا۔ پاکستان نے کئی دوسرے ممالک کے مقابلے میں وباء سے نمٹنے کیلئے بہتر اقدامات کئے جس کے نتیجے میں مالی سال 21 کے لئے جی ڈی پی کی شرح نمو مالی سال 20 میں 0.5% کی کمی سے بحالی کے بعد 3.94% ہو گئی۔ جی ڈی پی کی نمو کے دوبارہ بڑھنے کی وجہ مالی سال 20 میں صنعتی شعبے کے 3.8% سکڑاؤ سے مالی سال 21 میں 3.6% اضافہ تھی۔ اسی طرح خدمات کے شعبے میں گزشتہ سال کے 0.6% سکڑاؤ کے بعد مالی سال 21 میں 4.4% پھیلاؤ آیا۔

افراط زر آج بھی ہماری معیشت کو درپیش سب سے بڑے مسائل میں سے ایک ہے۔ بلند ترین سی پی آئی اور بنیادی سی پی آئی بالترتیب 8.9% اور 6.6% ہیں۔ موخر الذکر کے 7% سے کم رہنے کے سبب اسٹیٹ بینک آف پاکستان کو اپنی نزم مائٹری پالیسی برقرار رکھنے میں مدد ملی۔ یہ کہنا بھی ضروری ہے کہ دنیا بھر میں افراط زر میں اتار چڑھاؤ کی کیفیت جاری ہے جس کی وجہ کووڈ-19 کی وباء سے ایشیا کی سپلائی کے مرحلے میں بڑی رکاوٹیں پیدا ہوئی تھی۔

اسٹیٹ بینک آف پاکستان نے لگژر شرح تبادلہ کی پالیسی کا سلسلہ بھی برقرار رکھا۔ گرین بیک کے مقابلے میں روپے کی قیمت میں 9.4% بہتری آئی جو اس مدت کے دوران میں اضافی کرنٹ اکاؤنٹ کے سبب ممکن ہوئی۔ اس کے نتیجے میں اسٹیٹ بینک آف پاکستان کے ذخائر 54% اضافے کے ساتھ 17.8 بلین امریکی ڈالر ہو گئے جب کہ کل لیکویڈ غیر ملکی زرمبادلہ (FX) کے ذخائر 36% اضافے کے ساتھ 24.8 بلین امریکی ڈالر ہو گئے۔ معاشی سرگرمیوں کے دوبارہ بڑھنے کے نتیجے میں درآمدات میں اضافے کے باوجود درآمدات کا کور 5 ماہ تک مستحکم رہا۔

ایکیویٹی مارکیٹ کا جائزہ

مالی سال 21 میں KSE 100 انڈیکس میں 37.6% جبکہ KSE 30 اور KMI 30 انڈیکسز میں بالترتیب 27.6% اور 39.3% کا اضافہ ہوا۔ شاندار منافع زیادہ تر پچھلے سال کووڈ کی وجہ سے مارکیٹ میں کمی کے سبب ہے جو رواں مالی سال میں بحال کیا گیا تھا۔

سال کے دوران نیکینالوجی اور کمپیوٹیشن نے 29.4% کا منافع دیا جبکہ گلاس اور سٹاکس میں 17.1% کا اضافہ ہوا۔ اس مدت کے دوران ریٹائرمنٹ، انجینئرنگ، آٹو اسمبلر، سپر اینڈ بورڈ اور سینٹ وہ دیگر شعبے تھے جن میں سب سے زیادہ اضافہ ہوا۔ فوڈ اینڈ پراسسنگ، آئل اینڈ گیس اور ایکسپلوریشن اینڈ پروسسنگ سے زیادہ کم کارکردگی کا مظاہرہ کرنے والے تھے جن میں بالترتیب -3.2%، -0.4% اور 1.8% کا منافع ہوا۔ مالی سال کے دوران غالب موضوع high beta pro-cyclical اسٹاک تھا جس کو معاشی پھیلاؤ، بڑے پیمانے کی مینوفیکچرنگ میں بڑے اضافے اور خاص طور پر ہاؤسنگ کی جانب سے زیادہ طلب سے فائدہ ہوا۔ موجودہ حکومت کے ہاؤسنگ اور پانی کی ذخائر میں اضافہ (ڈیزیز کی تعمیر کے ذریعے) پر خصوصی توجہ نے تعمیراتی شعبے سے متعلق اسٹاکس میں تیزی سے اضافہ کیا ہے۔

دوسری طرف روایتی مستحکم کمپنیوں کی کارکردگی میں معمولی کمی دیکھنے میں آئی۔ آمدنی کا جو استحکام مالی سال 17 - مالی سال 19 کی کساد بازاری کے دوران میں اقدار کو سہارا دینے میں معاون رہا، اسی کے سبب ان اسٹاکس میں عدم دلچسپی پیدا ہوئی جب کارپوریٹ آمدنی میں اضافے سے متعلق تشویش نمایاں رہی۔

بازار حصص میں تھنارتی ویلیو میں نمایاں بہتری آئی۔ KSE 100 میں ٹریڈنگ کی اوسط ویلیو مالی سال 20 کے 6.1 بلین پاکستانی روپے سے بڑھ کر مالی سال 21 میں 11.6% کے تاریخی اضافے کے ساتھ 13.2 بلین پاکستانی روپے ہو گئی۔ تجارتی ویلیو میں نمایاں اضافے کا سبب 2017 سے ایکویٹیٹیز میں تیزی سے دوبارہ اضافہ ہونا تھا۔

انکم / منی مارکیٹ کا جائزہ

اب تک کے مالی سال کے دوران، اسٹیٹ بینک آف پاکستان (SBP) نے پالیسی ریٹ میں کوئی تبدیلی نہیں کی اور یہ شرح 7% رہی۔ سینٹرل بینک نے پاکستان انویسٹمنٹ بانڈز (PIBs) کی فراہمی میں کمی کی ہے اور جنوری 2021 تک 5 سالہ دستاویز کے نئے اجراء میں بولیاں مسترد کر دی تھیں۔ تاہم، انشورنس اور بینکنگ سیکٹرز سے خاص طور پر طلب برقرار رہی، اسٹیٹ بینک نے بالآخر 9.52% کی کٹ آف پیداوار پر 5 سالہ دستاویز میں بولیاں قبول کرنا شروع کر دیں۔ اس وقت 5 سالہ PIBs 9.48% پر تجارت کر رہے ہیں۔

وزارت خزانہ اور اسٹیٹ بینک آف پاکستان معاشی ترقی کو ترجیح دینے کے لیے پرعزم ہیں۔ اس کے باوجود کرنٹ اکاؤنٹ اور افراط زر کے بارے میں خدشات برقرار ہیں؛ سرمایہ کاروں نے نقلی مدت میں معمولی شرح سود میں سختی کی توقعات کی وجہ سے نقلی مدتی ٹریڈری بلوں (T Bills) اور فلوٹنگ ریٹ بانڈز میں رہنے کو ترجیح دی ہے۔ زبردستی جواز مدت کے دوران، 3 ماہ، 6 ماہ اور 12 ماہ کے ٹی بلز کے لیے ثانوی مارکیٹ کی پیداوار بالترتیب 7.28%، 7.53% اور 7.81% تک بڑھ گئی ہے۔

مالی سال 2021 کی دوسری سہ ماہی (2QFY21) میں اسلامک منی مارکیٹ نے حکومت پاکستان کے اجارہ سکوک کے اجراء مشاہدہ کیا۔ SBP نے ویری ایبل ریٹل ریٹ (VRR) اجارہ سکوک میں 335 بلین پاکستانی روپے کی بولیاں منظور کیں کیونکہ سرمایہ کاروں میں فلوٹنگ ریٹ سکوک کو ترجیح دی جاتی رہی۔ مزید برآں، 5 سالہ فکسڈ ریٹل ریٹ (FRR) اجارہ سکوک کے لیے 33 بلین پاکستانی روپے کی بولیاں موصول ہوئیں، جن میں سے صرف 14 بلین پاکستانی روپے کی بولیاں قبول کی گئیں۔ اس کے مقابلے میں، گزشتہ سہ ماہی میں اجارہ سکوکس کا کوئی نیا اجراء نہیں ہوا تھا۔

فنڈ کی کارکردگی کا جائزہ

30 جون 2021 کو ختم ہونے والے سال کے لیے فنڈ کا منافع 26.72% اپنے بیچ مارک منافع کے مقابلے میں 25.00% رہا۔ 30 جون 2021 کو خالص اثاثہ جات 951 بلین روپے سے 1,101 بلین روپے پر پہنچ گئے۔

ایسیٹ مینجر ریٹنگ

پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) نے بے ایس اوٹسٹمنٹس لمیٹڈ کو "AM 2" (اے ایم ٹو) کی مینجمنٹ کوالٹی ریٹنگ "stable" امکانات کے ساتھ تفویض کی ہے۔ یہ ریٹنگ مینجمنٹ کے اعلیٰ معیار کی نشاندہی کرتی ہے۔

آڈیٹرز

ریٹائر ہونے والے بیرونی آڈیٹرز میسرز ڈیولوپمنٹ ایسٹ ایٹ یوسف عادل چارٹرڈ اکاؤنٹنٹس اہلیت کی بنیاد پر خود کو دوبارہ تقرری کے لیے پیش کرتے ہیں۔ بورڈ آف ڈائریکٹرز نے، آڈٹ کمیٹی کی تجویز پر، میسرز ڈیولوپمنٹ ایٹ یوسف عادل چارٹرڈ اکاؤنٹنٹس کی 30 جون 2022 کو ختم ہونے والے سال کے لیے تقرری کی منظوری دی۔

بورڈ آف ڈائریکٹرز

مدت کے دوران، محترمہ عفت زہرہ منگانی نے جناب حسین رضا نیسی کی جگہ کمپنی کی چیف ایگزیکٹو آفیسر کی حیثیت سے شمولیت اختیار کی۔ اس کے علاوہ جناب سید توقیر حیدر رضوی، جناب بارو اجد اور جناب کامران جعفر بورڈ سے مستعفی ہو گئے جبکہ جناب سلیمان لالانی، جناب حلیم شیخ، جناب زاہد اللہ خان اور جناب مرزا ایم ساد پیدائش برلاس کو بالترتیب ان کی جگہ ڈائریکٹر مقرر کیا گیا۔

اضافی معاملات

۱۔ سالانہ رپورٹ کے ساتھ فنڈ مینجر پورٹ منسلک ہے جس میں مرکزی خطرات اور منافع جات کے مستقبل کے امکانات کی مناسب علامت کے ساتھ ہیجان کی کیفیت کی وضاحت کی ہے۔
ب۔ شائع ہونے والے مالیاتی گوشوارے میں 30 جون 2021 کو پونٹ ہولڈنگ کے نمونہ کی تشہیر ہوئی۔
ج۔ اندرونی کنٹرول کا نظام ساخت کے اعتبار سے مضبوط ہے اور اس پر موثر اطلاق اور نگرانی کی جاتی ہے۔
د۔ کارکردگی کا ٹیبل / ایم مالیاتی معلومات اس سالانہ رپورٹ کے ضمیمہ میں دی گئی ہیں۔

اہم معاملات

۳۰ جون 2021 کو ختم ہونے والے سال کے بعد، سندھ ریونیو بورڈ (ایس۔ آر۔ بی) نے 12 اگست 2021 کے اپنے خط کے ذریعے ایم یو ایف اے پی کو آگاہ کیا ہے کہ میو چل فنڈز مالیاتی ادارے / صنعتی ادارے کے طور پر اہل نہیں ہیں اور اس وجہ سے وہ سندھ ورکرز ویلفیئر فنڈ (SWWF) کی شراکت ادائیگی کے ذمہ دار نہیں ہیں۔ اس ترقی پر MUFAP کی سطح پر تبادلہ خیال کیا گیا اور اسے سیکورٹیز ریگولیشنز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کے ساتھ بھی اٹھایا گیا ہے اور ایس ای سی پی کے ساتھ مشاورت کے ساتھ تمام اثاثہ جات مینجمنٹ کمپنیوں نے فنڈ کے SWWF کو 13 اگست 2021 کے مالی بیانات میں تسلیم شدہ مجموعی فراہمی کو الٹ دیا ہے۔ ایس ای سی پی نے ڈیبوڈ بلو ایف کی فراہمی کی ممکنہ الٹ پلٹ کے لئے اپنی رضامندی دی ہے، اس کے مطابق، آگے بڑھتے ہوئے فنڈ کے مالی بیانات میں ڈیبوڈ بلو ایف کے لئے کوئی شیئہ تسلیم نہیں کی جائے گی۔
۲۲ ستمبر 2021 کو بورڈ نے مالیاتی بیانات میں (SWWF) کے ممکنہ الٹ سے متعلق نوٹ 12.1 شامل کرنے کی منظوری دی۔

۱۲۔ سندھ ٹرسٹس ایکٹ 2020 (ترمیم شدہ بذریعہ سندھ ٹرسٹس (ترمیم شدہ) ایکٹ 2021) ("دی ایکٹ") کے نفاذ سے ٹرسٹس بشمول اجتماعی انویسٹمنٹ اسکیمز، پرائیویٹ فنڈز وغیرہ کو ایکٹ کے سیکشن 12 A کے تحت خصوصی ٹرسٹس ہونے کی بناء پر اسٹنٹ ڈائریکٹر آف انڈسٹریز اینڈ کامرس (ٹرسٹ ونگ) حکومت سندھ کے ساتھ رجسٹر ہونا لازمی ہے۔ اس مقصد کیلئے مینجمنٹ کمپنیوں کے درمیان تمام فنڈز کی دوبارہ تشکیل کی گئی ٹرسٹ ڈیپارٹمنٹ کی گئی ہیں اور ڈیپارٹمنٹ متعلقہ ٹرسٹ ڈیپارٹمنٹ ضروری دستاویزات اسٹنٹ ڈائریکٹر آف انڈسٹریز اینڈ کامرس (ٹرسٹ ونگ)، حکومت سندھ کے پاس جمع کرا دی گئی ہیں۔

اظہار تشکر

ڈائریکٹرز پیش قدمی اور معاونت، مدد اور رہنمائی پر سیکورٹیز ریگولیشنز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) اور سینٹرل ڈیپارٹمنٹ آف پاکستان لمیٹڈ (CDCPL) سے اظہار تشکر کرتے ہیں۔ بورڈ لیکن اور محنت پر مینجمنٹ کمپنی کے ملازمین اور انتظامیہ پر اعتماد پر پونٹ ہولڈرز کا بھی شکریہ ادا کرتا ہے۔

ڈائریکٹروں کی رپورٹ کو ابتدائی طور پر 21 اگست 2021 کو مینجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز نے منظور کیا 22 ستمبر 2021 کو مزید ترمیم کی تاکہ بعد کے ایونٹ کو شامل کیا جاسکے جیسا کہ مذکورہ بالا اہم معاملے میں ظاہر کی گیا ہے جو کہ SWWF پروویڈنگ سے متعلق ہے۔

ڈائریکٹر

چیف ایگزیکٹو آفیسر

کراچی:



Unit Trust of Pakistan

Fund Manager Report Annual Report 2021

Unit Trust of Pakistan (UTP)

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

Balanced Scheme / Open end

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

UTP is a balanced fund that aims to preserve and grow investor's capital in the long term while providing a regular stream of current income on an annual basis. The fund operates a diverse portfolio of equity and fixed income investments whereby the equity component is meant to provide the growth in capital while dividends on the equity component along with the fixed income investments help generate the current income.

- 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**

Rate of return of KSE-30 Index and six (6) month KIBOR, for any period of return, on the basis of actual proportions of the portfolio.

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

	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	FY21
UTP	9.99%	4.72%	-2.17%	-0.14%	1.24%	4.78%	3.90%	0.36%	-2.92%	-0.81%	6.48%	-2.06%	25.00%
Benchmark	10.32%	2.77%	-1.44%	-1.10%	2.78%	4.27%	4.47%	-0.31%	-1.72%	-0.07%	6.18%	-1.48%	26.72%
Diff.	-0.32%	1.94%	-0.73%	0.96%	-1.54%	0.51%	-0.57%	0.67%	-1.20%	-0.74%	0.30%	-0.58%	-5.27%

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

The fund had an average equity invested level of 70% with the balance being invested in the fixed income space. As of June 2021 the fund had high exposure towards Cements, Commercial Banks & Oil & Gas Exploration while the remaining exposure was in a diversified pool of stocks.

Sector allocations were decided based upon the country's improving macroeconomic outlook and significant growth potential in the economy. Individual stock selection and allocation within these sectors varied during the year based upon the investment case for or against a stock and its relative price at a particular point in time.

The fund had 10% exposure towards TFCs/Sukuks as of June 2021, 9% exposure to MTS/Spread Transactions with the remainder of the funds in cash or near cash instruments.

The asset allocation of the Fund was determined holistically, factoring in view on the interest rate cycle, targeted weighted average maturity of the portfolio, instrument ratings, return profile and fundamental analysis of underlying securities where applicable.

- 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-21	Jun-20
Cash	12.07%	11.59%
Equity	66.28%	67.13%
TFCs / Sukkuks	10.32%	14.90%
T Bills	0.00%	5.33%
MTS / Spread Transactions	9.25%	0.00%
Other including receivables	2.08%	1.05%
Total	100.00%	100.00%

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

	Fund		Fund	BM
Information Ratio	(0.03)	Beta	0.6	1.0
Correlation	0.97	Largest Month Gain	15.9%	19.3%
Standard Deviation*	15.4%	Largest Month Loss	-24.0%	-33.8%
Expense Ratio**	4.63%	% Positive Months	67.7%	62.1%

* Since inception

** This includes 0.77% government levy, Sindh Worker's Welfare Fund and SECP fee. Selling & Marketing Expense PKR 11,629,763.

- 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-21	1,101	173.77
30-Jun-20	951	141.40

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

The fund has a balanced structure and invests in equity and fixed income instruments. Equity securities include those listed on the Pakistan Stock Exchange (PSX). PSX has a market capitalization of ~\$51 billion with 30+ sectors.

On the fixed income front, the fund invests in domestic government and corporate securities, spread transactions and bank accounts.

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

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

Distribution

The fund has paid a final distribution of Rs. 3.00 per unit of Rs. 100/- each i.e. 3%. The cumulative distribution for FY21 is Rs. 3.00 per unit.

NAV per unit as on June 30, 2021	
Cum NAV (PKR)	173.77
Ex-NAV (PKR)	173.77

- 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.



Unit Trust of Pakistan

- **Breakdown of unit holdings by size**

Fund Name	Ranges			Number of Folios
Unit Trust of Pakistan	0.0001	to	9,999.9999	237
	10,000.0000	to	49,999.9999	27
	50,000.0000	to	99,999.9999	9
	100,000.0000	to	499,999.9999	5
	500,000.0000	&	above	1
			Total	279

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

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

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

Investment is subject to market risk.

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

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

**PERFORMANCE TABLE 2021**

	2021	2020	2019	2018	2017
Net assets - Rupees in "million"	1,100.86	950.89	1,040.88	1,415.00	1,687.20
Net income - Rupees in "million"	234.35	32.42	(189.92)	(210.00)	332.49
Total return of the Fund	25.00%	4.05%	-14.12%	-12.51%	24.49%
Annual dividend distribution	-	4.90%	-	-	6.00%
Capital Growth	25.00%	-0.85%	-14.12%	-12.51%	18.49%
Average annual return					
- One Year	25.00%	4.05%	-14.12	-12.51%	24.49%
- Two Year	14.53%	-5.04%	-13.32%	5.99%	15.74%
- Three Year	4.98%	-7.53%	-0.71%	6.32%	15.00%
Total dividend distribution	-	31.90	-	-	52.53
Net assets value - Rupees (Ex- Dividend)	173.77	141.40	140.66	163.79	188.34
Redemption Price	173.77	141.40	140.66	163.79	187.22
Offer Price	179.67	146.20	145.43	169.35	192.84
Cash dividend - Rupees	-	4.90	-	-	6.00
Dividend as % of NAV at the beginning of the year	-	3.48	-	-	3.79
Highest issue price during the year - Rupees	189.20	164.67	165.55	196.95	217.01
Lowest issue price during the year - Rupees	148.16	132.68	138.39	155.52	160.82
Highest redemption price during the year - Rupee	182.99	165.56	169.86	191.21	210.68
Lowest redemption price during the year - Rupee	143.30	117.93	124.52	150.99	156.13

Notes

- Unit Trust of Pakistan was launched on October 27, 1997.
- 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

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

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Fax: (92-21) 34326021 - 23
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TRUSTEE REPORT TO THE UNIT HOLDERS

UNIT TRUST OF PAKISTAN

Report of the Trustee pursuant to Regulation 41(h) and Clause 9 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of Unit Trust of Pakistan (the Fund) are of the opinion that JS Investments Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2021 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, September 22, 2021



Yousuf Adil
Chartered Accountants

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INDEPENDENT AUDITORS' REPORT

To the unit holders of Unit Trust of Pakistan

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Unit Trust of Pakistan (the Fund), which comprise the statement of assets and liabilities as at June 30, 2021, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2021, and of its financial performance and its cash flows for the year then ended in accordance with accounting and reporting standards as applicable in Pakistan.

Basis for opinion

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

Key audit matter

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.

S. No.	Key audit matter	How the matter was addressed in our audit
1	<p>Valuation and existence of investment</p> <p>Investments held at fair value through profit or loss are disclosed in note 6 to the financial statements and represent a significant portion of the net assets of the Fund.</p> <p>The Fund's primary activity is, inter alia, to invest in equity and debt securities (including government securities) which is the main driver of the Fund's performance.</p>	<p>We performed the following procedures during our audit of investments:</p> <ul style="list-style-type: none"> obtained understanding of relevant controls placed by the Management Company applicable to the balance; independently verified existence of investments from the Central Deposit Company (CDC) and Investor Portfolio Service (IPS) account statements;



S. No.	Key audit matter	How the matter was addressed in our audit
	Considering the above factors the existence and valuation are significant areas during our audit due to which we have considered this as a Key Audit Matter.	<ul style="list-style-type: none"> independently tested the valuation directly with the prices quoted on Pakistan Stock Exchange (PSX) and those published on Mutual Fund Association of Pakistan (MUFAP) website respectively; performed test of details on sale and purchase of investments on a sample basis; and any differences identified during our testing that were over our acceptable threshold were investigated further.

Information other than the financial statements and auditor’s report thereon

Management Company 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 audit report.

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 Company and Those Charged with Governance for the financial statements

Management Company is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as the Management Company 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 Company 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 Company 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 are 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.



YOUSUF ADIL

Yousuf Adil
Chartered Accountants

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 Management Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management Company.
- Conclude on the appropriateness of Management Company'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 Those Charged with Governance of 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 Those Charged with Governance of Management Company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with Those Charged with Governance of 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

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is Nadeem Yousuf Adil.



Chartered Accountants

Place: Karachi

Date: September 30, 2021



FINANCIAL STATEMENTS

**STATEMENT OF ASSETS AND LIABILITIES**

AS AT JUNE 30, 2021

	Note	2021	2020
-----Rupees-----			
ASSETS			
Bank balances	5	141,973,573	114,408,240
Investments	6	981,322,591	862,648,439
Accrued return on bank balances and investments	7	1,953,649	4,764,446
Prepayment, deposits and other receivables	8	24,305,810	6,139,331
Total assets		1,149,555,623	987,960,456
LIABILITIES			
Payable to JS Investments Limited - Management Company	9	7,162,093	6,303,269
Remuneration payable to Central Depository Company of Pakistan Limited - Trustee	10	198,587	176,689
Annual fee payable to Securities and Exchange Commission of Pakistan	11	217,379	192,607
Accrued expenses and other liabilities	12	40,189,537	29,282,170
Dividend payable		928,218	1,112,101
Total liabilities		48,695,814	37,066,836
NET ASSETS		1,100,859,809	950,893,620
UNIT HOLDERS' FUNDS (AS PER STATEMENT ATTACHED)		1,100,859,809	950,893,620
Contingencies and commitments	13		
----- Number of units -----			
Number of units in issue	14	6,335,220	6,724,637
----- Rupees -----			
Net asset value per unit	4.4	173.7682	141.4045

The annexed notes from 1 to 34 form an integral part of these financial statements.

For JS Investments Limited
(Management Company)_____
Chief Executive Officer_____
Chief Financial Officer_____
Director



Unit Trust of Pakistan

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021	2020
-----Rupees-----			
INCOME			
Mark-up / interest income on bank balances and investments	15	24,825,881	45,515,663
Dividend income		30,421,642	28,028,110
Net gain / (loss) on sale of investments	16	94,570,542	(197,027)
Net unrealised gain / (loss) on re-measurement of investment classified as 'financial assets at fair value through profit or loss'	17	138,559,429	(3,339,916)
Unrealised loss on forward contracts		(6,739,190)	-
Other income	18	1,455,111	-
Total income		283,093,415	70,006,830
EXPENSES			
Remuneration of JS Investments Limited - Management Company	9	21,738,485	19,261,666
Sindh Sales Tax on remuneration of the Management Company	9.1	2,826,027	2,504,029
Remuneration of Central Depository Company of Pakistan Limited - Trustee	10	2,087,528	1,916,176
Sindh Sales Tax on remuneration of the Trustee	10.1	270,848	249,103
Annual fee to Securities and Exchange Commission of Pakistan	11	217,403	192,632
Reimbursement of accounting and operational charges to the Management Company	9.2	1,086,888	963,160
Selling and marketing expenses - Management Company	9.3	11,629,763	7,115,105
Securities transaction cost		2,708,703	3,342,456
Fee to National Clearing Company of Pakistan Limited		666,167	677,525
Auditors' remuneration	19	582,850	551,893
Bank and settlement charges		120,886	127,575
Listing fee		25,000	25,000
SECP supervisory fee on listing fee		2,500	2,500
Total expenses		43,963,048	36,928,820
Net income from operating activities		239,130,367	33,078,010
Provision for Sindh Workers' Welfare Fund	12.1	4,782,607	661,564
Net income for the year before taxation		234,347,760	32,416,446
Taxation	21	-	-
Net income for the year after taxation		234,347,760	32,416,446
Earnings per unit	4.12		
Allocation of net income for the year			
Net income for the year after taxation		234,347,760	32,416,446
Income already paid on units redeemed		(14,132,458)	(11,054)
		220,215,302	32,405,392
Accounting income available for distribution:			
- Relating to capital gains		218,591,080	-
- Excluding capital gains		1,624,222	32,405,392
		220,215,302	32,405,392

The annexed notes from 1 to 34 form an integral part of these financial statements.

For JS Investments Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2021**

	2021	2020
	-----Rupees-----	
Net income for the year after taxation	234,347,760	32,416,446
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>234,347,760</u>	<u>32,416,446</u>

The annexed notes from 1 to 34 form an integral part of these financial statements.

For JS Investments Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



Unit Trust of Pakistan

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021	2020
-----Rupees-----			
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year before taxation		234,347,760	32,416,446
Adjustments for:			
Mark-up / interest income on bank balances and investments		(24,825,881)	(45,515,663)
Dividend income		(30,421,642)	(28,028,110)
Net (gain) / loss on sale of investments		(94,570,542)	197,027
Net unrealised (gain) / loss on re-measurement of investment classified as 'financial assets at fair value through profit or loss'		(138,559,429)	3,339,916
Other income		(1,455,111)	-
Provision for Sindh Workers' Welfare Fund		4,782,607	661,564
		<u>(285,049,998)</u>	<u>(69,345,266)</u>
(Increase) / decrease in assets		(50,702,238)	(36,928,820)
Investments - net		115,910,930	37,414,574
Receivable against sale of investments		-	6,150,933
Prepayment, deposits and other receivables		(18,166,479)	(660)
		97,744,451	43,564,847
Increase / (decrease) in liabilities			
Payable to the Management Company		858,824	2,245,614
Remuneration payable to the Trustee		21,898	(15,623)
Annual fee payable to the Securities and Exchange Commission of Pakistan		24,772	(943,305)
Accrued expenses and other liabilities		6,124,760	5,430,274
		7,030,254	6,716,960
Interest income received on bank balances and investments		27,636,679	45,305,272
Dividend income received		30,421,642	40,434,990
		<u>112,130,788</u>	<u>99,093,249</u>
Net cash generated from operating activities			
CASH FLOWS FROM FINANCING ACTIVITIES			
Amount received on issuance of units		25,296,463	90,169,649
Amount paid on redemption of units		(90,947,655)	(180,485,950)
Distributions paid		(18,914,262)	(31,904,145)
		(84,565,454)	(122,220,446)
Net cash used in financing activities		(84,565,454)	(122,220,446)
Net increase / (decrease) in cash and cash equivalent during the year		27,565,333	(23,127,197)
Cash and cash equivalent at beginning of the year		114,408,240	137,535,437
Cash and cash equivalent at the end of the year	5	141,973,573	114,408,240

The annexed notes from 1 to 34 form an integral part of these financial statements.

For JS Investments Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND FOR THE YEAR ENDED JUNE 30, 2021

	2021			2020		
	Capital value	Undistributed income	Total	Capital value	Accumulated loss	Total
Rupees						
Net assets at beginning of the year	987,769,711	(36,876,091)	950,893,620	1,078,074,958	(37,193,455)	1,040,881,503
Issuance of 151,025 (2020: 646,305) units						
- Capital value	21,355,571	-	21,355,571	90,911,655	-	90,911,655
- Element of income / (loss)	3,970,239	-	3,970,239	(666,370)	-	(666,370)
Total proceeds on issuance of units	25,325,810	-	25,325,810	90,245,285	-	90,245,285
Redemption of 540,442 (2020: 1,321,443) units						
- Capital value	(76,421,001)	-	(76,421,001)	(185,874,110)	-	(185,874,110)
- Element of (income) / loss	(394,196)	(14,132,458)	(14,526,654)	5,399,214	(11,054)	5,388,160
Total payments on redemption of units	(76,815,197)	(14,132,458)	(90,947,655)	(180,474,896)	(11,054)	(180,485,950)
Total comprehensive income for the year	-	234,347,760	234,347,760	-	32,416,446	32,416,446
Interim distribution for the year ended June 30, 2021 (cash distribution @ Re.3 per unit declared on June 28, 2021)	(29,347)	(18,730,379)	(18,759,726)	-	-	-
Interim distribution for the year ended June 30, 2020 (cash distribution @ Re.3.90 per unit declared on June 26, 2020)	-	-	-	(60,185)	(25,418,831)	(25,479,016)
Interim distribution for the year ended June 30, 2020 (cash distribution @ Re. 1 per unit declared on June 30, 2020)	-	-	-	(15,451)	(6,669,197)	(6,684,648)
Net income / (loss) for the year less distribution	(29,347)	215,617,381	215,588,034	(75,636)	328,418	252,782
Net assets at end of the year	936,250,977	164,608,832	1,100,859,809	987,769,711	(36,876,091)	950,893,620

Accumulated loss brought forward comprising of:

- Realised	(14,236,475)	208,754,046
- Unrealised	(22,639,616)	(245,947,501)
	(36,876,091)	(37,193,455)

Accounting income available for distribution

- Relating to capital gains	218,591,080	-
- Excluding capital gains	1,624,222	32,405,392
	220,215,302	32,405,392

Distribution during the year

	(18,730,379)	(32,088,028)
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Undistributed income / accumulated (loss) carried forward

	164,608,832	(36,876,091)
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Undistributed income / accumulated (loss) carried forward comprising of:

- Realised	58,915,402	(14,236,475)
- Unrealised	105,693,430	(22,639,616)
	164,608,832	(36,876,091)

Net asset value per unit at beginning of the year

141.4045 140.6639

Net asset value per unit at end of the year

173.7682 141.4045

The annexed notes from 1 to 34 form an integral part of these financial statements.

For JS Investments Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



Unit Trust of Pakistan

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Unit Trust of Pakistan (the Fund) was established under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) as an open end unit trust scheme. The Fund is governed under Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and Non-Banking Finance Companies and Notified Entities Regulations, 2008. The Fund was constituted under the Trust Deed, dated April 26, 1997 between JS Investments Limited as its Management Company, a company incorporated under the Companies Ordinance, 1984 (Now Companies Act, 2017) and MCB Financial Services Limited as its Trustee. The Central Depository Company of Pakistan Limited was appointed as Trustee of the Fund on June 11, 2005 after voluntary resignation of MCB Financial Services Limited.
- 1.2** The Fund offers units for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering them to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited. As per offering document, the Fund shall invest in equity securities as well as debt securities including government securities, commercial papers and various other money market instruments.
- 1.3** The Fund is categorised as a "Balanced Scheme" as per the Circular 07 of 2009 issued by the Securities and Exchange Commission of Pakistan.
- 1.4** The Management Company of the Fund is registered with the Securities and Exchange Commission of Pakistan as a Non-Banking Finance Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). Its registered office is located at 19th floor, The Center, Abdullah Haroon Road, Saddar, Karachi, Pakistan.
- 1.5** Title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as a Trustee of the Fund.
- 1.6** Due to the enactment of the Sindh Trusts Act, 2020 (as amended vide Sindh Trusts (Amended) Act, 2021), the Trusts including Collective Investment Schemes, Private Funds etc, being Specialized Trusts are required to be registered with the Assistant Director of Industries and Commerce (Trust Wing), Government of Sindh under Section 12A of the Sindh Trusts Act, 2020. For this purpose, Re-Stated Trust Deeds of all Funds have been executed between the Management Company and the Trustees and all the relevant Trust Deeds along with necessary documents have been submitted with Assistant Director of Industries and Commerce (Trust Wing), Government of Sindh.

1.7 COVID - 19 impact

The coronavirus (COVID-19) outbreak situation emerged last year in March 2020, has caused governments around the world to implement measures to help control its spread, including, smart lock-downs, travel bans, quarantines, social-distancing, closures or reduced operations for non-essential businesses, governmental agencies, schools and other institutions and vaccination.

General economic activities in Pakistan was although affected but continued since then. Stock markets and financial institutions remained open throughout the year. Activities of the Fund were operational during the year as staff of the Management Company were working without any disruption either from office or online remotely.

The management of the Fund is closely monitoring the situation, and there has not been any material adverse impact on fiscal and economic fronts facing the country and therefore not materially affected the financial performance of the Fund.



2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS 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;and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except for the investments which are stated at fair value.

2.3 Functional and presentation currency

These financial statements are presented in Pakistani Rupee, which is the Fund's functional and presentation currency. All amounts have been rounded off to the nearest of Rupee, unless otherwise indicated.

2.4 Critical accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards as applicable in Pakistan requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The areas where various assumptions and estimates are significant to the Fund's financial treatments or where judgment was exercised in the application of accounting policies are given below:

- (a) Classification of financial assets (Note 4.2.2)
- (b) Impairment of financial assets (Notes 4.2.3)
- (c) Provision (Notes 4.10)



Unit Trust of Pakistan

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO THE PUBLISHED APPROVED ACCOUNTING STANDARDS

3.1 New accounting standards / amendments and IFRS interpretations that are effective for the year ended June 30, 2021

The following standards, amendments and interpretations are effective for the year ended June 30, 2021. These standards, interpretations and the amendments are either not relevant to the Fund's operations or are not expected to have significant impact on the Fund's financial statements other than certain additional disclosures.

Effective from accounting period beginning on or after:

Amendment to IFRS 16 'Leases' - Covid-19 related rent concessions	June 01, 2020
Amendments to the conceptual framework for financial reporting, including amendments to references to the conceptual framework in IFRS	January 01, 2020
Amendments to IFRS 3 'Business Combinations' - Definition of a business	January 01, 2020
Amendments to IAS 1 'Presentation of Financial Statements' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of material	January 01, 2020
Amendments to IFRS 9 'Financial Instruments', IAS 39 'Financial Instruments: Recognition and Measurement' and IFRS 7 'Financial Instruments: Disclosures' - Interest rate benchmark reform	January 01, 2020

Certain annual improvements have also been made to a number of IFRSs, which are also not relevant for the Fund.

3.2 New accounting standards / amendments and IFRS interpretations that are not yet effective

3.2.1 The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Fund's operations or are not expected to have significant impact on the Fund's financial statements other than certain additional disclosures.

Effective from accounting period beginning on or after:

Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	January 01, 2021
Amendment to IFRS 16 'Leases' - Covid-19 related rent concessions extended beyond June 30, 2021	April 01, 2021
Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework	January 01, 2022
Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use	January 01, 2022
Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts — cost of fulfilling a contract	January 01, 2022



Effective from accounting period beginning on or after:

Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2023
Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of accounting policies	January 01, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates	January 01, 2023
Amendments to 'IAS 12 Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction.	January 01, 2023

Certain annual improvements have also been made to a number of IFRSs, which are also not expected to have material impact on final reporting of the fund.

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 17 – Insurance Contracts

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting policies set out below have been applied consistently to all periods presented in these financial statements.

4.1 Cash and cash equivalents

Cash comprises profit and loss sharing accounts with banks. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to insignificant change in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

4.2 Financial assets and liabilities

4.2.1 Initial recognition

All financial assets and liabilities are initially measured at cost which is the fair value of the consideration given or received. These are subsequently measured at fair value or amortised cost as the case may be.

The Fund recognizes financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instrument.

Financial liabilities are not recognized unless one of the parties has performed its part of the contract or the contract is a derivative contract.



Unit Trust of Pakistan

4.2.2 Classification and measurement

4.2.2.1 Financial assets

There are three principal classification categories for financial assets:

- Measured at amortized cost (“AC”),
- Fair value through other comprehensive income (“FVTOCI”) and
- Fair value through profit or loss (“FVTPL”).

Financial asset at amortised cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL;

- 1) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- 2) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial asset at FVTOCI

A financial asset is measured at FVTOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- 1) the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- 2) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition, for an equity investment that is not held for trading, the Fund may irrevocably elect to present subsequent changes in fair value in OCI, only dividend income is recognised in income statement. This election is made on an investment-by-investment basis.

FVTOCI financial assets are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI.

Financial asset at FVTPL

All other financial assets are classified as measured at FVTPL (for example: equity held for trading and debt securities not classified either as AC or FVTOCI).

In addition, on initial recognition, the Fund may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.



Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Fund changes its business model for managing financial assets.

Financial assets designated at fair value through profit or loss are subsequently carried at fair value, with gains and losses arising from changes in fair value recorded in the income statement.

Business model assessment

The business model is determined under IFRS 9 at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. It is not an instrument-by-instrument analysis; rather it can be performed at a higher level aggregation. It is typically observable through the activities that the entity undertakes to achieve the objective of the business model; all relevant evidence that is available at the date of the assessment (including history of sales of the financial assets) are considered. Following three business models are defined under the IFRS 9:

- 1) Hold to collect business model
- 2) Hold to collect and sell business model
- 3) FVTPL business model

Considering above, the Fund classifies its investments based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The evaluation of the performance of the Fund has been performed on fair value basis for the entire portfolio, as reporting to the key management personnel and to the investors in the form of net asset value (NAV). The investment portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Consequently, all the investments are measured at fair value through profit or loss. For other financial assets which are held for collection continue to be measured at amortised cost.

4.2.2.2 Financial liabilities

The Company classifies its financial liabilities in the following categories:

- Measured at amortized cost ("AC"), or
- Fair value through profit or loss ("FVTPL").

Financial liabilities are measured at amortised cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Fund has opted to measure them at FVTPL.

With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires as follows:

- The amount of change in the fair value of a financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of such changes in other comprehensive income would create or enlarge an accounting mismatch in profit or loss.
- Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss.



Unit Trust of Pakistan

4.2.3 Impairment of financial assets

The SECP/Commission has through its letter no. SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 has deferred the applicability of the impairment requirements of IFRS 9 for debt securities on mutual funds. Therefore the Fund will not be subject to the impairment provisions of IFRS 9. Meanwhile, asset management companies shall continue to follow the requirements of Circular 33 of 2012.

For financial assets other than debt securities measured at amortised cost, IFRS 9 requires recognition of impairment based on expected credit loss (ECL) model. The Fund is required to measure loss allowance of an amount equal to lifetime ECL or 12 months ECL based on credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Fund considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Fund's historical experience and informed credit assessment and including forward-looking information.

However, majority of the assets of the Fund exposed to credit risk pertain to counter parties which have high credit rating or where credit risk has not been increased since initial recognition. Therefore, management believes that the impact of ECL would be very minimal and hence, the same has not been accounted for in these financial statements.

4.2.4 Fair value measurement principles and provision

The fair value of financial instruments is determined as follows:

Basis of valuation of debt securities

The fair value of debt securities (other than government securities) is based on the value determined and announced by Mutual Funds Association of Pakistan (MUFAP) in accordance with the criteria laid down in Circular No. 1 of 2009 and Circular No. 33 of 2012 issued by Securities and Exchange Commission of Pakistan (SECP). In the determination of the rates, MUFAP takes into account the holding pattern of these securities and categorises them as traded, thinly traded and non-traded securities. The aforementioned circular also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non-performing debt securities.

Basis of valuation of government securities

The government securities not listed on a stock exchange and traded in the interbank market are valued at the average rates quoted on a widely used electronic quotation system (PKRV and PKIRSV rates) which are based on the remaining tenor of the securities.

Basis of valuation of equity securities

The fair value of shares of listed companies is based on their prices quoted on the Pakistan Stock Exchange Limited at the reporting date without any deduction for estimated future selling costs.

Net gains and losses arising on changes in the fair value of financial assets carried at fair value through profit or loss are taken to the income statement.

Basis of valuation of instruments at amortised cost

Subsequent to initial recognition, financial investments classified as amortised cost are carried at amortised cost using the effective interest method.



Gains or losses are also recognised in the income statement when financial investments carried at amortised cost are derecognised or impaired, and through the amortisation process.

4.2.5 Regular way contracts

All purchases and sales of securities that require delivery within the time frame established by regulation or market convention are recognised at the trade date. Trade date is the date on which the Fund commits to purchase or sell assets.

4.2.6 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or where the entity has transferred substantially all risks and rewards of ownership.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

4.2.7 Offsetting of financial instruments

Financial assets and financial liabilities are set off and the net amount is reported in the statement of assets and liabilities if the Fund has a legal right to set off the transaction and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

4.3 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors during business hours on that day. The offer price represents the net assets value per unit as of the close of the business day plus the allowable sales load, provision for transaction costs and any provision for duties and charges, if applicable.

Units redeemed are recorded at the redemption price, applicable to units for which the distributors receive redemption applications during business hours of that day. The redemption price represents the net assets value per unit as of the close of the business day less any back-end load (if applicable), any duties, taxes, charges on redemption and any provision for transaction costs, if applicable. Redemption of units is recorded on acceptance of application for redemption.

4.4 Net asset value per unit

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

4.5 Spread transactions (ready-future transactions)

The Fund enters into transactions involving purchase of an equity security in the ready market and simultaneous sale of the same security in the futures market. The security purchased in ready market is classified as financial assets at fair value through profit or loss and carried on the statement of assets and liabilities at fair value till their eventual disposal, with the resulting gain / loss taken to the income statement. The forward sale of the security in the futures market is treated as a separate derivative transaction and is carried at fair value with the resulting gain / loss taken to the income statement.

4.6 Securities under margin trading system

Securities purchased under margin financing are included as 'receivable against Margin Trading System (MTS)' at the fair value of consideration given. All MTS transactions are accounted for on the settlement date. Income on MTS is calculated on outstanding balance at agreed rates and recorded in the income statement. Transaction costs are expensed in the income statement.



Unit Trust of Pakistan

4.7 Revenue recognition

- Gain / (loss) arising on sale of investments are included in the 'income statement' on the date at which the sale transaction takes place.
- Unrealised gain / (loss) 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.
- Dividend income is recognized when the right to receive the dividend is established.
- Profit / return on bank balances, debt securities and government securities are recognised at effective profit rates based on a time proportion basis using the effective interest method.
- Profit on debt securities classified as non performing assets are recognised on receipt basis.

4.8 Expenses

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

4.9 Taxation

The Fund is exempt from taxation under clause 99 of the Part I of the Second Schedule of the Income Tax Ordinance, 2001, subject to the condition that not less than 90% of its accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders (excluding distribution made by issuance of bonus shares).

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.

The Fund does not account for deferred tax in these financial statements as the Fund intends to continue availing the tax exemption in future years by distributing in cash at least ninety percent of its accounting income for the year as reduced by capital gains, whether realised or unrealised, to its unit holders.

4.10 Provisions

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

4.11 Distribution to the unit holders

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

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



4.12 Earnings per unit (EPU)

Earnings Per Unit (EPU) has not been disclosed as in the opinion of the management, determination of weighted average units for calculating EPU is not practicable.

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

An equalisation account called the element of income / (loss) included in prices of units sold less those in units redeemed is created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption.

Element of income / (loss) represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period.

Further, the element of income is a transaction of capital nature and the receipt and payment of element of income shall be taken to unit holders' fund. However, to maintain the same ex-dividend net assets value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution.

On redemption of units, element of income is paid on units redeemed from element of income contributed by unit holders on issue of units (i.e. return of capital) or the element of income is paid from the income earned by the fund or the element of income is partly paid out of element of income contributed by unit holders (i.e. return of capital) and partly from the income earned by the fund.

	Note	2021 ----- Rupees -----	2020 -----
5. BANK BALANCES			
Profit and loss sharing accounts	5.1	141,973,573	114,408,240

5.1 This includes bank balance of Rs. 27.938 million (2020: 114.243 million) with JS Bank Limited (a related party) and carries profit at 7.00% per annum (2020: 8.00%). Other profit and loss sharing accounts carry profit rates ranging from 5.00% to 8.00% (2020: 3.75% to 13.70%) per annum.

	Note	2021 ----- Rupees -----	2020 -----
6. INVESTMENTS			
At fair value through profit and loss			
Listed equity securities	6.1	757,555,153	662,908,601
Listed equity securities (spread transactions)	6.1.1	105,758,135	-
Government securities	6.2	-	52,614,451
Sukuk certificates / term finance certificates	6.3	118,009,303	147,125,387
		981,322,591	862,648,439

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6 Listed equity securities

Sectors / Companies	Holding at beginning of the year	Acquired during the year	bonus / right / transfer during the year	Disposed during the year	Holding at end of the year	Carrying value as at June 30, 2021	Market value as at June 30, 2021	Market value as a percentage of net assets	Market value as a percentage of total investment	Market value as a percentage of investee capital
All ordinary shares have a nominal face value of Rs. 10/- each unless stated otherwise.										
OIL & GAS MARKETING COMPANIES										
Pakistan State Oil Company Limited (Note 6.1.2)	99,000	106,200	-	26,500	178,700	33,620,735	40,073,475	3.64%	4.08%	0.04%
Shell Pakistan Limited	-	44,100	44,100	88,200	-	-	-	-	-	-
Sui Northern Gas Pipelines Limited	200	-	-	200	-	-	-	-	-	-
						33,620,735	40,073,475	3.64%	4.08%	0.04%
OIL & GAS EXPLORATION COMPANIES										
Mari Petroleum Company Limited	24,747	3,600	-	7,647	20,700	26,871,587	31,554,873	2.87%	3.22%	0.02%
Oil and Gas Development Company Limited	452,600	-	-	121,000	331,600	36,144,400	31,511,948	2.86%	3.21%	0.01%
Pakistan Petroleum Limited (Note 6.1.2)	603,880	-	-	148,380	455,500	39,528,290	39,551,065	3.59%	4.03%	0.02%
Pakistan Oilfields Limited	-	13,000	-	500	12,500	5,176,559	4,923,250	0.45%	0.50%	0.00%
						107,720,836	107,541,136	9.77%	10.96%	0.04%
CEMENT										
D.G. Khan Cement Company Limited	175,000	8,500	-	96,700	86,800	7,773,155	10,235,456	0.93%	1.04%	0.02%
Lucky Cement Company Limited	68,700	1,300	-	12,100	57,900	26,918,367	49,993,176	4.54%	5.09%	0.02%
Maple Leaf Cement Factory Limited	620,500	195,000	-	295,800	519,700	15,665,482	24,415,506	2.22%	2.49%	0.05%
Pioneer Cement Limited	280,000	83,000	-	63,000	300,000	21,720,913	39,321,000	3.57%	4.01%	0.13%
Cherat Cement Company Limited (Note 6.1.2)	207,000	58,500	-	45,900	219,600	21,919,558	38,952,648	3.54%	3.97%	0.11%
Kohat Cement Company Limited	116,000	-	-	116,000	-	-	-	-	-	-
						93,997,475	162,917,786	14.80%	16.60%	0.33%
PAPER & BOARD										
Century Paper and Board Mills Limited	303,800	35,640	60,760	253,900	146,300	9,152,036	17,858,841	1.62%	1.82%	0.08%
Cherat Packaging Limited	75,000	-	-	2,000	73,000	8,551,950	14,520,430	1.32%	1.48%	0.17%
Packages Limited	48,400	-	-	48,400	-	-	-	-	-	-
						17,703,986	32,379,271	2.94%	3.30%	0.25%
PHARMACEUTICALS										
GlaxoSmithKline Pakistan Limited	106,250	-	-	106,250	-	-	-	-	-	-
Abbot Laboratories (Pakistan) Limited	28,700	3,200	-	31,900	-	-	-	-	-	-
Searle Company Limited	-	11,300	1,469	12,769	-	-	-	-	-	-
Highnoon Laboratories Limited	18,080	8,000	2,608	1,000	27,688	13,457,115	16,612,800	1.51%	1.69%	0.07%
						13,457,115	16,612,800	1.51%	1.69%	0.07%
TEXTILE COMPOSITE										
Nishat Mills Limited	313,200	-	-	89,700	223,500	17,435,235	20,852,550	1.89%	2.12%	0.06%
Nishat (Chunian) Limited	519,500	-	-	519,500	-	-	-	-	-	-
Gul Ahmed Textile Mills Limited	-	93,500	-	93,500	-	-	-	-	-	-
Interloop Limited	-	337,000	-	69,000	268,000	16,616,000	18,768,040	1.70%	1.91%	0.03%
						34,051,235	39,620,590	3.60%	4.04%	0.09%
AUTOMOBILE ASSEMBLERS										
Indus Motor Company Limited	4,220	-	-	-	4,220	4,198,858	5,292,471	0.48%	0.54%	0.01%
Pak Suzuki Motor Company Limited	-	41,500	-	41,500	-	-	-	-	-	-
Honda Atlas Cars (Pakistan) Limited	-	7,000	-	7,000	-	-	-	-	-	-
						4,198,858	5,292,471	0.48%	0.54%	0.01%
FOOD AND PERSONAL CARE PRODUCTS										
Al-Shaheer Corporation Limited	4,461	3,758	-	4,461	3,758	42,992	74,897	0.01%	0.01%	0.00%
Unity Foods Limited	-	325,000	-	325,000	-	-	-	-	-	-
						42,992	74,897	0.00%	0.00%	0.00%
COMMERCIAL BANKS										
Habib Bank Limited	329,100	133,500	-	109,100	353,500	37,945,866	43,257,795	3.93%	4.41%	0.02%
Habib Metropolitan Bank Limited	-	280,000	-	-	280,000	11,466,010	11,368,000	1.03%	1.16%	0.03%
MCB Bank Limited	147,500	-	-	32,900	114,600	18,573,222	18,316,518	1.66%	1.87%	0.01%
Bank Alfalah Limited (Note 6.1.2)	600,250	-	-	600,250	-	-	-	-	-	-
Meezan Bank Limited	56,875	-	-	56,875	-	-	-	-	-	-
Bank Al Habib Limited	-	311,134	-	-	311,134	23,120,210	21,816,716	1.98%	2.22%	0.03%
United Bank Limited (Note 6.1.2)	313,400	183,600	-	141,100	355,900	41,483,852	43,490,980	3.95%	4.43%	0.03%
Bank of Punjab Limited	816,000	475,000	-	1,291,000	-	-	-	0.00%	0.00%	0.00%
						132,589,160	138,250,009	12.56%	14.09%	0.12%
INSURANCE										
Adamjee Insurance Company Limited	191,600	-	-	191,600	-	-	-	-	-	-
Jubilee Life Insurance Company Limited	-	33,000	-	1,000	32,000	15,230,760	10,712,000	0.97%	1.09%	0.04%
						15,230,760	10,712,000	0.00%	0.00%	0.00%
ENGINEERING										
Mughal Iron & Steel Industries Limited	-	368,000	32,640	171,000	229,640	22,586,621	23,974,416	2.18%	2.44%	0.08%
International Industries Limited	47,300	5,300	-	12,300	40,300	4,226,692	8,504,106	0.77%	0.87%	0.03%
Aisha Steel Limited	-	366,000	-	10,500	355,500	5,021,782	8,855,505	0.80%	0.90%	0.05%
						31,835,095	41,334,027	0.04	0.04	0.00



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Sectors / Companies	Holding at beginning of the year	Acquired during the year	bonus / right / transfer during the year	Disposed during the year	Holding at end of the year	Carrying value as at June 30, 2021	Market value as at June 30, 2021	Market value as a percentage of net assets	Market value as a percentage of total investment	Market value as a percentage of investee capital
	Number of shares					Rupees		%	%	%
POWER GENERATION AND DISTRIBUTION										
Hub Power Company Limited (Note 6.1.2)	566,609	-	-	91,609	475,000	34,437,500	37,843,250	3.44%	3.86%	0.04%
Lalpir Limited	61,600	-	-	61,600	-	-	-	-	-	-
K-Electric Limited	765,000	-	-	765,000	-	-	-	-	-	-
Kot Addu Power Company Limited	-	430,500	-	12,500	418,000	15,792,555	18,538,300	1.68%	1.89%	0.05%
						50,230,055	56,381,550	5.12%	5.75%	0.08%
FERTILIZER										
Engro Corporation Limited	143,500	-	-	84,000	59,500	17,428,740	17,529,295	1.59%	1.79%	0.01%
Fauji Fertilizer Company Limited	50	83,000	-	83,050	-	-	-	-	-	-
						17,428,740	17,529,295	1.59%	1.79%	0.01%
AUTOMOBILE, PARTS AND ACCESSORIES										
Agriauto Industries Limited (Face value of Rs. 5 each)	47,500	-	-	22,800	24,700	4,495,400	6,777,433	0.63%	0.63%	0.09%
LEATHER & TANNERIES										
Service Industries Limited (Related party)	-	19,150	19,150	1,000	37,300	17,399,049	21,918,599	1.99%	2.23%	0.08%
GLASS AND CERAMICS										
Ghani Global Glass Limited	389,000	183,000	-	572,000	-	-	-	-	-	-
Shabbir Tiles & Ceramics Limited (Face value of Rs. 5 each)	-	455,000	-	-	455,000	10,658,135	15,174,250	1.38%	1.55%	0.19%
Tariq Glass Industries Limited	132,450	127,000	-	132,450	127,000	12,262,910	13,510,260	1.23%	1.38%	0.09%
						22,921,045	28,684,510	2.61%	2.92%	0.28%
SUGAR & ALLIED INDUSTRIES										
Shahtaj Sugar Mills Limited	14,000	44,200	-	24,100	34,100	2,963,252	1,875,500	0.17%	0.19%	0.28%
CHEMICALS										
Agritech Limited (Note 6.1.2)	772,253	-	-	-	772,253	3,614,144	5,266,765	0.48%	0.54%	0.20%
ICI Pakistan Limited	25,810	-	-	9,810	16,000	11,115,360	13,900,800	1.26%	1.42%	0.02%
Nimir Resins Limited (Face value of Rs. 5 each)	-	165,500	-	165,500	-	-	-	-	-	-
Engro Polymer & Chemicals Limited	-	223,500	-	6,500	217,000	10,859,151	10,251,080	0.93%	1.04%	0.02%
						25,588,655	29,418,645	2.67%	3.00%	0.24%
MISCELLANEOUS										
Synthetic Products Limited	3,744	-	3	-	3,747	155,771	161,159	0.01%	0.02%	0.00%
Investments as at June 30, 2021						625,630,214	757,555,153			
Investments as at June 30, 2020						666,368,957	662,908,601			
Cost of investments as at June 30, 2021							657,307,826			
Cost of investments as at June 30, 2020							687,922,015			

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6.1.1 Listed equity securities (spread transactions)

The movement in equity securities given below represents spread transactions entered into by the Fund. The Fund purchases equity securities in ready market and sells them in future market on the same day, resulting in spread income due to difference in ready and future stock prices. This way the Fund has no open exposure to the stock market. These securities (if any) at the year-end are valued at the year end ready rate while the future contracts (representing the derivatives) are valued at the period end future rate and the difference between the contracted rate and the future rate are taken to the Income Statement.

Sectors / Companies	Holding at beginning of the year	Acquired during the year	Disposed during the year	Holding at end of the year	Carrying value as at June 30, 2021	Market value as at June 30, 2021	% of Total investment
	Number of shares				Rupees		
CONSTRUCTION & MATERIALS							
D.G. Khan Cement Company Limited	-	29,500	29,500	-	-	-	0.00%
Maple Leaf Cement Factory Limited	-	5,000	5,000	-	-	-	0.00%
REFINERY							
Attock Refinery Limited	-	6,500	6,500	-	-	-	0.00%
Byco Petroleum Pakistan Limited	-	693,000	693,000	-	-	-	0.00%
National Refinery Limited	-	20,500	20,500	-	-	-	0.00%
Pakistan Refinery Limited	-	476,500	476,500	-	-	-	0.00%
TEXTILE COMPOSITE							
Azgard Nine Limited (related party)	-	1,151,000	1,151,000	-	-	-	0.00%
Gul Ahmed Textile Mills Limited	-	18,500	18,500	-	-	-	0.00%
TECHNOLOGY & COMMUNICATION							
Avanceon Limited	-	147,500	147,500	-	-	-	0.00%
TRG Pakistan Limited (Related party)	-	2,268,000	1,633,500	634,500	98,902,080	105,536,385	10.75%
HUM Network Limited	-	250,000	250,000	-	-	-	0.00%
Netsol Technologies Limited	-	436,000	436,000	-	-	-	0.00%
CABLE AND ELECTRICAL GOODS							
Pak Elektron Limited	-	3,000	3,000	-	-	-	0.00%
FERTILIZERS							
Fauji Fertilizer Company Limited	-	1,000	1,000	-	-	-	0.00%
FOOD AND PERSONAL CARE PRODUCTS							
Unity Foods Limited	-	2,855,500	2,855,500	-	-	-	0.00%
POWER GENERATION AND DISTRIBUTION							
Hub Power Company Limited	-	2,000	2,000	-	-	-	0.00%
Kot Addu Power Company Limited	-	33,500	28,500	5,000	221,565	221,750	0.02%
K-Electric Limited	-	27,500	27,500	-	-	-	0.00%
OIL & GAS MARKETING COMPANIES							
Pakistan State Oil Company Limited	-	4,000	4,000	-	-	-	0.00%
Sui Southern Gas Company Limited	-	5,000	5,000	-	-	-	0.00%
AUTOMOBILE ASSEMBLER							
Pak Suzuki Motor Company Limited	-	12,500	12,500	-	-	-	0.00%
Gandhara Industries Limited	-	37,500	37,500	-	-	-	0.00%



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Sectors / Companies	Holding at beginning of the year	Acquired during the year	Disposed during the year	Holding at end of the year	Carrying value as at June 30, 2021	Market value as at June 30, 2021	% of Total investment
	Number of shares				Rupees		
TRANSPORT							
Pakistan International Bulk Terminal Limited	-	1,500,000	1,500,000	-	-	-	0.00%
ENGINEERING							
Amreli Steels Limited	-	500	500	-	-	-	0.00%
International Steels Limited	-	113,000	113,000	-	-	-	0.00%
International Industries Limited	-	67,500	67,500	-	-	-	0.00%
Mughal Iron & Steel Industries Limited	-	500	500	-	-	-	0.00%
CHEMICALS							
Ghani Global Holdings Limited	-	10,000	10,000	-	-	-	0.00%
Investment as at June 30, 2021					99,123,645	105,758,135	10.78%
Investment as at June 30, 2020					-	-	
Cost of investments as at June 30, 2021						99,123,645	
Cost of investments as at June 30, 2020						-	

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

	2021	2020	2021	2020
	Number of shares		Rupees	
Bank Alfalah Limited	-	600,200	-	20,148,714
Hub Power Company Limited	400,000	400,000	31,868,000	29,000,000
United Bank Limited	100,000	100,000	12,220,000	10,336,000
Cherat Cement Company Limited	50,000	-	8,869,000	-
Pakistan Petroleum Limited	178,500	-	40,028,625	-
Pakistan State Oil Company Limited	200,000	-	17,366,000	-
	928,500	1,100,200	110,351,625	59,484,714

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

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

During the year ended June 30, 2018, the Supreme Court of Pakistan passed a judgement on June 27, 2018 whereby the suits which are already pending or shall be filed in future must only be continued / entertained on the condition that a minimum of 50 percent of the tax calculated by the tax authorities is deposited with the authorities. Accordingly, the CISs were required to pay minimum 50% of the tax calculated by the tax authorities for the case to remain continued. The CISs failed to deposit the minimum 50% of the tax liability and accordingly the stay got vacated automatically during the same year. During the year ended June 30, 2019, the CISs filed a fresh constitutional petition via CP 4653 dated July 11, 2019 as a result of which the HCS issued an order dated July 15, 2019 whereby the previous stay has been restored. The matter is still pending adjudication and no provision has been recorded or contingent liability has been disclosed in the financial statements as the management is confident that the case will be decided in favor of the CISs.

Further, Finance Act, 2018 effective from July 1, 2018 has omitted Section 236M of Income Tax Ordinance, 2001 therefore, bonus shares, subsequent to this amendment, issued to the Fund were not withheld by the investee companies.



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	Note	2021 Rupees	2020
6.2 Government securities			
Market treasury bills	6.2.1	-	-
Pakistan investment bonds	6.2.2	-	52,614,451
		-	52,614,451

6.2.1 Market treasury bills

Issue date	Face value			As at June 30, 2021	Carrying value as at June 30, 2021	Market value as at June 30, 2021	% of total investment
	As at July 01, 2020	Purchased during the year	Sold / matured during the year				
Rupees in 000's				Rupees			
10-Sep-20	-	100,000	100,000	-	-	-	0.00%
10-Sep-20	-	40,000	40,000	-	-	-	0.00%
8-Oct-20	-	100,000	100,000	-	-	-	0.00%
19-Nov-20	-	50,000	50,000	-	-	-	0.00%
14-Jan-21	-	90,000	90,000	-	-	-	0.00%
8-Apr-21	-	110,000	110,000	-	-	-	0.00%
Investment as at June 30, 2021					-	-	
Investment as at June 30, 2020					-	-	
Cost of investments as at June 30, 2021						-	

6.2.1.1 The effective yield on market treasury bills is ranging from 7.08% to 7.44% (2020: 8.21% to 13.79%) per annum.

6.2.2 Pakistan Investment Bonds

Issue date	Tenor	Face value			As at June 30, 2021	Carrying value as at June 30, 2021	Market value as at June 30, 2021	% of total investment
		As at July 01, 2020	Purchased during the year	Sold / matured during the year				
Rupees in 000's				Rupees				
19-Sep-19	5 years	50,000	25,000	75,000	-	-	0.00%	
Investment as at June 30, 2021					-	-		
Investment as at June 30, 2020					53,146,555	52,614,451		
Cost of investments as at June 30, 2021						-		
Cost of investments as at June 30, 2020						53,405,350		

6.2.2.1 The effective yield on Pakistan Investment bonds is ranging from 7.62% to 8% (2020: 7.62% to 12.25%) per annum. The coupon rate on these investments is 9.5% (2020: 9.00% to 10.00%).

6.3 Sukuk certificates / term finance certificates



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6.3.1 Unlisted sukuk certificates / term finance certificates - performing

	Holding at beginning of the year	Acquired during the year	Disposed during the year	Holding at end of the year	Carrying value as at June 30, 2021	Market value as at June 30, 2021	% of total investment
	Number of certificates				Rupees		
REFINERY							
Byco Oil Pakistan Limited (Note 6.3.1.1)	1,635	-	1,635	-	-	-	-
BANK							
Bank Alfalah TFC Series -A (Note 6.3.1.2)	-	6,000	-	6,000	30,000,000	30,000,000	3.06%
PHARMACEUTICALS							
Aspin Pharma (Private) Limited (Note 6.3.1.3)	317	-	317	-	-	-	-
GOP IJARA SUKUKS							
GOP Ijara Sukuks (Note 6.3.1.4)	300,000	-	300,000	-	-	-	-
POWER							
The Hub Power Holding Limited (Note 6.3.1.5)	-	1,000	-	1,000	88,009,303	88,009,303	8.97%
Investment as at June 30, 2021					118,009,303	118,009,303	12.03%
Investment as at June 30, 2020					146,472,843	147,125,387	
Cost of investment as at June 30, 2021						112,458,500	
Cost of investment as at June 30, 2020						149,499,185	

6.3.1.1 This represents units in the sukuk certificates of Byco Oil Petroleum (BOPL) issued on January 17, 2017 and maturing on January 11, 2022 (five years). Total value of the issue of sukuk certificate is Rs. 3.12 billion. Meezan Bank is the Trustee (investment agent) to the issue. The face value of certificate is Rs. 100,000 per certificate and carries yield of base rate plus margin of 1.05% (base rate being the average 'ask rate' of 3 months KIBOR) payable in quarterly instalments.

6.3.1.2 These term finance certificates were purchased during the year having face value 5,000 each and carries return of 9.03%. These are maturing on November 24, 2023.

6.3.1.3 These sukuk were purchased from secondary market carrying yield of base rate plus margin of 1.5% (Base rate being the average ask rate of 3 Months KIBOR). The face value of certificate is 100,000 per certificate.

6.3.1.4 These sukuk have face value of Rs. 100 each and carries return of 6.63%. They have maturity date of April 30, 2025.

6.3.1.5 These sukuk were purchased during the year from secondary market carrying yield of base rate plus margin of 2.50% (base rate being the average ask rate of 6 Months KIBOR). These are maturing on November 12, 2025. The face value of certificate is 100,000 per certificate.

6.3.2 Unlisted sukuk certificates - non-performing

	Holding at beginning of the year	Acquired during the year	Disposed during the year	Holding at end of the year	Carrying value as at June 30, 2021	Market value as at June 30, 2021	% of Total investment
	Number of certificates				Rupees		
CHEMICALS							
Agritech Limited (Note 6.3.2.1)	25,700	-	-	25,700	117,601,483	-	
Less: Provision against financial asset					(117,601,483)	-	
Investment as at June 30, 2021 / June 30, 2020					-	-	-
Cost of investment as at June 30, 2021						112,298,115	



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6.3.2.1 These sukuk certificates having face value of Rs. 5,000/- per certificate and carry a mark-up equal to six months offered rate of KIBOR plus 200 basis points receivable semi-annually in arrears and was to mature in August 2015. However, up to the year ended June 30, 2021, no principal repayment has been received. These are secured by way of hypothecation charge over the entire legal ownership and the beneficial interest of the issuer from time to time in and to all present and future fixed assets (excluding land and building) of the issuer in favor of the Trustee for the benefit of unit holders.

These sukuks were classified as non performing asset (NPA) by Mutual Fund Association of Pakistan (MUFAP) as on August 21, 2010, on account of non payment of the coupon due in August 2010. Therefore, the Fund had made provision of 100% of principal outstanding in 2011 and accordingly no accrual for profit have been made by the Fund.

6.3.3 Unlisted term finance certificates - non-performing

	Holding at beginning	Acquired during the year	Disposed during the year	Holding at end of the year	Cost value as at June 30, 2021	Carrying / Market value at June 30, 2021	% of Total investment
	Number of certificates				Rupees		
Privately placed term finance certificates							
CHEMICALS							
Azgard Nine Limited - Related party (Notes 6.3.3.1 and 6.3.3.3)	10,000	-	-	10,000	30,572,073	30,572,073	
Less: Provision against financial asset						(30,572,073)	
						-	-
Azgard Nine Limited - Related party (Note 6.3.3.2 and 6.3.3.3)	3,853	-	-	3,853	19,265,000	19,260,000	
Less: Provision against financial asset						(19,260,000)	
						-	-
Term finance certificates							
CHEMICALS							
Agritech Limited (Note 6.3.3.4)	3,733	-	-	3,733	18,665,000	18,670,000	
Less: Provision against financial asset						(18,670,000)	
						-	0.00%
Total value of investments					68,502,073	-	0.00%

6.3.3.1 10,000 (2020: 10,000) Privately Placed Term Finance Certificates (PPTFCs) at a face value of Rs. 5,000 each were issued in lieu of the settlement of commercial papers.

On April 12, 2012, a share transfer and debt swap agreement was entered into between the Financial Institutions and Azgard Nine Limited (the issuer), whereby the issuer agreed to transfer its share holding in Agritech Limited to the existing lenders / creditors, including the Term Finance Certificate (TFC) holders at the agreed settlement price of Rs. 35 per share, in partial settlement of the outstanding principal / redemption obligations. As part of the above stated arrangement, the Fund had received 772,253 ordinary shares of Agritech Limited against the partial settlement of its outstanding exposure. As per the terms of the Share Transfer and Debt Swap Agreement, Agritech Limited shares shall be held by the respective trustees for the TFC issues in their name for and on behalf of the TFC Holders who shall be the beneficial owners of the subject shares in proportion to their holdings.

The Trustees for the TFC issue are authorized pursuant to shareholders investors agreement to hold the said ordinary shares for and on behalf of TFC holders for a period of five years from the date of transfer. During the lock in period of five years, shares can be sold to an outside buyer subject to a prior written approval of the investors, however, no such approval is required for inter financier sale.

Subsequent to the above settlement, 5,000 certificates of TFC were sold by the Fund in the year 2013 resulting in a gross remaining carrying value of Rs. 31.98 million before provisions. However the net carrying value after provision is nil. Since these TFCs are non-performing and have been classified as a non-performing asset by MUFAP, these have been fully provided.



- 6.3.3.2** These zero coupon privately placed term finance certificates (PPTFCs) were issued against the interest receivable on TFCs of Azgard Nine Limited (disclosed in note 6.3.3.1) under an agreement dated June 28, 2012 between the Management Company of the Fund and Azgard Nine Limited. These PPTFCs are issued against the non performing securities, therefore the management, has recognised the above PPTFCs at nil value. The principal amounting of Rs. 19.26 million outstanding against these PPTFCs was to be redeemed in seven equal semi-annual instalments starting from March 31, 2014 and matured on March 31, 2017. These PPTFCs have been classified as Non Performing Asset by MUFAP on December 07, 2012.
- 6.3.3.3** During the year, the facility is restructured through Approved Scheme of Arrangement ("Approved Scheme") under the terms of Honorable Lahore High Court. According to the arrangement the principal outstanding on TFC as mentioned in note 6.3.3.1 is paid starting from April 29, 2021 over a period of 10 years. Further, new zero coupon PPTFCs will be issued for the PPTFC (as mentioned in note 6.3.3.2 above) and interest accrued on TFC and PPTFC till the date of restructuring on the existing TFC and PPTFC, having redemption of principal through bullet payment on the 10th anniversary of the issuance date. As of the year end Rs. 1.409 million has been received by the Fund on account of repayment of principal of TFC and Rs. 0.012 million on account of interest income, accordingly the same has been recorded in the income statement.
- 6.3.3.4** These zero coupon TFCs were issued on January 11, 2012 against outstanding mark-up due on Sukuk certificates of Agritech Limited as disclosed in Note 6.4. The Fund has recognized the above TFCs at nil value. The principal amount of Rs. 18.67 million outstanding against these TFCs is redeemable in six equal semi-annual instalments starting from July 01, 2012 and matured on January 01, 2015. However up to the year ended June 30, 2021 no principal repayment has been received by the Fund. Further, these TFCs were classified as Non Performing Asset by MUFAP on 17 January 2012.

6.4 Details of non-compliant investments

The Securities & Exchange Commission of Pakistan (SECP), vide its circular No. 16 dated July 07, 2010, has prescribed certain disclosures for non-compliances, either with the minimum investment criteria specified for the category assigned to the Collective Investment Schemes or with the investment requirements of their constitutive documents.

Name of non-compliant investments	Type of Investments	Value of investment before provision	Provision held if any	Value of investment after provision	% of net assets	% of total investment
		----- Rupees -----				
Azgard Nine Limited (related party) (Notes 6.3.3.1)	PPTFC	30,572,073	(30,572,073)	-	-	-
Azgard Nine Limited (related party) (Note 6.3.3.2)	PPTFC	19,260,000	(19,260,000)	-	-	-
Agritech Limited (Note 6.3.3.4)	TFC	18,670,000	(18,670,000)	-	-	-
Agritech Limited (Note 6.3.2.1)	Sukuks	117,601,483	(117,601,483)	-	-	-



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	Note	2021 ----- Rupees -----	2020
7. ACCRUED RETURN ON BANK BALANCES AND INVESTMENTS			
Accrued return / interest on:			
Bank balances	5	251,347	704,537
Sukuk certificates / term finance certificates	6.3	1,702,302	2,717,518
Government securities	6.2	-	1,342,391
		1,953,649	4,764,446
8. PREPAYMENT, DEPOSITS AND OTHER RECEIVABLES			
Prepaid annual fee - National Clearing Company of Pakistan (NCCPL)		131,272	125,660
Security deposit with National Clearing Company of Pakistan Limited		2,750,000	2,750,000
Security deposit with Central Depository Company of Pakistan Limited		100,000	100,000
Income tax recoverable	8.1	913,671	913,671
Balance with NCCPL against cash margin for MTS / Future		20,410,867	2,250,000
		24,305,810	6,139,331

- 8.1** Clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 provides exemption from withholding tax deduction on dividend and markup income received by the collective investment scheme from investee companies and banks.

However a letter dated June 30, 2010 issued by Federal Board of Revenue to Assistant Director, Central Directorate of National Savings, Islamabad states that the said exemption will be applicable if exemption certificate under section 159(1) of the Income Tax Ordinance, 2001 is issued by the concerned Commissioner of Inland Revenue.

Based on the above letter, above amount of withholding tax has been deducted by certain banks on markup income and certain investee companies on dividends. An exemption certificate was issued by the concerned Commissioner of Inland Revenue effective up to December 31, 2021. Accordingly the management is in the process of recovering the above tax amount deducted. Furthermore, a stay order has also been obtained by the Management Company of the Fund from further deduction of income tax at source.

Details of income tax recoverable are as follows:

	2021 ----- Rupees -----	2020
Balance as on July 01	913,672	913,672
Deductions for the year	-	-
Balances as on June 30	913,672	913,672

9. PAYABLE TO JS INVESTMENTS LIMITED - MANAGEMENT COMPANY

Under the provisions of Non-Banking Finance Companies and Notified Entities Regulations 2008, an Asset Management Company shall be entitled to an accrued remuneration equal to an amount not exceeding 2% of average annual net assets. Management Company has charged remuneration at the rate of 2% (2020: 2%) per annum based on the daily net assets of the Fund during the year ended June 30, 2021.



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	Note	2021 Rupees	2020
Remuneration payable to the Management Company		1,871,234	1,563,538
Sindh Sales Tax on remuneration of the Management Company	9.1	2,223,803	2,183,620
Reimbursement of accounting and operational charges to the Management Company	9.2	93,534	78,183
Selling and marketing expenses payable	9.3	2,973,522	2,472,041
Sales load payable		-	5,887
		7,162,093	6,303,269

9.1 The Sindh Provincial Government has levied Sindh Sales Tax at the rate of 13% (2020: 13%) on Management Company's remuneration through Sindh Sales Tax on Services Act, 2011. This also includes Rs. 1.981 million (2020: Rs. 1.981 million) accrued on Federal Excise Duty (FED) on the management remuneration as fully explained in note 12.2. Had the provision on FED not been made, net asset value per unit of the Fund as at June 30, 2021 would have been higher by Rs. 0.31 (2020: Rs. 0.29) per unit.

9.2 As per regulation 60(3) of the NBFC Regulations, fee and expenses related to registrar services, accounting, operation and valuation services related to CIS shall be payable to AMC. During the year, such expenses have been charged at the rate of 0.1% (2020: 0.1%) of net assets of the Fund.

9.3 SECP vide SRO 639(I)/2019 dated June 20, 2019 has removed cap of 0.4% on charging of selling and marketing expenses which is charged by Asset Management Companies to all categories of open-end mutual funds (except fund of funds). Resultantly, with effect from October 15, 2019, such expense has been charged at the rate of 1.07% of net assets of the Fund as per approval by the Board of Directors of Management Company. For the current year, the percentage is also 1.07% (2020: 0.4% to 1.07%).

10. REMUNERATION PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

Central Depository of Pakistan Limited (the Trustee) is entitled to a monthly remuneration of services rendered to the Fund under the provision of the Trust Deed as follows:

- up to rupees one billion 0.2% per annum of the daily net assets
- exceeding rupees one billion Rs. 2,000,000 plus 0.1% per annum of the daily net assets exceeding one billion

	Note	2021 Rupees	2020
Remuneration payable to the Trustee		175,741	156,362
Sindh Sales Tax payable on Trustee remuneration	10.1	22,846	20,327
		198,587	176,689

10.1 The Sindh Provincial Government levied Sindh Sales Tax at the rate of 13% (2020: 13%) on the remuneration of the trustee through Sindh Sales Tax on Services Act, 2011.



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11. ANNUAL FEE PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

As per SRO 685(I)/2019 dated June 28, 2019, annual fee at the rate 0.02% (2020: 0.02%) of the net assets of the Fund has been charged during the year by Securities and Exchange Commission of Pakistan.

	Note	2021 ----- Rupees -----	2020
12. ACCRUED EXPENSES AND OTHER LIABILITIES			
Provision for Sindh Workers' Welfare Fund	12.1	14,741,346	9,958,739
Withholding tax payable		4,511,042	4,824,835
Federal excise duty payable on Management Company's remuneration	12.2	13,262,475	13,262,475
Auditors' remuneration		422,020	549,473
Unrealised loss on forward contracts		6,739,190	-
Payable against purchase of securities		263,273	534,066
Zakat payable		102,801	114,362
Other liabilities		147,390	38,220
		40,189,537	29,282,170

12.1 As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs. 0.50 million, was required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP had taken up the matter with the Sindh Finance Ministry to have CISs/mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs / mutual funds, MUFAP recommended that, as a matter of abundant caution, provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from May 21, 2015). The Funds have accordingly made provision in respect of SWWF as recommended by MUFAP.

Subsequent to the year ended June 30, 2021, Sindh Revenue Board (SRB) through its letter dated August 12, 2021, has intimated MUFAP that the mutual funds do not qualify as Financial Institution/ Industrial Establishment and are, therefore, not liable to pay the Sindh Workers Welfare Fund (SWWF) contributions. This development was discussed at the MUFAP level and has also been taken up with the Securities and Exchange Commission of Pakistan (SECP) and all the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognized in the financial statements of the Funds on August 13, 2021. The SECP has given its concurrence for prospective reversal of provision for SWWF, Accordingly, going forward, no provision for SWWF would be recognized in the financial statement of the Fund.



Had the provision not being made, the Net Asset Value per unit as at June 30, 2021 would have been higher by Rs. 2.33 (2020 : Rs.1.48) per unit.

12.2 As per the requirements of the Finance Act, 2013, Federal Excise Duty (FED) at the rate of 16 percent on the remuneration of the Management Company has been applied effective from June 13, 2013. The Management Company is of the view that since the remuneration is already subject to the provincial sales tax, further levy of FED may result in double taxation, which does not appear to be the spirit of the law, hence, a petition was collectively filed by the Mutual Fund Association of Pakistan with the Sindh High Court (SHC) on September 04, 2013.

While disposing the above petition through order dated July 16, 2016, the SHC declared the said provisions to be ultra vires and as a result no FED is payable with effect from July 01, 2016. However, the tax authorities subsequently filed appeal against the decision of the SHC in the Supreme Court of Pakistan, which is pending for the decision.

Furthermore, the Finance Act 2016 also introduced an amendment to the Federal Excise Act, 2005 whereby FED was withdrawn on services of different industries including Non-Banking Financial Institutions, which are already subject to provisional sales tax.

However, since the appeal is pending in the Supreme Court of Pakistan, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period aggregating to Rs. 13.262 million (2020: 13.262 million). Had the provision not been made, Net Asset Value per unit of the Fund as at June 30, 2021 would have been higher by Rs. 2.09 (2020: Rs. 1.97) per unit.

13. CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as at June 30, 2021 and June 30, 2020.

14. NUMBER OF UNITS IN ISSUE

	2021	2020
	----- Number -----	
Total outstanding as of July 01	6,724,637	7,399,775
Issued during the year	151,025	646,305
Redemptions during the year	(540,442)	(1,321,443)
Total units in issue as of June 30	6,335,220	6,724,637



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		2021	2020
	Note	----- Rupees -----	
15. MARK-UP / INTEREST INCOME ON BANK BALANCES ' AND INVESTMENTS			
Mark-up / interest income on:			
Bank balances and term deposit receipts investments	5.1	6,399,707	17,830,123
Government securities	6.2	9,242,963	6,423,288
Sukuk certificates / term finance certificates	6.3	9,147,600	20,915,478
Commercial Papers		-	88,659
MTS interest income		35,611	258,115
		24,825,881	45,515,663
16. NET GAIN / (LOSS) ON SALE OF INVESTMENTS			
Listed equity securities		95,656,485	763,238
Listed equity securities - spread transactions		3,234,910	(648,579)
Sukuk certificates		(501,471)	(197,027)
Government securities		(3,819,382)	(114,659)
		94,570,542	(197,027)
		2021	2020
	Note	----- Rupees -----	
17. NET UNREALISED GAIN / (LOSS) ON RE-MEASUREMENT OF INVESTMENT CLASSIFIED AS 'FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS'			
Market value of investments		981,322,591	862,648,439
Less: carrying value of investments before mark to market		(842,763,162)	(865,988,355)
	17.1	138,559,429	(3,339,916)
17.1			
Listed equity securities		131,924,939	(3,460,356)
Listed equity securities - spread transactions		6,634,490	-
Government securities		-	(532,104)
Sukuk certificates		-	652,544
		138,559,429	(3,339,916)
18. OTHER INCOME			
Reversal of provision on recovery of fully provided TFC	6.3.3.3	1,408,693	-
Others (Including markup on TFC)	6.3.3.3	46,418	-
		1,455,111	-



19. AUDITORS' REMUNERATION

Annual audit fee	302,500	302,500
Fee for the review of half yearly financial statements	137,500	137,500
Income certification	30,000	30,000
Out of pocket expenses and Sindh Sales Tax	112,850	81,893
	582,850	551,893

20. TOTAL EXPENSE RATIO

In accordance with the Directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan, the total expense ratio of the Fund for year ended June 30, 2021 is 4.48% (2020: 3.90%) which includes 0.77% (2020: 0.43%) representing government levy i.e. Sindh Sales Tax, SECP fee and provision for Sindh Workers' Welfare Fund.

21. TAXATION

The Fund's income is exempt from income tax as per clause 99 of Part I of the Second Schedule of the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders (excluding distribution made by issuance of bonus units). Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 the Fund is required to distribute ninety percent of accounting income other than capital gains whether realised or unrealised to the unit holders. The Fund has distributed such accounting income for the year ended June 30, 2021 to its unit holders. Accordingly, no provision in respect of taxation has been made in these financial statements.

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

22. TRANSACTIONS / BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

Connected persons / related parties include JS Investments Limited (JSIL) being the Management Company of the Fund, Central Depository Company of Pakistan Limited (CDC) being the Trustee of the Fund, JS Bank Limited (JSBL) being the holding company of JSIL (holding 84.56% shares of JS Investment Limited) , Jahangir Siddiqui and Co. Limited (JSCL) (holding 75.02% shares of JS Bank Limited) being the Holding Company of JSBL, JS Global Capital Limited (JSGCL) (83.53% shares held by JS Bank Limited) being the fellow subsidiary of JSBL, and other associated companies of JSBL, JSIL and its subsidiaries, Key Management Personnel of the above entities and other funds being managed by JSIL and includes entities holding 10% or more in the units of the Fund as at June 30, 2021. It also includes staff retirement benefit funds of the above related parties / connected persons.

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

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

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



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22.1 Amounts outstanding as at year end are as follows:

	2021	2020
	----- Rupees -----	
JS Investments Limited - Management Company		
Remuneration payable to the Management Company	<u>1,871,234</u>	<u>1,563,538</u>
Sindh Sales Tax payable on Management Company's remuneration *	<u>2,223,803</u>	<u>2,183,620</u>
Federal Excise Duty payable on remuneration of the Management Company *	<u>13,262,475</u>	<u>13,262,475</u>
Reimbursement of accounting and operational charges to the Management Company	<u>93,534</u>	<u>78,183</u>
Selling and marketing expense payable	<u>2,973,522</u>	<u>2,472,041</u>
Sales load payable	<u>-</u>	<u>5,887</u>
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable to the Trustee	<u>175,741</u>	<u>156,362</u>
Sindh Sales Tax payable on Trustee remuneration **	<u>22,846</u>	<u>20,327</u>
Annual, transaction, trustee, CDS connection fee payable	<u>21,675</u>	<u>5,604</u>
Security deposit	<u>100,000</u>	<u>100,000</u>
JS Bank Limited - Holding Company of the Management Company		
Bank balance	<u>27,937,616</u>	<u>114,243,274</u>
Accrued return on bank balance	<u>85,879</u>	<u>704,537</u>
Key Management Personnel of the Management Company		
Units held: 22,076 (2020: 112,748)	<u>3,836,122</u>	<u>15,942,546</u>
Entity holding 10% or more than 10% of units of the Fund		
Units held: 3,801,174 (2020: 3,755,547)	<u>660,529,945</u>	<u>531,034,279</u>

22.2 Details of transactions with related parties / connected persons are as follows:

JS Investments Limited - Management Company		
Remuneration to the Management Company	<u>21,738,485</u>	<u>19,261,666</u>
Sindh Sales Tax on remuneration of the Management Company *	<u>2,826,027</u>	<u>2,504,029</u>
Reimbursement of accounting and operational charges	<u>1,086,888</u>	<u>963,160</u>
Selling and marketing expense - Management Company	<u>11,629,763</u>	<u>7,115,105</u>
Sales load	<u>35,793</u>	<u>8,520</u>



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	2021	2020
	----- Rupees -----	
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	<u>2,087,528</u>	<u>1,916,176</u>
Sindh Sales Tax on Trustee remuneration **	<u>270,848</u>	<u>249,103</u>
Annual, transaction, custodian, CDS connection fee	<u>119,150</u>	<u>106,113</u>
JS Global Capital Limited - Associated Company (Fellow subsidiary of JSBL)		
Brokerage fee (Note 22.3)	<u>265,600</u>	<u>342,047</u>
JS Bank Limited (Holding Company of Management Company)		
Markup on bank balances	<u>5,214,511</u>	<u>16,061,260</u>
Bank charges	<u>-</u>	<u>6,697</u>
Azgard Nine Limited (Other related party)		
Principal receipt (ANL PPTFC)	<u>1,408,693</u>	<u>-</u>
Markup receipt (ANL PPTFC)	<u>11,593</u>	<u>-</u>
EFU Life Assurance Limited. Employees Provident Fund - Associate (Employee Benefit Fund of Ultimate Parent Company of JSIL)		
Redemption of units: Nil (2020: 212,612)	<u>-</u>	<u>27,433,298</u>
EFU Life Assurance Limited - Employees Pension Fund - Associate (Associate of Ultimate Parent Company -JSCL)		
Redemption of units: Nil (2020: 57,120)	<u>-</u>	<u>7,370,141</u>
CDC Trustee JS Fund of Funds (Fund under JSIL Management)		
Issue of units: Nil (2020: 405,970)	<u>-</u>	<u>56,000,000</u>
Redemption of units: 84,515 (2020: 384,907)	<u>12,798,116</u>	<u>53,257,509</u>
Reinvest in lieu of dividend paid: Nil (2020: 2,846)	<u>-</u>	<u>402,431</u>
Key Management Personnel of the Management Company		
Issue of units: Nil (2020: 4,611)	<u>-</u>	<u>750,000</u>
Redemption of units: Nil (2020: 7,912)	<u>-</u>	<u>1,128,299</u>
Reinvest in lieu of dividend paid: 321 (2020: 3,105)	<u>55,475</u>	<u>516,459</u>

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	2021	2020
	----- Rupees -----	
Entity holding 10% or more than 10% of units of the Fund		
- National Insurance Company Limited		
Reinvest in lieu of dividend paid: 45,627 (2020: 107,955)	7,886,648	17,958,711

* Paid / payable to the Management Company for onwards payment to the Government.

** Paid / payable to the Trustee for onward payment to the Government.

22.3 The amount of brokerage expense represents the amount of expense incurred and not the purchase or sale value of securities transacted through them.

23. FINANCIAL INSTRUMENTS BY CATEGORY

	2021			2020		
	At amortised cost	At fair value through profit or loss	Total	At amortised cost	At fair value through profit or loss	Total
	----- Rupees -----					
Financial assets						
Bank balances	141,973,573	-	141,973,573	114,408,240	-	114,408,240
Investments	-	981,322,591	981,322,591	-	862,648,439	862,648,439
Accrued return on bank balances and investments	1,953,649	-	1,953,649	4,764,446	-	4,764,446
Deposits and other receivable	23,260,867	-	23,260,867	5,100,000	-	5,100,000
	167,188,089	981,322,591	1,148,510,680	124,272,686	862,648,439	986,921,125
Financial liabilities						
Payable to the Management Company	7,162,093	-	7,162,093	6,303,269	-	6,303,269
Payable to the Trustee	198,587	-	198,587	176,689	-	176,689
Accrued expenses and other liabilities	832,683	6,739,190	7,571,873	1,121,759	-	1,121,759
Dividend payable	928,218	-	928,218	1,112,101	-	1,112,101
Net assets attributable to redeemable units	1,100,859,809	-	1,100,859,809	950,893,620	-	950,893,620
	1,109,981,390	6,739,190	1,116,720,580	959,607,438	-	959,607,438

24. FINANCIAL INSTRUMENTS

Introduction and overview

The Fund has exposure to the following risks from financial instruments:

- Credit risk (refer note 24.1)
- Liquidity risk (refer note 24.2)
- Market risk (refer note 24.3)



Risk management framework

The Fund's board of management has overall responsibility for the establishment and oversight of the Fund's risk management framework.

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

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

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

24.1 Credit risk

Credit risk is the risk of financial loss to the Fund if a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from bank balances, instruments, accrued interest, other receivables and security deposits.

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

Management of credit risk

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

Credit risk is managed and controlled by the management company of the Fund in the following manner:

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



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Exposure to credit risk

The maximum exposure to credit risk as at reporting date was as follows:

	2021		2020	
	Balance as per the statement of asset and liabilities	Maximum exposure	Balance as per the statement of asset and liabilities	Maximum exposure
----- Rupees -----				
Bank balances	141,973,573	141,973,573	114,408,240	114,408,240
Investments	981,322,591	118,009,303	862,648,439	118,025,387
Accrued return on bank balances and investments	1,953,649	1,953,649	4,764,446	3,422,055
Security deposits	23,260,867	23,260,867	5,100,000	5,100,000
	1,148,510,680	285,197,392	986,921,125	240,955,682

Difference in the balance as per the statement of assets and liabilities and maximum exposure in investments is due to the fact that investment in equity securities of Rs. 757.555 million (2020: Rs. 662.909 million), investment in equity securities (spread transactions) of Rs. 105.758 million (2020: Rs.Nil), investment in government securities of Rs. Nil (2020: 52.614), investment in GOP ijarah sukuks of Rs. Nil (2020: Rs. 29.1 million) is not exposed to credit risk.

Difference in the balance as per the statement of assets and liabilities and maximum exposure in accrued return on bank balances and investments is due to the fact that interest accrued on the government securities of Rs. Nil (2020: 1.342 million) is not exposed to credit risk.

Bank balances including accrued return on bank balances

The analysis below summarises the credit quality of the balances with banks as at reporting date:

Rating	2021	2020	2021	2020
	----- Rupees -----		----- (%) -----	
A1+	142,213,066	115,100,835	99.99	99.99
A1	11,854	11,727	0.01	0.01
A2	-	215	-	0.00
Total balance including profit due	142,224,920	115,112,777	100.00	100.00



Sukuks / Term finance certificates

Rating	2021	2020	2021	2020
	Rupees		%	
AAA	30,000,000	95,613,487	25.42	81.01
AA+	88,009,303	-	74.58	-
A	-	22,411,900	-	18.99
	118,009,303	118,025,387	100	100

Above rates are on the basis of available ratings assigned by PACRA and JCR-VIS as of the reporting date.

Concentration of credit risk

Concentration of credit risk arises when a number of financial instruments or contracts are entered into with the same counterparty, or where a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. The Fund mainly deals in equity securities which are primarily subject to price risk. The Fund's portfolio of other financial assets is broadly diversified and transactions are entered into with diverse credit worthy counterparties thereby mitigating any significant concentration of credit risk. The Fund's portfolio exposed to credit risk primarily consists of bank deposits.

Details of Fund's concentration of credit risk of financial instruments by economic sectors are as follows:

	2021		2020	
	Rupees	%	Rupees	%
Commercial banks (including profit due)	142,224,920	49.87	115,112,777	48.32
Refinery (Investment in sukuk certificate)	-	-	95,613,487	40.13
Pharmaceuticals (investment in sukuk certificate)	-	-	22,411,900	9.40
Power (investment in sukuk certificate including p	88,471,121	31.02	-	-
Bank (investment in term finance certificate inclu	31,240,484	10.95	-	-
National Clearing Company of Pakistan Limited	23,160,867	8.12	5,000,000	2.10
Central Depository Company of Pakistan Limited - security deposit	100,000	0.04	100,000	0.04
	285,197,392	100.00	238,238,164	100.00

Past due and impaired assets and collaterals held

Following are the past due and impaired financial assets of the Fund as at June 30, 2021:

- Sukuk certificates and term finance certificates of Agritech Limited (refer notes 6.3.2 & 6.3.3.4)
- Term finance certificates of Azgard Nine (related party) (refer notes 6.3.3.1, 6.3.3.2 & 6.3.3.3)



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However these are fully provided. All other financial assets of the Fund as at June 30, 2021 are unsecured and are not impaired.

Settlement risk

The Fund's activities may give rise to risk at the time of settlement of transactions. Settlement risk is the risk of loss due to the failure of an entity to honour its obligations to deliver cash, securities or other assets as contractually agreed on sale.

For the vast majority of transactions the Fund mitigates this risk by conducting settlements through a broker to ensure that a trade is settled only when both parties have fulfilled their contractual settlement obligations.

24.2 Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Fund's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation.

The Fund aims to maintain the level of cash and cash equivalents and other highly marketable securities at an amount in excess of expected cash outflows on financial liabilities. The Fund is exposed to cash redemptions of its units on a regular basis. Units are redeemable at the holder's option based on the Fund's net asset value per unit at the time of redemption calculated in accordance with the Fund's constitutive document and guidelines laid down by Securities and Exchange Commission of Pakistan (SECP).

Management of liquidity risk

The Fund's policy is to manage this risk by investing majority of its assets in investments that are traded in an active market and can be readily disposed. The Fund invests primarily in marketable securities and other financial instruments, which under normal market conditions are readily convertible to cash. As a result, the Fund may be able to liquidate quickly its investments in these instruments at an amount close to their fair value to meet its liquidity requirement. The present settlement system is a T+2 system, which means that proceeds from sales (to pay off redemptions) of holdings will be received on the second day after the sale, while redemptions have to be paid within a period of six working days from the date of the redemption request.

In addition, the Fund has the ability to borrow, with prior approval of trustee, for meeting redemption requests. No such borrowings were made during the year. The maximum amount available to the Fund from borrowings is limited to the extent of 15% of net assets at the time of borrowing with repayment within 90 days of such borrowings. The facility would bear interest at commercial rates.

In order to manage the Fund's overall liquidity, the Fund can also withhold daily redemption request in excess of ten percent of the units in issue and such requests would be treated as redemption request 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 significant redemptions during the year.

Maturity analysis for financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts in the table are the contractual undiscounted cash flows.



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	Carrying amount	Contractual cash flows		
		Total	Less than 1 month	Within 3 months
----- Rupees -----				
June 30, 2021				
Financial liabilities				
Payable to the Management Company	7,162,093	7,162,093	7,162,093	-
Payable to the Trustee	198,587	198,587	198,587	-
Accrued expenses and other liabilities	7,571,873	7,543,506	804,316	6,739,190
Dividend payable	928,218	928,218	928,218	-
	15,860,771	15,832,404	9,093,214	6,739,190
Net assets attributable to redeemable units	1,100,859,809	1,100,859,809	1,100,859,809	-
----- Rupees -----				
	Carrying amount	Contractual cash flows		
		Total	Less than 1 month	Within 3 months
----- Rupees -----				
June 30, 2020				
Financial liabilities				
Payable to the Management Company	6,303,269	6,303,269	6,303,269	-
Payable to the Trustee	176,689	176,689	176,689	-
Accrued expenses and other liabilities	1,121,759	1,121,759	1,121,759	-
Dividend payable	1,112,101	1,112,101	1,112,101	-
	8,713,818	8,713,818	8,713,818	-
Net assets attributable to redeemable units	950,893,620	950,893,620	950,893,620	-

Above financial liabilities do not carry any mark-up and are unsecured.

24.3 Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates, interest rates and equity prices will affect the Fund's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Management of market risks

The Fund manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee and regulations laid down by the Securities and Exchange Commission of Pakistan. The maximum risk resulting from financial instruments equals their fair values.



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

24.3.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency exchange rates.

The Fund has no exposure to foreign exchange risk as at June 30, 2021 as there are no financial assets or financial liabilities denominated in foreign currencies.

24.3.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates. Risk management procedures are the same as those mentioned in the credit risk management.

a) Sensitivity analysis for variable rate instruments

As at June 30, 2021, the Fund holds interest bearing bank balances in savings accounts and TFC / sukuk certificates exposing the Fund to cash flow interest rate risk. In case of 100 basis points increase / decrease in interest rate on the last repricing data of these balances with banks and sukuk certificates, with all other variables held constant, the net income and net assets would have been higher / lower by Rs. 2.600 million (2020: Rs. 2.615 million).

b) Sensitivity analysis for fixed rate instruments

The Fund doesn't holds any fixed rate financial instrument that exposes the Fund to fair value interest rate risk as at June 30, 2021. However, as at June 30, 2020, the Fund held Pakistan Investment Bond that exposed the Fund to fair value interest rate risk. In case of 100 basis points increase in market rate on June 30, 2020, with all other variables held constant, the net assets and net income of the Fund for the year would have been lower by Rs. 1.78 million and In case of 100 basis point decrease in market rate on June 30, 2020, with all other variables held constant, the net assets and net income for the year would have been higher by Rs. 1.859 million.

The composition of the Fund's investment portfolio and rates announced by Financial Market Association of Pakistan and State Bank of Pakistan is expected to change over time. Therefore, the sensitivity analysis prepared as of June 30, 2021 is not necessarily indicative of the effect on the Fund's net assets of future movements in interest rates.



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

As at June 30, 2021					
Yield / interest rate	Total	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk
		Upto three months	More than three months and upto one year	More than one year	
%	Rupees				
On-balance sheet financial instruments					
Financial assets					
Bank balances	5.00% to 8.00%	141,973,573	141,973,573	-	-
Investments - Listed equity securities		757,555,153	-	-	757,555,153
Investments - Listed equity securities (spread transactions)		105,758,135	105,758,135	-	-
Investments - Sukuks certificates	KIBOR + 1 - 2.5%	118,009,303	118,009,303	-	-
Accrued return on bank balances and investments		1,953,649	-	-	1,953,649
Deposits and other receivable		23,260,867	-	-	23,260,867
		1,148,510,680	365,741,011	-	782,769,669
Financial liabilities					
Payable to the Management Company		7,162,093	-	-	7,162,093
Payable to the Trustee		198,587	-	-	198,587
Accrued expenses and other liabilities		7,571,873	-	-	7,571,873
Dividend payable		928,218	-	-	928,218
Net assets attributable to redeemable units		1,100,859,809	-	-	1,100,859,809
		1,116,720,580	-	-	1,116,720,580
On-balance sheet gap		31,790,099	365,741,011	-	(333,950,912)
Off-balance sheet financial instruments					
Off-balance sheet gap		-	-	-	-

As at June 30, 2020					
Yield / interest rate	Total	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk
		Upto three months	More than three months and upto one year	More than one year	
%	Rupees				
On-balance sheet financial instruments					
Financial assets					
Bank balances	3.75% - 13.70%	114,408,240	114,408,240	-	-
Investments - Listed equity securities		662,908,601	-	-	662,908,601
Investments - Sukuks certificates	KIBOR + 1 - 1.5%	147,125,387	147,125,387	-	-
Investments - Pakistan Investment Bonds	9.50%	52,614,451	-	52,614,451	-
Accrued return on bank balances and investments		4,764,446	-	-	4,764,446
Security deposits		5,100,000	-	-	5,100,000
		986,921,125	261,533,627	-	52,614,451
Financial liabilities					
Payable to the Management Company		6,303,269	-	-	6,303,269
Payable to the Trustee		176,689	-	-	176,689
Accrued expenses and other liabilities		1,121,759	-	-	1,121,759
Dividend payable		1,112,101	-	-	1,112,101
Net assets attributable to redeemable units		950,893,620	-	-	950,893,620
		959,607,438	-	-	959,607,438
On-balance sheet gap		27,313,687	261,533,627	-	(286,834,391)
Off-balance sheet financial instruments					
Off-balance sheet gap		-	-	-	-



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24.3.3 Other market price risk

The Fund is exposed to equity price risk i.e. the risk of unfavorable changes in the fair value of equity securities as a result of changes in the levels of Pakistan Stock Exchange Index and the value of individual shares, which arises from investments measured at fair value through income statement.

The management of the Fund monitors the proportion of equity securities in its investment portfolio based on market indices. The Fund policy is to manage price risk through diversification and selection of securities within specified limits set by internal risk management guidelines or the requirements of NBFC regulations. The Fund manages those risk by limiting exposure to any single investee company to the extent of 10% of issued capital of that investee company and the net assets of the Fund with overall limit of 30% to a single industry sector of the net assets of the Fund (the limit set by NBFC regulations).

The Fund also manages its exposure to price risk by reviewing portfolio allocation as frequently as necessary and at least once a quarter from the aspect of allocation within industry and individual stock within that allocation. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the Investment Committee. The primary objective of the Fund's investment strategy is to maximise investment returns.

Details of the Fund's investments in industrial / economic sectors are given in note 6.1 and 6.1.1.

Sensitivity analysis - Equity price risk

All of the Fund's equity investments are listed on Pakistan Stock Exchange. For such investments classified as at fair value through Profit and Loss, a 5% increase or decrease in the fair values of the equity investments, would have increased or decreased the income statement and the unit holders' fund by Rs. 37.878 million (2020: Rs. 33.145 million) and a 5% increase or decrease in the fair value of the equity investments (spread transactions), would have increased or decreased the income statement and the unit holders' fund by Rs. 5.288 million (2020: Rs. Nil).

The analysis is based on the assumption that the equity index had increased / decreased by 5% with all other variables held constant and all the Fund's equity instruments moved according to the historical correlation with the index. This represents management's best estimate of a reasonable possible shift in the PSX 100 Index, having regard to the historical volatility of the index. The composition of the Fund's investment portfolio and the correlation thereof to the KMI index, is expected to change over the time. Accordingly, the sensitivity analysis prepared as of June 30, 2021 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of PSX 100 Index.

25. UNIT HOLDER'S FUND RISK MANAGEMENT

The Fund's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to continue as a going concern so that it can continue to provide returns to its unit holders. Management monitors the return on capital as well as the level of dividends to unit holders and makes adjustments to it in the light of changes in markets' conditions.

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

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



26. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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.

The fair value of financial assets traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date. The quoted market prices used for financial assets held by the Fund is current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and 'regularly occurring market transactions on an arm's length basis.

IFRS 13, 'Fair Value Measurements' requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date (level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (level 2).
- Unobservable inputs for the asset or liability (level 3).

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

	Note	Carrying amount			Fair value hierarchy		
		At fair value through profit or loss	At amortised cost	Total	Level 1	Level 2	Total
June 30, 2021							
Financial assets measured at fair value							
Listed equity securities	6	757,555,153	-	757,555,153	757,555,153	-	757,555,153
Listed equity securities (spread transactions)	6	105,758,135	-	105,758,135	105,758,135	-	105,758,135
Unlisted sukuk certificates	6	118,009,303	-	118,009,303	-	118,009,303	118,009,303
		981,322,591	-	981,322,591	863,313,288	118,009,303	981,322,591
Financial assets not measured at fair value							
Bank balances	5	-	141,973,573	141,973,573	-	-	-
Accrued return on bank balances and investments		-	1,953,649	1,953,649	-	-	-
Security deposits		-	23,260,867	23,260,867	-	-	-
		-	167,188,089	167,188,089	-	-	-
Financial liabilities measured at fair value							
Unrealised loss on forward contracts		6,739,190	-	6,739,190	6,739,190	-	6,739,190
		6,739,190	-	6,739,190	6,739,190	-	6,739,190
Financial liabilities not measured at fair value							
Payable to the Management Company	9	-	7,162,093	7,162,093	-	-	-
Payable to the Trustee	10	-	198,587	198,587	-	-	-
Accrued expenses and other liabilities	12	-	7,571,873	7,571,873	-	-	-
Dividend payable		-	928,218	928,218	-	-	-
Net assets attributable to redeemable units		-	1,100,859,809	1,100,859,809	-	-	-
		-	1,116,720,580	1,116,720,580	-	-	-



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	Note	Carrying amount			Fair value hierarchy		
		At fair value through profit or loss	At amortised cost	Total	Level 1	Level 2	Total
June 30, 2020							
----- Rupees -----							
Financial assets measured at fair value							
Listed equity securities	6	662,908,601	-	662,908,601	662,908,601	-	662,908,601
Government securities	6	52,614,451	-	52,614,451	-	52,614,451	52,614,451
Unlisted sukuk certificates	6	147,125,387	-	147,125,387	-	147,125,387	147,125,387
		<u>862,648,439</u>	<u>-</u>	<u>862,648,439</u>	<u>662,908,601</u>	<u>199,739,838</u>	<u>862,648,439</u>
Financial assets not measured at fair value							
Bank balances	5	-	114,408,240	114,408,240	-	-	-
Accrued return on bank balances and investments		-	4,764,446	4,764,446	-	-	-
Security deposits		-	5,100,000	5,100,000	-	-	-
		<u>-</u>	<u>124,272,686</u>	<u>124,272,686</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities not measured at fair value							
Payable to the Management Company	9	-	6,303,269	6,303,269	-	-	-
Payable to the Trustee	10	-	176,689	176,689	-	-	-
Accrued expenses and other liabilities	12	-	1,121,759	1,121,759	-	-	-
Dividend payable		-	1,112,101	1,112,101	-	-	-
Net assets attributable to redeemable units		-	950,893,620	950,893,620	-	-	-
		<u>-</u>	<u>959,607,438</u>	<u>959,607,438</u>	<u>-</u>	<u>-</u>	<u>-</u>

26.1 The Fund has not disclosed the fair values for these financial assets (other than investment) and for financial liabilities, as these are either short term in nature or are repriced periodically. Therefore, their carrying amounts are reasonable approximation of their fair values.

27. UNIT HOLDING PATTERN OF FUND

Category	As at June 30, 2021			
	No. of unit holders	Number of units held	Amount Rupees	% of total units
Individuals	255	921,445	160,117,841	14.54
Director	1	15,915	2,765,493	0.25
Insurance Company	1	3,801,174	660,523,102	60.00
Retirement Funds	13	960,676	166,934,874	15.16
Others	9	636,011	110,518,487	10.04
	279	6,335,220	1,100,859,796	100



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Category	As at June 30, 2020			
	No. of unit holders	Number of units held	Amount Rupees	% of total units
Individuals	271	1,158,033	163,751,083.32	17.22
Associated Companies and Directors	2	175,508	24,817,620.94	2.61
Insurance Company	1	3,755,547	531,051,178.75	55.85
Retirement Funds	13	945,194	133,654,678.84	14.06
Others	10	690,356	97,619,412.08	10.27
	297	6,724,637	950,893,974	100

28. LIST OF TOP 10 BROKERS BY PERCENT OF THE COMMISSION PAID

2021		2020	
Name of broker	Percentage of commission / Brokerage (%)	Name of broker	Percentage of commission / Brokerage (%)
MRA Securities (Private) Limited	14.15	JS Global Capital Limited	11.91
Topline Securities (Private) Limited	11.22	Intermarket Securities (Private) Limited	6.08
JS Global Capital Limited	10.51	Topline Securities (Private) Limited	5.08
Multiline Securities (Private) Limited	9.24	Adam Securities Limited	5.01
Adam Securities Limited	9.04	Next Capital Limited	4.98
Growth Securities (Private) Limited	6.29	NaeL Capital (Private) Limited	4.94
Next Capital Limited	4.27	Optimus Capital (Private) Limited	4.39
TAURUS Securities (Private) Limited	3.93	BMA Capital Securities (Private) Limited	4.37
Intermarket Securities (Private) Limited	3.71	Sherman Securities (Private) Limited	4.11
Inside Securities (Private) Limited	3.71	Growth Securities (Private) Limited	3.93

29. PARTICULARS OF INVESTMENT COMMITTEE AND FUND MANAGER

S. No	Name	Designation	Experience in years	Qualification
1	Ms. Iffat Zehra Mankani	Chief Executive Officer	20	MBA
2	Mr. Khawar Iqbal	Director Finance & Company Secretary	28	MBA
3	Mr. Zahid Ullah Khan	Chief Investment Officer / Fund Manager	18	MBA
4	Mr. Syavash Pahora	Head of Research	4	BSC



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30. MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Following is the analysis of the attendance in the meetings of the Board of Directors of the Management Company during the year:

Name of Directors	Meetings attended	Meetings held on				
		12 August 2020	22 October 2020	16 December 2020	21 February 2021	22 April 2021
Mr. Kamran Jafar	3	P	P	P	-	-
Mr. Hasnain Raza Nensey	4	P	P	P	P	-
Mr. Suleman Lalani	3	-	P	-	P	P
Ms. Iffat Zehra Mankani*	1	-	-	-	-	P
Mr. Asif Reza Sana	3	P	P	-	-	P
Mr. Babar Wajid	2	P	P	-	-	-
Mr. Hasan Shahid *	5	P	P	P	P	P
Mr. Tahir Ali Sheikh *	5	P	P	P	P	-
Ms. Aisha Fariel Salahuddin *	5	P	P	P	P	P
Mr. Imran Haleem Shaikh	2	-	-	-	P	P
Mr. Tauqir Haider Rizvi *	-	-	-	-	-	-
Mr. Zahid Ullah Khan	1	-	-	-	-	P

*Mr. Suleman Lalani Joined the Board on September 09, 2020

*Ms. Iffat Zehra Mankani joined the Board on April 15, 2021. She replaced Mr. Hasnain Raza Nensey from the Board as the

*Mr. Imran Haleem Shaikh joined the Board on January 15, 2021

*Mr. Zahid Ullah Khan joined the Board on March 18, 2021

*Mr. Kamran Jafar resigned from the Board on January 18, 2021

*Mr. Babbar Wajid resigned from the Board on December 02, 2020

31. RATING OF THE MANAGEMENT COMPANY

Pakistan Credit Rating Agency (PACRA) has assigned an asset manager rating of "AM2"(Stable Outlook) to the Management Company.

The rating denotes high management quality of the Management Company.

32. SUMMARY OF ACTUAL PROXY VOTED BY UNIT TRUST OF PAKISTAN

	Resolutions	For	Against	Abstain
Number	5	5	Nil	N/A
(% ages)	100	100	-	-



Note:

The Proxy voting policy of the Collective Investment Scheme (CIS) is available on the website of JS Investments Limited, the Company and detailed information regarding actual proxies voted by the Company in respect of the CIS is also available without charge, upon request, to all unit holders.

33. CORRESPONDING FIGURES

Corresponding figures wherever necessary have been rearranged and reclassified to reflect more appropriate presentation of events and transactions for the purposes of comparison.

34. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on August 21, 2021.

For JS Investments Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

BOOK POST
PRINTED MATTER



JS Investments Limited

19th Floor, The Centre, Plot # 28,
SB-5 Abdullah Haroon Road, Saddar,
Karachi-75600

Tel: (92-21) 111-222-626

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E-mail: info@jsil.com

Website: www.jsil.com



JS Large Cap. Fund

Annual Report 2021



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VISION

To be recognized as a responsible asset manager respected for continually realizing goals of its investors.

MISSION

To build JS Investments into a top ranking Asset Management Company; founded on sound values; powered by refined knowhow; supported by a committed team operating within an accountable framework of social, ethical and corporate responsibility - a strong and reliable institution for its shareholders to own; an efficient service provider and value creator for clients; an exciting and fulfilling work place for employees; and a participant worth reckoning for competitors.

BROAD POLICY OBJECTIVES

- Value creation for clients on a sustainable basis
- Maintain high standards of ethical behaviors and fiduciary responsibility
- Manage Investments with Prudence and with the aim of providing consistent returns better than that of peers
- Take Products and Services to the People, Create awareness on understanding financial goals, risks and rewards
- Professional Excellence – Adapt, Evolve and Continuously Improve
- Maintain highly effective controls through strong compliance and risk management
- A talented, diligent and diverse HR



ORGANIZATION

Management Company

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

Board of Directors

Mr. Suleman Lalani	Chairman
Ms. Iffat Zehra Mankani	Chief Executive Officer
Mr. Hasan Shahid	Non-Executive Director
Mr. Asif Reza Sana	Independent Director
Ms. Aisha Fariel Salahuddin	Independent Director
Mr. Zahid Ullah Khan	Non-Executive Director
Mr. Imran Haleem Shaikh	Non-Executive Director
Mr. Mirza Muhammad Sadeed Hassan Barlas*	Non-Executive Director

Audit Committee

Mr. Asif Reza Sana	Chairman
Ms. Aisha Fariel Salahuddin	Member
Mr. Hasan Shahid	Member

Director Finance & Company Secretary

Mr. Muhammad Khawar Iqbal

Chief Financial Officer

Mr. Zafar Iqbal Ahmed

Trustee

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

Auditors

Yousuf Adil
Chartered Accountants

Legal Adviser

Bawaney & Partners

* Mr. Mirza Muhammad Sadeed Hassan Barlas has been appointed as Director of JS Investments Limited w.e.f August 09, 2021 in



JS Large Cap. Fund

Directors' Report to the Unit Holders

The Board of Directors of JS Investments Limited, the Management Company of **JS Large Cap. Fund** (the Fund), is pleased to present the Annual Report for the year ended June 30, 2021.

Economic Review:

Despite innumerable challenges, Pakistan's economy is moving progressively on a sustainable growth path. Before the COVID-19 pandemic hit Pakistan's economy, the reforms had laid the base for an economic recovery as was visible in 2H FY19 figures, however, it was brought to a halt due to the incidence of the coronavirus pandemic. Pakistan did much better in coping up with the pandemic compared to many countries and as a result GDP growth came in at 3.94% for FY21; sharply recovering from the FY20 decline of 0.5%. The rebound in GDP growth was underpinned by a recovery in industrial sector growth from an FY20 contraction of 3.8% to an FY21 expansion of 3.6%. Similarly, the services sector grew 4.4% in FY21, after constricting by 0.6% in the preceding year.

Inflation is still one of the bigger issues that our economy faces today. Headline CPI and core CPI averaged 8.9% and 6.6% respectively. The latter remained below 7%, allowing the SBP to accommodate growth by continuing to maintain a dovish monetary policy stance. It is also pertinent to mention that inflation all over the world remained volatile mainly due to supply-side disruptions in commodities due to the COVID-19 pandemic.

The SBP also maintained its policy of a flexible exchange rate regime. The rupee appreciated by 9.4% against the greenback; largely a consequence of the current account surplus reported during the period. As a result, SBP reserves rose 54% to USD 17.8 bn while total liquid FX reserves rose 36% to USD 24.8 bn. The import cover has remained steady at 5 months despite a rise in imports as a result of a rebound in economic activity.

Equity Market Review:

The KSE100 index rose 37.6% in FY21 while the KSE30 and KMI 30 indices rose 27.6% and 39.3% respectively. The stellar returns are mostly due to COVID-induced market decline in the preceding year which was recovered in the current fiscal year.

Technology & Communication returned 294% during the year while Glass & Ceramics rose 171%. Refinery, Engineering, Auto Assemblers, Paper & Board and Cement were the other sectors that gained the most during the period. The biggest underperforming sectors were Food & Personal Care, Oil & Gas Exploration and Fertilizer with a return of -3.2%, -0.4% and 1.8% respectively.

The dominant theme during the fiscal year was high beta pro-cyclical stocks that tend to benefit from economic expansion, higher large-scale manufacturing growth and higher demand from housing in particular. The incumbent government's focus on promoting housing and water conservation (through construction of dams) has led to a sharp rally in construction sector related stocks.

On the other hand, traditional blue-chip companies sharply underperformed. The same earnings stability that helped prop up valuations during the FY17 – FY19 recession led to a lack of interest in these stocks when corporate earnings growth concerns were at the forefront.

Traded value improved significantly on the bourse. KSE 100 average traded value rose from PKR 6.1 bn in FY20 to PKR 13.2 bn in FY21, a historic increase of 116%. Traded value has improved significantly on the back of the sharpest rebound in equities since 2017.

Review of Fund Performance

The Fund return was 37.88% for the year ended June 30, 2021 against benchmark return of 36.49%. Net Assets moved from PKR. 351.76 million to PKR. 478.44 million as at June 30, 2021.



Asset Manager Rating

The Pakistan Credit Rating Agency Limited (PACRA) has affirmed JS Investments' Management Quality Rating of "AM2"(AM-Two) with a "stable" outlook. The rating denotes High Management Quality.

Auditors

The external auditors of the Fund Messrs Yousuf Adil Chartered Accountants retired. The Board of Directors, upon recommendation of the Audit Committee of the Board has approved the appointment of Messrs Grant Thornton Anjum Rahman Chartered Accountants Chartered Accountants, as the Fund's auditors for the ensuing year ending June 30, 2022.

Board of Directors

During the period Ms. Iffat Zehra Mankani has joined as the Chief Executive Officer of the Company in place of Mr. Hasnain Raza Nensey. In addition to that Syed Tauqir Haider Rizvi, Mr. Babbar Wajid, Mr. Kamran Jafar and Mr. Tahir Ali Sheikh have resigned from the Board whereas, Mr. Suleman Lalani, Mr. Imran Haleem Shaikh, Mr. Zahid Ullah Khan and Mr. Mirza M. Sadeed H. Barlas were appointed as Directors on their places respectively.

Additional Matters

- a. Annexed to the Annual Report is Fund Manager's Report giving description of principal risks and uncertainties with reasonable indication of future prospects of profit.
- b. The Pattern of Unit holding as at June 30, 2021 is annexed to this annual report.
- c. The system of internal control is sound in design and has been effectively implemented and monitored.
- d. A performance table / key financial data is annexed to this annual report.

Significant Matters

- Subsequent to the year ended June 30, 2021, Sindh Revenue Board (SRB) through its letter dated August 12, 2021, has intimated MUFAP that the mutual funds do not qualify as Financial Institution/ Industrial Establishment and are, therefore, not liable to pay the Sindh Workers Welfare Fund (SWWF) contributions. This development was discussed at the MUFAP level and has also been taken up with the Securities and Exchange Commission of Pakistan (SECP) and all the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognized in the financial statements of the Funds on August 13, 2021. The SECP has given its concurrence for prospective reversal of provision for SWWF, Accordingly, going forward, no provision for SWWF would be recognized in the financial statement of the Fund.

The Board approved addition of the note 11.1 related to the prospective reversal of SWWF in the financial statements of Fund on September 22, 2021.

- Due to the enactment of the Sindh Trusts Act, 2020 (as amended vide Sindh Trusts (Amended) Act, 2021) ("the Act"), the Trusts including Collective Investment Schemes, Private Funds etc, being Specialized Trusts are required to be registered with the Assistant Director of Industries and Commerce (Trust Wing), Government of Sindh under Section 12A of the Act. For this purpose, Re-Styled Trust Deeds of all Funds have been executed between the Management Company and the Trustees and all the relevant Trust Deeds along with necessary documents have been submitted with Assistant Director of Industries and Commerce (Trust Wing), Government of Sindh.

Acknowledgment

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

The Directors' Report was initially approved by the Board of Directors of Management Company on August 21, 2021 and further amended on September 22, 2021 to incorporate the subsequent event as disclosed in above significant matter related to reversal of SWWF provisioning.

Karachi:

Director

Chief Executive Officer

شراکت داروں کے لیے ڈائریکٹرز رپورٹ

جے ایس انویسٹمنٹس لمیٹڈ کے بورڈ آف ڈائریکٹرز، JS لارج کیپ. فنڈ (دی فنڈ) کی مینجمنٹ کمپنی نے 30 جون 2021 کو ختم ہونے والے سال کے لیے سالانہ رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

معاشی جائزہ

لا تعداد چیلنجز کے باوجود، پاکستان کی معیشت ترقی کی راہ پر مستحکم نمو کی طرف بڑھ رہی ہے۔ کووڈ-19 کی وباء کے پاکستانی معیشت پر حملے سے پہلے اصلاحات کے ذریعے معاشی بحالی کا آغاز ہو گیا تھا جس کا اندازہ مالی سال 19 کی دوسری ششماہی سے ہوتا ہے، تاہم کرونا وائرس کی وبا پھیلنے کے سبب بحالی کا عمل رک گیا۔ پاکستان نے کئی دوسرے ممالک کے مقابلے میں وباء سے نمٹنے کیلئے بہتر اقدامات کئے جس کے نتیجے میں مالی سال 21 کے لئے جی ڈی پی کی شرح نمو مالی سال 20 میں 0.5% کی کمی سے بحالی کے بعد 3.94% ہو گئی۔ جی ڈی پی کی نمو کے دوبارہ بڑھنے کی وجہ مالی سال 20 میں صنعتی شعبے کے 3.8% سکڑاؤ سے مالی سال 21 میں 3.6% اضافہ تھی۔ اسی طرح خدمات کے شعبے میں گزشتہ سال کے 0.6% سکڑاؤ کے بعد مالی سال 21 میں 4.4% پھیلاؤ آیا۔

افراط زر آج بھی ہماری معیشت کو درپیش سب سے بڑے مسائل میں سے ایک ہے۔ بلند ترین سی پی آئی اور بنیادی سی پی آئی بالترتیب 8.9% اور 6.6% ہیں۔ موخر الذکر کے 7% سے کم رہنے کے سبب اسٹیٹ بینک آف پاکستان کو اپنی نرم مانیٹری پالیسی برقرار رکھنے میں مدد ملی۔ یہ کہنا بھی ضروری ہے کہ دنیا بھر میں افراط زر میں اتار چڑھاؤ کی کیفیت جاری ہے جس کی وجہ کووڈ - 19 کی وباء سے اشیاء کی سپلائی کے مرحلے میں بڑی رکاوٹیں پیدا ہونا تھی۔

اسٹیٹ بینک آف پاکستان نے لچکدار شرح تبادلہ کی پالیسی کا سلسلہ بھی برقرار رکھا۔ گرین بیک کے مقابلے میں روپے کی قیمت میں 9.4% بہتری آئی جو اس مدت کے دوران میں اضافی کرنٹ اکاؤنٹ کے سبب ممکن ہوئی۔ اس کے نتیجے میں اسٹیٹ بینک آف پاکستان کے ذخائر 54% اضافے کے ساتھ 17.8 بلین امریکی ڈالر ہو گئے جب کہ کل لیکویڈ غیر ملکی زرمبادلہ (FX) کے ذخائر 36% اضافے کے ساتھ 24.8 بلین امریکی ڈالر ہو گئے۔ معاشی سرگرمیوں کے دوبارہ بڑھنے کے نتیجے میں درآمدات میں اضافے کے باوجود درآمدات کا کور 5 ماہ تک مستحکم رہا۔

ایکیویٹی مارکیٹ کا جائزہ

مالی سال 21 میں KSE 100 انڈیکس میں 37.6% جبکہ KSE 30 اور KMI 30 انڈیکسز میں بالترتیب 27.6% اور 39.3% کا اضافہ ہوا۔ شاندار منافع زیادہ تر پچھلے سال کووڈ کی وجہ سے مارکیٹ میں کمی کے سبب ہے جو رواں مالی سال میں بحال کیا گیا تھا۔

سال کے دوران ٹیکنالوجی اور کمیونیکیشن نے 29.4% کا منافع دیا جبکہ گلاس اور سرامکس میں 17.1% کا اضافہ ہوا۔ اس مدت کے دوران ریٹائمنگ، انجینئرنگ، آٹو اسمبلر، پیپر اینڈ بورڈ اور سبٹ وہ دیگر شعبے تھے جن میں سب سے زیادہ اضافہ ہوا۔ فوڈ اینڈ پراسسنگ، آئل اینڈ گیس اور ایکلوپلوریشن اینڈ فریٹلائزر سب سے زیادہ کم کارکردگی کا مظاہرہ کرنے والے تھے جن میں بالترتیب 3.2%، -0.4% اور 1.8% کا منافع ہوا۔

مالی سال کے دوران غالب موضوع high beta pro-cyclical اسٹاک تھا جس کو معاشی پھیلاؤ، بڑے پیمانے کی مینیوفیکچرنگ میں بڑے اضافے اور خاص طور پر ہاؤسنگ کی جانب سے زیادہ طلب سے فائدہ ہوا۔ موجودہ حکومت کے ہاؤسنگ اور پانی کے ذخائر میں اضافہ (ڈیپز کی تعمیر کے ذریعے) پر خصوصی توجہ نے تعمیراتی شعبے سے متعلق اسٹاکس میں تیزی سے اضافہ کیا ہے۔

دوسری طرف روایتی مستحکم کمپنیوں کی کارکردگی میں معمولی کمی دیکھنے میں آئی۔ آمدنی کا جو استیقام مالی سال 17 - مالی سال 19 کی کساد بازاری کے دوران میں اقدار کو سہارا دینے میں معاون رہا، اسی کے سبب ان اسٹاکس میں عدم دلچسپی پیدا ہوئی جب کارپوریٹ آمدنی میں اضافے سے متعلق تشویش نمایاں رہی۔

بازار حصص میں تجارتی ویلیو میں نمایاں بہتری آئی۔ KSE 100 میں ٹریڈنگ کی اوسط ویلیو مالی سال 20 کے 6.1 بلین پاکستانی روپے سے بڑھ کر مالی سال 21 میں 116% کے تاریخی اضافے کے ساتھ 13.2 بلین پاکستانی روپے ہو گئی۔ تجارتی ویلیو میں اس نمایاں اضافے کا سبب 2017 سے ایکویٹیٹیٹی میں تیزی سے دوبارہ اضافہ ہونا تھا۔

فنڈ کی کارکردگی کا جائزہ

30 جون 2021 کو ختم ہونے والے سال کے لیے فنڈ کا منافع 36.49% اپنے بنیادی منافع کے مقابلے میں 37.88% رہا۔ 30 جون 2021 کو خالص اثاثہ جات 351.76 ملین روپے سے 478.44 ملین روپے پر پہنچ گئے۔

ایسیٹ مینجمنٹ ریٹنگ

پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) نے جے ایس انویسٹمنٹس لمیٹڈ کو "AM 2" (اے ایم ٹو) کی مینجمنٹ کوالٹی ریٹنگ "stable" امکانات کے ساتھ تفویض کی ہے۔ یہ ریٹنگ مینجمنٹ کے اعلیٰ معیار کی نشاندہی کرتی ہے۔

آڈیٹرز

فنڈ کے بیرونی آڈیٹرز میسرز یوسف عادل چارٹرڈ اکاؤنٹنٹس ریٹائر ہو گئے۔ بورڈ آف ڈائریکٹرز نے، آڈٹ کمیٹی کی تجویز پر میسرز گریٹ تھورنٹن انجمن رحمان چارٹرڈ اکاؤنٹنٹس کی 30 جون 2022 کو ختم ہونے والے سال کے لیے بطور فنڈ کے آڈیٹرز تقرری کی منظوری دی۔

بورڈ آف ڈائریکٹرز

مدت کے دوران محترمہ عفت زہرہ منکانی نے جناب حسین رضا نیسی کی جگہ کمیٹی کی چیف ایگزیکٹو آفیسر کی حیثیت سے شمولیت اختیار کی۔ اس کے علاوہ جناب سید توقیر حیدر رضوی، جناب بابر واجد اور جناب کامران جعفر بورڈ سے مستعفی ہو گئے جبکہ جناب سلیمان لالانی، جناب حلیم شیخ، جناب زاہد اللہ خان اور جناب مرزا ایم سدید ایچ برلاس کو بالترتیب ان کی جگہ ڈائریکٹر مقرر کیا گیا۔

اضافی معاملات

۱۔ سالانہ رپورٹ کے ساتھ فنڈ مینجمنٹ رپورٹ منسلک ہے جس میں مرکزی خطرات اور منافع جات کے مستقبل کے امکانات کی مناسب علامت کے ساتھ ہیجان کی کیفیت کی وضاحت کی ہے۔
ب۔ شائع ہونے والے مالیاتی گوشوارے میں 30 جون 2021 کو پونٹ ہولڈنگ کے نمونہ کی تشہیر ہوئی۔
ج۔ اندرونی کنٹرول کا نظام ساخت کے اعتبار سے مضبوط ہے اور اس پر موثر اطلاق اور نگرانی کی جاتی ہے۔
د۔ کارکردگی کا ٹیبل / اہم مالیاتی معلومات اس سالانہ رپورٹ کے ضمیمہ میں دی گئی ہیں۔

اہم معاملات

30 جون 2021 کو ختم ہونے والے سال کے بعد، سندھ ریونیو بورڈ (ایس۔ آر۔ بی) نے 12 اگست 2021 کے اپنے خط کے ذریعے ایم یو ایف اے پی کو آگاہ کیا ہے کہ میوچل فنڈز مالیاتی ادارے / صنعتی ادارے کے طور پر اہل نہیں ہیں اور اس وجہ سے وہ سندھ ورکرز ویلفیئر فنڈ (SWWF) کی شراکت ادائیگی کے ذمہ دار نہیں ہیں۔ اس ترقی پر MUFAP کی سطح پر تبادلہ خیال کیا گیا اور اسے سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کے ساتھ بھی اٹھایا گیا ہے اور ایس ای سی پی کے ساتھ مشاورت کے ساتھ تمام اثاثہ جات مینجمنٹ کمپنیوں نے فنڈ کے SWWF کو 13 اگست 2021 کے مالی بیانات میں تسلیم شدہ مجموعی فراہمی کو الٹ دیا ہے۔ ایس ای سی پی نے ڈبلیو ڈبلیو ایف کی فراہمی کی ممکنہ الٹ پلٹ کے لئے اپنی رضامندی دی ہے، اس کے مطابق، آگے بڑھتے ہوئے فنڈ کے مالی بیان میں ڈبلیو ڈبلیو ایف کے لئے کوئی شق تسلیم نہیں کی جائے گی۔

22 ستمبر 2021 کو بورڈ نے مالیاتی بیانات میں (SWWF) کے ممکنہ الٹ سے متعلق نوٹ 11.1 شامل کرنے کی منظوری دی۔

سندھ ٹرسٹس ایکٹ 2020 (ترمیم شدہ بذریعہ سندھ ٹرسٹس (ترمیم شدہ) ایکٹ 2021 ("دی ایکٹ") کے نفاذ سے ٹرسٹس بشمول اجتماعی انویسٹمنٹ اسمیر، پرائیویٹ فنڈز وغیرہ کو ایکٹ کے سیکشن 12A کے تحت خصوصی ٹرسٹس ہونے کی بناء پر اسٹنٹ ڈائریکٹرز آف انڈسٹریز اینڈ کامرس (ٹرسٹ ونگ)، حکومت سندھ کے ساتھ رجسٹر ہونا لازمی ہے۔ اس مقصد کیلئے منجمنٹ کمپنی کے درمیان تمام فنڈز کی دوبارہ تشکیل کی گئی ٹرسٹ ڈیڈز مکمل کر لی گئی ہیں اور ٹرسٹیز اور تمام متعلقہ ٹرسٹ ڈیڈز مع ضروری دستاویزات اسٹنٹ ڈائریکٹرز آف انڈسٹریز اینڈ کامرس (ٹرسٹ ونگ)، حکومت سندھ کے پاس جمع کرا دی گئی ہیں۔

اظہار تشکر

ڈائریکٹرز پیش قدمی، مدد اور رہنمائی پر سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) اور سینٹرل ڈپازٹری کمیٹی آف پاکستان لمیٹڈ (CDCPL) سے اظہار تشکر کرتے ہیں۔ بورڈ لگن اور محنت پر منجمنٹ کمپنی کے ملازمین اور انتظامیہ پر اعتماد پر پونٹ ہولڈرز کا بھی شکریہ ادا کرتا ہے۔

ڈائریکٹرز کی رپورٹ کو ابتدائی طور پر 21 اگست 2021 کو منجمنٹ کمیٹی کے بورڈ آف ڈائریکٹرز نے منظور کیا 22 ستمبر 2021 کو مزید ترمیم کی تاکہ بعد کے ایونٹ کو شامل کیا جاسکے جیسا کہ مذکورہ بالا اہم معاملے میں ظاہر کیا گیا ہے جو کہ SWWF پروویژننگ سے متعلق ہے۔

ڈائریکٹر

چیف ایگزیکٹو آفیسر

کراچی:

Fund Manager Report Annual Report 2021

JS Large Cap. Fund (JS-LCF)

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

Equity Scheme / Open end

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

JS LCF is an open-end Equity Scheme that aims to benefit from an attractive Capital Market in an economy with growth potential, to maximize the total investment return consisting of a combination of capital appreciation and dividend income. Consistent with its Investment Objective, the Fund shall invest primarily in equity securities of listed Large-Cap companies with market capitalization of over Rupees one billion. The remaining Funds shall be invested in Authorized Investments including cash and/or near cash instruments which include cash in bank accounts, and Government securities not exceeding ninety (90) days maturity.

- Explanation as to whether the Collective Investment Scheme has achieved its stated objective**

The collective investment scheme achieved its stated objective.

- Statement of benchmark(s) relevant to the Collective Investment Scheme**

KSE30 (Total Return Index)

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

	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	FY21
JSLCF	16.33%	7.66%	-3.02%	-0.53%	2.13%	7.88%	4.45%	-0.17%	-4.67%	-1.67%	8.40%	-2.23%	37.88%
Benchmark	14.85%	3.78%	-2.28%	-2.05%	3.70%	6.09%	6.26%	-0.56%	-2.80%	-0.36%	8.78%	-2.31%	36.49%
Diff.	1.47%	3.88%	-0.74%	1.52%	-1.56%	1.79%	-1.81%	0.40%	-1.87%	-1.31%	-0.37%	0.08%	1.39%

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

As of June 2021 the fund had high exposure towards Oil & Gas Exploration, Commercial Banks and Engineering while the remaining exposure was in a diversified pool of stocks.

Sector allocations were decided based upon the country's improving macroeconomic outlook and significant growth potential in the economy. Individual stock selection and allocation within these sectors varied during the year based upon the investment case for or against a stock and its relative price at a particular point in time.

- 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-21	Jun-20
Cash	7.70%	6.59%
Equity	91.49%	92.36%
Other including receivables	0.81%	1.06%
Total	100.00%	100.00%

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

	Fund		Fund	BM
Information Ratio	0.02	Beta	0.8	1.0
Correlation	0.96	Largest Month Gain	18.7%	25.2%
Standard Deviation*	22.9%	Largest Month Loss	-30.8%	-45.0%
Expense Ratio**	4.79%	% Positive Months	56.8%	57.3%

* Since inception

** This includes 0.94% government levy, Sindh Worker's Welfare Fund and SECP fee. Selling & Marketing Expense PKR 5,089,609.



- 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-21	478	137.58
30-Jun-20	352	99.78

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

The fund invests in equity securities listed on the Pakistan Stock Exchange (PSX). PSX has a market capitalization of ~\$51 billion with 30+ sectors.

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

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

Distribution

NIL

NAV per unit as on June 30, 2021	
Cum NAV (PKR)	137.58
Ex-NAV (PKR)	137.58

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

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

- Breakdown of unit holdings by size

Fund Name	Ranges			Number of Folios
JS Large Cap. Fund	0.0001	to	9,999.9999	1,712
	10,000.0000	to	49,999.9999	46
	50,000.0000	to	99,999.9999	11
	100,000.0000	to	499,999.9999	4
	500,000.0000	&	above	-
			Total	1,773

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

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

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

Investment is subject to market risk.

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

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



JS Large Cap. Fund

Performance Table

Key Financial Data

Description	Years					
	2021	2020	2019	2018	2017	2016
Net Assets - Rupees in '000'	478,436	351,764	542,499	762,002	789,282	664,980
Net (loss) / Income - Rupees in '000'	137,330	(22,379)	(159,235)	(129,031)	237,865	30,222
Net assets value per unit - Rupees	137.58	99.78	108.47	138.10	157.05	111.20
Highest offer price per unit	148.96	127.09	149.09	166.04	179.87	120.76
Lowest offer price per unit	105.04	85.802	109.91	126.63	114.54	30.45
Year-end offer price per unit	103.17	103.17	112.15	142.79	161.77	114.54
Highest repurchase price per unit	144.07	126.55	144.2	161.2	174.63	117.24
Lowest repurchase price per unit	101.59	78.45	106.3	122.94	111.2	29.56
Year-end repurchase price per unit	137.58	99.78	108.47	138.10	157.05	111.20
Earnings per unit - Rupees	39.49	(6.35)	(31.84)	(23.38)	47.33	5.05
Interim distribution per unit - Rupee	0	0	-	-	2.00	-
Interim distribution date	0	0	-	-	22-Jun-17	-
Final Distribution per unit - Rupees	0	0	-	-	-	1.00
Final distribution date	0	0	-	-	-	12-Jul-16
Total Distribution per unit	0	0	-	-	2.00	1.00
Total Distribution - Rupees in '000'	0	0	-	-	9,745	5,980
Accumulated capital growth - Rupees in '000'	(443,745)	(581,075)	(558,696)	(399,461)	(270,430)	(498,549)
Number of units in issue - Number	3,477,488	3,525,312	5,001,545	5,517,729	5,025,737	5,979,986

Average Annual Return

One Year - in percentage	37.88%	-8.01%	-21.46%	-12.07%	44.30%	4.77%
Two Year - in percentage	14.94%	-14.74%	-16.77%	16.12%	24.54%	18.26%
Three Year- in percentage	-5.52%	-15.75%	-0.33%	12.33%	26.94%	25.38%

Notes:

- JS Large Cap. Fund was launched on May 15, 2004.
- Consequent to the conversion of the fund from a close end scheme to an open end scheme with effect from September 27, 2010, the comparative figures have not been arrived.

Disclaimer:

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

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

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Tel : (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

JS LARGE CAP. FUND

Report of the Trustee pursuant to Regulation 41(h) and Clause 9 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of JS Large Cap. Fund (the Fund) are of the opinion that JS Investments Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2021 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, September 22, 2021



Yousuf Adil
Chartered Accountants

Cavish Court, A-35, Block 7 & 8
KCHSU, Shahrah-e-Faisal
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INDEPENDENT AUDITORS' REPORT

To the unit holders of JS Large Cap. Fund

Report on the audit of the financial statements

Opinion

We have audited the financial statements of JS Large Cap. Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2021, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2021, and of its financial performance and its cash flows for the year then ended in accordance with accounting and reporting standards as applicable in Pakistan.

Basis for opinion

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

Key audit matter

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.

S. No.	Key audit matter	How the matter was addressed in our audit
1	<p>Valuation and existence of investment</p> <p>Investments held at fair value through profit or loss are disclosed in note 6 to the financial statements and represent a significant portion of the net assets of the Fund.</p> <p>The principal activity of the Fund is, inter alia, to make investments in equity securities; which is the main driver of the Fund's performance.</p>	<p>We performed the following procedures during our audit of investment:</p> <ul style="list-style-type: none"> obtained understanding of relevant controls placed by the Management Company applicable to the balance; independently verified existence of investments from the Central Deposit Company (CDC) account statement; independently tested the valuations directly with the prices quoted on Pakistan Stock Exchange Limited (PSX);

S. No.	Key audit matter	How the matter was addressed in our audit
	Considering the above factors the valuation and existence are significant areas during our audit due to which we have considered this as a Key Audit Matter.	<ul style="list-style-type: none"> performed test of details on sale and purchase of investments on a sample basis; and any differences identified during our testing that were over our acceptable threshold were investigated further.

Information other than the financial statements and auditor's report thereon

Management Company 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 audit report.

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 Company and Those Charged with Governance for the financial statements

Management Company is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as the Management Company 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 Company 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 Company 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 are 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 Management Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management Company.
- Conclude on the appropriateness of Management Company'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 Those Charged with Governance of 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.

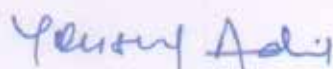
We also provide Those Charged with Governance of Management Company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where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

From the matters communicated with Those Charged with Governance of 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

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is Nadeem Yousuf Adil.



Chartered Accountants

Place: Karachi

Date: September 30, 2021



FINANCIAL STATEMENTS



JS Large Cap. Fund

STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2021

	Note	2021	2020
		-----Rupees-----	
ASSETS			
Bank balances	5	39,459,135	25,275,020
Investments	6	469,130,634	354,313,216
Accrued return on bank balances		498,376	640,715
Dividend receivable		77,964	26,674
Deposits and other receivable	7	3,582,172	3,386,111
Total assets		512,748,281	383,641,736
LIABILITIES			
Payable to JS Investments Limited - Management Company	8	3,738,603	3,068,062
Remuneration Payable to Central Depository Company of Pakistan Limited - Trustee	9	91,081	65,347
Annual Fee Payable to Securities and Exchange Commission of Pakistan	10	95,136	85,344
Accrued expenses and other liabilities	11	18,853,557	16,206,981
Payable against purchase of investments	6.4	49,233	968,080
Dividend payable		11,484,325	11,484,325
Total liabilities		34,311,935	31,878,139
NET ASSETS		478,436,346	351,763,597
UNIT HOLDERS' FUNDS (AS PER STATEMENT ATTACHED)		478,436,346	351,763,597
Contingencies and commitments			
	12		
		-----Number of units-----	
Number of units in issue	13	3,477,488	3,525,312
		------(Rupees)-----	
Net asset value per unit	4.4	137.58	99.78

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

For JS Investments Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



JS Large Cap. Fund

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2021

	Note	30 June 2021	30 June 2020
-----Rupees-----			
INCOME			
Net gain / (loss) on sale of investments		51,840,738	(17,036,425)
Net unrealised gain / (loss) on re-measurement of investment classified as 'financial assets at fair value through profit and loss'	6.7	86,809,111	(12,817,242)
Dividend income		16,837,727	19,711,009
Return on bank balances		2,927,436	6,639,429
Income from government securities	6.6	131,470	33,130
Other income	6.3.3	1,585,729	-
Total income		160,132,211	(3,470,099)
EXPENSES			
Remuneration of JS Investments Limited - Management Company	8	9,513,285	8,535,904
Sindh Sales Tax on remuneration of the Management Company	8.1	1,236,726	1,109,665
Remuneration of Central Depository Company of Pakistan Limited - Trustee	9	952,427	853,596
Sindh Sales Tax on remuneration of the Trustee	9.1	123,820	110,969
Annual fee to Securities and Exchange Commission of Pakistan	10	95,161	85,370
Reimbursement of accounting and operational charges to the Management Company	8.2	475,659	426,792
Selling and marketing expenses - Management Company	8.3	5,089,609	3,703,658
Securities transactions costs		1,798,471	3,258,198
Auditors' remuneration	14	638,982	660,431
Listing fee and settlement charges		71,733	107,301
Bank charges		1,090	24,987
SECP supervisory fee on listing fee		2,500	2,500
Others		-	29,709
Total expenses		19,999,463	18,909,080
Net income / (loss) from operating activities		140,132,748	(22,379,179)
Provision for Sindh Workers' Welfare Fund		2,802,655	-
Net income / (loss) for the year before taxation		137,330,093	(22,379,179)
Taxation	15	-	-
Net income / (loss) for the year after taxation		137,330,093	(22,379,179)
Earnings per unit	4.11		
Allocation of net income for the year			
Net income for the year after taxation		137,330,093	-
Income already paid on units redeemed		(17,018,403)	-
		120,311,690	-
Accounting income available for distribution:			
Relating to capital gains		120,311,690	-
Excluding capital gain		-	-
		120,311,690	-

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

For JS Investments Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



JS Large Cap. Fund

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2021

	30 June 2021	30 June 2020
	-----Rupees-----	
Net income / (loss) for the year after taxation	137,330,093	(22,379,179)
Other comprehensive income for the year	-	-
Total comprehensive income / (loss) for the year	<u>137,330,093</u>	<u>(22,379,179)</u>

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

For JS Investments Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2021

	Note	30 June 2021	30 June 2020
-----Rupees-----			
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income / (loss) for the year before taxation		137,330,093	(22,379,179)
Adjustments for:			
Net (gain) / loss on sale of investments		(51,840,738)	17,036,425
Net unrealised (gain) / loss on re-measurement of investment classified as 'financial assets at fair value through profit or loss'		(86,809,111)	12,817,242
Dividend income		(16,837,727)	(19,711,009)
Provision for Sindh Workers' Welfare Fund		2,802,655	-
Return on bank balances		(2,927,436)	(6,639,429)
		(155,612,357)	3,503,229
		(18,282,264)	(18,875,950)
(Increase) / decrease in assets			
Investments - net		23,832,431	130,038,322
Deposits and other receivable		(196,061)	(16,503)
		23,636,370	130,021,819
Increase / (decrease) in liabilities			
Payable to the Management Company		670,541	(83,549)
Remuneration payable to the Trustee		25,734	(38,800)
Annual fee payable to Securities and Exchange Commission of Pakistan		9,792	(586,850)
Accrued expenses and other liabilities		(156,079)	12,780
Payable against purchase of investments		(918,847)	968,080
		(368,859)	271,661
Return received on bank balances		3,069,775	6,330,932
Dividend income received		16,786,437	20,660,191
		24,841,459	138,408,653
Net cash generated from operating activities			
CASH FLOWS FROM FINANCING ACTIVITIES			
Amount received on issuance of units		133,569,248	42,000,215
Amount paid on redemption of units		(144,226,592)	(210,356,937)
Distributions paid		-	715,703
		(10,657,344)	(167,641,019)
Net cash used in financing activities			
		14,184,115	(29,232,366)
Net increase / (decrease) in cash and cash equivalents during the year			
Cash and cash equivalents at beginning of the year		25,275,020	54,507,386
Cash and cash equivalents at end of the year	5	39,459,135	25,275,020

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

For JS Investments Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND

FOR THE YEAR ENDED JUNE 30, 2021

	2021			2020		
	Capital value	Accumulated loss	Total	Capital Value	Accumulated loss	Total
Rupees						
Net assets at beginning of the year	891,335,892	(539,572,295)	351,763,597	1,059,692,614	(517,193,116)	542,499,498
Issuance of 1,080,017 (2020: 393,907) units						
- Capital value	107,766,580	-	107,766,580	42,725,674	-	42,725,674
- Element of income / (loss)	25,802,668	-	25,802,668	(725,459)	-	(725,459)
Total proceeds on issuance of units	133,569,248	-	133,569,248	42,000,215	-	42,000,215
Redemption of 1,127,841 (2020: 1,870,140) units						
- Capital value	(112,538,569)	-	(112,538,569)	(202,847,310)	-	(202,847,310)
- Element of income	(14,669,620)	(17,018,403)	(31,688,023)	(7,509,627)	-	(7,509,627)
Total payments on redemption of units	(127,208,189)	(17,018,403)	(144,226,592)	(210,356,937)	-	(210,356,937)
Total comprehensive income / (loss) for the year	-	137,330,093	137,330,093	-	(22,379,179)	(22,379,179)
Net assets at end of the year	897,696,951	(419,260,605)	478,436,346	891,335,892	(539,572,295)	351,763,597
Accumulated loss brought forward comprising of:						
- Realised		(524,845,970)			(413,859,685)	
- Unrealised		(14,726,325)			(103,333,431)	
		(539,572,295)			(517,193,116)	
Accounting income available for distribution						
- Relating to capital gains	120,311,690				-	
- Excluding capital gains	-				-	
	120,311,690				-	
Total comprehensive income / (loss) for the year		137,330,093			(22,379,179)	
Accumulated loss carried forward		(281,930,512)			(539,572,295)	
Accumulated loss carried forward comprising of:						
- Realised		(271,446,281)			(524,845,970)	
- Unrealised		(10,484,231)			(14,726,325)	
		(281,930,512)			(539,572,295)	
Net asset value per unit at beginning of the year		99.7823			108.4664	
Net asset value per unit at end of the year		137.5810			99.7823	

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

For JS Investments Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** JS Large Cap. Fund (the Fund) was established under the Trust Deed executed between JS Investments Limited as a Management Company and Central Depository Company of Pakistan Limited (CDC) as a Trustee. The Trust Deed was executed on April 06, 2004 and the Fund was approved as a closed-end scheme by the Securities and Exchange Commission of Pakistan (SECP) on April 16, 2004 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the Rules). The Fund was converted into an open end fund categorized as equity scheme with effect from September 27, 2010 (the effective date) pursuant to special resolution passed at the meeting of certificate holders on September 25, 2009 and subsequent approval from SECP of the modified and Restated Trust Deed on August 20, 2010. The Fund is listed on the Pakistan Stock Exchange Limited.
- 1.2** The principal activity of the Fund is to make investments primarily in equity securities of large - cap companies (with market capitalisation over Rs. 1 billion). The remaining net assets of the Fund shall be invested in cash and / or near cash instruments which includes cash in bank accounts and treasury bills not exceeding ninety days maturity and is an Equity Scheme in accordance with the categorisation guidelines issued by the Securities and Exchange Commission of Pakistan.
- 1.3** The Management Company of the Fund is registered with the Securities and Exchange Commission of Pakistan as a Non-Banking Finance Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). Its registered office is located at 19th floor, The Center, Abdullah Haroon Road, Saddar, Karachi, Pakistan.
- 1.4** Title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as the Trustee of the Fund.
- 1.5** Last year ended June 30, 2020, the Board of Directors of the Management Company in the meeting held on February 21, 2020 approved the Scheme of Merger ("the Scheme"), whereby JS Value Fund (JS VF) and JS Large Cap. Fund (JS LCF) were to be merged as a going concerns into JS Growth Fund (JS GF). As a result of the merger, all the existing assets and liabilities of JS VF and JS LCF were to be transferred to JS GF and all unit holders of JS VF and JS LCF were to be issued fresh units of JS GF in lieu of their units held in JS VF and JS LCF respectively on the basis of a swap ratio to be calculated on the effective date of merger in accordance with the terms of the scheme. This merger was subject to the approval by the unit holders' and trustee of the Scheme and fulfillment of requirements as imposed by the Securities and Exchange Commission of Pakistan. The meetings for the approval of unit holders of the respective Funds were initially called on April 9, 2020 but were postponed due to COVID-19 outbreak. However, Board of Directors of the Management Company in their meeting held on April 23, 2021, revoked the aforementioned approval of the Scheme after evaluating the difficulties involved in arranging additional investment required to achieve majority in the merged scheme and expected reluctance of majority of the unit holders due to capital gain tax implications and general uncertainty posed by COVID-19 outbreak.
- 1.6** Due to the enactment of the Sindh Trusts Act, 2020 (as amended vide Sindh Trusts (Amended) Act, 2021), the Trusts including Collective Investment Schemes, Private Funds etc, being Specialized Trusts are required to be registered with the Assistant Director of Industries and Commerce (Trust Wing), Government of Sindh under Section 12A of the Sindh Trusts Act, 2020. For this purpose, Re-Stated Trust Deeds of all Funds have been executed between the Management Company and the Trustees and all the relevant Trust Deeds along with necessary documents have been submitted with Assistant Director of Industries and Commerce (Trust Wing), Government of Sindh.

1.7 COVID - 19 IMPACT

The coronavirus (COVID-19) outbreak situation emerged last year in March 2020, has caused governments around the world to implement measures to help control its spread, including, smart lock-downs, travel bans, quarantines, social-distancing closures or reduced operations for non-essential businesses, governmental agencies, schools and other institutions and vaccination.



JS Large Cap. Fund

General economic activities in Pakistan was although affected but continued since then. Stock markets and financial institutions remained open throughout the year. Activities of the Fund were operation during the year as staff of the Management Company were working without any disruption either from office or online remotely.

The management of the Fund is closely monitoring the situation, and there has not been any material adverse impact on fiscal and economic fronts facing the country and therefore not materially affected the financial performance of the Fund.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS 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; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except for the investments which are stated at fair value.

2.3 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is the functional and presentation currency of the Fund. All amounts have been rounded off to the nearest of Rupee, unless otherwise indicated.

2.4 Use of judgments and estimates

The preparation of financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The areas where various assumptions and estimates are significant to the Fund's financial statements or where judgment was exercised in the application of accounting policies are given below:



- (a) Classification of financial assets (Note 4.2.2)
- (b) Impairment of financial assets (Notes 4.2.3)
- (c) Provision (Notes 4.8)

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO THE PUBLISHED APPROVED ACCOUNTING STANDARDS

3.1 New accounting standards / amendments and IFRS interpretations that are effective for the year ended June 30, 2021

The following standards, amendments and interpretations are effective for the year ended June 30, 2021. These standards, amendments and interpretations are either not relevant to the Fund's operations or are not expected to have significant impact on the Funds's financial statements other than certain additional disclosures.

Effective from accounting period beginning on or after:

Amendment to IFRS 16 'Leases' - Covid-19 related rent concessions June 01, 2020

Effective from accounting period beginning on or after:

Amendments to the conceptual framework for financial reporting, including amendments to references to the conceptual framework in IFRS January 01, 2020

Amendments to IFRS 3 'Business Combinations' - Definition of a business January 01, 2020

Amendments to IAS 1 'Presentation of Financial Statements' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of material January 01, 2020

Amendments to IFRS 9 'Financial Instruments', IAS 39 'Financial Instruments: Recognition and Measurement' and IFRS 7 'Financial Instruments: Disclosures' - Interest rate benchmark reform January 01, 2020

Certain annual improvements have also been made to a number of IFRSs, which are also not relevant for the Fund.

3.2 New accounting standards / amendments and IFRS interpretations that are not yet effective

3.2.1 The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Fund's operations or are not expected to have significant impact on the Fund's financial statements other than certain additional disclosures.

Effective from accounting period beginning on or after:

Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16) January 01, 2021

Amendment to IFRS 16 'Leases' - Covid-19 related rent concessions extended beyond June 30, 2021 April 01, 2021



JS Large Cap. Fund

Effective from accounting period beginning on or after:

Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework	January 01, 2022
Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use	January 01, 2022
Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts — cost of fulfilling a contract	January 01, 2022
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2023
Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of accounting policies	January 01, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates	January 01, 2023
Amendments to 'IAS 12 Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction.	January 01, 2023

Certain annual improvements have also been made to a number of IFRSs, which are also not expected to have material impact on final reporting of the fund.

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 17 – Insurance Contracts

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting policies set out below have been applied consistently to all periods presented in these financial statements.

4.1 Cash and cash equivalents

Cash comprises saving accounts with banks. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to insignificant change in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

4.2 Financial assets and liabilities

4.2.1 Initial Recognition

All financial assets and liabilities are initially measured at cost which is the fair value of the consideration given or received. These are subsequently measured at fair value or amortised cost as the case may be.

The Fund recognizes financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instrument.



Financial liabilities are not recognized unless one of the parties has performed its part of the contract or the contract is a derivative contract.

4.2.2 Classification and measurement

4.2.2.1 Financial assets

There are three principal classification categories for financial assets:

- Measured at amortized cost ("AC"),
- Fair value through other comprehensive income ("FVTOCI") and
- Fair value through profit or loss ("FVTPL").

Financial asset at amortised cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- 1) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- 2) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial asset at FVTOCI

A financial asset is measured at FVTOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- 1) the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- 2) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition, for an equity investment that is not held for trading, the Fund may irrevocably elect to present subsequent changes in fair value in OCI, only dividend income is recognised in income statement. This election is made on an investment-by-investment basis.

FVTOCI financial assets are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI.

Financial asset at FVTPL

All other financial assets are classified as measured at FVTPL (for example: equity held for trading and debt securities not classified either as AC or FVTOCI).

In addition, on initial recognition, the Fund may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Fund changes its business model for managing financial assets.



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Financial assets designated at fair value through profit or loss are subsequently carried at fair value, with gains and losses arising from changes in fair value recorded in the income statement.

Business model assessment

The business model is determined under IFRS 9 at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. It is not an instrument-by-instrument analysis; rather it can be performed at a higher level aggregation. It is typically observable through the activities that the entity undertakes to achieve the objective of the business model; all relevant evidence that is available at the date of the assessment (including history of sales of the financial assets) are considered. Following three business models are defined under the IFRS 9:

- 1) Hold to collect business model
- 2) Hold to collect and sell business model
- 3) FVTPL business model

Considering above, the Fund classifies its investments based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The evaluation of the performance of the Fund has been performed on fair value basis for the entire portfolio, as reporting to the key management personnel and to the investors in the form of net asset value (NAV). The investment portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Consequently, all the investments are measured at fair value through profit or loss. For other financial assets which are held for collection continue to be measured at amortised cost.

4.2.2.2 Financial liabilities

The Fund classifies its financial liabilities in the following categories:

- Measured at amortized cost ("AC"), or
- Fair value through profit or loss ("FVTPL").

Financial liabilities are measured at amortised cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Fund has opted to measure them at FVTPL.

With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires as follows:

- The amount of change in fair value of a financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of such changes in other comprehensive income would create or enlarge an accounting mismatch in profit or loss.
- Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss.

4.2.3 Impairment of financial assets

The SECP/Commission has through its letter no. SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 has deferred the applicability of the impairment requirements of IFRS 9 for debt securities on mutual funds. Therefore the Fund will not be subject to the impairment provisions of IFRS 9. Meanwhile, asset management companies shall continue to follow the requirements of Circular 33 of 2012.



For financial assets other than debt securities measured at amortised cost, IFRS 9 requires recognition of impairment based on expected credit loss (ECL) model. The Fund is required to measure loss allowance of an amount equal to lifetime ECL or 12 months ECL based on credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Fund considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Fund's historical experience and informed credit assessment and including forward-looking information.

However, majority of the assets of the Fund exposed to credit risk pertain to counter parties which have high credit rating or where credit risk has not been increased since initial recognition. Therefore, management believes that the impact of ECL would be very minimal and hence, the same has not been accounted for in these financial statements.

4.2.4 Fair value measurement principles and provision

The fair value of financial instruments is determined as follows:

Basis of valuation of debt securities

The fair value of debt securities (other than government securities) is based on the value determined and announced by Mutual Funds Association of Pakistan (MUFAP) in accordance with the criteria laid down in Circular No. 1 of 2009 and Circular No. 33 of 2012 issued by Securities and Exchange Commission of Pakistan (SECP). In the determination of the rates, MUFAP takes into account the holding pattern of these securities and categorises them as traded, thinly traded and non-traded securities. The aforementioned circular also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non-performing debt securities.

Basis of valuation of government securities

The government securities not listed on a stock exchange and traded in the interbank market are valued at the average rates quoted on a widely used electronic quotation system (PKIRSV rates) which are based on the remaining tenor of the securities.

Basis of valuation of equity securities

The fair value of shares of listed companies is based on their prices quoted on the Pakistan Stock Exchange Limited at the reporting date without any deduction for estimated future selling costs.

Net gains and losses arising on changes in the fair value of financial assets carried at fair value through profit or loss are taken to the income statement.

Basis of valuation of instruments at amortised cost

Subsequent to initial recognition, financial instruments classified as amortised cost are carried at amortised cost using the effective interest method.

Gains or losses are also recognised in the income statement when financial instruments carried at amortised cost are derecognised or impaired, and through the amortisation process.

4.2.5 Regular way contracts

All purchases and sales of securities that require delivery within the time frame established by regulation or market convention are recognised at the trade date. Trade date is the date on which the Fund commits to purchase or sell assets.



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4.2.6 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or where the entity has transferred substantially all risks and rewards of ownership.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

4.2.7 Offsetting of financial instruments

Financial assets and financial liabilities are set off and the net amount is reported in the statement of assets and liabilities if the Fund has a legal right to set off the transaction and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

4.3 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors during business hours on that day. The offer price represents the net assets value per unit as of the close of the business day plus the allowable sales load, provision for transaction costs and any provision for duties and charges, if applicable.

Units redeemed are recorded at the redemption price, applicable to units for which the distributors receive redemption applications during business hours of that day. The redemption price represents the net assets value per unit as of the close of the business day less any back-end load (if applicable), any duties, taxes, charges on redemption and any provision for transaction costs, if applicable. Redemption of units is recorded on acceptance of application for redemption.

4.4 Net asset value per unit

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

4.5 Revenue recognition

- Gain / (loss) arising on sale of investments are included in the 'income statement' on the date at which the sale transaction takes place.
- Unrealised gain / (loss) 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.
- Dividend income is recognized when the right to receive the dividend is established.
- Profit / return / income on bank balances and government securities are recognised at effective profit rates based on a time proportion basis using the effective interest method.
- Profit on debt securities classified as non performing assets are recognised on receipt basis.

4.6 Expenses

All expenses including remuneration to fund manager and trustee, annual fee to The SECP and selling and marketing expense are recognised in the income statement on an accrual basis.



4.7 Taxation

The Fund is exempt from taxation under clause 99 of the Part I of the Second Schedule of the Income Tax Ordinance, 2001, subject to the condition that not less than 90% of its accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders (excluding distribution made by issuance of bonus shares).

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.

The Fund does not account for deferred tax in these financial statements as the Fund intends to continue availing the tax exemption in future years by distributing in cash at least ninety percent of its accounting income for the year as reduced by capital gains, whether realised or unrealised, to its unit holders.

4.8 Provisions

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

4.9 Derivatives

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

4.10 Distribution to the unit holders

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

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

4.11 Earnings per unit (EPU)

Earnings Per Unit (EPU) has not been disclosed as in the opinion of the management, determination of weighted average units for calculating EPU is not practicable.

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

An equalisation account called the element of income / (loss) included in prices of units sold less those in units redeemed is created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption.

Element of income / (loss) represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period.



JS Large Cap. Fund

Further, the element of income is a transaction of capital nature and the receipt and payment of element of income shall be taken to unit holders' fund. However, to maintain the same ex-dividend net assets value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution.

On redemption of units, element of income is paid on units redeemed from element of income contributed by unit holders on issue of units (i.e. return of capital) or the element of income is paid from the income earned by the fund or the element of income is partly paid out of element of income contributed by unit holders (i.e. return of capital) and partly from the income earned by the fund.

	Note	2021 ----- Rupees -----	2020 ----- Rupees -----
5. BANK BALANCES			
Savings accounts	5.1	39,459,135	25,275,020

5.1 This includes balances of Rs. 13.525 million (2020: 8.629 million) with JS Bank Limited (a related party) and Rs. 0.017 million (2020: 0.016 million) with Bank Islami Pakistan Limited (a related party). These accounts carry profit at the rates of 7% (2020: 8%) and 6.5% (2020: 6%) per annum respectively. Other PLS accounts of the Fund carry profits at the rates of 5% to 8% (2020: 6.00% to 10.25%) per annum.

	Note	2021 ----- Rupees -----	2020 ----- Rupees -----
6. INVESTMENTS			
At fair value through profit and loss			
Listed equity securities	6.1	469,130,634	354,313,216
Quoted debt security			
- Sukuk certificates	6.2.1	-	-
- Term finance certificates	6.2.3	-	-
Unquoted debt securities	6.3	-	-
		469,130,634	354,313,216

6.1 Listed equity securities

Sectors / Companies	Holding at beginning of the year	Acquired during the year	Bonus / Right / Transfer during the year	Disposed during the year	Holding at end of the year	Carrying value as at June 30, 2021	Market value as at June 30, 2021	Market value as a percentage of net assets	Market value as a percentage of total investment	Market value as a percentage of investee capital
	----- Number of shares -----					----- Rupees -----		%	%	%

All ordinary shares have a nominal face value of Rs. 10/- each unless stated otherwise.

ENGINEERING

Amreli Steel Limited	500	-	-	500	-	-	-	-	-	-
Aisha Steel Mills Limited	-	963,000	-	265,000	698,000	9,038,107	17,387,180	3.63%	3.71%	0.09%
Mughal Iron & Steel Industries Limited	-	310,000	42,240	81,000	271,240	22,314,047	28,317,456	5.92%	6.04%	0.09%
						31,352,154	45,704,636	9.55%	9.74%	0.18%

GLASS & CERAMICS

Tariq Glass Industries Limited	136,500	55,000	-	141,500	50,000	5,048,000	5,319,000	1.11%	1.13%	0.04%
Shabbir Tiles & Ceramics Limited (Face value of Rs. 5 each)	-	500,000	-	170,000	330,000	8,316,000	11,005,500	2.30%	2.35%	0.10%
						13,364,000	16,324,500	3.41%	3.48%	0.14%

JS Large Cap. Fund

Sectors / Companies	Holding at beginning of the year	Acquired during the year	Bonus / Right / Transfer during the year	Disposed during the year	Holding at end of the year	Carrying value as at June 30, 2021	Market value as at June 30, 2021	Market value as a percentage of net assets	Market value as a percentage of total investment	Market value as a percentage of investee capital
	Number of shares					Rupees		%	%	%
PHARMACEUTICALS										
Searle Company Limited	-	29,100	1,443	30,543	-	-	-	-	-	-
Highnoon Laboratories Limited	18,260	7,900	2,466	5,000	23,626	11,470,943	14,175,600	2.96%	3.02%	0.06%
						11,470,943	14,175,600	2.96%	3.02%	0.06%
TECHNOLOGY & COMMUNICATION										
Systems Limited	44,000	25,500	-	63,000	6,500	3,142,490	3,641,430	0.76%	0.78%	0.00%
FERTILIZER										
Engro Corporation Limited	47,600	1,700	-	25,000	24,300	7,130,508	7,159,023	1.50%	1.53%	0.00%
Fauji Fertilizer Company Limited	-	94,000	-	94,000	-	-	-	-	-	-
Engro Fertilizer Limited	-	111,000	-	111,000	-	-	-	-	-	-
						7,130,508	7,159,023	1.50%	1.53%	0.00%
OIL & GAS MARKETING COMPANIES										
Hascol Petroleum Limited	655	-	-	647	8	109	71	0.00%	0.00%	0.00%
Sui Northern Gas Pipelines Limited	-	65,000	-	65,000	-	-	-	-	-	-
Pakistan State Oil Company Limited	117,380	67,200	-	62,500	122,080	22,202,295	27,376,440	5.72%	5.84%	0.03%
Shell Pakistan Limited	62,500	20,200	41,700	124,000	400	61,315	70,080	0.01%	0.01%	0.00%
						22,263,719	27,446,591	5.74%	5.85%	0.03%
CEMENT										
D.G. Khan Cement Company Limited	42,000	-	-	42,000	-	-	-	-	-	-
Cherat Cement Limited	180,000	6,500	-	26,500	160,000	14,241,240	28,380,800	5.93%	6.05%	0.08%
Maple Leaf Cement Factory	311,000	6,500	-	153,000	164,500	4,355,230	7,728,210	1.62%	1.65%	0.01%
Pioneer Cement Limited	309,000	10,000	-	135,500	183,500	11,833,042	24,051,345	5.03%	5.13%	0.08%
Lucky Cement Limited	36,000	1,300	-	5,500	31,800	14,904,783	27,457,392	5.74%	5.85%	0.01%
						45,334,295	87,617,747	18.31%	18.68%	0.19%
POWER GENERATION AND DISTRIBUTION										
Kot Addu Power Company Limited	-	339,000	-	48,000	291,000	10,908,899	12,905,850	2.70%	2.75%	0.03%
Nishat Power Limited	-	337,000	-	48,000	289,000	7,453,970	5,678,850	1.19%	1.21%	0.08%
Hub Power Company Limited (Note 6.1.1)	215,000	174,800	-	94,500	295,300	23,565,655	23,526,551	4.92%	5.01%	0.02%
						41,928,524	42,111,251	8.80%	8.98%	0.14%
OIL AND GAS EXPLORATION COMPANIES										
Mari Petroleum Company Limited	10,929	4,200	-	7,600	7,529	10,744,512	11,477,132	2.40%	2.45%	0.01%
Oil and Gas Development Company Limited (Note 6.1.1)	226,500	6,000	-	85,000	147,500	16,088,853	14,016,925	2.93%	2.99%	0.00%
Pakistan Oil Fields Limited	44,000	1,200	-	15,500	29,700	10,491,090	11,697,642	2.44%	2.49%	0.01%
Pakistan Petroleum Limited	286,298	8,200	-	92,500	201,998	17,648,394	17,539,486	3.67%	3.74%	0.01%
						54,972,849	54,731,185	11.44%	11.67%	0.03%
INSURANCE										
Adamjee Insurance Company Limited	234,000	-	-	234,000	-	-	-	-	-	-
Jubilee Life Insurance Company Limited	-	11,400	-	11,400	-	-	-	-	-	-
						-	-	-	-	-
TEXTILE COMPOSITE										
Nishat Mills Limited	-	92,000	-	13,500	78,500	6,642,239	7,324,050	1.53%	1.56%	0.02%
Gul Ahmed Textile Mills Limited	-	242,500	-	242,500	-	-	-	-	-	-
Interloop Limited	-	146,000	-	21,000	125,000	8,037,350	8,753,750	1.83%	1.87%	0.01%
						14,679,589	16,077,800	3.36%	3.43%	0.04%
SUGAR AND ALLIED INDUSTRIES										
Al-Abbas Sugar Mills Limited (Related Party)	10,700	200	-	10,900	-	-	-	-	-	-

JS Large Cap. Fund

Sectors / Companies	Holding at beginning of the year	Acquired during the year	Bonus / Right / Transfer during the year	Disposed during the year	Holding at end of the year	Carrying value as at June 30, 2021	Market value as at June 30, 2021	Market value as a percentage of net assets	Market value as a percentage of total investment	Market value as a percentage of investee capital
								%	%	%
----- Number of shares -----						----- Rupees -----				
AUTOMOBILE PARTS AND ACCESSORIES										
Agriauto Industries Limited (Face value of Rs. 5 each)	-	5,200	-	5,200	-	-	-	-	-	-
PAPER AND BOARD										
Century Paper & Board Mills Limited	210,000	52,500	43,500	268,800	37,200	2,598,519	4,541,004	0.95%	0.97%	0.02%
Packages Limited	33,000	1,200	-	20,000	14,200	5,021,701	7,741,840	1.62%	1.65%	0.02%
Security Papers Limited	-	25,000	-	25,000	-	-	-	-	-	-
Cherat Packaging Limited	58,200	2,000	-	8,000	52,200	6,231,076	10,383,102	2.17%	2.21%	0.12%
						13,851,296	22,665,946	4.74%	4.83%	0.16%
COMMERCIAL BANKS										
United Bank Limited	190,200	204,000	-	205,700	188,500	23,284,843	23,034,700	4.81%	4.91%	0.02%
Faysal Bank Limited	33,695	-	-	-	33,695	469,371	571,804	0.12%	0.12%	0.00%
Askari Bank Limited	-	414,500	-	414,500	-	-	-	-	-	-
Bank of Punjab Limited	-	1,036,500	-	1,036,500	-	-	-	-	-	-
Habib Metropolitan Bank Limited	-	112,000	-	-	112,000	4,568,000	4,547,200	0.95%	0.97%	0.01%
Bank Alfalah Limited (note 6.1.1)	368,300	-	-	368,300	-	-	-	-	-	-
Bank Al Habib Limited	-	158,520	-	-	158,520	11,601,606	11,115,422	2.32%	2.37%	0.01%
MCB Bank Limited	118,600	30,750	-	105,000	44,350	7,533,888	7,088,461	1.48%	1.51%	0.00%
Habib Bank Limited (note 6.1.1)	223,500	74,500	-	43,500	254,500	26,958,631	31,143,165	6.51%	6.64%	0.02%
Meezan Bank Limited	470	-	-	470	-	-	-	-	-	-
						74,416,339	77,500,752	16.20%	16.52%	0.06%
CHEMICALS										
I.C.I Pakistan Limited	9,250	400	-	1,600	8,050	5,609,759	6,993,840	1.46%	1.49%	0.01%
Dynea Pakistan Limited	29,000	-	-	29,000	-	-	-	-	-	-
Berger Paints Pakistan Limited	-	52,500	-	52,500	-	-	-	-	-	-
Engro Polymer & Chemicals Limited	-	312,000	-	38,500	273,500	12,937,166	12,920,140	2.70%	2.75%	0.03%
Ittehad Chemicals Limited	-	2,000	-	2,000	-	-	-	-	-	-
						18,546,925	19,913,980	4.16%	4.24%	0.04%
LEASING COMPANIES										
Orix Leasing Pakistan Limited	-	330,000	16,500	186,500	160,000	4,420,754	4,120,000	0.86%	0.88%	0.00%
LEATHER AND TANNERIES										
Service Industries Limited	-	8,000	8,000	2,000	14,000	6,650,140	8,226,820	1.72%	1.75%	0.03%
AUTOMOBILE ASSEMBLER										
Pak Suzuki Motor Company Limited	-	63,500	-	35,500	28,000	8,379,971	9,952,320	2.08%	2.12%	0.03%
Honda Atlas Cars (Pakistan) Limited	-	51,700	-	51,700	-	-	-	-	-	-
						8,379,971	9,952,320	2.08%	2.12%	0.03%
REFINERY										
Pakistan Refinery Limited	-	180,000	-	180,000	-	-	-	-	-	-
FOOD & PERSONAL CARE PRODUCTS										
Unity Foods Limited	-	200,000	-	200,000	-	-	-	-	-	-
MISCELLANEOUS										
Siddiqsons Tin Plate Limited	-	715,000	-	100,500	614,500	10,417,504	11,761,053	2.46%	2.51%	0.27%
Tri-Pack Films Limited	-	54,000	-	54,000	-	-	-	-	-	-
						10,417,504	11,761,053	2.46%	2.51%	0.27%
Investments as at June 30, 2021						382,321,999	469,130,634			
Investments as at June 30, 2020						367,130,458	354,313,216			
Cost of investments as at June 30, 2021						479,614,865				
Cost of investments as at June 30, 2020						369,039,541				



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

	2021	2020	2021	2020
	Number of shares		Rupees	
Bank Alfalah Limited	-	320,000	-	10,742,400
Hub Power Company Limited	175,000	180,000	13,942,250	13,050,000
Oil & Gas Development Company Limited	70,000	70,000	6,652,100	7,630,000
Habib Bank Limited	220,000	-	26,921,400	-
	465,000	570,000	47,515,750	31,422,400

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

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

During the year ended June 30, 2018, the Supreme Court of Pakistan passed a judgement on June 27, 2018 whereby the suits which are already pending or shall be filed in future must only be continued / entertained on the condition that a minimum of 50 percent of the tax calculated by the tax authorities is deposited with the authorities. Accordingly, the CISs were required to pay minimum 50% of the tax calculated by the tax authorities for the case to remain continued. The CISs failed to deposit the minimum 50% of the tax liability and accordingly the stay got vacated automatically during the current year ended June 30, 2019. During the tax year 2020, the CISs have filed a fresh constitutional petition via CP 4653 dated July 11, 2019 as a result of which the HCS issued an order dated July 15, 2019 whereby the previous stay has been restored. The matter is still pending adjudication and no provision has been recorded or contingent liability has been disclosed in the financial statements as the management is confident that the case will be decided in favor of the CISs.

Further, Finance Act, 2018 effective from July 1, 2018 has omitted Section 236M of Income Tax Ordinance, 2001 therefore, bonus shares, subsequent to this amendment, issued to the Fund were not withheld by the investee companies.

6.2 Quoted debt securities

6.2.1 Sukuk certificates

	Number of certificates				Carrying value as at June 30, 2021	Market value as at June 30, 2021	Market value as a percentage of net assets
	Holding at beginning of the year	Acquired during the year	Disposed during the year	Holding at end of the year			
					Rupees		%
CHEMICALS							
Agritech Limited (note 6.2.2)	1,100	-	-	1,100	4,991,429	-	-
Less: Provision against financial assets					(4,991,429)	-	-
					-	-	-
Cost as at June 30, 2021						4,720,718	

JS Large Cap. Fund

- 6.2.2** These sukuk certificates have face value of Rs. 5,000 each and carry a mark-up equal to six month offered rate of KIBOR plus 200 basis points receivable semi-annually in arrears and were to be matured in August 2015. However, up to the year ended June 30, 2021 no principal repayment has been received by the Fund. These sukuk certificates are secured by hypothecation charge over the entire legal ownership and the beneficial interest of the issuer from time to time in and to all present and future fixed assets (excluding land and building) of the issuer in favour of the Trustee for the benefit of unit holders.

These sukuk were classified as Non-Performing Asset by Mutual Fund Association of Pakistan (MUFAP) as on August 21, 2010 on account of non-payment of the coupon due in August 2010. Therefore, the Fund has made provision of 100% of principal outstanding in the calendar year 2010 and accordingly no accrual for profit have been made by the Fund since then. The above investments were made by the Fund prior to its conversion from closed end fund to an open end fund. However, the carrying value of investments at the year end was nil.

6.2.3 Term finance certificates

	Number of certificates				Carrying value as at June 30, 2021	Market value as at June 30, 2021	Market value as a percentage of net assets
	Holding at beginning of the year	Acquired during the year	Disposed during the year	Holding at end of the year			
CHEMICALS							
Agritech Limited (note 6.2.4)	697	-	-	697	-	-	-

- 6.2.4** During the year 2012, the Fund has received zero coupon having face value of Rs. 5,000/- each Agritech Limited's Privately Placed Term Finance Certificates (PPTFCs) of face value of Rs. 3.485 million against interest due on Agritech Limited's Sukuk. These PPTFCs had a tenor of 3.5 years starting from July 01, 2011 and matured on January 01, 2015 on semi annual repayments of principal. Agritech had a call option on the said facility from the first day of disbursement of the said facility. Since these PPTFCs are received against already defaulted securities and have non-performing status in MUFAP, therefore the management, as a matter of prudence, has valued the said PPTFCs at zero.

6.3 Unquoted debt securities

6.3.1 Privately placed term finance certificates

	Number of certificates				Carrying value as at June 30, 2021	Market value as at June 30, 2021	Market value as a percentage of net assets
	Holding at beginning of the year	Acquired during the year	Disposed during the year	Holding at end of the year			
TEXTILE COMPOSITE							
Azgard Nine Limited (related party) (note 6.3.2 and 6.3.3)	8,316	-	-	8,316	-	-	-
Cost as at June 30, 2021						3,485,000.00	

- 6.3.2** These convertible privately placed term finance certificates (PPTFCs), having face value of Rs. 10,000/- each were issued against the cumulative preference shares of Azgard Nine Limited on October 22, 2012 under the "Settlement Agreement" dated October 22, 2012 between the Management Company of the Fund and Azgard Nine Limited. Since these PPTFCs were received against non-performing security, therefore the management, as a matter of prudence had recognised above PPTFCs at nil value. The carrying value of preference shares so converted into PPTFC was Rs. 52 million and provision held there against was Rs. 52 million. These convertible PPTFCs carry mark-up rate of 11% per annum with a tenor of 8 years (inclusive of a 2 year grace period for principal redemption) as per the terms and conditions. In case of Default, the PPTFC Holders shall have the right to exercise the option to convert the PPTFCs into ordinary voting shares of Azgard Nine Limited as per the terms and procedures.



JS Large Cap. Fund

6.3.3 During the year, the facility is restructured through Approved Scheme of Arrangement ("Approved Scheme") under the terms of Honorable Lahore High Court. According to the arrangement the principal outstanding will be paid starting from April 29, 2021 over a period of 10 years. Further, new zero coupon PPTFCs will be issued for the interest accrued till the date of restructuring on the existing PPTFCs, having redemption of principal through bullet payment on the 10th anniversary of the issuance date. As of the year end Rs. 1.583 million has been received by the Fund on account of repayment of principal and Rs. 0.003 million on account of interest income, accordingly the same has been recorded in the income statement.

6.4 These amounts represent the receivable / payable against the sales / purchases of marketable securities on the last working day of the year i.e. June 30, 2021.

6.5 Details of non-compliant investments

The Securities & Exchange Commission of Pakistan (SECP), vide its circular No. 16 dated July 07, 2010, has prescribed certain disclosures for non-compliances, either with the minimum investment criteria specified for the category assigned to the Collective Investment Schemes or with the investment requirements of their constitutive documents.

Name of non-compliant investment	Type of investment	Value of investment before provision	Provision held if any	Value of investment after provision	% of net assets	% of gross assets
		Rupees				
Agritech Limited (6.2.1)	Sukuks	4,991,429	(4,991,429)	-	-	-
Agritech Limited - zero coupon (6.2.3)	PPTFC	3,485,000	(3,485,000)	-	-	-
Azgard Nine Limited - PPTFCs (6.3.1)	PPTFC	52,000,000	(52,000,000)	-	-	-

6.5.1 It represents non-performing security and the Fund has made full provision against the principal amount in accordance with the requirement of circular 1 of 2009 read with circular 1 of 2009 read with circular 33 of 2012 issued by SECP and the provisioning policy of the Fund.

6.6 It represents income on the 3 months Market Treasury Bills (MTBs) acquired and disposed off during the year, having face value of Rs. 8 million, issued on April 8, 2021. The interest yield is 7.4418% p.a.

6.7 Net unrealised gain / (loss) on re-measurement of investment classified as financial asset at fair value through profit or loss

	2021	2020
	Rupees	
Market value of investments	469,130,634	354,313,216
less: carrying value of investments	(382,321,999)	(367,130,458)
	86,808,635	(12,817,242)

7. DEPOSITS AND OTHER RECEIVABLE

Security deposit with National Clearing Company of Pakistan Limited		2,500,000	2,500,000
Security deposit with Central Depository Company of Pakistan Limited		200,000	200,000
Income tax recoverable	7.1	882,172	686,111
		3,582,172	3,386,111



JS Large Cap. Fund

- 7.1** Clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 provides exemption from withholding tax deduction on dividend and markup income received by the collective investment scheme from investee companies and banks.

However a letter dated June 30, 2010 issued by Federal Board of Revenue to Assistant Director, Central Directorate of National Savings, Islamabad states that the said exemption will be applicable if exemption certificate under section 159(1) of the Income Tax Ordinance, 2001 is issued by the concerned Commissioner of Inland Revenue.

Based on the above letter, above amount of withholding tax has been deducted by certain banks on markup income and certain investee companies on dividends. An exemption certificate was issued by the concerned Commissioner of Inland Revenue effective up to December 31, 2021. Accordingly the management is in the process of recovering the above tax amount deducted. Furthermore, a stay order has also been obtained by the Management Company of the Fund from further deduction of income tax at source.

8. PAYABLE TO JS INVESTMENTS LIMITED - MANAGEMENT COMPANY

Under the provisions of Non-Banking Finance Companies and Notified Entities Regulations 2008, an Asset Management Company shall be entitled to an accrued remuneration equal to an amount not exceeding 2% of average annual net assets. Management Company has charged remuneration at the rate of 2% (June 30, 2020: 2%) per annum based on the daily net assets of the Fund for the year ended June 30, 2021.

	Note	2021 ----- Rupees -----	2020 -----
Remuneration Payable to the Management Company		806,008	578,286
Sindh Sales Tax payable on Management Company's remuneration	8.1	1,543,178	1,513,575
Reimbursement of accounting and operational charges to the Management Company	8.2	40,294	28,913
Selling and marketing expenses payable	8.3	1,304,978	921,527
Sales load payable		44,145	25,761
		3,738,603	3,068,062

- 8.1** The Sindh Provincial Government has levied Sindh Sales Tax at the rate of 13% (2020: 13%) on Management Company's remuneration through Sindh Sales Tax on Services Act, 2011 effective from July 01, 2011. This also includes Rs. 1.438 million (2020: Rs. 1.438 million) accrued on Federal Excise Duty (FED) on the Management company's remuneration as fully explained in note 11.2. Had the provision on FED not been made, net asset value per unit of the Fund as at June 30, 2021 would have been higher by Rs. 0.41 (2020: Rs. 0.41) per unit.
- 8.2** As per regulation 60(3) of the NBFC Regulations, fee and expenses related to registrar services, accounting, operation and valuation services related to CIS shall be payable to AMC. During the year, such expenses have been charged at the rate of 0.1% (2020: 0.1%) of net assets of the Fund.
- 8.3** SECP vide SRO 639(I)/2019 dated June 20, 2019 has removed cap of 0.4% on charging of selling and marketing expenses which is charged by Asset Management Companies to all categories of open-end mutual funds (except fund of funds). Resultantly, with effect from October 15, 2019, such expense has been charged at the rate of 1.07% of net assets of the Fund as per approval by the Board of Directors of Management Company. For the current year the percentage is also 1.07% (2020: 0.4% to 1.07%).



9. REMUNERATION PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

Central Depository of Pakistan Limited (the Trustee) is entitled to a monthly remuneration of services rendered to the Fund under the provision of the Trust Deed as follows:

- up to rupees one billion 0.2% per annum of the daily net assets.

- exceeding rupees one billion Rs. 2,000,000 plus 0.1% per annum of the daily net assets of the Fund exceeding rupees one billion.

	Note	2021 ----- Rupees -----	2020 -----
Remuneration payable to the Trustee		80,600	57,830
Sindh Sales Tax payable on Trustee remuneration	9.1	10,481	7,517
		91,081	65,347

9.1 The Sindh Provincial Government levied Sindh Sales Tax at the rate of 13% (2020: 13%) on the remuneration of the Trustee through Sindh Sales Tax on Services Act, 2011.

10. ANNUAL FEE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

As per SRO 685(I)/2019 dated June 28, 2019, annual fee at the rate 0.02% (2020: 0.02%) of the net assets of the Fund has been charged during the year by Securities and Exchange Commission of Pakistan.

	Note	2021 ----- Rupees -----	2020 -----
11. ACCRUED EXPENSES AND OTHER LIABILITIES			
Provision for Sindh Workers' Welfare Fund	11.1	8,678,197	5,875,542
Federal Excise Duty payable on Management Company's remuneration	11.2	9,630,269	9,630,269
Auditors' remuneration		457,072	660,431
Zakat payable		11,136	3,921
Other liabilities		76,883	36,818
		18,853,557	16,206,981



JS Large Cap. Fund

- 11.1** As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs. 0.50 million, was required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP had taken up the matter with the Sindh Finance Ministry to have CISs/mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs / mutual funds, MUFAP recommended that, as a matter of abundant caution, provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from May 21, 2015). The Funds have accordingly made provision in respect of SWWF as recommended by MUFAP.

Subsequent to the year ended June 30, 2021, Sindh Revenue Board (SRB) through its letter dated August 12, 2021, has intimated MUFAP that the mutual funds do not qualify as Financial Institution/ Industrial Establishment and are, therefore, not liable to pay the Sindh Workers Welfare Fund (SWWF) contributions. This development was discussed at the MUFAP level and has also been taken up with the Securities and Exchange Commission of Pakistan (SECP) and all the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognized in the financial statements of the Funds on August 13, 2021. The SECP has given its concurrence for prospective reversal of provision for SWWF, Accordingly, going forward, no provision for SWWF would be recognized in the financial statement of the Fund.

Had the provision not being made, the Net Asset Value per unit as at June 30, 2021 would have been higher by Rs. 2.50 (2020: Rs.1.67) per unit.

- 11.2** As per the requirements of the Finance Act, 2013, Federal Excise Duty (FED) at the rate of 16 percent on the remuneration of the Management Company has been applied effective from June 13, 2013. The Management Company is of the view that since the remuneration is already subject to the provincial sales tax, further levy of FED may result in double taxation, which does not appear to be the spirit of the law, hence, a petition was collectively filed by the Mutual Fund Association of Pakistan with the Sindh High Court (SHC) on September 04, 2013.

While disposing the above petition through order dated July 16, 2016, the SHC declared the said provisions to be ultra vires and as a result no FED is payable with effect from July 01, 2016. However, the tax authorities subsequently filed appeal against the decision of the SHC in the Supreme Court of Pakistan, which is pending for the decision.

Furthermore, the Finance Act 2016 also introduced an amendment to the Federal Excise Act, 2005 whereby FED was withdrawn on services of different industries including Non-Banking Financial Institutions, which are already subject to provisional sales tax.

However, since the appeal is pending in the Supreme Court of Pakistan, the Management Company, as a matter of abundant caution, is carrying provision for FED for the year aggregating to Rs. 9.63 million (2020: Rs. 9.63 million). Had the provision not been made, net asset value per unit of the Fund as at June 30, 2021 would have been higher by Rs. 2.77 (2020: Rs.2.73) per unit.



12. CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as at June 30, 2021 and June 30, 2020.

13. NUMBER OF UNITS IN ISSUE

	2021	2020
	----- Number -----	
Total outstanding as of July 01	3,525,312	5,001,545
Add: Issued during the year	1,080,017	393,907
Less: Redemptions during the year	(1,127,841)	(1,870,140)
Total units in issue as of June 30	3,477,488	3,525,312

14. AUDITORS' REMUNERATION

	2021	2020
	----- Rupees -----	
Annual audit fee	358,560	358,560
Fee for the review of half yearly financial statements	179,280	179,280
Out of pocket expenses and Sindh Sales Tax	101,142	122,591
	638,982	660,431

15. TAXATION

The Fund is exempt from taxation under clause 99 of the Part I of the 2nd Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90% of its accounting income as reduced by the realized and unrealised capital gain for the year is distributed amongst the Fund's unit holders. The Fund has not distributed any amount for the year ended June 30, 2021 being whole of the accounting income available for distribution pertaining to capital gain (realised or unrealised). Accordingly, no provision for taxation has been made in these financial statements.

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

16. TRANSACTIONS / BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

Connected persons / related parties include JS Investments Limited (JSIL) being the Management Company of the Fund, MCB Financial Services Limited being the Trustee of the Fund, JS Bank Limited (JSBL) being the holding company of JSIL (holding 84.56% shares of JS Investment Limited), Jahangir Siddiqui and Co. Limited (JSCL) (holding 75.02% shares of JS Bank Limited) being the holding company of JSBL, JS Global Capital Limited (JSGCL) (83.53% shares held by JS Bank Limited) being the fellow subsidiary of JSBL, and other associated companies of JSBL, JSIL and its subsidiaries, Key Management Personnel of the above entities and other funds being managed by JSIL and includes entities holding 10% or more in the units of the Fund as at June 30, 2021. It also includes staff retirement benefit funds of the above related parties / connected persons.



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

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

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

	2021	2020
	----- Rupees -----	
16.1 Amounts outstanding as at year end are as follows:		
JS Investments Limited - Management Company		
Remuneration payable to the Management Company	<u>806,008</u>	<u>578,286</u>
Sindh Sales Tax payable on the Management Company's remuneration	<u>1,543,178</u>	<u>1,513,575</u>
Reimbursement of accounting and operational charges to the Management Company	<u>40,294</u>	<u>28,913</u>
Selling and marketing expenses payable	<u>1,304,978</u>	<u>921,527</u>
Sales load payable	<u>19,865</u>	<u>25,761</u>
Federal excise duty payable on the Management Company's remuneration	<u>9,630,269</u>	<u>9,630,269</u>
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable to the Trustee	<u>80,600</u>	<u>57,830</u>
Sindh Sales Tax payable on Trustee the remuneration	<u>10,481</u>	<u>7,517</u>
Security deposit	<u>200,000</u>	<u>200,000</u>
Annual, transaction, custodian, CDS connection fee payable	<u>1,219</u>	<u>5,305</u>
JS Bank Limited - Holding company of the Management Company		
Bank balances	<u>13,525,019</u>	<u>8,629,477</u>
Accrued return on bank balance	<u>32,295</u>	<u>73,310</u>
Bank Islami Pakistan Limited - Associated Company (Associate of Ultimate Parent Company - JSCL)		
Bank balance	<u>16,759</u>	<u>16,215</u>
JS Global Capital Limited (Fellow subsidiary of JSBL)		
Brokerage payable	<u>-</u>	<u>45,081</u>
Key Management Personnel of the Management Company		
Units of the fund held: 49,274 (2020: 74,907)	<u>6,762,772</u>	<u>7,472,176</u>



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		2021	2020
		----- Rupees -----	
16.2	Details of the transactions with connected persons and related parties are as follows:		
	JS Investments Limited - Management Company		
	Remuneration to the Management Company	<u>9,513,285</u>	<u>8,535,904</u>
	Sindh Sales Tax on remuneration of the Management Company *	<u>1,236,726</u>	<u>1,109,665</u>
	Reimbursement of accounting and operational charges	<u>475,659</u>	<u>426,792</u>
	Selling and marketing expenses - Management Company	<u>5,089,609</u>	<u>3,703,658</u>
	Sales load	<u>179,810</u>	<u>106,147</u>
	Central Depository Company of Pakistan Limited - Trustee		
	Remuneration to Trustee	<u>952,427</u>	<u>853,596</u>
	Sindh Sales Tax on trustee's remuneration **	<u>123,820</u>	<u>110,969</u>
	Annual, transaction, custodian, CDS connection fee and settlement charges	<u>46,733</u>	<u>82,301</u>
	JS Global Capital Limited - Associated Company (Fellow subsidiary of JSBL)		
	Brokerage fee	<u>164,028</u>	<u>321,805</u>
	Azgard Nine Limited (Other related party)		
	Principal Receipt (ANL PPTF)	<u>1,583,117</u>	<u>-</u>
	Markup Receipt (ANL PPTFC)	<u>2,612</u>	<u>-</u>
	JS Bank Limited - Holding company of the Management Company		
	Return on bank balances	<u>1,389,880</u>	<u>4,859,834</u>
	Bank charges	<u>227</u>	<u>21,112</u>
	Bank Islami Pakistan Limited - Associated Company (Associate of Ultimate Parent Company - JSCL)		
	Return on bank balances	<u>544</u>	<u>3,535</u>
	Al-Abbas Sugar Mills Limited (Common Directorship) (Common Directorship)		
	Dividend income	<u>358,450</u>	<u>-</u>
	EFU Life Assurance Limited Employees Pension Fund (Associate of Ultimate Parent Company - JSCL)		
	Redemption of units: Nil (2020: 13,237)	<u>-</u>	<u>1,259,076</u>
	EFU Life Assurance Limited - Employee Provident Fund - Associate (JSCL - Employee Benefit Fund of Ultimate Parent Company of JSIL)		
	Redemption of units: Nil (2020: 13,237)	<u>-</u>	<u>1,912,078</u>
	Key Management Personnel of the Management Company		
	Issue of units: Nil (2020: 30,527)	<u>-</u>	<u>3,323,653</u>
	Redemption of units: 2,872 (2020: 21,739)	<u>333,213</u>	<u>2,189,337</u>

* Paid / payable to the Management Company for onward payment to the Government.

** Paid / payable to the Trustee for onward payment to the Government.



JS Large Cap. Fund

17. FINANCIAL INSTRUMENTS BY CATEGORY

	2021			2020		
	At amortised Cost	At fair value through profit or loss	Total	At amortised cost	At fair value through profit or loss	Total
Rupees						
Financial assets						
Bank balances	39,459,135	-	39,459,135	25,275,020	-	25,275,020
Investments	-	469,130,634	469,130,634	-	354,313,216	354,313,216
Accrued return on bank balances	498,376	-	498,376	640,715	-	640,715
Dividend receivable	77,964	-	77,964	26,674	-	26,674
Security deposits	2,700,000	-	2,700,000	2,700,000	-	2,700,000
	42,735,475	469,130,634	511,866,109	28,642,409	354,313,216	382,955,625
Financial liabilities						
Payable to the Management Company	3,738,603	-	3,738,603	3,068,062	-	3,068,062
Remuneration Payable to the Trustee	91,081	-	91,081	65,347	-	65,347
Accrued expenses and other liabilities	533,955	-	533,955	697,249	-	697,249
Payable against purchase of investments	49,233	-	49,233	968,080	-	968,080
Dividend payable	11,484,325	-	11,484,325	11,484,325	-	11,484,325
Net assets attributable to redeemable units	478,436,346	-	478,436,346	351,763,597	-	351,763,597
	494,333,543	-	494,333,543	368,046,660	-	368,046,660

18. FINANCIAL RISK MANAGEMENT

Introduction and overview

The Fund has exposure to the following risks from financial instruments:

- Credit risk (refer note 18.1)
- Liquidity risk (refer note 18.2)
- Market risk (refer note 18.3)

Risk management framework

The board of directors of Asset Management Company has overall responsibility for the establishment and oversight of the Fund's risk management framework.

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



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

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

18.1 Credit risk

Credit risk is the risk of financial loss to the Fund if a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from bank balances, dividend receivables and security deposits.

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

Management of credit risk

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

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

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



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Exposure to credit risk

The maximum exposure to credit risk as at reporting date was as follows:

	2021		2020	
	Balance as per the statement of asset and liabilities	Maximum exposure	Balance as per the statement of asset and liabilities	Maximum exposure
----- Rupees -----				
Bank balances	39,459,135	39,459,135	25,275,020	25,275,020
Investments	469,130,634	-	354,313,216	-
Accrued return on bank balances	498,376	498,376	640,715	640,715
Dividend receivable	77,964	77,964	26,674	26,674
Security deposits	2,700,000	2,700,000	2,700,000	2,700,000
	511,866,109	42,735,475	382,955,625	28,642,409

Difference in the balance as per the statement of assets and liabilities and maximum exposure in investments is due to the fact that investment in equity securities of Rs. 469.131 million (2020: Rs. 354.313 million) is not exposed to credit risk.

Bank balances including accrued return on bank balances

The analysis below summarises the credit quality of the balances with Banks as at reporting date:

Rating	2021	2020	2021	2020
	----- Rupees -----		----- (%) -----	
A1+	31,823,931	25,852,419	79.64	99.76
A1	8,133,580	63,316	20.36	0.24
Total balance including profit due	39,957,511	25,915,735	100.00	100.00

Above rates are on the basis of available ratings assigned by PACRA and JCR-VIS as of the reporting date.

Concentration of credit risk

Concentration of credit risk arises when a number of financial instruments or contracts are entered into with the same counterparty, or where a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. The Fund mainly deals in equity securities which are primarily subject to price risk. The Fund's portfolio of other financial assets is broadly diversified and transactions are entered into with diverse credit worthy counterparties thereby mitigating any significant concentration of credit risk. The Fund's portfolio exposed to credit risk primarily consists of bank deposits.



Details of Fund's concentration of credit risk of financial instruments by economic sectors are as follows:

	2021		2020	
	Rupees	%	Rupees	%
Commercial banks (including profit due)	39,957,511	93.50	25,915,735	90.48
National Clearing Company of Pakistan Limited - security deposit	2,500,000	5.85	2,500,000	8.73
Central Depository Company of Pakistan Limited - security deposit	200,000	0.47	200,000	0.70
Dividend receivable	77,964	0.18	26,674	0.09
	42,735,475	100.00	28,642,409	100.00

Past due and impaired assets and collaterals held

Following are the past due and impaired financial assets of the Fund as at June 30, 2021:

- Sukuk certificates and term finance certificates of Agritech Limited (refer notes 6.2.1 and 6.2.3)
- Privately placed term finance certificates of Azgard Nine (related party) (refer note 6.3.1)

However these are fully provided. All other financial assets of the Fund as at June 30, 2021 are unsecured and are not impaired.

Settlement risk

The Fund's activities may give rise to risk at the time of settlement of transactions. Settlement risk is the risk of loss due to the failure of an entity to honour its obligations to deliver cash, securities or other assets as contractually agreed on sale.

For the vast majority of transactions the Fund mitigates this risk by conducting settlements through a broker to ensure that a trade is settled only when both parties have fulfilled their contractual settlement obligations.

18.2 Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Fund's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation.

The Fund aims to maintain the level of cash and cash equivalents and other highly marketable securities at an amount in excess of expected cash outflows on financial liabilities. The Fund is exposed to cash redemptions of its units on a regular basis. Units are redeemable at the holder's option based on the Fund's net asset value per unit at the time of redemption calculated in accordance with the Fund's constitutive document and guidelines laid down by Securities and Exchange Commission of Pakistan (SECP).



JS Large Cap. Fund

Management of liquidity risk

The Fund's policy is to manage this risk by investing majority of its assets in investments that are traded in an active market and can be readily disposed. The Fund invests primarily in marketable securities and other financial instruments, which under normal market conditions are readily convertible to cash. As a result, the Fund may be able to liquidate quickly its investments in these instruments at an amount close to their fair value to meet its liquidity requirement. The present settlement system is a T+2 system, which means that proceeds from sales (to pay off redemptions) of holdings will be received on the second day after the sale, while redemptions have to be paid within a period of six working days from the date of the redemption request.

In addition, the Fund has the ability to borrow, with prior approval of trustee, for meeting redemption requests. No such borrowings were made during the year. The maximum amount available to the Fund from borrowings is limited to the extent of 15% of net assets at the time of borrowing with repayment within 90 days of such borrowings. The facility would bear interest at commercial rates.

In order to manage the Fund's overall liquidity, the Fund can also withhold daily redemption request in excess of ten percent of the units in issue and such requests would be treated as redemption request 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 significant redemptions during the year.

Maturity analysis for financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts in the table are the contractual undiscounted cash flows.

	Carrying amount	Contractual cash flows		
		Total	Less than 1 month	Within 3 months
June 30, 2021		Rupees		
Financial liabilities				
Payable to the Management Company	3,738,603	3,738,603	3,738,603	-
Remuneration payable to the Trustee	91,081	91,081	91,081	-
Accrued expenses and other liabilities	533,955	533,955	533,955	-
Payable against purchase of investments	49,233	49,233	49,233	-
Dividend payable	11,484,325	11,484,325	11,484,325	-
	15,897,197	15,897,197	15,897,197	-
Net assets attributable to redeemable units	478,436,346	478,436,346	478,436,346	-



JS Large Cap. Fund

	Carrying amount	Contractual cash flows		
		Total	Less than 1 month	Within 3 months
June 30, 2020				
		Rupees		
Financial liabilities				
Payable to the Management Company	3,068,062	3,068,062	3,068,062	-
Remuneration payable to the Trustee	65,347	65,347	65,347	-
Payable against purchase of investments	968,080	968,080	968,080	-
Accrued expenses and other liabilities	697,249	697,249	697,249	-
Dividend payable	11,484,325	11,484,325	11,484,325	-
	<u>16,283,063</u>	<u>16,283,063</u>	<u>16,283,063</u>	<u>-</u>
Net assets attributable to redeemable units	<u>351,763,597</u>	<u>351,763,597</u>	<u>351,763,597</u>	<u>-</u>

Above financial liabilities do not carry any mark-up and are unsecured.

18.3 Market risk

Market risk is the risk that changes in market prices (such as foreign exchange rates, interest rates and equity prices) will affect the Fund's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Management of market risks

The Fund manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee and regulations laid down by the Securities and Exchange Commission of Pakistan. The maximum risk resulting from financial instruments equals their fair values.

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

18.3.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency exchange rates.

The Fund has no exposure to foreign exchange risk as at June 30, 2021 as there are no financial assets or financial liabilities denominated in foreign currencies.

18.3.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates. Risk management procedures are the same as those mentioned in the credit risk management.



JS Large Cap. Fund

a) Sensitivity analysis for variable rate instruments

As at June 30, 2021, the Fund holds interest bearing bank balances in savings accounts exposing the Fund to cash flow interest rate risk. In case of 100 basis points increase / decrease in interest rate on the last repricing data of these balances with banks, with all other variables held constant, the net income and net assets would have been higher / lower by Rs. 0.395 million (2020: Rs. 0.253 million).

b) Sensitivity analysis for fixed rate instruments

The Fund doesn't holds any fixed rate financial instrument that exposes the Fund to fair value interest rate risk as at June 30, 2021 and June 30, 2020.

The composition of the Fund's investment portfolio and rates announced by Financial Market Association of Pakistan is expected to change over time. Therefore, the sensitivity analysis prepared as of June 30, 2021 is not necessarily indicative of the effect on the Fund's net assets of future movements in interest rates.

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

As at June 30, 2021						
Yield / Interest rate	Total	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	
		Upto three months	More than three months and upto one	More than one year		
%		Rupees				
On-balance sheet financial instruments						
Financial assets						
Bank balances	5.00% - 8.00%	39,459,135	39,459,135	-	-	-
Investments - Listed equity securities		469,130,634	-	-	-	469,130,634
Accrued return on bank balances		498,376	-	-	-	498,376
Dividend receivable		77,964	-	-	-	77,964
Security deposits		2,700,000	-	-	-	2,700,000
		511,866,109	39,459,135	-	-	472,406,974
Financial liabilities						
Payable to the Management Company		3,738,603	-	-	-	3,738,603
Payable to the Trustee		91,081	-	-	-	91,081
Accrued expenses and other liabilities		533,955	-	-	-	533,955
Payable against purchase of investments		49,233	-	-	-	49,233
Dividend payable		11,484,325	-	-	-	11,484,325
Net assets attributable to redeemable units		478,436,346	-	-	-	478,436,346
		494,333,543	-	-	-	494,333,543
On-balance sheet gap		17,532,566	39,459,135	-	-	(21,926,569)
Off-balance sheet financial instruments						
		-	-	-	-	-
Off-balance sheet gap		-	-	-	-	-



JS Large Cap. Fund

As at June 30, 2020						
Yield / Interest rate	Total	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	
		Upto three months	More than three months and upto one year	More than one year		
%	Rupees					
On-balance sheet financial instruments						
Financial assets						
Bank balances	6.00% - 10.25%	25,275,020	25,275,020	-	-	-
Investments - Listed equity securities		354,313,216	-	-	-	354,313,216
Accrued return on bank balances		640,715	-	-	-	640,715
Dividend receivable		26,674	-	-	-	26,674
Security deposits		2,700,000	-	-	-	2,700,000
		382,955,625	25,275,020	-	-	357,680,605
Financial liabilities						
Payable to the Management Company		3,068,062	-	-	-	3,068,062
Payable to the Trustee		65,347	-	-	-	65,347
Accrued expenses and other liabilities		697,249	-	-	-	697,249
Payable against purchase of investments		968,080	-	-	-	968,080
Dividend payable		11,484,325	-	-	-	11,484,325
Net assets attributable to redeemable units		351,763,597	-	-	-	351,763,597
		368,046,660	-	-	-	368,046,660
On-balance sheet gap		14,908,965	25,275,020	-	-	(10,366,055)
Off-balance sheet financial instruments						
		-	-	-	-	-
Off-balance sheet gap						
		-	-	-	-	-

18.3.3 Other market price risk

The Fund is exposed to equity price risk i.e. the risk of unfavorable changes in the fair value of equity securities as a result of changes in the levels of Pakistan Stock Exchange Index and the value of individual shares, which arises from investments measured at fair value through income statement.

The management of the Fund monitors the proportion of equity securities in its investment portfolio based on market indices. The Fund policy is to manage price risk through diversification and selection of securities within specified limits set by internal risk management guidelines or the requirements of NBFC regulations. The Fund manages those risk by limiting exposure to any single investee company to the extent of 10% of issued capital of that investee company and the net assets of the Fund with overall limit of 30% to a single industry sector of the net assets of the Fund (the limit set by NBFC regulations).

The Fund also manages its exposure to price risk by reviewing portfolio allocation as frequently as necessary and at least once a quarter from the aspect of allocation within industry and individual stock within that allocation. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the Investment Committee. The primary objective of the Fund's investment strategy is to maximise investment returns.

Details of the Fund's investments in industrial / economic sectors are given in note 6.1.

Sensitivity analysis - Equity price risk

All of the Fund's equity investments are listed on Pakistan Stock Exchange. For such investments classified as at fair value through Profit and Loss, a 5% increase or decrease in the fair values of the equity investments, would have increased or decreased the income statement and the unit holders' fund by Rs. 23.457 million (2020: Rs. 17.716 million).



JS Large Cap. Fund

The analysis is based on the assumption that the equity index had increased / decreased by 5% with all other variables held constant and all the Fund's equity instruments moved according to the historical correlation with the index. This represents management's best estimate of a reasonable possible shift in the PSX 100 Index, having regard to the historical volatility of the index. The composition of the Fund's investment portfolio and the correlation thereof to the KMI index, is expected to change over the time. Accordingly, the sensitivity analysis prepared as of June 30, 2021 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of PSX 100 Index.

19. UNIT HOLDER'S FUND RISK MANAGEMENT

The Fund's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to continue as a going concern so that it can continue to provide returns to its unit holders. Management monitors the return on capital as well as the level of dividends to unit holders and makes adjustments to it in the light of changes in markets' conditions.

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

In accordance with the risk management policies stated in note 18, the Fund endeavors to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemption requests which would be augmented by short-term borrowings or disposal of investments where necessary.

20. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between 'market participants at the measurement date.

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.

The fair value of financial assets traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the year end date. The quoted market prices used for financial assets held by the Fund is current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an 'exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and 'regularly occurring market transactions on an arm's length basis.

IFRS 13, 'Fair Value Measurements' requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date (level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (level 2).
- Unobservable inputs for the asset or liability (level 3).

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.



JS Large Cap. Fund

	Note	Carrying amount			Fair value hierarchy	
		At Fair value through profit or loss	Amortised cost	Total	Level 1	Total
----- Rupees -----						
June 30, 2021						
Financial assets measured at fair value						
Investments	6	469,130,634	-	469,130,634	469,130,634	469,130,634
Financial assets not measured at fair value						
Bank balances	5	-	39,459,135	39,459,135	-	-
Accrued return on bank balances		-	498,376	498,376	-	-
Dividend receivable		-	77,964	77,964	-	-
Security deposits	7	-	2,700,000	2,700,000	-	-
		-	42,735,475	42,735,475	-	-
Financial liabilities not measured at fair value						
Payable to the Management Company	8	-	3,738,603	3,738,603	-	-
Payable to the Trustee	9	-	91,081	91,081	-	-
Accrued expenses and other liabilities		-	533,955	533,955	-	-
Payable against purchase of investments		-	49,233	49,233	-	-
Dividend payable		-	11,484,325	11,484,325	-	-
Net assets attributable to redeemable units		-	478,436,346	478,436,346	-	-
		-	494,333,543	494,333,543	-	-
June 30, 2020						
Financial assets measured at fair value						
Investments	6	354,313,216	-	354,313,216	354,313,216	354,313,216
Financial assets not measured at fair value						
Bank balances	5	-	25,275,020	25,275,020	-	-
Accrued return on bank balances		-	640,715	640,715	-	-
Dividend receivable		-	26,674	26,674	-	-
Security deposits	7	-	2,700,000	2,700,000	-	-
		-	28,642,409	28,642,409	-	-
Financial liabilities not measured at fair value						
Payable to the Management Company	8	-	3,068,062	3,068,062	-	-
Payable to the Trustee	9	-	65,347	65,347	-	-
Accrued expenses and other liabilities		-	697,249	697,249	-	-
Payable against purchase of investments		-	968,080	968,080	-	-
Dividend payable		-	11,484,325	11,484,325	-	-
Net assets attributable to redeemable units		-	351,763,597	351,763,597	-	-
		-	368,046,660	368,046,660	-	-

20.1 The Fund has not disclosed the fair values for these financial assets (other than investment) and for financial liabilities, as these are either short term in nature or are repriced periodically. Therefore, their carrying amounts are reasonable approximation of their fair values.

JS Large Cap. Fund

21. TOTAL EXPENSE RATIO

In accordance with the Directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan, the total expense ratio of the Fund for year ended June 30, 2021 is 4.79% (2020: 4.43%) which includes 0.94% (2020: 0.41%) representing government levy i.e. Sindh Sales Tax, SECP fee and provision for Sindh Worker's Welfare Fund.

22. UNIT HOLDING PATTERN OF FUND

Category	As at June 30, 2021			
	No. of unit holders	Number of units held	Amount Rupees	% of total units
Individuals	1,716	2,029,164	279,175,918	58.35
Associated companies / directors	3	138	18,918	0.00
Insurance Companies	2	110,554	15,209,960	3.18
Banks / DFI's	1	89,027	12,248,346	2.56
Non Banking Finance Companies	1	10	1,327	0.00
Retirement funds	25	1,115,147	153,421,967	32.07
Others	25	133,449	18,359,910	3.84
	1,773	3,477,488	478,436,346	100

Category	As at June 30, 2020			
	No. of unit holders	Number of units held	Amount Rupees	% of total units
Individuals	1,788	2,309,608	230,460,711	65.52
Insurance Companies	2	110,554	11,031,035	3.14
Banks / DFI's	1	89,027	8,883,122	2.53
Non Banking Finance Companies	1	10	962	0.00
Retirement funds	23	869,878	86,796,438	24.67
Others	25	146,235	14,591,329	4.15
	1,840	3,525,312	351,763,597	100

23. LIST OF TOP 10 BROKERS BY PERCENT OF THE COMMISSION PAID

2021		2020	
Name of broker	Percentage of commission / Brokerage (%)	Name of broker	Percentage of commission / Brokerage (%)
JS Global Capital Limited	12.73	JS Global Capital Limited	13.02
Arif Habib Limited	6.97	Topline Securities (Private) Limited	7.84
Fortuner Securities (Private) Limited	6.64	Intermarket Securities Limited	7.03
Ismail Securities (Private) Limited	5.61	Next Capital Limited	5.43
BMA Capital Management Limited	5.54	Alfalsh Securities (Private) Limited	5.13
Fawad Yousuf Securities (Private) Limited	4.92	Fawad Yusuf Securities Limited	4.67
MRA Securities (Private) Limited	4.58	BMA Capital Management Limited	4.57
Intermarket Securities (Private) Limited	4.15	KASB Securities (Private) Limited	4.50
Next Capital Limited	4.01	Nael Capital Management Limited	4.43
KASB Securities (Private) Limited	3.94	Sherman Securities	4.28



24. PARTICULARS OF INVESTMENT COMMITTEE AND FUND MANAGER

S. No	Name	Designation	Experience in years	Qualification
1	Ms.Iffat Zehra Mankani	Chief Executive Officer	20	MBA
2	Mr. Khawar Iqbal	Director Finance & Company Secretary	28	MBA
3	Mr. Zahid Ullah Khan	Chief Investment Officer / Fund Manager	18	MBA
4	Mr. Syavash Pahora	Head of Research	4	BSC
5	Mr. Shahveer Masood	Fund Manager	4	BSC

25. MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Following is the analysis of the attendance in the meetings of the Board of Directors of the Management Company during the year:

Name of Directors	Meetings attended	Meetings held on				
		18 August 2020	20 October 2020	24 December 2020	19 February 2021	23 April 2021
Mr. Kamran Jafar	3	P	P	P	-	-
Mr. Hasnain Raza Nensey	4	P	P	P	P	-
Mr. Suleman Lalani	3	-	P	-	P	P
Ms. Iffat Zehra Mankani*	1	-	-	-	-	P
Mr. Asif Reza Sana	3	P	P	-	-	P
Mr. Babar Wajid	2	P	P	-	-	-
Mr. Hasan Shahid *	5	P	P	P	P	P
Mr. Tahir Ali Sheikh *	5	P	P	P	P	-
Ms. Aisha Fariel Salahuddin *	5	P	P	P	P	P
Mr. Imran Haleem Shaikh	2	-	-	-	P	P
Mr. Tauqir Haider Rizvi *	-	-	-	-	-	-
Mr. Zahid Ullah Khan	1	-	-	-	-	P
		8	7	7	9	8

*Mr. Suleman Lalani Joined the Board on September 09, 2020

*Ms. Iffat Zehra Mankani joined the Board on April 15, 2021. She replaced Mr. Hasnain Raza Nensay from the Board as the Chief

*Mr. Imran Haleem Shaikh joined the Board on January 15, 2021

*Mr. Zahid Ullah Khan joined the Board on March 18, 2021

*Mr. Kamran Jafar resigned from the Board on January 18, 2021

*Mr. Babbar Wajid resigned from the Board on December 02, 2020

26. RATING OF THE MANAGEMENT COMPANY

The Pakistan Credit Rating Agency (PACRA) has assigned an asset manager rating of "AM2"(Stable Outlook) to the Management Company.

The rating denotes high management quality of the Management Company.



JS Large Cap. Fund

27. SUMMARY OF ACTUAL PROXY VOTED BY JS LARGE CAP. FUND

	Resolutions	For	Against	Abstain
Number	4	4	Nil	N/A
(% ages)	100	100	-	-

Note:

The Proxy voting policy of the Collective Investment Scheme (CIS) is available on the website of JS Investments Limited, the Company and detailed information regarding actual proxies voted by the Company in respect of the CIS is also available without charge, upon request, to all unit holders.

28. CORRESPONDING FIGUERS

Corresponding figures wherever necessary have been rearranged and reclassified to reflect more appropriate presentation of events and transactions for the purposes of comparison.

29. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by Board of Directors of the Management Company on Augsut 21, 2021.

For JS Investments Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

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JS Investments Limited

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SB-5 Abdullah Haroon Road, Saddar,
Karachi-75600

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E-mail: info@jsil.com

Website: www.jsil.com



JS Value Fund

Annual Report 2021



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VISION

To be recognized as a responsible asset manager respected for continually realizing goals of its investors.

MISSION

To build JS Investments into a top ranking Asset Management Company; founded on sound values; powered by refined knowhow; supported by a committed team operating within an accountable framework of social, ethical and corporate responsibility - a strong and reliable institution for its shareholders to own; an efficient service provider and value creator for clients; an exciting and fulfilling work place for employees; and a participant worth reckoning for competitors.

BROAD POLICY OBJECTIVES

- Value creation for clients on a sustainable basis
- Maintain high standards of ethical behaviors and fiduciary responsibility
- Manage Investments with Prudence and with the aim of providing consistent returns better than that of peers
- Take Products and Services to the People, Create awareness on understanding financial goals, risks and rewards
- Professional Excellence – Adapt, Evolve and Continuously Improve
- Maintain highly effective controls through strong compliance and risk management
- A talented, diligent and diverse HR



ORGANIZATION

Management Company

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

Board of Directors

Mr. Suleman Lalani	Chairman
Ms. Iffat Zehra Mankani	Chief Executive Officer
Mr. Hasan Shahid	Non-Executive Director
Mr. Asif Reza Sana	Independent Director
Ms. Aisha Fariel Salahuddin	Independent Director
Mr. Zahid Ullah Khan	Non-Executive Director
Mr. Imran Haleem Shaikh	Non-Executive Director
Mr. Mirza Muhammad Sadeed Hassan Barlas*	Non-Executive Director

Audit Committee

Mr. Asif Reza Sana	Chairman
Ms. Aisha Fariel Salahuddin	Member
Mr. Hasan Shahid	Member

Director Finance & Company Secretary

Mr. Muhammad Khawar Iqbal

Chief Financial Officer

Mr. Zafar Iqbal Ahmed

Trustee

Digital Custodian Company Limited
Formerly; MCB Financial Services Ltd.
4th Floor, Perdesi House
2/1, R-Y-16, Old Queens Road,
Karachi - 75530

Auditors

Yousuf Adil
Chartered Accountants

Legal Adviser

Bawaney & Partners

* Mr. Mirza Muhammad Sadeed Hassan Barlas has been appointed as Director of JS Investments Limited w.e.f August 09, 2021 in



JS Value Fund

Directors' Report to the Unit Holders

The Board of Directors of JS Investments Limited, the Management Company of **JS Value Fund** (the Fund), is pleased to present the Annual Report for the year ended June 30, 2021.

Economy Review:

Despite innumerable challenges, Pakistan's economy is moving progressively on a sustainable growth path. Before the COVID-19 pandemic hit Pakistan's economy, the reforms had laid the base for an economic recovery as was visible in 2H FY19 figures, however, it was brought to a halt due to the incidence of the coronavirus pandemic. Pakistan did much better in coping up with the pandemic compared to many countries and as a result GDP growth came in at 3.94% for FY21; sharply recovering from the FY20 decline of 0.5%. The rebound in GDP growth was underpinned by a recovery in industrial sector growth from an FY20 contraction of 3.8% to an FY21 expansion of 3.6%. Similarly, the services sector grew 4.4% in FY21, after constricting by 0.6% in the preceding year.

Inflation is still one of the bigger issues that our economy faces today. Headline CPI and core CPI averaged 8.9% and 6.6% respectively. The latter remained below 7%, allowing the SBP to accommodate growth by continuing to maintain a dovish monetary policy stance. It is also pertinent to mention that inflation all over the world remained volatile mainly due to supply-side disruptions in commodities due to the COVID-19 pandemic.

The SBP also maintained its policy of a flexible exchange rate regime. The rupee appreciated by 9.4% against the greenback; largely a consequence of the current account surplus reported during the period. As a result, SBP reserves rose 54% to USD 17.8 bn while total liquid FX reserves rose 36% to USD 24.8 bn. The import cover has remained steady at 5 months despite a rise in imports as a result of a rebound in economic activity.

Equity Market Review:

The KSE100 index rose 37.6% in FY21 while the KSE30 and KMI 30 indices rose 27.6% and 39.3% respectively. The stellar returns are mostly due to COVID-induced market decline in the preceding year which was recovered in the current fiscal year.

Technology & Communication returned 294% during the year while Glass & Ceramics rose 171%. Refinery, Engineering, Auto Assemblers, Paper & Board and Cement were the other sectors that gained the most during the period. The biggest underperforming sectors were Food & Personal Care, Oil & Gas Exploration and Fertilizer with a return of -3.2%, -0.4% and 1.8% respectively.

The dominant theme during the fiscal year was high beta pro-cyclical stocks that tend to benefit from economic expansion, higher large-scale manufacturing growth and higher demand from housing in particular. The incumbent government's focus on promoting housing and water conservation (through construction of dams) has led to a sharp rally in construction sector related stocks.

On the other hand, traditional blue-chip companies sharply underperformed. The same earnings stability that helped prop up valuations during the FY17 – FY19 recession led to a lack of interest in these stocks when corporate earnings growth concerns were at the forefront.

Traded value improved significantly on the bourse. KSE 100 average traded value rose from PKR 6.1 bn in FY20 to PKR 13.2 bn in FY21, a historic increase of 116%. Traded value has improved significantly on the back of the sharpest rebound in equities since 2017.

Review of Fund Performance

The Fund return was 41.32% for the year ended June 30, 2021 against benchmark return of 36.49. Net Assets moved from PKR. 497.76 million to PKR. 726.06 million as at June 30, 2021.

Asset Manager Rating

The Pakistan Credit Rating Agency Limited (PACRA) has affirmed JS Investments' Management Quality Rating of "AM2"(AM-Two) with a "stable" outlook. The rating denotes High Management Quality.

Auditors

The external auditors of the Fund Messrs Yousuf Adil Chartered Accountants retire and being eligible offers themselves for reappointment. The Board of Directors, upon recommendation of the Audit Committee of the Board has approved the appointment of Messrs Yousuf Adil Chartered Accountants, as the Fund's auditors for the ensuing year ending June 30, 2022.



Board of Directors

During the period Ms. Iffat Zehra Mankani has joined as the Chief Executive Officer of the Company in place of Mr. Hasnain Raza Nensey. In addition to that Syed Tauqir Haider Rizvi, Mr. Babbar Wajid, Mr. Kamran Jafar and Mr. Tahir Ali Sheikh have resigned from the Board whereas; Mr. Suleman Lalani, Mr. Imran Haleem Shaikh, Mr. Zahid Ullah Khan and Mr. Mirza M. Sadeed H. Barlas were appointed as Directors on their places respectively.

Additional Matters

- a. Annexed to the Annual Report is Fund Manager's Report giving description of principal risks and uncertainties with reasonable indication of future prospects of profit.
- b. The Pattern of Unit holding as at June 30, 2021 is annexed to this annual report
- c. The system of internal control is sound in design and has been effectively implemented and monitored.
- d. A performance table / key financial data is annexed to this annual report.

Significant Matters

- Subsequent to the year ended June 30, 2021, Sindh Revenue Board (SRB) through its letter dated August 12, 2021, has intimated MUFAP that the mutual funds do not qualify as Financial Institution/ Industrial Establishment and are, therefore, not liable to pay the Sindh Workers Welfare Fund (SWWF) contributions. This development was discussed at the MUFAP level and has also been taken up with the Securities and Exchange Commission of Pakistan (SECP) and all the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognized in the financial statements of the Funds on August 13, 2021. The SECP has given its concurrence for prospective reversal of provision for SWWF. Accordingly, going forward, no provision for SWWF would be recognized in the financial statement of the Fund.
- The Board approved addition of the note 11.1 related to the prospective reversal of SWWF in the financial statements of Fund on September 22, 2021.
- Due to the enactment of the Sindh Trusts Act, 2020 (as amended vide Sindh Trusts (Amended) Act, 2021) ("the Act"), the Trusts including Collective Investment Schemes, Private Funds etc, being Specialized Trusts are required to be registered with the Assistant Director of Industries and Commerce (Trust Wing), Government of Sindh under Section 12A of the Act. For this purpose, Re-Stated Trust Deeds of all Funds have been executed between the Management Company and the Trustees and all the relevant Trust Deeds along with necessary documents have been submitted with Assistant Director of Industries and Commerce (Trust Wing), Government of Sindh.
- The Board of Directors in their meeting held on February 21, 2020, approved the scheme of merger, whereby JS Value Fund (JS VF) and JS Large Cap. Fund (JS LCF) were to be merged as going concern into JS Growth Fund (JS GF). Subsequently, the likelihood of receiving the majority unit holder's consent was reassessed and given the inability to meet the requirements, the proposal was revoked.

Subsequently, upon request of the Management, the Board of Directors of the Management Company has approved Scheme of Merger of JS Value Fund ("JS VF") with and into JS Growth Fund ("JS GF") subject to the approval of SECP and Unit Holders of JS VF and JS GF in their meetings. After approval of the Unit Holders on the said scheme all the existing assets and liabilities of JS VF shall be transferred to JS GF and all unit holders of JS VF shall be issued fresh units of JS GF in lieu of their units held in JS VF respectively on the basis of swap ratio to be calculated on the Effective Date of merger. Kindly refer note 1.5 to the Financial Statement accordingly.

Acknowledgment

The directors express their gratitude to the Securities and Exchange Commission of Pakistan and Digital Custodian Company Limited (formerly MCB Financial Services 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.

The Directors' Report was initially approved by the Board of Directors of Management Company on August 21, 2021 and further amended on September 22, 2021 to incorporate the subsequent event as disclosed in above significant matter related to reversal of SWWF provisioning.

شراکت داروں کے لیے ڈائریکٹرز رپورٹ

جے ایس انویسٹمنٹس لمیٹڈ کے بورڈ آف ڈائریکٹرز JS ویلیو فنڈ (دی فنڈ) کی مینجمنٹ کمپنی نے 30 جون 2021 کو ختم ہونے والے سال کے لیے سالانہ رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

معاشی جائزہ

الاتحاد، چینجز کے باوجود، پاکستان کی معیشت ترقی کی راہ پر مستحکم نمو کی طرف بڑھ رہی ہے۔ کووڈ-19 کی وباء کے پاکستانی معیشت پر حملے سے پہلے اصلاحات کے ذریعے معاشی بحالی کا آغاز ہو گیا تھا جس کا اندازہ مالی سال 19 کی دوسری ششماہی سے ہوتا ہے، تاہم کرونا وائرس کی وبا پھیلنے کے سبب بحالی کا عمل رک گیا۔ پاکستان نے کئی دوسرے ممالک کے مقابلے میں وباء سے نمٹنے کیلئے بہتر اقدامات کئے جس کے نتیجے میں مالی سال 21 کے لئے جی ڈی پی کی شرح نمو مالی سال 20 میں 0.5% کی کمی سے بحالی کے بعد 3.94% ہو گئی۔ جی ڈی پی کی نمو کے دوبارہ بڑھنے کی وجہ مالی سال 20 میں صنعتی شعبے کے 3.8% سکڑاؤ سے مالی سال 21 میں 3.6% اضافہ تھی۔ اسی طرح خدمات کے شعبے میں گزشتہ سال کے 0.6% سکڑاؤ کے بعد مالی سال 21 میں 4.4% پھیلاؤ آیا۔

افراط زر آج بھی ہماری معیشت کو درپیش سب سے بڑے مسائل میں سے ایک ہے۔ بلند ترین سی پی آئی اور بنیادی سی پی آئی بالترتیب 8.9% اور 6.6% ہیں۔ موخر الذکر کے 7% سے کم رہنے کے سبب اسٹیٹ بینک آف پاکستان کو اپنی نرم مانیٹری پالیسی برقرار رکھنے میں مدد ملی۔ یہ کہنا بھی ضروری ہے کہ دنیا بھر میں افراط زر میں اتار چڑھاؤ کی کیفیت جاری ہے جس کی وجہ کووڈ - 19 کی وباء سے اشیاء کی سپلائی کے مرحلے میں بڑی رکاوٹیں پیدا ہونا تھی۔

اسٹیٹ بینک آف پاکستان نے لچکدار شرح تبادلہ کی پالیسی کا سلسلہ بھی برقرار رکھا۔ گرین بیک کے مقابلے میں روپے کی قیمت میں 9.4% بہتری آئی جو اس مدت کے دوران میں اضافی کرنٹ اکاؤنٹ کے سبب ممکن ہوئی۔ اس کے نتیجے میں اسٹیٹ بینک آف پاکستان کے ذخائر 54% اضافے کے ساتھ 17.8 بلین امریکی ڈالر ہو گئے جب کہ کل لیکویڈ غیر ملکی زرمبادلہ (FX) کے ذخائر 36% اضافے کے ساتھ 24.8 بلین امریکی ڈالر ہو گئے۔ معاشی سرگرمیوں کے دوبارہ بڑھنے کے نتیجے میں درآمدات میں اضافے کے باوجود درآمدات کا کور 5 ماہ تک مستحکم رہا۔

ایکیویٹی مارکیٹ کا جائزہ

مالی سال 21 میں KSE 100 انڈیکس میں 37.6% جبکہ KSE 30 اور KMI 30 انڈیکسز میں بالترتیب 27.6% اور 39.3% کا اضافہ ہوا۔ شاندار منافع زیادہ تر پچھلے سال کووڈ کی وجہ سے مارکیٹ میں کمی کے سبب ہے جو رواں مالی سال میں بحال کیا گیا تھا۔

سال کے دوران ٹیکنالوجی اور کیونیکیشن نے 294% کا منافع دیا جبکہ گلاس اور سرائیکس میں 171% کا اضافہ ہوا۔ اس مدت کے دوران ریفاٹری، انجینئرنگ، آٹو اسمبلر، پیپر اینڈ بورڈ اور سیمنٹ وہ دیگر شعبے تھے جن میں سب سے زیادہ اضافہ ہوا۔ فوڈ اینڈ پراسسنگ، آئل اینڈ گیس اور ایکوپلوریشن اینڈ فریٹلائزرز سب سے زیادہ کم کارکردگی کا مظاہرہ کرنے والے تھے جن میں بالترتیب -3.2%، -0.4% اور 1.8% کا منافع ہوا۔

مالی سال کے دوران غالب موضوع high beta pro-cyclical اسٹاک تھا جس کو معاشی پھیلاؤ، بڑے پیمانے کی مینوفیکچرنگ میں بڑے اضافے اور خاص طور پر ہاؤسنگ کی جانب سے زیادہ طلب سے فائدہ ہوا۔ موجودہ حکومت کے ہاؤسنگ اور پانی کے ذخائر میں اضافہ (ڈیزیز کی تعمیر کے ذریعے) پر خصوصی توجہ نے تعمیراتی شعبے سے متعلق اسٹاکس میں تیزی سے اضافہ کیا ہے۔

دوسری طرف روایتی مستحکم کمپنیوں کی کارکردگی میں معمولی سی کمی دیکھنے میں آئی۔ آمدنی کا جو استحکام مالی سال 17 - مالی سال 19 کی کساد بازاری کے دوران میں اقدار کو سہارا دینے میں معاون رہا، اسی کے سبب ان اسٹاکس میں عدم دلچسپی پیدا ہوئی جب کارپوریٹ آمدنی میں اضافے سے متعلق تشویش نمایاں رہی۔

بازار حصص میں تجارتی ویلیو میں نمایاں بہتری آئی KSE 100 میں ٹریڈنگ کی اوسط ویلیو مالی سال 20 کے 6.1 بلین پاکستانی روپے سے بڑھ کر مالی سال 21 میں 116% کے تاریخی اضافے کے ساتھ 13.2 بلین پاکستانی روپے ہو گئی۔ تجارتی ویلیو میں اس نمایاں اضافے کا سبب 2017 سے ایکویٹی میں تیزی سے دوبارہ اضافہ ہونا تھا۔

فنڈ کی کارکردگی کا جائزہ

30 جون 2021 کو ختم ہونے والے سال کے لیے فنڈ کا منافع 36.49% اپنے بیچ مارک منافع کے مقابلے میں 41.32% رہا۔ 30 جون 2021 کو خالص اثاثہ جات 497.76 ملین روپے سے 726.06 ملین روپے پر پہنچ گئے۔

ایسیٹ مینجمنٹ ریٹنگ

پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) نے جے ایس انویسٹمنٹس لمیٹڈ کو "AM 2" (اے ایم ٹو) کی مینجمنٹ کوائٹی ریٹنگ "stable" امکانات کے ساتھ تفویض کی ہے۔ یہ ریٹنگ مینجمنٹ کے اعلیٰ معیار کی نشاندہی کرتی ہے۔

آڈیٹرز

ریٹائر ہونے والے بیرونی آڈیٹرز میسرز یوسف عادل، چارٹرڈ اکاؤنٹنٹس اہلیت کی بنیاد پر خود کو دوبارہ تقرری کے لیے پیش کرتے ہیں۔ بورڈ آف ڈائریکٹرز نے، آڈٹ کمیٹی کی تجویز پر، میسرز یوسف عادل، چارٹرڈ اکاؤنٹنٹس کی 30 جون 2022 کو ختم ہونے والے سال کے لیے تقرری کی منظوری دی۔

بورڈ آف ڈائریکٹرز

مدت کے دوران، محترمہ معفت زہرہ منکائی نے جناب حسین رضا نیسی کی جگہ کمپنی کی چیف ایگزیکٹو آفیسر کی حیثیت سے شمولیت اختیار کی۔ اس کے علاوہ جناب سید توقیر حیدر رضوی، جناب بابر واجد اور جناب کامران جعفر بورڈ سے مستعفی ہو گئے جبکہ جناب سلیمان لالانی، جناب حلیم شیخ، جناب زاہد اللہ خان اور جناب مرزا ایم سادید ایچ برلاس کو بالترتیب ان کی جگہ ڈائریکٹر مقرر کیا گیا۔

اضافی معاملات

۱۔ سالانہ رپورٹ کے ساتھ فنڈ مینجیر رپورٹ منسلک ہے جس میں مرکزی خطرات اور منافع جات کے مستقبل کے امکانات کی مناسب علامت کے ساتھ ہجان کی کیفیت کی وضاحت کی ہے۔
ب۔ شائع ہونے والے مالیاتی گوشوارے میں 30 جون 2021 کو پونٹ ہولڈنگ کے نمونہ کی تشریح ہوئی۔
ج۔ اندرونی کنٹرول کا نظام ساخت کے اعتبار سے مضبوط ہے اور اس پر موثر اطلاق اور نگرانی کی جاتی ہے۔
د۔ کارکردگی کا ٹیبل / اہم مالیاتی معلومات اس سالانہ رپورٹ کے ضمیمہ میں دی گئی ہیں۔

اہم معاملات

۳۰ جون 2021 کو ختم ہونے والے سال کے بعد، سندھ ریونیو بورڈ (ایس۔ آر۔ بی) نے 12 اگست 2021 کے اپنے خط کے ذریعے ایم یو ایف اے پی کو آگاہ کیا ہے کہ میوچل فنڈز مالیاتی ادارے / صنعتی ادارے کے طور پر اپیل نہیں ہیں اور اس وجہ سے وہ سندھ ورکرز ویلفیئر فنڈ (SWWF) کی شراکت ادائیگی کے ذمہ دار نہیں ہیں۔ اس ترقی پر MUFAP کی سطح پر تبادلہ خیال کیا گیا اور اسے سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کے ساتھ بھی اٹھایا گیا ہے اور ایس ای سی پی کے ساتھ مشاورت کے ساتھ تمام اثاثہ جات مینجمنٹ کمپنیوں نے فنڈ کے SWWF کو 13 اگست 2021 کے مالی بیانات میں تسلیم شدہ مجموعی فراہمی کو الٹ دیا ہے۔ ایس ای سی پی نے ڈبلیو ڈبلیو ایف کی فراہمی کی ممکنہ الٹ پلٹ کے لئے اپنی رضامندی دی ہے، اس کے مطابق آگے بڑھتے ہوئے فنڈ کے مالی بیانات میں ڈبلیو ڈبلیو ایف کے لئے کوئی شق تسلیم نہیں کی جائے گی۔

۲۲ ستمبر 2021 کو بورڈ نے مالیاتی بیانات میں (SWWF) کے ممکنہ الٹ سے متعلق نوٹ 11.1 شامل کرنے کی منظوری دی۔

۱۔ سندھ ٹرسٹس ایکٹ 2020 (ترمیم شدہ بذریعہ سندھ ٹرسٹس (ترمیم شدہ) ایکٹ 2021) ("دی ایکٹ") کے نفاذ سے ٹرسٹس بشمول اجتماعی انویسٹمنٹ اسکیمز، پرائیویٹ فنڈز وغیرہ کو ایکٹ کے سیکشن 12 A کے تحت خصوصی ٹرسٹس ہونے کی بناء پر اسٹینڈ ڈائریکٹرز آف انڈسٹری اینڈ کامرس (ٹرسٹ ونگ) ، حکومت سندھ کے ساتھ رجسٹر ہونا لازمی ہے۔ اس مقصد کیلئے مینجمنٹ کمپنی کے درمیان تمام فنڈز کی دوبارہ تشکیل کی گئی ٹرسٹ ڈیڈ کمپل کر لی گئی ہیں اور ٹرسٹیز ارتمام متعلقہ ٹرسٹ ڈیڈ مزع ضروری دستاویزات اسٹینڈ ڈائریکٹرز آف انڈسٹری اینڈ کامرس (ٹرسٹ ونگ) ، حکومت سندھ کے پاس جمع کرادی گئی ہیں۔

۲۔ بورڈ آف ڈائریکٹرز نے 21 فروری 2020 کو منعقد ہونے والے اپنے اجلاس میں انضمام کی اسکیم کی منظوری دی جس کے تحت JS ویلفیونڈ (JSVF) اور JS لارج کیپ فنڈ (JS LCF) کو JS گروٹھ فنڈ (JS GF) میں ضم کرنا تھا جیسا کہ ذکر ہے۔ اس کے بعد، اکثریتی پونٹ ہولڈرز کی رضامندی حاصل کرنے کے امکانات کا از سر نو جائزہ لیا گیا اور ضروریات کو پورا کرنے میں ناکامی کے پیش نظر اس تجویز کو منسوخ کر دیا گیا۔

اس کے بعد، مینجمنٹ کی درخواست پر، مینجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز نے اپنے اجلاس میں SECP اور JSVF اور JSGF کے پونٹ ہولڈرز کی منظوری سے مشروط کرتے ہوئے JS ویلفیونڈ (JSVF) کو JS گروٹھ فنڈ (JS GF) کے ساتھ اور اس میں انضمام کی اسکیم کی منظوری دے دی۔ مذکورہ اسکیم پر پونٹ ہولڈرز کی منظوری کے بعد JSVF کے تمام موجودہ اثاثہ جات اور واجبات JSGF کو منتقل کیے جائیں گے اور JSVF کے تمام پونٹ ہولڈرز کو تبادلہ کے تناسب (swap ratio) کی بنیاد پر JSVF میں موجود اپنے پونٹس کے عوض میں JS GF کے نئے پونٹس جاری کیے جائیں گے جس کا حساب انضمام کی موثر تاریخ سے کیا جائے گا۔

اظہار تشکر

ڈائریکٹرز پیش قدمی، مدد اور رہنمائی پر سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) اور ڈیجیٹل کسٹومرز کی کمپنی لمیٹڈ (سابقہ: MCB فنانشل کمپنی لمیٹڈ) سے اظہار تشکر کرتے ہیں۔ بورڈ لگن اور محنت پر مینجمنٹ کمپنی کے ملازمین اور انتظامیہ پر اعتماد پر پونٹ ہولڈرز کا بھی شکریہ ادا کرتا ہے۔

ڈائریکٹرز کی رپورٹ کو ابتدائی طور پر 21 اگست 2021 کو مینجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز نے منظور کیا 22 ستمبر 2021 کو مزید ترمیم کی تاکہ بعد کے ایونٹ کو شامل کیا جاسکے جیسا کہ مذکورہ بالا اہم معاملے میں ظاہر کیا گیا ہے جو کہ SWWF پروویڈنگ سے متعلق ہے۔

ڈائریکٹر

چیف ایگزیکٹو آفیسر

کراچی:



JS Value Fund

Fund Manager Report Annual Report 2021

JS Value Fund (JSVF)

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

Equity Fund / Open end

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

The fund maintains a portfolio of high yielding equity securities aiming at earnings derived from capital appreciation and dividend income. The portfolio seeks capital growth through investments in marketable securities with better-than-average appreciation potential and liberal dividend policies. To benefit from changing interest rate environment and some portion of the portfolio is also kept in debt instruments and bank deposits.

- Explanation as to whether the Collective Investment Scheme has achieved its stated objective**

The collective investment scheme achieved its stated objective.

- Statement of benchmark(s) relevant to the Collective Investment Scheme**

KSE30 (Total Return Index)

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

	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	FY21
JSVF	16.35%	8.02%	-2.81%	-0.25%	2.23%	7.53%	4.72%	-0.32%	-4.36%	-2.02%	9.95%	-1.91%	41.32%
Benchmark	14.85%	3.78%	-2.28%	-2.05%	3.70%	6.09%	6.26%	-0.56%	-2.80%	-0.36%	8.78%	-2.31%	36.49%
Diff.	1.50%	4.24%	-0.52%	1.81%	-1.47%	1.45%	-1.54%	0.24%	-1.56%	-1.66%	1.17%	0.40%	4.83%

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

As of June 2021 the fund had high exposure towards Oil & Gas Exploration, Commercial Banks and Engineering while the remaining exposure was in a diversified pool of stocks.

Sector allocations were decided based upon the country's improving macroeconomic outlook and significant growth potential in the economy. Individual stock selection and allocation within these sectors varied during the year based upon the investment case for or against a stock and its relative price at a particular point in time.

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-21	Jun-20
Cash	7.40%	8.40%
Equity	91.92%	90.20%
Other including receivables	0.68%	1.39%
Total	100.00%	100.00%



• **Analysis of the Collective Investment Scheme’s performance**

	Fund		Fund	BM
Information Ratio	0.05	Beta	0.7	1.0
Correlation	0.96	Largest Month Gain	21.4%	25.2%
Standard Deviation*	21.6%	Largest Month Loss	-24.4%	-45.0%
Expense Ratio**	4.90%	% Positive Months	59.9%	58.1%

* Since inception

** This includes 0.95% government levy, Sindh Worker’s Welfare Fund and SECP fee. Selling & Marketing Expense PKR 6,996,087.

• **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-21	726	225.15
30-Jun-20	498	159.32

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

The fund invests in equity securities listed on the Pakistan Stock Exchange (PSX). PSX has a market capitalization of ~\$51 billion with 30+ sectors.

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

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

Distribution

NIL

NAV per unit as on June 30, 2021	
Cum NAV (PKR)	225.15
Ex-NAV (PKR)	225.15

• **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.



JS Value Fund

- **Breakdown of unit holdings by size**

Fund Name	Ranges			Number of Folios
JS Value Fund	0.0001	to	9,999.9999	3,998
	10,000.0000	to	49,999.9999	16
	50,000.0000	to	99,999.9999	2
	100,000.0000	to	499,999.9999	2
	500,000.0000	&	above	1
			Total	4,019

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

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

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

Investment is subject to market risk.

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

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



Performance Table

		Years				
		2021	2020	2019	2018	2017
Net assets	Rs.	726,057	497,758	602,580	1,113,936	1,201,127
Net income / loss	Rs.	190,254	13,075	(181,546)	(153,735)	245,785
Total return of the Fund	%	41.32	(0.82)	(21.29)	(12.79)	25.53
Annual dividend distribution	%	-	11.00	-	-	4.00
Capital Growth	%	41.32	(11.82)	(21.29)	(12.79)	21.53
Average annual return						
- One Year	%	41.32	(0.82)	(21.29)	(12.79)	25.53
- Two Years	%	20.25	(11.06)	(17.04)	6.37	19.63
- Three Years	%	6.40	(11.63)	(2.85)	8.82	16.32
NAV per unit	Rs.	225.15	159.32	172.02	218.55	250.61
Highest offer price per unit	Rs.	244.20	218.26	236.35	265.46	294.29
Lowest offer price per unit	Rs.	167.02	134.30	170.26	193.82	210.69
Year-end offer price per unit	Rs.	232.79	164.73	177.86	225.96	258.13
Highest repurchase price per unit	Rs.	236.19	211.10	228.60	256.75	285.72
Lowest repurchase price per unit	Rs.	161.54	129.89	164.67	188.17	204.55
Year-end repurchase price per unit	Rs.	225.15	159.32	172.02	218.55	250.61
Interim distribution	Rs.	-	-	-	-	4.00
Announcement date						23-Jun-17
Final distribution	Rs.	-	11.00	-	-	-
Announcement date			29-Jun-20	-	-	-
Total distribution as % of par value	%	-	11.00	-	-	4.00

Notes

- JS Value Fund was launched on June 27, 2013.
- Units have par value of Rs. 100/- each.
- 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.



REPORT OF THE TRUSTEE TO THE UNIT HOLDERS

JS VALUE FUND

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

JS Value Fund was established pursuant to the conversion of JS Value Fund Limited (investment company) from a close end structure (the Company) into an open end fund. The trust deed executed between JS Investments Limited as a Management Company and Digital Custodian Company Limited Formerly MCB Financial Services Limited (MCBFSL) as a Trustee was executed on 20 June 2013 and the Fund was approved as an open end equity scheme by the Securities and Exchange Commission of Pakistan (SECP) on the same date.

1. JS Investments Limited, the Management Company of JS Value Fund has, in all material respects, managed JS Value Fund during the year ended 30th June 2021 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

Khawaja Anwar Hussain
Chief Executive Officer
Digital Custodian Company Limited
Formerly MCB Financial Services Limited

Karachi: September 13, 2021



Yousuf Adil
Chartered Accountants

Cavish Court, A-35, Block 7 & 8
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INDEPENDENT AUDITORS' REPORT

To the unit holders of JS Value Fund

Report on the audit of the financial statements

Opinion

We have audited the financial statements of JS Value Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2021, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2021, and of its financial performance and its cash flows for the year then ended in accordance with accounting and reporting standards as applicable in Pakistan.

Basis for opinion

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

Emphasis of matter

We draw attention to note 1.5 to the financial statements which states the status of the scheme of merger of the Fund initiated subsequent to the year ended June 30, 2021, approved by the unit holders and is subject to the approval of Securities and Exchange Commission of Pakistan. Our opinion is not qualified in respect of this matter.

Key audit matter

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.

S. No.	Key audit matter	How the matter was addressed in our audit
1	<p>Valuation and existence of investment</p> <p>Investments held at fair value through profit or loss are disclosed in note 6 to the financial statements and represent a significant portion of the net assets of the Fund.</p>	<p>We performed the following procedures during our audit of investments:</p> <ul style="list-style-type: none"> obtained understanding of relevant controls placed by the Management Company applicable to the balance;



S. No.	Key audit matter	How the matter was addressed in our audit
	<p>The Fund's primary activity is, inter alia, to invest in equity securities; which is the main driver of the Fund's performance.</p> <p>Considering the above factors the valuation and existence are significant areas during our audit due to which we have considered this as a Key Audit Matter.</p>	<ul style="list-style-type: none"> independently verified existence of investments from the Central Deposit Company (CDC) account statement; independently tested the valuations directly with the prices quoted on Pakistan Stock Exchange Limited (PSX); performed test of details on sale and purchase of investments on a sample basis; and any differences identified during our testing that were over our acceptable threshold were investigated further.

Information other than the financial statements and auditor's report thereon

Management Company 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 audit report.

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 Company and Those Charged with Governance for the financial statements

Management Company is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as the Management Company 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 Company 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 Company either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those Charged with Governance of the Management Company are 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 Management Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management Company.
- Conclude on the appropriateness of Management Company'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 Those Charged with Governance of 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 Those Charged with Governance of Management Company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with Those Charged with Governance of 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

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is Nadeem Yousuf Adil.


 Chartered Accountants

Place: Karachi
 Date: September 30, 2021



FINANCIAL STATEMENTS



STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2021

	Note	2021	2020
-----Rupees-----			
ASSETS			
Bank balances	5	57,742,353	46,304,942
Investments	6	717,283,692	496,981,746
Accrued return on bank balances		577,290	632,862
Dividend and other receivable	7	2,091,568	4,444,398
Security deposits		2,600,000	2,600,000
Total assets		780,294,903	550,963,948
LIABILITIES			
Payable to JS Investments Limited - Management Company	8	5,165,757	4,136,645
Remuneration payable to MCB Financial Services Limited - Trustee	9	137,923	91,871
Annual fee payable to Securities and Exchange Commission of Pakistan	10	130,757	112,240
Accrued expenses and other liabilities	11	25,452,296	25,399,054
Payable against purchase of investments	6.3	175,670	291,460
Dividend payable		23,175,007	23,175,007
Total liabilities		54,237,410	53,206,277
NET ASSETS		726,057,493	497,757,671
UNIT HOLDERS' FUNDS (AS PER STATEMENT ATTACHED)		726,057,493	497,757,671
Contingencies and commitments	12		
-----Number of units-----			
Number of units in issue	13	3,224,729	3,124,288
----- (Rupees) -----			
Net asset value per unit	4.4	225.1530	159.3187

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

For JS Investments Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



JS Value Fund

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021	2020
		-----Rupees-----	
INCOME			
Net gain / (loss) on sale of investments		89,440,710	(13,882,550)
Net unrealised gain on re-measurement of investment classified as 'financial assets at fair value through profit or loss'	6.7	101,816,857	5,869,874
Dividend income		25,671,960	36,797,331
Return on bank balances		4,474,190	8,378,894
Income from government securities	6.6	32,868	524,068
Other income	6.2.6	869,000	-
Total income		222,305,585	37,687,617
EXPENSES			
Remuneration of JS Investments Limited - Management Company	8	13,076,851	11,226,785
Sindh Sales Tax on remuneration of the Management Company	8.1	1,699,980	1,459,477
Remuneration of MCB Financial Services Limited - Trustee	9	1,307,672	1,122,685
Sindh Sales Tax on remuneration of the Trustee	9.1	169,999	145,949
Annual fee to Securities and Exchange Commission of Pakistan	10	133,287	114,763
Reimbursement of accounting and operational charges to the Management Company	8.2	653,844	561,338
Selling and marketing expenses - Management Company	8.3	6,996,087	4,903,698
Securities transactions cost		2,762,353	3,503,213
Auditors' remuneration	14	485,812	485,812
Bank and settlement charges		473,590	392,694
Fee to National Clearing Company of Pakistan Limited		383,870	404,287
Fee and subscription		25,000	25,000
Total expenses		28,168,345	24,345,701
Net income from operating activities		194,137,240	13,341,916
Provision for Sindh Workers' Welfare Fund	11.1	3,882,744	266,811
Net income for the year before taxation		190,254,496	13,075,105
Taxation	15	-	-
Net income for the year after taxation		190,254,496	13,075,105
Earnings per unit	4.11		
Allocation of net income for the year			
Net income for the year after taxation		190,254,496	13,075,105
Income already paid on units redeemed		(91,937,175)	-
		98,317,321	13,075,105
Accounting income available for distribution:			
- Relating to capital gains		98,317,321	5,869,874
- Excluding capital gains		-	7,205,231
		98,317,321	13,075,105

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

For JS Investments Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2021

	2021	2020
	-----Rupees-----	
Net income for the year after taxation	190,254,496	13,075,105
Other comprehensive income for the year	-	-
Total comprehensive income for the year	190,254,496	13,075,105

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

For JS Investments Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2021

Note	2021	2020
	-----Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year before taxation	190,254,496	13,075,105
Adjustments for:		
Net (gain) / loss on sale of investments	(89,440,710)	13,882,550
Net unrealised gain on re-measurement of investment classified as 'financial assets at fair value through profit or loss'	(101,816,857)	(5,869,874)
Return on bank balances	(4,474,190)	(8,378,894)
Dividend income	(25,671,960)	(36,797,331)
Other income	(869,000)	-
Provision for Sindh Workers' Welfare Fund	3,882,744	266,811
	<u>(218,389,973)</u>	<u>(36,896,738)</u>
(Increase) / decrease in assets	(28,135,477)	(23,821,633)
Investments - net	(28,175,379)	46,177,462
Other receivable	(812,502)	-
Receivable against sale of investments	-	19,782,766
	(28,987,881)	65,960,228
Increase / (decrease) in liabilities		
Payable to the Management Company	1,029,112	415,607
Remuneration payable to the Trustee	46,052	(21,890)
Annual fee payable to the Securities and Exchange Commission of Pakistan	18,517	(706,124)
Accrued expenses and other liabilities	(3,829,502)	4,125,064
Payable against purchase of investments	(115,790)	291,460
	(2,851,611)	4,104,117
Return received on bank balances	4,529,762	8,106,225
Dividend income received	28,837,292	44,890,044
Net cash (used in) / generated from operating activities	(26,607,915)	99,238,981
CASH FLOWS FROM FINANCING ACTIVITIES		
Amount received on issuance of units	652,731,065	452,915,623
Amount paid on redemption of units	(614,685,739)	(552,312,645)
Distributions paid	-	(16,566,861)
Net cash generated from / (used in) financing activities	38,045,326	(115,963,883)
Net decrease in cash and cash equivalents during the year	11,437,411	(16,724,902)
Cash and cash equivalents at beginning of the year	46,304,942	63,029,844
Cash and cash equivalents at end of the year	57,742,353	46,304,942

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

For JS Investments Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND

FOR THE YEAR ENDED JUNE 30, 2021

	2021			2020		
	Capital value	Undistributed income	Total	Capital Value	Undistributed income	Total
	Rupees					
Net assets at beginning of the year	191,692,803	306,064,868	497,757,671	291,089,825	311,490,480	602,580,305
Issuance of 2,967,338 (2020: 2,517,782) units						
- Capital value	472,752,433	-	472,752,433	433,106,795	-	433,106,795
- Element of income	179,978,632	-	179,978,632	33,810,290	-	33,810,290
Total proceeds on issuance of units	466,917,085	-	652,731,065	466,917,085	-	466,917,085
Redemption of 2,866,897 (2020: 2,896,477) units						
- Capital value	(456,750,303)	-	(456,750,303)	(498,249,657)	-	(498,249,657)
- Element of income	(65,998,261)	(91,937,175)	(157,935,436)	(54,062,988)	-	(54,062,988)
Total payments on redemption of units	(522,748,564)	(91,937,175)	(614,685,739)	(552,312,645)	-	(552,312,645)
Total comprehensive income for the year	-	190,254,496	190,254,496	-	13,075,105	13,075,105
Interim distribution for the year ended June 30, 2020 (cash distribution @ Rs. 11 per unit declared on June 29, 2020)	-	-	-	(14,001,462)	(18,500,717)	(32,502,179)
Net income for the year less distribution	-	190,254,496	190,254,496	(14,001,462)	(5,425,612)	(19,427,074)
Net assets at end of the year	135,861,324	404,382,189	726,057,493	191,692,803	306,064,868	497,757,671
Undistributed income brought forward comprising of:						
- Realised		282,264,011			410,332,268	
- Unrealised		23,800,857			(98,841,788)	
		306,064,868			311,490,480	
Accounting income available for distribution						
- Relating to capital gains		98,317,321			5,869,874	
- Excluding capital gains		-			7,205,231	
		98,317,321			13,075,105	
Distribution during the year		-			(18,500,717)	
Undistributed income carried forward		404,382,189			306,064,868	
Undistributed income carried forward comprising of:						
- Realised		311,423,058			282,264,011	
- Unrealised		92,959,131			23,800,857	
		404,382,189			306,064,868	
Net asset value per unit at beginning of the year			159.3187			172.0192
Net asset value per unit at end of the year			225.1530			159.3187

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

For JS Investments Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



JS Value Fund

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 JS Value Fund ("the Fund") was established pursuant to the conversion of JS Value Fund Limited from a closed-end structure ("the Company") into an open end fund. The Trust Deed executed between JS Investments Limited (JSIL) as a Management Company and MCB Financial Services Limited (MCBFSL) as a Trustee was executed on June 20, 2013 and the Fund was approved as an open end equity scheme by the Securities and Exchange Commission of Pakistan (SECP) on the same date in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the Rules).

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

1.3 The Management Company of the Fund is registered with the Securities and Exchange Commission of Pakistan as a Non-Banking Finance Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). Its registered office is located at 19th floor, The Center, Abdullah Haroon Road, Saddar, Karachi, Pakistan.

1.4 Title to the assets of the Fund is held in the name of MCB Financial Services Limited as a Trustee of the Fund.

1.5 During last year ended June 30, 2020, the Board of Directors of the Management Company in the meeting held on February 21, 2020 approved the Scheme of Merger ("the Scheme"), whereby JS Value Fund (JS VF) and JS Large Cap. Fund (JS LCF) were to be merged as a going concerns into JS Growth Fund (JS GF). As a result of the merger, all the existing assets and liabilities of JS VF and JS LCF were to be transferred to JS GF and all unit holders of JS VF and JS LCF were to be issued fresh units of JS GF in lieu of their units held in JS VF and JS LCF respectively on the basis of a swap ratio to be calculated on the effective date of merger in accordance with the terms of the scheme. This merger was subject to the approval by the unit holders' and trustee of the Scheme and fulfillment of requirements as imposed by the Securities and Exchange Commission of Pakistan. The meetings for the approval of unit holders of the respective Funds were initially called on April 9, 2020 but were postponed due to COVID-19 outbreak. However, Board of Directors of the Management Company in their meeting held on April 23, 2021, revoked the aforementioned approval of the Scheme of Merger after evaluating the difficulties involved in arranging additional investment required to achieve majority in the merged scheme and expected reluctance of majority of the unit holders due to capital gain tax implications and general uncertainty posed by COVID-19 outbreak.

However, subsequent to the year ended June 30, 2021, the Board of Directors of the Management Company has approved scheme of merger only of JS VF into JS GF subject to the approval of 3/4th majority of the unit holders of JS VF and JS GF in their respective meeting. As a result of the merger, all the existing assets and liabilities of JS shall be transferred to JS GF and all the unit holders of JS VF shall be issued fresh units of JS GF in lieu of their units held in JS VF on the basis of a swap ratio to be calculated on the effective date of merger. The meeting for the approval of unit holders of the respective funds is due to be held on August 16, 2021.

1.6 During the year, due to the enactment of the Sindh Trusts Act, 2020 (as amended vide Sindh Trusts (Amended) Act, 2021), the Trusts including Collective Investment Schemes etc, being Specialized Trusts are required to be registered with the Assistant Director of Industries and Commerce (Trust Wing), Government of Sindh under Section 12A of the Sindh Trusts Act, 2020. For this purpose, Re-Stated Trust Deeds of all Funds have been executed between the Management Company and the Trustees and all the relevant Trust Deeds along with necessary documents have been submitted with Assistant Director of Industries and Commerce (Trust Wing), Government of Sindh.



1.7 COVID-19 IMPACT

The coronavirus (COVID-19) outbreak situation emerged last year in March 2020, has caused governments around the world to implement measures to help control its spread, including, smart lock-downs, travel bans, quarantines, social-distancing closures or reduced operations for non-essential businesses, governmental agencies, schools and other institutions and vaccination.

General economic activities in Pakistan was although affected but continued since then. Stock markets and financial institutions remained open throughout the year. Activities of the Fund were operation during the year as staff of the Management Company were working without any disruption either from office or online remotely.

The management of the Fund is closely monitoring the situation, and there has not been any material adverse impact on fiscal and economic fronts facing the country and therefore not materially affected the financial performance of the Fund.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS 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;and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except for the investments which are stated at fair value.

2.3 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is the functional and presentation currency of the Fund. All amounts have been rounded off to the nearest of Rupee, unless otherwise indicated.

2.4 Critical accounting estimates and judgements

The preparation of financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.



JS Value Fund

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The areas where various assumptions and estimates are significant to the Fund's financial statements or where judgment was exercised in the application of accounting policies are given below:

- (a) Classification of financial assets (Note 4.2.2)
- (b) Impairment of financial assets (Notes 4.2.3)
- (c) Provision (Notes 4.8)

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO THE PUBLISHED APPROVED ACCOUNTING STANDARDS

3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2021

The following standards, amendments and interpretations are effective for the year ended June 30, 2021. These standards, amendments and interpretations are either not relevant to the Fund's operations or are not expected to have significant impact on the Fund's financial statements other than certain additional disclosures.

Effective from accounting period beginning on or after:

Amendment to IFRS 16 'Leases' - Covid-19 related rent concessions	June 01, 2020
Amendments to the conceptual framework for financial reporting, including amendments to references to the conceptual framework in IFRS	January 01, 2020
Amendments to IFRS 3 'Business Combinations' - Definition of a business	January 01, 2020
Amendments to IAS 1 'Presentation of Financial Statements' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of material	January 01, 2020
Amendments to IFRS 9 'Financial Instruments', IAS 39 'Financial Instruments: Recognition and Measurement' and IFRS 7 'Financial Instruments: Disclosures' - Interest rate benchmark reform	January 01, 2020

Certain annual improvements have also been made to a number of IFRSs, which are also not relevant for the Fund.

3.2 New accounting standards / amendments and IFRS interpretations that are not yet effective

- 3.2.1 The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.



Effective from accounting period beginning on or after:

Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	January 01, 2021
Amendment to IFRS 16 'Leases' - Covid-19 related rent concessions extended beyond June 30, 2021	April 01, 2021
Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework	January 01, 2022
Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use	January 01, 2022
Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts — cost of fulfilling a contract	January 01, 2022
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2023
Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of accounting policies	January 01, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates	January 01, 2023
Amendments to 'IAS 12 Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction.	January 01, 2023

Certain annual improvements have also been made to a number of IFRSs, which are also not expected to have material impact on financial reporting of the Fund.

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 17 – Insurance Contracts

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting policies set out below have been applied consistently to all periods presented in these financial statements.

4.1 Cash and cash equivalents

Cash comprises current and saving accounts with banks. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to insignificant change in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.



JS Value Fund

4.2 Financial assets and liabilities

4.2.1 Initial recognition

All financial assets and liabilities are initially measured at cost which is the fair value of the consideration given or received. These are subsequently measured at fair value or amortised cost as the case may be.

The Fund recognizes financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instrument.

Financial liabilities are not recognized unless one of the parties has performed its part of the contract or the contract is a derivative contract.

4.2.2 Classification and measurement

4.2.2.1 Financial assets

There are three principal classification categories for financial assets:

- Measured at amortized cost ("AC"),
- Fair value through other comprehensive income ("FVTOCI") and
- Fair value through profit or loss ("FVTPL").

Financial asset at amortised cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL;

- 1) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- 2) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial Asset at FVTOCI

A financial asset is measured at FVTOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- 1) the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- 2) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition, for an equity investment that is not held for trading, the Fund may irrevocably elect to present subsequent changes in fair value in OCI, only dividend income is recognized in income statement. This election is made on an investment-by-investment basis.

FVTOCI financial assets are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI.



Financial asset at FVTPL

All other financial assets are classified as measured at FVTPL (for example: equity held for trading and debt securities not classified either as AC or FVTOCI).

In addition, on initial recognition, the Fund may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Fund changes its business model for managing financial assets.

Financial assets designated at fair value through profit or loss are subsequently carried at fair value, with gains and losses arising from changes in fair value recorded in the profit or loss.

Business model assessment

The business model is determined under IFRS 9 at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. It is not an instrument-by-instrument analysis; rather it can be performed at a higher level aggregation. It is typically observable through the activities that the entity undertakes to achieve the objective of the business model; all relevant evidence that is available at the date of the assessment (including history of sales of the financial assets) are considered. Following three business models are defined under the IFRS 9:

- 1) Hold to collect business model
- 2) Hold to collect and sell business model
- 3) FVTPL business model

Considering above, the Fund classifies its investments based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The evaluation of the performance of the Fund has been performed on fair value basis for the entire portfolio, as reporting to the key management personnel and to the investors in the form of net asset value (NAV). The investment portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Consequently, all the investments are measured at fair value through profit or loss. For other financial assets which are held for collection continue to be measured at amortised cost.

4.2.2.2 Financial liabilities

The Company classifies its financial liabilities in the following categories:

- Measured at amortized cost ("AC"), or
- Fair value through profit or loss ("FVTPL").

Financial liabilities are measured at amortised cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Fund has opted to measure them at FVTPL.

With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires as follows:

- The amount of change in the fair value of a financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of such changes in other comprehensive income would create or enlarge an accounting mismatch in profit or loss.
- Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss.



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4.2.3 Impairment of financial assets

The SECP/Commission has through its letter no. SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 has deferred the applicability of the impairment requirements of IFRS 9 for debt securities on mutual funds. Therefore the Fund will not be subject to the impairment provisions of IFRS 9. Meanwhile, asset management companies shall continue to follow the requirements of Circular 33 of 2012.

For financial assets other than debt securities measured at amortised cost, IFRS 9 requires recognition of impairment based on expected credit loss (ECL) model. The Fund is required to measure loss allowance of an amount equal to lifetime ECL or 12 months ECL based on credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Fund considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Fund's historical experience and informed credit assessment and including forward-looking information.

However, majority of the assets of the Fund exposed to credit risk pertain to counter parties which have high credit rating or where credit risk has not been increased since initial recognition. Therefore, management believes that the impact of ECL would be very minimal and hence, the same has not been accounted for in these financial statements.

4.2.4 Fair value measurement principles and provision

The fair value of financial instruments is determined as follows:

Basis of valuation of debt securities

The fair value of debt securities (other than government securities) is based on the value determined and announced by Mutual Funds association of Pakistan (MUFAP) in accordance with the criteria laid down in Circular No. 1 of 2009 and Circular No. 33 of 2012 issued by Securities and Exchange Commission of Pakistan (SECP). In the determination of the rates, MUFAP takes into account the holding pattern of these securities and categorises them as traded, thinly traded and non-traded securities. The aforementioned circular also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non-performing debt securities.

Basis of valuation of government securities

The government securities not listed on a stock exchange and traded in the interbank market are valued at the average rates quoted on a widely used electronic quotation system (PKRV rates) which are based on the remaining tenor of the securities.

Basis of valuation of equity securities

The fair value of shares of listed companies is based on their prices quoted on the Pakistan Stock Exchange Limited at the reporting date without any deduction for estimated future selling costs.

Net gains and losses arising on changes in the fair value of financial assets carried at fair value through profit or loss are taken to the income statement.

Basis of valuation of instruments at amortised cost

Subsequent to initial recognition, financial instruments classified as amortised cost are carried at amortised cost using the effective interest method.



Gains or losses are also recognised in the income statement when financial instruments carried at amortised cost are derecognised or impaired, and through the amortisation process.

4.2.5 Regular way contracts

All purchases and sales of securities that require delivery within the time frame established by regulation or market convention are recognised at the trade date. Trade date is the date on which the Fund commits to purchase or sell assets.

4.2.6 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or where the entity has transferred substantially all risks and rewards of ownership.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

4.2.7 Offsetting of financial instruments

Financial assets and financial liabilities are set off and the net amount is reported in the statement of assets and liabilities if the Fund has a legal right to set off the transaction and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

4.3 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors during business hours on that day. The offer price represents the net assets value per unit as of the close of the business day plus the allowable sales load, provision for transaction costs and any provision for duties and charges, if applicable.

Units redeemed are recorded at the redemption price, applicable to units for which the distributors receive redemption applications during business hours of that day. The redemption price represents the net assets value per unit as of the close of the business day less any back-end load (if applicable), any duties, taxes, charges on redemption and any provision for transaction costs, if applicable. Redemption of units is recorded on acceptance of application for redemption.

4.4 Net asset value per unit

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

4.5 Revenue recognition

- Gain / (loss) arising on sale of investments are included in the 'income statement' on the date at which the sale transaction takes place.
- Unrealised gain / (loss) arising on remeasurement of investments classified as financial assets 'at fair value through profit or loss' are included in the 'income statement' in the period in which they arise.
- Dividend income is recognized when the right to receive the dividend is established.
- Profit / return on bank balances and government securities are recognised at effective profit rates based on a time proportion basis using the effective interest method.
- Profit on debt securities classified as non performing assets are recognised on receipt basis.



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4.6 Expenses

All expenses including remuneration to fund manager and trustee, annual fee to the SECP and selling and marketing expense are recognised in the income statement on an accrual basis.

4.7 Taxation

The Fund is exempt from taxation under clause 99 of the Part I of the Second Schedule of the Income Tax Ordinance, 2001, subject to the condition that not less than 90% of its accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders (excluding distribution made by issuance of bonus shares).

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.

The Fund does not account for deferred tax in these financial statements as the Fund intends to continue availing the tax exemption in future years by distributing in cash at least ninety percent of its accounting income for the year as reduced by capital gains, whether realised or unrealised, to its unit holders.

4.8 Provisions

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

4.9 Derivatives

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

4.10 Distribution to the unit holders

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

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

4.11 Earnings per unit (EPU)

Earnings Per Unit (EPU) has not been disclosed as in the opinion of the management, determination of weighted average units for calculating EPU is not practicable.

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

An equalisation account called the element of income / (loss) included in prices of units sold less those in units redeemed is created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption.

Element of income / (loss) represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period.

Further, the element of income is a transaction of capital nature and the receipt and payment of element of income shall be taken to unit holders' fund. However, to maintain the same ex-dividend net assets value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution.

On redemption of units, element of income is paid on units redeemed from element of income contributed by unit holders on issue of units (i.e. return of capital) or the element of income is paid from the income earned by the fund or the element of income is partly paid out of element of income contributed by unit holders (i.e. return of capital) and partly from the income earned by the fund.

	Note	2021 Rupees	2020
5. BANK BALANCES			
Current accounts		2,113,567	2,113,567
Savings accounts	5.1	55,628,786	44,191,375
		57,742,353	46,304,942

5.1 This includes balances of Rs. 32.663 million (2020: 26.825 million) with JS Bank Limited (a related party) and Rs. 0.027 million (2020: 0.026 million) with Bank Islami Pakistan Limited (a related party). These accounts carry profit at the rates of 7% (2020: 8%) and 6.5% (2020: 6.5%) per annum respectively. Other PLS accounts of the Fund carry profit at the rates of 5% to 8% (2020: 5.50% to 13.25%) per annum.

	Note	2021 Rupees	2020
6. INVESTMENTS			
At fair value through profit or loss			
Listed equity securities	6.1	717,283,692	496,981,746
Debt securities	6.2	-	-
		717,283,692	496,981,746

6.1 Listed equity securities

Sectors / Companies	Holding at beginning of the year	Acquired during the year	Bonus / right / transfer during the year	Disposed during the year	Holding at end of the year	Carrying value as at June 30, 2021	Market value as at June 30, 2021	Market value as a percentage of net assets	Market value as a percentage of total investment	Market value as a percentage of investee
	Number of shares					Rupees		%	%	%
INVESTMENTS BANKS / COMPANIES / SECURITIES										
ArifHabib Limited	-	21,500	-	21,500	-	-	-	-	-	-
COMMERCIAL BANKS										
Bank Al-Habib Limited	-	265,000	-	-	265,000	19,093,614	18,581,800	2.56%	2.59%	0.02%
Askari Bank Limited	-	600,000	-	600,000	-	-	-	-	-	-
Bank Alfalah Limited (Note: 6.1.1)	514,450	-	-	514,450	-	-	-	-	-	-
Bank of Punjab Limited	-	1,475,000	-	1,475,000	-	-	-	-	-	-
Habib Metro Bank Limited	-	269,000	-	-	269,000	11,003,180	10,921,400	1.50%	1.52%	0.03%
Habib Bank Limited	286,100	243,500	-	184,000	345,600	40,054,877	42,291,072	5.82%	5.90%	0.02%
MCB Bank Limited	172,971	89,000	-	216,971	45,000	8,054,178	7,192,350	0.99%	1.00%	0.00%
United Bank Limited	264,800	354,000	-	335,300	283,500	36,035,813	34,643,700	4.77%	4.83%	0.02%
						114,241,662	113,630,322	15.65%	15.84%	0.10%

All ordinary shares have a nominal face value of Rs. 10/- each unless stated otherwise.

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Sectors / Companies	Holding at beginning of the year	Acquired during the year	Bonus / right / transfer during the year	Disposed during the year	Holding at end of the year	Carrying value as at June 30, 2021	Market value as at June 30, 2021	Market value as a percentage of net assets	Market value as a percentage of total investment	Market value as a percentage of investee
	----- Number of shares -----					----- Rupees -----		%	%	%
INSURANCE										
Jubilee Life Insurance Company Limited	-	14,000	-	14,000	-	-	-	-	-	-
TEXTILE COMPOSITE										
Nishat Mills Limited	-	168,500	-	49,500	119,000	10,909,307	11,102,700	1.53%	1.55%	0.03%
Interloop Limited	-	128,500	-	37,500	91,000	6,118,705	6,372,730	0.88%	0.89%	0.01%
Gul Ahmed Textile Mills Limited	-	194,000	-	194,000	-	-	-	-	-	-
						17,028,012	17,475,430	2.41%	2.44%	0.04%
ENGINEERING										
Mughal Iron & Steels Industries Limited	-	523,000	71,360	186,000	408,360	34,472,506	42,632,784	5.87%	5.94%	0.14%
Aisha Steel Mills Limited	-	1,647,500	-	625,000	1,022,500	16,936,609	25,470,475	3.51%	3.55%	0.13%
Amreli Steels Limited	500	-	-	500	-	-	-	-	-	-
						51,409,115	68,103,259	9.38%	9.49%	0.27%
CEMENT										
Cherat Cement Company Limited (Note: 6.1.1)	248,000	76,000	-	125,500	198,500	21,453,483	35,209,930	4.85%	4.91%	0.00%
D.G. Khan Cement Company Limited	60,000	-	-	60,000	-	-	-	-	-	-
Lucky Cement Limited (Note: 6.1.1)	50,000	18,700	-	20,500	48,200	26,410,469	41,617,808	5.73%	5.80%	0.01%
Maple Leaf Cement Factory	451,000	101,500	-	288,000	264,500	8,353,797	12,426,210	1.71%	1.73%	0.02%
Pioneer Cement Limited	399,000	99,000	-	231,500	266,500	21,181,187	34,930,155	4.81%	4.87%	0.12%
						77,398,936	124,184,103	17.10%	17.31%	0.16%
SUGAR & ALLIED INDUSTRIES										
Al-Abbas Sugar Mills Limited (Related party)	257,398	-	-	257,398	-	-	-	-	-	-
OIL & GAS MARKETING COMPANIES										
Shell Pakistan Limited	84,000	24,000	52,500	160,000	500	76,538	87,600	0.01%	0.01%	0.00%
Sui Northern Gas Pipelines Limited	-	90,000	-	90,000	-	-	-	-	-	-
Pakistan State Oil Company Limited	150,160	143,500	-	115,500	178,160	34,869,704	39,952,380	5.50%	5.57%	0.04%
						34,946,242	40,039,980	5.51%	5.58%	0.04%
OIL & GAS EXPLORATION COMPANIES										
Oil and Gas Development Company Limited (Note 6.1.1)	306,500	94,500	-	156,700	244,300	26,383,397	23,215,829	3.20%	3.24%	0.01%
Mari Petroleum Company Limited	16,060	16,460	-	15,700	16,820	24,901,091	25,640,240	3.53%	3.57%	0.01%
Pak Oilfields Limited	43,000	16,000	-	17,500	41,500	15,178,243	16,345,190	2.25%	2.28%	0.01%
Pak Petroleum Limited	275,496	91,000	-	129,000	237,496	21,062,006	20,621,778	2.84%	2.87%	0.01%
						87,524,737	85,823,037	11.82%	11.97%	0.04%
AUTOMOBILE PARTS & ACCESSORIES										
Agriauto Industries Limited (Face value Rs.5 each)	-	8,200	-	2,500	5,700	1,261,981	1,564,023	0.22%	0.22%	0.02%
AUTOMOBILE ASSEMBLERS										
Pak Suzuki Motor Company Limited	-	124,000	-	52,000	72,000	22,513,878	25,591,680	3.52%	3.57%	0.08%
Honda Atlas Cars (Pak) Limited	-	83,100	-	83,100	-	-	-	-	-	-
						22,513,878	25,591,680	3.52%	3.57%	0.08%
CHEMICAL										
Agri-tech Limited (Note 6.5)	726,165	-	-	-	726,165	3,398,452	4,952,445	0.68%	0.69%	0.19%
Dynea Pakistan	2,500	-	-	2,500	-	-	-	-	-	-
Engro Polymer and Chemicals Limited	-	486,500	-	130,000	356,500	16,766,625	16,841,060	2.32%	2.35%	0.00%
ICI Pakistan Limited	13,650	4,000	-	5,700	11,950	8,801,409	10,382,160	1.43%	1.45%	0.01%
						28,966,486	32,175,665	4.43%	4.49%	0.20%
TECHNOLOGY AND COMMUNICATIONS										
Systems Limited	50,400	35,000	-	76,400	9,000	4,375,265	5,041,980	0.69%	0.70%	0.00%
FERTILIZER										
Engro Fertilizers Limited	-	157,000	-	157,000	-	-	-	-	-	-
Fauji Fertilizer Company Limited	-	128,000	-	128,000	-	-	-	-	-	-
Engro Corporation Limited	28,020	47,800	-	75,800	20	6,068	5,892	0.00%	0.00%	0.00%
						6,068	5,892	0.00%	0.00%	0.00%
GLASS & CERAMICS										
Shabbir Tiles & Ceramics Limited (Face value Rs 5 each)	-	797,000	-	347,500	449,500	10,551,750	14,990,825	2.06%	2.09%	0.19%
Tariq Glass Industries Limited	167,000	387,500	-	167,000	387,500	37,612,145	41,222,250	5.68%	5.75%	0.28%
						48,163,895	56,213,075	7.74%	7.84%	0.47%



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Sectors / Companies	Holding at beginning of the year	Acquired during the year	Bonus / right / transfer during the year	Disposed during the year	Holding at end of the year	Carrying value as at June 30, 2021	Market value as at June 30, 2021	Market value as a percentage of net assets	Market value as a percentage of total investment	Market value as a percentage of investee
								%	%	%
-----Number of shares-----						-----Rupees-----				
POWER GEN & DISTRIBUTION										
Hub Power Company Limited (Note 6.1.1)	220,800	369,000	-	337,800	252,000	21,252,652	20,076,840	2.77%	2.80%	0.00%
Kot Addu Power Company Limited	-	588,500	-	173,000	415,500	16,204,760	18,427,425	2.54%	2.57%	0.05%
Pakgen Power Limited	-	182,500	-	51,000	131,500	2,846,578	3,242,790	0.45%	0.45%	0.00%
Nishat Power Limited	-	454,000	-	140,000	314,000	8,242,469	6,170,100	0.85%	0.86%	0.00%
						48,546,459	47,917,155	6.60%	6.68%	0.05%
PAPER & BOARD										
Packages Limited	46,700	15,200	-	38,650	23,250	9,163,579	12,675,900	1.75%	1.77%	0.00%
Cherat Packaging Limited	57,700	21,300	-	23,000	56,000	8,111,845	11,138,960	1.53%	1.55%	0.13%
Century Paper & Board Mills Limited (Note 6.1.1)	287,500	191,000	50,200	414,600	114,100	10,056,612	13,928,187	1.92%	1.94%	0.06%
						27,332,036	37,743,047	5.20%	5.26%	0.20%
PHARMACEUTICALS										
Highnoon Laboratories Limited	19,745	21,500	2,824	12,000	32,069	16,698,647	19,241,400	2.65%	2.68%	0.08%
The Searle Company Limited	-	53,500	2,860	55,800	560	131,803	135,867	0.02%	0.02%	0.00%
						16,830,450	19,377,267	2.67%	2.70%	0.08%
FOOD & PERSONAL CARE PRODUCTS										
Unity Foods Limited	-	705,000	-	398,500	306,500	8,578,464	13,645,380	1.88%	1.90%	0.03%
LEATHER AND TANNERIES										
Service Industries	-	16,000	11,000	4,500	22,500	10,841,366	13,221,675	1.82%	1.84%	0.05%
REFINERY										
Pakistan Refinery Limited	-	224,000	-	15,000	209,000	5,901,064	5,143,490	0.71%	0.72%	0.00%
MISCELLANEOUS										
Siddiqsons Tin Plate Limited	-	783,000	-	246,500	536,500	9,486,957	10,268,610	1.41%	1.43%	0.00%
Tri-Pack Films Limited	-	75,000	-	75,000	-	-	-	-	-	-
Synthetic Products Enterprises Limited	2,736	-	123	101	2,758	113,762	118,622	0.02%	0.02%	0.00%
						9,600,719	10,387,232	1.43%	1.45%	0.00%
Investments as at June 30, 2021						615,466,835	717,283,692			
Investments as at June 30, 2020						491,111,872	496,981,746			
Cost of investments as at June 30, 2021							624,324,561			
Cost of investments as at June 30, 2020							473,180,889			

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

	2021	2020	2021	2020
	----- Number of shares -----		----- Rupees -----	
Hub Power Company Limited	-	220,800	-	16,008,000
Century Paper & Board Mills Limited	95,500	-	11,657,685	-
Cherat Cement Company Limited	183,500	-	32,549,230	-
Lucky Cement Limited	43,500	-	37,559,640	-
Oil and Gas Development Company Limited	115,000	115,000	10,928,450	12,535,000
Bank Al-Falah Limited	-	485,000	-	16,281,450
	437,500	820,800	92,695,005	44,824,450

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



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

During the year ended June 30, 2018, the Supreme Court of Pakistan passed a judgement on June 27, 2018 whereby the suits which are already pending or shall be filed in future must only be continued / entertained on the condition that a minimum of 50 percent of the tax calculated by the tax authorities is deposited with the authorities. Accordingly, the CISs were required to pay minimum 50% of the tax calculated by the tax authorities for the case to remain continued. The CISs failed to deposit the minimum 50% of the tax liability and accordingly the stay got vacated automatically during the current year. During last year, the CISs have filed a fresh constitutional petition via CP 4653 dated July 11, 2019 as a result of which the HCS issued an order dated July 15, 2019 whereby the previous stay has been restored. The matter is still pending adjudication and no provision has been recorded or contingent liability has been disclosed in the financial statements as the management is confident that the case will be decided in favor of the CISs.

Further, Finance Act, 2018 effective from July 1, 2018 has omitted Section 236M of Income Tax Ordinance, 2001 therefore, bonus shares, subsequent to this amendment, issued to the Fund were not withheld by the investee companies.

6.2 Debt securities

6.2.1 Term finance certificates - Quoted

	Number of certificates			Holding at end of the year	Carrying value as at June 30, 2021	Market value as at June 30, 2021	Market value as a percentage of net assets
	Holding at beginning of the year	Acquired during the year	Disposed during the year				
TEXTILE COMPOSITE							
Azgard Nine Limited (note 6.2.3, 6.2.4 and 6.2.6)	12,000	-	-	12,000	18,659,612	-	-
Less: Provision against financial assets					(18,659,612)	-	-
					-	-	-
Cost as at June 30, 2021 and June 30, 2020						9,778,400	

6.2.2 Privately placed term finance certificates

	Number of certificates			Holding at end of the year	Carrying value as at June 30, 2021	Market value as at June 30, 2021	Market value as a percentage of net assets
	Holding at beginning of the year	Acquired during the year	Disposed during the year				
TEXTILE COMPOSITE							
Azgard Nine Limited (note 6.2.5 and 6.2.6)	2,580	-	-	2,580	-	-	-
Cost as at June 30, 2021 and June 30, 2020						12,900,000	



6.2.3 This term finance certificates have face value of Rs. 5,000 each and carry a rate equal to six month KIBOR plus 240 basis points per annum without any floor and cap receivable semi-annually in arrears. These are secured by first pari passu charge on the present and future assets of the company (excluding land and building) with 25% margin in favour of the trustee and memorandum for creation of mortgage through deposit of title deeds on land and building in favour of the Trustee of the issue. These term finance certificates have been declared non-performing by MUFAP since May 19, 2010 and no interest is being accrued thereafter. Accordingly, these have been fully provided by the Fund.

6.2.4 On 12 April 2012, a share transfer and debt swap agreement was entered into between the Financial Institutions and Azgard Nine Limited (the issuer), whereby the issuer agreed to transfer its share holding in Agritech Limited to the existing lenders / creditors, including the Term Finance Certificate (TFC) holders, in partial settlement of the outstanding principal / redemption obligations. As part of the above stated arrangement, the Fund had received 726,165 ordinary shares of Agritech Limited against the partial settlement of its outstanding exposure.

As per the terms of the Share Transfer and Debt Swap Agreement, Agritech Limited's shares shall be held by the Trustee for the TFC issue in their name for and on behalf of the TFC Holders who shall be the beneficial owners of the subject shares in proportion to their holdings.

The Trustees for the TFC issue are authorized pursuant to shareholders investors agreement to hold the said ordinary shares for and on behalf of TFC holders for a lock in period of five years from the date of transfer. This lock-in- period had expired on 31 October 2017 and accordingly the shares have been transferred to Funds CDC account.

6.2.5 These zero coupon privately placed term finance certificates (PPTFCs), having face value of Rs 5,000 each, were issued against the interest receivable on TFCs of Azgard Nine Limited (disclosed in note 6.2.2). These PPTFCs were issued against the non performing securities, therefore the management, as a matter of prudence had recognised the above PPTFCs at nil value. The principal outstanding against these PPTFCs was to be redeemed in seven equal semi-annual instalments starting from March 31, 2014 up to March 31, 2017. These PPTFCs were classified as Non Performing Asset by MUFAP on December 07, 2012.

6.2.6 During the year, the facility is restructured through Approved Scheme of Arrangement ("Approved Scheme") under the terms of Honorable Lahore High Court. According to the arrangement the principal outstanding on TFC as mentioned in note 6.2.4 is paid starting from April 29, 2021 over a period of 10 years. Further, new zero coupon PPTFCs will be issued for the PPTFC (as mentioned in note 6.2.6 above) and interest accrued on TFC and PPTFC till the date of restructuring on the existing TFC and PPTFC, having redemption of principal through bullet payment on the 10th anniversary of the issuance date. As of the year end Rs. 0.863 million has been received by the Fund on account of repayment of principal of TFC and Rs. 0.005 million on account of interest income, accordingly the same has been recorded in the income statement.

6.2.7 At June 30, 2021, the Fund were maintaining investments in certain debt securities as mentioned in note 6.2 above. However, under circular 7 of 2009 of SECP, the open end equity funds cannot invest in the debt securities. Management is of the view that these investments were made prior to the conversion of the Fund from a closed end fund to an open end fund. Nevertheless, the carrying value of investments as at June 30, 2021 were nil having been fully provided or recorded at nil values. Details of the types of investments, values before and after provision and the provision held are disclosed in the note mentioned above.

6.3 These amounts represent the receivable / payable against the sales / purchases of marketable securities on the last working day of the year i.e. June 30, 2021.

6.4 Details of non-compliant investments

The Securities & Exchange Commission of Pakistan (SECP), vide its circular No. 16 dated July 07, 2010, has prescribed certain disclosures for non-compliances, either with the minimum investment criteria specified for the category assigned to the Collective Investment Schemes or with the investment requirements of their constitutive documents.



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Name of non-compliant investment	Type of investment	Value of investment before provision	Provision held if any	Value of investment after provision	% of net assets	% of gross assets
		Rupees				
AZGARD-9 (note 6.2.3) and (note 6.2.4)	TFC	-	-	-	-	-
AZGARD-9 (note 6.2.5)	Zero Coupon PPTFC Issue 5	12,900,000	(12,900,000)	-	-	-

6.5 This represents shares received in partial settlement against TFC of Azgard Nine Limited as more fully explained in Note 6.2. This securities has been classified to fair value through profit or loss.

6.6 It represents income on the 3 months Market Treasury Bills (MTBs) acquired and disposed off during the year, having face value of Rs. 2 million, issued on April 8, 2021. The interest yield is 7.4418% p.a.

6.7	Net unrealised gain / (loss) on re-measurement of investments at fair value through profit or loss	Note	2021	2020
			Rupees	
	Market value of investments		717,283,692	496,981,746
	Less: carrying value of investments before mark to market		(615,466,835)	(491,111,872)
			101,816,857	5,869,874
7.	DIVIDEND AND OTHER RECEIVABLE			
	Income tax recoverable	7.1	2,091,568	1,279,066
	Dividend receivable		-	3,165,332
			2,091,568	4,444,398

7.1 Clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 provides exemption from withholding tax deduction on dividend and markup income received by the collective investment scheme from investee companies and banks.

However a letter dated June 30, 2010 issued by Federal Board of Revenue to Assistant Director, Central Directorate of National Savings, Islamabad states that the said exemption will be applicable if exemption certificate under section 159(1) of the Income Tax Ordinance, 2001 is issued by the concerned Commissioner of Inland Revenue.

Based on the above letter, above amount of withholding tax has been deducted by certain banks on markup income and certain investee companies on dividends. An exemption certificate was issued by the concerned Commissioner of Inland Revenue effective up to December 31, 2021. Accordingly the management is in the process of recovering the above tax amount deducted. Furthermore, a stay order has also been obtained by the Management Company of the Fund from further deduction of income tax at source.



8. PAYABLE TO JS INVESTMENTS LIMITED - MANAGEMENT COMPANY

Under the provisions of Non-Banking Finance Companies and Notified Entities Regulations 2008, an Asset Management Company shall be entitled to an accrued remuneration equal to an amount not exceeding 2% of average annual net assets. Management Company has charged remuneration at the rate of 2% per annum (2020: 2%) based on the daily net assets of the Fund for the year ended June 30, 2021.

	Note	2021 ----- Rupees -----	2020 ----- Rupees -----
Remuneration payable to the Management Company		1,255,573	812,987
Sindh Sales Tax on remuneration of the Management Company	8.1	2,050,346	1,997,341
Reimbursement of accounting and operational charges to the Management Company	8.2	61,025	40,649
Selling and marketing expenses payable	8.3	1,763,767	1,285,668
Sales load payable		35,046	-
		5,165,757	4,136,645

- 8.1** The Sindh Provincial Government has levied Sindh Sales Tax at the rate of 13% (2020: 13%) on Management Company's remuneration through Sindh Sales Tax on Services Act, 2011 effective from July 01, 2011. This also includes Rs. 1.89 million (2020: Rs. 1.89 million) accrued on Federal Excise Duty (FED) on the management remuneration as fully explained in note 11.2. Had the provision on FED not been made, net asset value per unit of the Fund as at June 30, 2021 would have been higher by Rs. 0.59 (2020: Rs. 0.60) per unit.
- 8.2** This represents reimbursement of certain expenses to the Management Company. As per regulation 60(3) of the NBFC Regulations, fee and expenses related to registrar services, accounting, operation and valuation services related to CIS shall be payable to AMC. During the period, such expenses have been charged at the rate of 0.1% (2020: 0.1%) of net assets of the Fund.
- 8.3** SECP vide SRO 639(I)/2019 dated June 20, 2019 has removed cap of 0.4% on charging of selling and marketing expenses which is charged by Asset Management Companies to all categories of open-end mutual funds (except fund of funds). Resultantly, with effect from October 15, 2019, such expense has been charged at the rate of 1.07% of net assets of the Fund as per approval by the Board of Directors of Management Company. For the current year the percentage is also 1.07% (2020: 0.4% to 1.07%).

9. REMUNERATION PAYABLE TO MCB FINANCIAL SERVICES LIMITED - TRUSTEE

MCB Financial Services Limited (the Trustee) is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the trust deed as follows:

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

	Note	2021 ----- Rupees -----	2020 ----- Rupees -----
Remuneration payable to the Trustee		122,053	81,302
Sindh Sales Tax payable on Trustee remuneration	9.1	15,870	10,569
		137,923	91,871



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- 9.1** The Sindh Provincial Government levied Sindh Sales Tax at the rate of 13% (2020: 13%) on the remuneration of the trustee through Sindh Sales Tax on Services Act, 2011.

10. ANNUAL FEE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

As per SRO 685 (I) / 2019 dated June 28, 2019, annual fee at the rate 0.02% (2020: 0.02%) of the net assets of the Fund has been charged during the period by Securities and Exchange Commission of Pakistan.

	Note	2021	2020
		----- Rupees -----	
11. ACCRUED EXPENSES AND OTHER LIABILITIES			
Provision for Sindh Workers' Welfare Fund	11.1	12,293,501	8,410,757
Federal Excise Duty payable on Management			
Company's remuneration	11.2	12,458,165	12,458,165
Withholding tax payable		101,639	3,456,897
Capital gain tax payable		132,140	22,264
Auditors' remuneration		343,931	481,279
Zakat payable		470	467,268
Other liabilities		122,450	102,424
		25,452,296	25,399,054

- 11.1** As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs. 0.50 million, was required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs where-by it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP had taken up the matter with the Sindh Finance Ministry to have CISs/mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs / mutual funds, MUFAP recommended that, as a matter of abundant caution, provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from May 21, 2015). The Funds have accordingly made provision in respect of SWWF as recommended by MUFAP.

Subsequent to the year ended June 30, 2021, Sindh Revenue Board (SRB) through its letter dated August 12, 2021, has intimated MUFAP that the mutual funds do not qualify as Financial Institution/ Industrial Establishment and are, therefore, not liable to pay the Sindh Workers Welfare Fund (SWWF) contributions. This development was discussed at the MUFAP level and has also been taken up with the Securities and Exchange Commission of Pakistan (SECP) and all the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognized in the financial statements of the Funds on August 13, 2021. The SECP has given its concurrence for prospective reversal of provision for SWWF, Accordingly, going forward, no provision for SWWF would be recognized in the financial statement of the Fund.

Had the provision not being made, the Net Asset Value per unit as at June 30, 2021 would have been higher by Rs. 3.81 (2020: Rs.2.69) per unit.



11.2 As per the requirement of the Finance Act, 2013, Federal Excise Duty (FED) at the rate of 16% on the remuneration of the Management Company has been applied effective from June 13, 2013. The Management Company is of the view that since the remuneration is already subject to the provincial sales tax, further levy of FED may result in double taxation, which does not appear to be the spirit of the law, hence, a petition was collectively filed by the Mutual Fund Association of Pakistan with the Sindh High Court (SHC), on September 04, 2013.

While disposing the above petition, the SHC declared the said provisions to be ultra vires and as a result no FED is payable with effect from July 01, 2011. However, the tax authorities subsequently filed appeal against the decision of the SHC in the Supreme Court of Pakistan, which is pending for the decision.

Further, the Finance Act 2016, also introduced an amendment to the Federal Excise Act, 2005 whereby FED was withdrawn on services of different industries including Non-Banking Financial Institutions, which are already subject to provisional sales tax.

However, since the appeal is pending in the Supreme Court of Pakistan, the Management Company, as a matter of abundant caution, is carrying provision for FED aggregating to Rs. 12.458 million as at June 30, 2021 (2020: 12.458 million). Had the provision not been made, net asset value per unit as at June 30, 2021 would have been higher by Rs. 3.86 (2020: Rs.3.99) per unit.

12. CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as at June 30, 2021 and June 30, 2020.

13. NUMBER OF UNITS IN ISSUE

	2021	2020
	----- Number -----	
Total outstanding as of July 01	3,124,288	3,502,983
Add: Issued during the year	2,967,338	2,517,782
Less: Redemptions during the year	(2,866,897)	(2,896,477)
Total units in issue as of June 30	3,224,729	3,124,288

14. AUDITORS' REMUNERATION

	2021	2020
	----- Rupees -----	
Annual audit fee	264,000	264,000
Fee for the review of half yearly financial statements	121,000	121,000
Income certification	27,000	27,000
Out of pocket expenses and Sindh Sales Tax	73,812	73,812
	485,812	485,812



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15. TAXATION

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

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

16. TRANSACTIONS / BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

Connected persons / related parties include JS Investments Limited (JSIL) being the Management Company of the Fund, MCB Financial Services Limited being the Trustee of the Fund, JS Bank Limited (JSBL) being the holding company of JSIL (holding 84.56% shares of JS Investment Limited), Jahangir Siddiqui and Co. Limited (JSCL) (holding 75.02% shares of JS Bank Limited) being the holding company of JSBL, JS Global Capital Limited (JSGCL) (83.53% shares held by JS Bank Limited) being the fellow subsidiary of JSBL, and other associated companies of JSBL, JSIL and its subsidiaries, Key Management Personnel of the above entities and other funds being managed by JSIL and includes entities holding 10% or more in the units of the Fund as at June 30, 2021. It also includes staff retirement benefit funds of the above related parties / connected persons.

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

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

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

16.1 Amounts outstanding as at year end are as follows:

JS Investments Limited - Management Company

	2021	2020
	----- Rupees -----	
Remuneration payable to the Management Company	1,255,573	812,987
Sindh Sales Tax on remuneration of the Management Company *	2,050,346	1,997,341
Federal Excise Duty payable on remuneration of the Management Company *	12,458,165	12,458,165
Reimbursement of accounting and operational charges to the Management Company	61,025	40,649
Selling and marketing expenses payable	1,763,767	1,285,668
Sales load payable	35,046	-
Units outstanding: 1,317,598 (2020: 1,343,094)	296,657,163	213,981,662



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	2021	2020
	----- Rupees -----	
MCB Financial Services Limited - Trustee		
Remuneration payable to the Trustee	<u>122,053</u>	<u>81,302</u>
Sindh Sales Tax payable on remuneration of Trustee**	<u>15,870</u>	<u>10,569</u>
Annual, transaction, custodian, CDS connection fee payable	<u>28,895</u>	<u>13,930</u>
JS Bank Limited Holding Company of the Management Company		
Bank balance	<u>32,662,724</u>	<u>26,824,634</u>
Profit receivable	<u>285,082</u>	<u>406,847</u>
Bank Islami Pakistan Limited - Associated Company (Associate of Ultimate Parent Company - JSCL)		
Bank balance	<u>27,186</u>	<u>25,621</u>
JS Global Capital Limited - Associated Company (Fellow subsidiary of JSBL)		
Brokerage payable	<u>-</u>	<u>63,269</u>
Future Trust - Associate Company (Associate of Ultimate Parent Company - JSCL)		
Units of the Fund held: 403,246 (2020: 596,279)	<u>90,790,941</u>	<u>94,999,101</u>
EFU Life Assurance Limited Employees Pension Fund (Associate of Ultimate Parent Company - JSCL)		
Units of the Fund held: 5,500 (2020: 5,500)	<u>1,238,309</u>	<u>876,249</u>
Key Management Personnel of the Management Company		
Units of the Fund held: 9,406 (2020: 7,198)	<u>2,117,734</u>	<u>1,146,861</u>



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

	2021	2020
	----- Rupees -----	
JS Investments Limited - Management Company		
Remuneration to the Management Company	13,076,851	11,226,785
Sindh Sales Tax on remuneration of the Management Company *	1,699,980	1,459,477
Unit issued: 1,395,983 (2020: 1,738,076)	308,796,749	344,836,248
Redemption of units: 1,421,479 (2020: 2,198,725)	309,263,340	441,336,248
Dividend reinvest units: Nil (2020: 1,286)	-	202,870
Reimbursement of accounting and operational charges	653,844	561,338
Selling and marketing expenses - Management Company	6,996,087	4,903,698
Sales load	45,292	11,216
MCB Financial Services Limited - Trustee		
Remuneration to the Trustee	1,307,672	1,122,685
Sindh Sales Tax on remuneration to the Trustee **	169,999	145,949
EFU Life Assurance Limited		
(JSCL - Ultimate Parent Company of JSIL holds 20.05%)		
Dividend reinvest	-	48,546
Al Abbas Sugar Mills Limited - Connected Person		
(Common Directorship)		
Dividend income	6,277,833	13,237,502
JS Global Capital Limited - Fellow subsidiary of JSBL		
(Associated Company)		
Brokerage fee	367,755	374,907
JS Bank Limited - Holding company of the JSIL		
Return on bank balance	2,595,430	5,725,330
Bank charges	-	7,603
Loss on sale of investment by the Fund	-	749,070
Azgard Nine Limited (other related party)		
Principal receipt (ANL PPTFC)	863,412	-
Markup receipt (ANL PPTFC)	5,338	-



	2021	2020
	----- Rupees -----	
Bank Islami Pakistan Limited - Associated Company		
(Associate of Ultimate Parent Company - JSCL)		
Return on bank balance	<u>1,565</u>	<u>39,898</u>
Future Trust - Associate Company		
(Associate of Ultimate Parent Company - JSCL)		
Issue of units: Nil (2020: 588,287)	<u>-</u>	<u>91,467,995</u>
Redemption of units: 614,083 (2020: 614,083)	<u>38,307,200</u>	<u>96,467,995</u>
Dividend reinvest units: Nil (2020: 31,681)	<u>-</u>	<u>4,996,148</u>
Key Management Personnel of the Management Company		
Issue of units: 17,845 (2020: Nil)	<u>3,915,490</u>	<u>-</u>
Redemption of units: 15,637 (2020: 0.122)	<u>3,394,800</u>	<u>24</u>
Dividend reinvest: Nil (2020: 403)	<u>-</u>	<u>63,528</u>

* Paid / payable to the Management Company for onward payment to the Government.

** Paid / payable to the Trustee for onward payment to the Government.

17. FINANCIAL INSTRUMENTS BY CATEGORY

	2021			2020		
	At amortised cost	At fair value through profit or loss	Total	At amortised cost	At fair value through profit or loss	Total
	----- Rupees -----					
Financial assets						
Bank balances	57,742,353	-	57,742,353	46,304,942	-	46,304,942
Investments	-	717,283,692	717,283,692	-	496,981,746	496,981,746
Accrued return on bank balances	577,290	-	577,290	632,862	-	632,862
Dividend receivable	-	-	-	3,165,332	-	3,165,332
Security deposits	2,600,000	-	2,600,000	2,600,000	-	2,600,000
	<u>60,919,643</u>	<u>717,283,692</u>	<u>778,203,335</u>	<u>52,703,136</u>	<u>496,981,746</u>	<u>549,684,882</u>
Financial liabilities						
Payable to the Management Company	5,165,757	-	5,165,757	4,136,645	-	4,136,645
Payable to the Trustee	137,923	-	137,923	91,871	-	91,871
Accrued expenses and other liabilities	466,381	-	466,381	583,703	-	583,703
Payable against purchase of investments	175,670	-	175,670	291,460	-	291,460
Dividend payable	23,175,007	-	23,175,007	23,175,007	-	23,175,007
Net assets attributable to redeemable units	726,057,493	-	726,057,493	497,757,671	-	497,757,671
	<u>755,178,231</u>	<u>-</u>	<u>755,178,231</u>	<u>526,036,357</u>	<u>-</u>	<u>526,036,357</u>



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18. FINANCIAL RISK MANAGEMENT

Introduction and overview

The Fund has exposure to the following risks from financial instruments:

- Credit risk (refer note 18.1)
- Liquidity risk (refer note 18.2)
- Market risk (refer note 18.3)

Risk management framework

The board of directors of Asset Management Company has overall responsibility for the establishment and oversight of the Fund's risk management framework.

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

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

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

18.1 Credit risk

Credit risk is the risk of financial loss to the Fund if a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from bank balances, receivable against sale of investments, dividend and other receivables and security deposits.

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

Management of credit risk

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



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

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

Exposure to credit risk

The maximum exposure to credit risk as at reporting date was as follows:

	2021		2020	
	Balance as per the statement of asset and liabilities	Maximum exposure	Balance as per the statement of asset and liabilities	Maximum exposure
	----- Rupees -----			
Bank balances	57,742,353	57,742,353	46,304,942	46,304,942
Investments	717,283,692	-	496,981,746	-
Accrued return on bank balances	577,290	577,290	632,862	632,862
Dividend receivable	-	-	3,165,332	3,165,332
Security deposits	2,600,000	2,600,000	2,600,000	2,600,000
	778,203,335	60,919,643	549,684,882	52,703,136

Difference in the balance as per the statement of assets and liabilities and maximum exposure in investments is due to the fact that investment in equity securities of Rs. 717,283,692 (2020: Rs.496,981,746) is not exposed to credit risk.

Bank balances including accrued return on bank balances

The analysis below summarises the credit quality of the balances with Banks as at reporting date:

Rating	2021	2020	2021	2020
	----- Rupees -----		----- (%) -----	
A1+	55,644,477	46,862,898	95.41	99.84
A1	2,675,166	74,906	4.59	0.16
Total balance including profit due	58,319,643	46,937,804	100.00	100.00



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Above rates are on the basis of available ratings assigned by PACRA and JCR-VIS as of the reporting date.

Concentration of credit risk

Concentration of credit risk arises when a number of financial instruments or contracts are entered into with the same counterparty, or where a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. The Fund mainly deals in equity securities which are primarily subject to price risk. The Fund's portfolio of other financial assets is broadly diversified and transactions are entered into with diverse credit worthy counterparties thereby mitigating any significant concentration of credit risk. The Fund's portfolio exposed to credit risk primarily consists of bank deposits.

Details of Fund's concentration of credit risk of financial instruments by economic sectors are as follows:

	2021		2020	
	Rupees	%	Rupees	%
Commercial banks (including profit due)	58,319,643	95.73	46,937,804	89.06
National Clearing Company of Pakistan Limited - security deposit	2,500,000	4.10	2,500,000	4.74
Central Depository Company of Pakistan Limited - security deposit	100,000	0.16	100,000	0.19
Dividend receivable	-	-	3,165,332	6.01
	60,919,643	99.99	52,703,136	100.00

Past due and impaired assets and collaterals held

None of the financial assets are past due or impaired except the term finance certificates of Azgard Nine (note 6.4).

Settlement risk

The Fund's activities may give rise to risk at the time of settlement of transactions. Settlement risk is the risk of loss due to the failure of an entity to honour its obligations to deliver cash, securities or other assets as contractually agreed on sale.

For the vast majority of transactions the Fund mitigates this risk by conducting settlements through a broker to ensure that a trade is settled only when both parties have fulfilled their contractual settlement obligations.

18.2 Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Fund's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation.



The Fund aims to maintain the level of cash and cash equivalents and other highly marketable securities at an amount in excess of expected cash outflows on financial liabilities. The Fund is exposed to cash redemptions of its units on a regular basis. Units are redeemable at the holder's option based on the Fund's net asset value per unit at the time of redemption calculated in accordance with the Fund's constitutive document and guidelines laid down by Securities and Exchange Commission of Pakistan (SECP).

Management of liquidity risk

The Fund's policy is to manage this risk by investing majority of its assets in investments that are traded in an active market and can be readily disposed. The Fund invests primarily in marketable securities and other financial instruments, which under normal market conditions are readily convertible to cash. As a result, the Fund may be able to liquidate quickly its investments in these instruments at an amount close to their fair value to meet its liquidity requirement. The present settlement system is a T+2 system, which means that proceeds from sales (to pay off redemptions) of holdings will be received on the second day after the sale, while redemptions have to be paid within a period of six working days from the date of the redemption request.

In addition, the Fund has the ability to borrow, with prior approval of trustee, for meeting redemption requests. No such borrowings were made during the year. The maximum amount available to the Fund from borrowings is limited to the extent of 15% of net assets at the time of borrowing with repayment within 90 days of such borrowings. The facility would bear interest at commercial rates.

In order to manage the Fund's overall liquidity, the Fund can also withhold daily redemption request in excess of ten percent of the units in issue and such requests would be treated as redemption request 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 significant redemptions during the year.

Maturity analysis for financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts in the table are the contractual undiscounted cash flows.

	Carrying amount	Contractual cash flows		
		Total	Less than 1 month	Within 3 months
----- Rupees -----				
June 30, 2021				
Financial liabilities				
Payable to the Management Company	5,165,757	5,165,757	5,165,757	-
Payable to the Trustee	137,923	137,923	137,923	-
Accrued expenses and other liabilities	466,381	466,381	466,381	-
Payable against purchase of investments	175,670	175,670	175,670	-
Dividend payable	23,175,007	23,175,007	23,175,007	-
	29,120,738	29,120,738	29,120,738	-
Net assets attributable to redeemable units	726,057,493	726,057,493	726,057,493	-

JS Value Fund

	Carrying amount	Contractual cash flows		
		Total	Less than 1 month	Within 3 months
June 30, 2020		Rupees		
Financial liabilities				
Payable to the Management Company	4,136,645	4,136,645	4,136,645	-
Payable to the Trustee	91,871	91,871	91,871	-
Accrued expenses and other liabilities	583,703	583,703	583,703	-
Payable against purchase of investments	291,460	291,460	291,460	-
Dividend payable	23,175,007	23,175,007	23,175,007	-
	28,278,686	28,278,686	28,278,686	-
Net assets attributable to redeemable units	497,757,671	497,757,671	497,757,671	-

Above financial liabilities do not carry any mark-up and are unsecured.

18.3 Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates, interest rates and equity prices - will affect the Fund's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Management of market risks

The Fund manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee and regulations laid down by the Securities and Exchange Commission of Pakistan. The maximum risk resulting from financial instruments equals their fair values.

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

18.3.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency exchange rates.

The Fund has no exposure to foreign exchange risk as at June 30, 2021 as there are no financial assets or financial liabilities denominated in foreign currencies.

18.3.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates. Risk management procedures are the same as those mentioned in the credit risk management.

a) Sensitivity analysis for variable rate instruments

As at June 30, 2021, the Fund holds interest bearing bank balances in savings accounts exposing the Fund to cash flow interest rate risk. In case of 100 basis points increase / decrease in interest rate on the last repricing data of these balances with banks, with all other variables held constant, the net income and net assets would have been higher / lower by Rs. 0.556 million (2020: Rs. 0.442 million).

b) Sensitivity analysis for fixed rate instruments

The Fund doesn't holds any fixed rate financial instrument that exposes the Fund to fair value interest rate risk as at June 30, 2021 and June 30, 2020.

The composition of the Fund's investment portfolio and rates announced by Financial Market Association of Pakistan is expected to change over time. Therefore, the sensitivity analysis prepared as of June 30, 2021 is not necessarily indicative of the effect on the Fund's net assets of future movements in interest rates.

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

As at June 30, 2021						
Yield / Interest rate	Total	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	
		Upto three months	More than three months and upto one year	More than one year		
%		Rupees				
On-balance sheet financial instruments						
Financial assets						
Bank balances	5.00% - 8.00%	57,742,353	57,742,353	-	-	-
Investments - Listed equity securities		717,283,692	-	-	-	717,283,692
Accrued return on bank balances		577,290	-	-	-	577,290
Security deposits		2,600,000	-	-	-	2,600,000
		778,203,335	57,742,353	-	-	720,460,982
Financial liabilities						
Payable to the Management Company		5,165,757	-	-	-	5,165,757
Payable to the Trustee		137,923	-	-	-	137,923
Accrued expenses and other liabilities		466,381	-	-	-	466,381
Payable against purchase of investments		175,670	-	-	-	175,670
Dividend payable		23,175,007	-	-	-	23,175,007
Net assets attributable to redeemable units		726,057,493	-	-	-	726,057,493
		755,178,231	-	-	-	755,178,231
On-balance sheet gap		23,025,104	57,742,353	-	-	(34,717,249)
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap		-	-	-	-	-



JS Value Fund

As at June 30, 2020

Yield / Interest rate	Total	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk
		Upto three months	More than three months and upto one year	More than one year	
%	----- Rupees -----				

On-balance sheet financial instruments

Financial assets

Bank balances	5.50% - 13.25%	46,304,942	46,304,942	-	-	-
Investments - Listed equity securities		496,981,746	-	-	-	496,981,746
Accrued return on bank balances		632,862	-	-	-	632,862
Dividend receivable		3,165,332	-	-	-	3,165,332
Security deposits		2,600,000	-	-	-	2,600,000
		549,684,882	46,304,942	-	-	503,379,940

Financial liabilities

Payable to the Management Company	4,136,645	-	-	-	4,136,645
Payable to the Trustee	91,871	-	-	-	91,871
Accrued expenses and other liabilities	583,703	-	-	-	583,703
Payable against purchase of investments	291,460	-	-	-	291,460
Dividend payable	23,175,007	-	-	-	23,175,007
Net assets attributable to redeemable units	497,757,671	-	-	-	497,757,671
	526,036,357	-	-	-	526,036,357
On-balance sheet gap	23,648,525	46,304,942	-	-	(22,656,417)
Off-balance sheet financial instruments	-	-	-	-	-
Off-balance sheet gap	-	-	-	-	-

18.3.3 Other market price risk

The Fund is exposed to equity price risk i.e. the risk of unfavorable changes in the fair value of equity securities as a result of changes in the levels of Pakistan Stock Exchange Index and the value of individual shares, which arises from investments measured at fair value through income statement.

The management of the Fund monitors the proportion of equity securities in its investment portfolio based on market indices. The Fund policy is to manage price risk through diversification and selection of securities within specified limits set by internal risk management guidelines or the requirements of NBFC regulations. The Fund manages those risk by limiting exposure to any single investee company to the extent of 10% of issued capital of that investee company and the net assets of the Fund with overall limit of 30% to a single industry sector of the net assets of the Fund (the limit set by NBFC regulations).

The Fund also manages its exposure to price risk by reviewing portfolio allocation as frequently as necessary and at least once a quarter from the aspect of allocation within industry and individual stock within that allocation. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the Investment Committee. The primary objective of the Fund's investment strategy is to maximise investment returns.



Details of the Fund's investments in industrial / economic sectors are given in note 6.1.

Sensitivity analysis - Equity price risk

All of the Fund's equity investments are listed on Pakistan Stock Exchange. For such investments classified as at fair value through Profit and Loss, a 5% increase or decrease in the fair values of the equity investments, would have increased or decreased the income statement and the unit holders' fund by Rs. 35.864 million (2020: Rs. 24.849 million).

The analysis is based on the assumption that the equity index had increased / decreased by 5% with all other variables held constant and all the Fund's equity instruments moved according to the historical correlation with the index. This represents management's best estimate of a reasonable possible shift in the PSX 100 Index, having regard to the historical volatility of the index. The composition of the Fund's investment portfolio and the correlation thereof to the KMI index, is expected to change over the time. Accordingly, the sensitivity analysis prepared as of June 30, 2021 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of PSX 100 Index.

19. UNIT HOLDER'S FUND RISK MANAGEMENT

The Fund's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to continue as a going concern so that it can continue to provide returns to its unit holders. Management monitors the return on capital as well as the level of dividends to unit holders and makes adjustments to it in the light of changes in markets' conditions.

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

In accordance with the risk management policies stated in note 18, the Fund endeavors to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemption requests which would be augmented by short-term borrowings or disposal of investments where necessary.

20. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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.

The fair value of financial assets traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date. The quoted market prices used for financial assets held by the Fund is current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and 'regularly occurring market transactions on an arm's length basis.

5.

JS Value Fund

IFRS 13, 'Fair Value Measurements' requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date (level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (level 2).
- Unobservable inputs for the asset or liability (level 3).

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

	Note	Carrying amount			Fair value hierarchy	
		At fair value through profit & loss	At amortised Cost	Total	Level 1	Total
June 30, 2021						
----- Rupees -----						
Financial assets measured at fair value						
Investments - Listed equity securities	6	<u>717,283,692</u>	<u>-</u>	<u>717,283,692</u>	<u>717,283,692</u>	<u>717,283,692</u>
Financial assets not measured at fair value						
Bank balances	5	-	<u>57,742,353</u>	<u>57,742,353</u>	-	-
Accrued return on bank balances		-	<u>577,290</u>	<u>577,290</u>	-	-
Security deposits		-	<u>2,600,000</u>	<u>2,600,000</u>	-	-
		-	<u>60,919,643</u>	<u>60,919,643</u>	-	-
Financial liabilities not measured at fair value						
Payable to the Management Company	8	-	<u>5,165,757</u>	<u>5,165,757</u>	-	-
Payable to the Trustee	9	-	<u>137,923</u>	<u>137,923</u>	-	-
Accrued expenses and other liabilities	11	-	<u>466,381</u>	<u>466,381</u>	-	-
Payable against purchase of investments		-	<u>175,670</u>	<u>175,670</u>	-	-
Dividend payable		-	<u>23,175,007</u>	<u>23,175,007</u>	-	-
Net assets attributable to redeemable units		-	<u>726,057,493</u>	<u>726,057,493</u>	-	-
		-	<u>755,178,231</u>	<u>755,178,231</u>	-	-
June 30, 2020						
Financial assets measured at fair value						
Investments - Listed equity securities	6	<u>496,981,746</u>	<u>-</u>	<u>496,981,746</u>	<u>496,981,746</u>	<u>496,981,746</u>
Financial assets not measured at fair value						
Bank balances	5	-	<u>46,304,942</u>	<u>46,304,942</u>	-	-
Accrued return on bank balances		-	<u>632,862</u>	<u>632,862</u>	-	-
Dividend receivable		-	<u>3,165,332</u>	<u>3,165,332</u>	-	-
Security deposits		-	<u>2,600,000</u>	<u>2,600,000</u>	-	-
		-	<u>52,703,136</u>	<u>52,703,136</u>	-	-



	Note	Carrying amount			Fair value hierarchy	
		At fair value through profit & loss	At amortised Cost	Total	Level 1	Total
----- Rupees -----						
Financial liabilities not measured at fair value						
Payable to the Management Company	8	-	4,136,645	4,136,645	-	-
Payable to the Trustee	9	-	91,871	91,871	-	-
Accrued expenses and other liabilities	11	-	583,703	583,703	-	-
Payable against purchase of investments		-	291,460	291,460	-	-
Dividend payable		-	23,175,007	23,175,007	-	-
Net assets attributable to redeemable units		-	497,757,671	497,757,671	-	-
		-	526,036,357	526,036,357	-	-

20.1 The Fund has not disclosed the fair values for these financial assets (other than investment) and for financial liabilities, as these are either short term in nature or are repriced periodically. Therefore, their carrying amounts are reasonable approximation of their fair values.

21. TOTAL EXPENSE RATIO

In accordance with the Directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan, the total expense ratio of the Fund for year ended June 30, 2021 is 4.90% (2020: 4.38%) which includes 0.95% (2020: 0.40%) representing government levy i.e. Sindh Sales Tax, SECP fee and provision for Sindh Worker’s Welfare Fund.

22. UNIT HOLDING PATTERN OF FUND

Category	As at June 30, 2021			
	No. of unit holders	Number of units held	Amount Rupees	% of total units
Individuals	3,962	1,247,555	280,890,674	38.69
Associated companies	3	1,726,344	388,691,639	53.53
Insurance company	1	40,949	9,219,748	1.27
Bank / DFI	1	127	28,594	0.00
Non Banking Finance Companies	3	2,702	608,461	0.08
Retirement funds	11	157,182	35,389,930	4.87
Others	38	49,871	11,228,447	1.55
	4,019	3,224,729	726,057,493	100



JS Value Fund

Category	As at June 30, 2020			
	No. of unit holders	Number of units held	Amount Rupees	% of total units
Individuals	4,016	1,003,548	159,884,007	32.12
Associated companies	3	1,944,872	309,854,590	62.25
Director and his / her spouse	1	13	2,001	0.00
Insurance companies	1	40,949	6,523,913	1.31
Bank / DFI	1	127	20,233	0.00
Non Banking Finance Companies	3	2,702	430,548	0.09
Retirement funds	10	79,753	12,706,174	2.55
Others	40	52,324	8,336,205	1.67
	<u>4,075</u>	<u>3,124,288</u>	<u>497,757,671</u>	<u>100</u>

23. LIST OF TOP 10 BROKERS BY PERCENT OF THE COMMISSION PAID

----- 2021 -----		----- 2020 -----	
Name of broker	Percentage of commission / Brokerage (%)	Name of broker	Percentage of commission / Brokerage (%)
JS Global Capital Limited	15.11	JS Global Capital Limited	13.25
BMA Capital Securities (Private) Limited	11.47	Topline Securities (Private) Limited	6.67
Arif Habib Securities Limited	8.41	Optimus Capital (Private) Limited	6.02
Insight Securities (Private) Limited	3.59	Al-Falah Securities (Private) Limited	5.82
Fortune Securities Limited	5.58	Nael Capital (Private) Limited	5.63
Topline Securities (Private) Limited	6.13	Intermarket Securities (Private) Limited	5.25
Alfalah Securities (Private) Limited	3.86	Next Capital Limited	4.86
Fawad Yusuf Securities (Private) Limited	3.57	Adam Securities Limited	4.81
Intermarket Securities (Private) Limited	4.86	Fawad Yousuf Securities (Private) Limited	4.34
Sherman Securities (Private) Ltd.	3.75	EFG Hermes Pakistan Limited	3.86

24. PARTICULARS OF INVESTMENT COMMITTEE AND FUND MANAGER

S. No	Name	Designation	Experience in years	Qualification
1	Ms. Iffat Zehra Mankani	Chief Executive Officer	20	MBA
2	Mr. Khawar Iqbal	Director Finance & Company Secretary	28	MBA
3	Mr. Zahid Ullah Khan	Chief Investment Officer / Fund Manager	18	MBA
4	Mr. Syavash Pahora	Head of Research	4	BSC
5	Mr. Shahveer Masood	Fund Manager	4	BSC



25. MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Following is the analysis of the attendance in the meetings of the Board of Directors of the Management Company during the year:

Name of Directors	Meetings attended	Meetings held on				
		18 August 2020	20 October 2020	24 December 2020	19 February 2021	23 April 2021
Mr. Kamran Jafar	3	P	P	P	-	-
Mr. Hasnain Raza Nensey	4	P	P	P	P	-
Mr. Suleman Lalani	3	-	P	-	P	P
Ms. Iffat Zehra Mankani*	1	-	-	-	-	P
Mr. Asif Reza Sana	3	P	P	-	-	P
Mr. Babar Wajid	2	P	P	-	-	-
Mr. Hasan Shahid *	5	P	P	P	P	P
Mr. Tahir Ali Sheikh *	5	P	P	P	P	-
Ms. Aisha Fariel Salahuddin *	5	P	P	P	P	P
Mr. Imran Haleem Shaikh	2	-	-	-	P	P
Mr. Tauqir Haider Rizvi *	-	-	-	-	-	-
Mr. Zahid Ullah Khan	1	-	-	-	-	P
		8	7	7	9	8

*Mr. Suleman Lalani Joined the Board on September 09, 2020

*Ms. Iffat Zehra Mankani joined the Board on April 15, 2021. She replaced Mr. Hasnain Raza Nensay from the Board as the Chief Executive Officer.

*Mr. Imran Haleem Shaikh joined the Board on January 15, 2021

*Mr. Zahid Ullah Khan joined the Board on March 18, 2021

*Mr. Kamran Jafar resigned from the Board on January 18, 2021

*Mr. Babbar Wajid resigned from the Board on December 02, 2020

26. RATING OF THE MANAGEMENT COMPANY LIMITED

The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of “AM2”(Stable Outlook) to the Management Company.

The rating denotes high management quality of the Management Company.

27. SUMMARY OF ACTUAL PROXY VOTED BY JS VALUE FUND

	Resolutions	For	Against	Abstain
Number	5	5	Nil	N/A
(% ages)	100	100	-	-



JS Value Fund

Note:

The Proxy voting policy of the Collective Investment Scheme (CIS) is available on the website of JS Investments Limited, the Company and detailed information regarding actual proxies voted by the Company in respect of the CIS is also available without charge, upon request, to all unit holders.

28. CORRESPONDING FIGUERS

Corresponding figures wherever necessary have been rearranged and reclassified to reflect more appropriate presentation of events and transactions for the purposes of comparison.

29. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by Board of Directors of the Management Company on August 21, 2021.

For JS Investments Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



**SUPPLEMENTARY NON FINANCIAL INFORMATION
AS REQUIRED UNDER SECTION 6(D), (F), (G), (H), (I) AND (J)
OF THE FIFTH SCHEDULE TO THE NBFC REGULATIONS**

(i) THE MEMBERS OF THE INVESTMENT COMMITTEE

Following are the members of Investment Committee of the Fund:

Ms. Iffat Zehra Mankani - Chief Executive Officer
Mr. Khawar Iqbal - CFO & Company Secretary
Mr. Zahid Ullah Khan - Chief Investment Officer / Head
Mr. Shahveer Masood – Fund Manager
Mr. Syavash Pahore - Head Of Research

MS. IFFAT ZEHRA MANKANI - CHIEF EXECUTIVE OFFICER

Ms. Iffat Mankani has joined JS Investments Limited in April 2021. She brings with her over 20 years of global experience in both public and private markets across multiple asset classes. During her 11 years working in capital markets in Pakistan, she held various senior strategy and research roles, both on the buy and sell-side of the industry, including the National Investment Trust, JS Investments Limited and BMA Asset Management Company Limited amongst others.

Working as a sell side analyst, Iffat was frequently quoted in the financial press, and was well-known for her accuracy as a strategist. In her buy-side roles as Chief Investment Officer at JS Investments (2005-2007) and BMA Asset Management (2007-2011), she led the successful implementation of a disciplined asset and risk allocation process, resulting in consistent top quartile performance for funds under management. These included some pioneering products in the industry, such as the asset allocation fund, capital protected fund, index fund, an offshore fund and separately managed accounts.

In her most recent role, Iffat was working in the Deals Advisory team at PwC Canada, where she made significant contributions in the space of complex financial instruments and private debt valuations amongst others, helping to steer the business toward sustainable growth. Moreover, she also held diversified roles in the risk management groups of leading Canadian Banks (Bank of Montreal and CIBC) associated with their quants and trading risk oversight teams. In addition to making numerous value additions in her role as a Risk Manager of equity, fixed income and structured product desk, she also spearheaded bank wide regulatory and infrastructure projects and initiatives.

Iffat holds a Master of Finance from Rotman School of Management (University of Toronto) and Master of Business Administration from the Institute of Business Administration, Karachi.

MR. MUHAMMAD KHAWAR IQBAL, DIRECTOR OF FINANCE & COMPANY SECRETARY

With over more than 28 years of diversified experience, Mr. Muhammad Khawar Iqbal is currently serving as "Director Finance & Company Secretary" in JS Investments Limited, where he joined in May 2005 as Manager Finance.

He also served as Chief Financial Officer of the Company from 2012 to 2019.

Throughout his career Mr. Iqbal has implemented a system of continuous review and introduced changes to bring in efficiencies, simplifications and improvement in the overall quality of his departmental deliverables.

His role encompasses a wide range of matters ranging from financial management, reporting, internal control, compliance with laws applicable to the Company and other secretarial matters.

Mr. Khawar holds Masters Degree in Business Administration and Economics.



JS Value Fund

MR. ZAHID ULLAH KHAN - CHIEF INVESTMENT OFFICER / HEAD

Mr. Zahid Ullah Khan has been associated with the JS Group and the capital markets on the buy side of more than 17 years. Prior to joining JS Investments as the Chief Investment Officer in September 2016, Mr. Khan was at JS Bank since 2012, where he served as a Senior Vice President for the bank's risk management function. His core responsibilities included development of various risk management frameworks, modeling term structure of interest rates, engineering tailor-made interest rate products for corporate clientele, and devising efficient mechanisms for various equity based margin trading products.

Prior to his role at JS Bank, Mr. Khan was associated with JS Group as Senior Vice President in a technical role where he developed and deployed a High Frequency Trading (HFT) platform for equities. This project involved extensive development of an in-house market-price-of-risk arbitrage model dependent on instantaneous futures market rates. Mr. Khan also advised group companies on buy side risk management and for launching ETFs and Market Making initiatives on the asset management and brokerage side. His other assignments also included research work on various green field projects in the private equity space. Prior to joining JS Bank, Mr. Khan also served as a consultant senior fund manager for JS Investments from 2010 to 2012.

Mr. Khan started his career with ABAMCO Limited (now JS Investments Limited) in 2004 as a research analyst, and covered Cement and Banking sectors along with developing interest rate models on the fixed income side. He was additionally given the responsibility to develop and launch new products for the growing AMC. During his tenure at ABAMCO Limited, Mr. Khan developed the first proprietary free float-adjusted market capitalization index in Pakistan and launched the first Open end index fund based on that index. He also carries to his credit the launch of first Open end Fund of Funds scheme with an elaborate asset allocation strategy, a Capital Protected fund and several other in-house initiatives. In 2005, he was promoted as a fund manager, and managed JS Value Fund, JS A30 Index Fund, JS Growth Fund, and JS Fund of Funds, with a combined fund size of around PKR 10 billion.

Mr. Zahid holds a Masters degree in Business Administration from Lahore University of Management Sciences (Class of 2000); a Masters degree in Economics from Lahore University of Management Sciences (Class of 2004); and a Masters degree in Finance from London Business School (Class of 2007).

MR. SHAHVEER MASOOD – FUND MANAGER

Mr. Shahveer Masood has joined JS Investments Ltd. as a Fund Manager on the Equity side and as a member of the Investment Committee. Prior to his current role, Mr. Masood served as a SMA Portfolio Manager in Al-Meezan Investment Management Limited. He has also served as an equity sales trader in BMA Capital Management Limited. Overall he has accumulated an experience of 4 years. He holds a Bachelor of Arts in Finance, Accounting and Management Honors Degree from the University of Nottingham and he has also cleared CFA level 1.

MR. SYAVASH PAHORE - HEAD OF RESEARCH

Mr. Syavash Pahore joined JS Investments Ltd. in April 2018 as SMA Fund Manager and is currently working as the Head of Research. Prior to his joining at JS Investments Ltd. Mr. Pahore was associated with Elixir Securities as a Research Analyst and he had started off his career from Optimus Capital Management as a Research Analyst in August 2016.

Mr. Pahore has a Bachelor of Arts in Finance, Accounting and Management from The University of Nottingham.

(ii) MEETINGS OF AUDIT COMMITTEE

Name of Directors	Meetings attended	Meetings held on			
		17 August 2020	19 October 2020	18 February 2021	22 April 2021
Mr. Asif Reza Sana	3	1	1	-	1
Mr. Hasan Shahid	4	1	1	1	1
Ms. Aisha Fariel Salahuddin	4	1	1	1	1
		3	3	2	3



(iii) MEETINGS OF HUMAN RESOURCE AND REMUNERATION COMMITTEE

Name of Members	Meetings held on	
	Meetings attended	17 February 2021
Ms. Aisha Fariel Salahuddin	1	1
Mr. Suleman Lalani	1	1
Mr. Hasnain Raza Nensey	1	1
		<u>3</u>

(iv) RATING OF THE MANAGEMENT COMPANY

The Pakistan Credit Rating Agency has assigned JS Investments' Management Quality Rating of "AM2"(AM-Two) with a "stable" outlook. The rating denotes High Management Quality.

BOOK POST
PRINTED MATTER



JS Investments Limited

19th Floor, The Centre, Plot # 28,
SB-5 Abdullah Haroon Road, Saddar,
Karachi-75600

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Fax: (92-21)35165540
E-mail: info@jsil.com
Website: www.jsil.com



JS Pension Savings Fund

Annual Report 2021



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VISION

To be recognized as a responsible asset manager respected for continually realizing goals of its investors.

MISSION

To build JS Investments into a top ranking Asset Management Company; founded on sound values; powered by refined knowhow; supported by a committed team operating within an accountable framework of social, ethical and corporate responsibility - a strong and reliable institution for its shareholders to own; an efficient service provider and value creator for clients; an exciting and fulfilling work place for employees; and a participant worth reckoning for competitors.

BROAD POLICY OBJECTIVES

- Value creation for clients on a sustainable basis
- Maintain high standards of ethical behaviors and fiduciary responsibility
- Manage Investments with Prudence and with the aim of providing consistent returns better than that of peers
- Take Products and Services to the People, Create awareness on understanding financial goals, risks and rewards
- Professional Excellence – Adapt, Evolve and Continuously Improve
- Maintain highly effective controls through strong compliance and risk management
- A talented, diligent and diverse HR



ORGANIZATION

Management Company

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

Board of Directors

Mr. Suleman Lalani	Chairman
Ms. Iffat Zehra Mankani	Chief Executive Officer
Mr. Hasan Shahid	Non-Executive Director
Mr. Asif Reza Sana	Independent Director
Ms. Aisha Fariel Salahuddin	Independent Director
Mr. Zahid Ullah Khan	Non-Executive Director
Mr. Imran Haleem Shaikh	Non-Executive Director
Mr. Mirza Muhammad Sadeed Hassan Barlas*	Non-Executive Director

Audit Committee

Mr. Asif Reza Sana	Chairman
Ms. Aisha Fariel Salahuddin	Member
Mr. Hasan Shahid	Member

Director Finance & Company Secretary

Mr. Muhammad Khawar Iqbal

Chief Financial Officer

Mr. Zafar Iqbal Ahmed

Trustee

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

Auditors

KPMG Taseer Hadi & Co.
Chartered Accountants

Legal Adviser

Bawaney & Partners

Shariah Advisors

Al – Hilal Shariah Advisors (Pvt) Limited

* Mr. Mirza Muhammad Sadeed Hassan Barlas has been appointed as Director of JS Investments Limited w.e.f August 09, 2021 in



JS Pension Savings Fund

Directors' Report to the Unit Holders

The Board of Directors of JS Investments Limited, the Pension Fund Manager of **JS Pension Savings Fund** (the Fund), is pleased to present the Annual Report for the year ended June 30, 2021.

Economy:

Despite innumerable challenges, Pakistan's economy is moving progressively on a sustainable growth path. Before the COVID-19 pandemic hit Pakistan's economy, the reforms had laid the base for an economic recovery as was visible in 2H FY19 figures, however, it was brought to a halt due to the incidence of the coronavirus pandemic. Pakistan did much better in coping up with the pandemic compared to many countries and as a result GDP growth came in at 3.94% for FY21; sharply recovering from the FY20 decline of 0.5%. The rebound in GDP growth was underpinned by a recovery in industrial sector growth from an FY20 contraction of 3.8% to an FY21 expansion of 3.6%. Similarly, the services sector grew 4.4% in FY21, after constricting by 0.6% in the preceding year.

Inflation is still one of the bigger issues that our economy faces today. Headline CPI and core CPI averaged 8.9% and 6.6% respectively. The latter remained below 7%, allowing the SBP to accommodate growth by continuing to maintain a dovish monetary policy stance. It is also pertinent to mention that inflation all over the world remained volatile mainly due to supply-side disruptions in commodities due to the COVID-19 pandemic.

The SBP also maintained its policy of a flexible exchange rate regime. The rupee appreciated by 9.4% against the greenback; largely a consequence of the current account surplus reported during the period. As a result, SBP reserves rose 54% to USD 17.8 bn while total liquid FX reserves rose 36% to USD 24.8 bn. The import cover has remained steady at 5 months despite a rise in imports as a result of a rebound in economic activity.

Equity Market Review:

The KSE100 index rose 37.6% in FY21 while the KSE30 and KMI 30 indices rose 27.6% and 39.3% respectively. The stellar returns are mostly due to COVID-induced market decline in the preceding year which was recovered in the current fiscal year.

Technology & Communication returned 294% during the year while Glass & Ceramics rose 171%. Refinery, Engineering, Auto Assemblers, Paper & Board and Cement were the other sectors that gained the most during the period. The biggest underperforming sectors were Food & Personal Care, Oil & Gas Exploration and Fertilizer with a return of -3.2%, -0.4% and 1.8% respectively.

The dominant theme during the fiscal year was high beta pro-cyclical stocks that tend to benefit from economic expansion, higher large-scale manufacturing growth and higher demand from housing in particular. The incumbent government's focus on promoting housing and water conservation (through construction of dams) has led to a sharp rally in construction sector related stocks.

On the other hand, traditional blue-chip companies sharply underperformed. The same earnings stability that helped prop up valuations during the FY17 – FY19 recession led to a lack of interest in these stocks when corporate earnings growth concerns were at the forefront.

Traded value improved significantly on the bourse. KSE 100 average traded value rose from PKR 6.1 bn in FY20 to PKR 13.2 bn in FY21, a historic increase of 116%. Traded value has improved significantly on the back of the sharpest rebound in equities since 2017.

Income / Money Market Review:

During FY21, State Bank of Pakistan (SBP) kept the Policy Rate unchanged at 7%. The central bank has decreased its supply of Pakistan Investment Bonds and had rejected bids in the new issuance of 5Y instrument until January 2021. However, as demand remained intact particularly from the Insurance and Banking sector, SBP finally started accepting bids in the 5Y instrument at a cut-off yield of 9.52%. Currently, the 5 Year PIB is trading at 9.48%.



JS Pension Savings Fund

The Ministry of Finance and the SBP remain committed towards prioritizing economic growth. Although concerns around the current account and inflation remain intact; investors have preferred to remain in short-term treasury bills and floating rate bonds due to expectations of modest interest rate tightening in the near term. During the period under review, the secondary market yields for the 3M, 6M and 12M T-bills have increased to 7.28%, 7.53% and 7.81%, respectively.

The Islamic money market witnessed the issuance of Government of Pakistan Ijara Sukuk in the 2QFY21. SBP accepted bids of PKR 335 bn in Variable Rental Rate (VRR) Ijara Sukuk as preference for floating rate Sukuk remained prevalent among investors. Furthermore, bids of PKR 33 bn bids were received for the 5 year Fixed Rental Rate (FRR) Ijara Sukuk, out of which only PKR 14 bn was accepted. In comparison, there was no new issuance of Ijara Sukuks in the previous quarter.

Review of Fund Performance

The fund was launched on June 26, 2007 for contributions by eligible participants, under the Voluntary Pension System Rules, 2005 (VPS Rules, 2005), with the objective of assisting and facilitating them to plan for their retirement. The fund presently has three sub-funds that are Equity Sub-Fund, Debt Sub-Fund, and Money Market Sub-Fund. Profit for the year ended June 30, 2021 of each of the sub funds and the net assets as on June 30, 2021 are provided below:-

- The Equity Sub-fund return was 37.58% for the year ended June 30, 2021. Net Assets moved from PKR. 180 million (June 30, 2020) to PKR 217 million as at June 30, 2021.
- The Debt Sub-fund return was 6.10% for the year ended June 30, 2021. Net Assets moved from PKR 199 million (June 30, 2020) to PKR 236 million as at June 30, 2021.
- The Money Market Sub-fund return was 6.34% for the year ended June 30, 2021. Net Assets were moved from PKR 201 million (June 30, 2020) to PKR 258 million as at June 30, 2021.

The Fund has 203 participants as on June 30, 2021.

Pension Fund Manager Rating

The Pakistan Credit Rating Agency (PACRA) has affirmed JS Investments' Management Quality Rating of "AM2"(AM-Two) with a "stable" outlook. The rating denotes High Management Quality.

Auditors

The external auditors of the Fund Messrs A.F Ferguson. Chartered Accountants retire and being eligible offers themselves for reappointment. The Board of Directors, upon recommendation of the Audit Committee of the Board has approved the appointment of Messrs A.F Ferguson. Chartered Accountants, as the Fund's auditors for the ensuing year ending June 30, 2022.

Board of Directors:

During the period Ms. Iffat Zehra Mankani has joined as the Chief Executive Officer of the Company in place of Mr. Hasnain Raza Nensey. In addition to that Syed Tauqir Haider Rizvi, Mr. Babbar Wajid, Mr. Kamran Jafar and Mr. Tahir Ali Sheikh have resigned from the Board whereas, Mr. Suleman Lalani, Mr. Imran Haleem Shaikh, Mr. Zahid Ullah Khan and Mr. Mirza M. Sadeed H. Barlas were appointed as Directors on their places respectively.

Category	Equity Sub Fund			Debt Sub Fund			Money Market Sub Fund			Total Rupees in millions	% of total investment
	Number of Unit holders	Number of Units held	Rupees in million	Number of Unit holders	Number of Units held	Rupees in million	Number of Unit holders	Number of Units held	Rupees in million		
Individuals	61	220,328	109.47	170	568,533	176.68	157	830,001	207.92	494.07	69.39
Directors and their spouse	1	11,772	5.85	1	55,413	17.22	1	22,912	5.74	28.81	4.05
Non Banking Finance Companies	1	205,210	101.95	1	137,349	42.68	1	177,463	44.46	189.09	26.56
	63	437,310	217.27	172	761,295	236.58	159	1,030,376	258.12	711.97	100.00



JS Pension Savings Fund

Additional Matters

- a. The system of internal control is sound in design and has been effectively implemented and monitored.
- b. A performance table / key financial data of the Pension fund is disclosed in Annexure 1 to the financial statements.

Significant Matters

- Subsequent to the year ended June 30, 2021, Sindh Revenue Board (SRB) through its letter dated August 12, 2021, has intimated MUFAP that the mutual funds do not qualify as Financial Institution/ Industrial Establishment and are, therefore, not liable to pay the Sindh Workers Welfare Fund (SWWF) contributions. This development was discussed at the MUFAP level and has also been taken up with the Securities and Exchange Commission of Pakistan (SECP) and all the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognized in the financial statements of the Funds on August 13, 2021. The SECP has given its concurrence for prospective reversal of provision for SWWF, Accordingly, going forward, no provision for SWWF would be recognized in the financial statement of the Fund.

The Board approved addition of the note 10.1 related to the prospective reversal of SWWF in the financial statements of Fund on September 22, 2021.

- Due to the enactment of the Sindh Trusts Act, 2020 (as amended vide Sindh Trusts (Amended) Act, 2021) (“the Act”), the Trusts including Collective Investment Schemes, Private Funds etc, being Specialized Trusts are required to be registered with the Assistant Director of Industries and Commerce (Trust Wing), Government of Sindh under Section 12A of the Act. For this purpose, Re-Stated Trust Deeds of all Funds have been executed between the Management Company and the Trustees and all the relevant Trust Deeds along with necessary documents have been submitted with Assistant Director of Industries and Commerce (Trust Wing), Government of Sindh.

Acknowledgment

The directors express their gratitude to the Securities and Exchange Commission of Pakistan and Central Depository Company of Pakistan Limited for their valuable support, assistance and guidance. The Board also thanks the employees of the Pension Fund Manager for their dedication and hard work and the participants for their confidence in the Management.

The Directors’ Report was initially approved by the Board of Directors of Management Company on August 21, 2021 and further amended on September 22, 2021 to incorporate the subsequent event as disclosed in above significant matter related to reversal of SWWF provisioning.

Karachi:

Director

Chief Executive Officer

شراکت داروں کے لیے ڈائریکٹرز رپورٹ

جے ایس انویسٹمنٹس لمیٹڈ کے بورڈ آف ڈائریکٹرز، JS پیمنٹس سیویگ فنڈ (دی فنڈ) کی مینجمنٹ کمپنی نے 30 جون 2021 کو ختم ہونے والے سال کے لیے سالانہ رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

معاشی جائزہ

لا تعداد چیلنجز کے باوجود، پاکستان کی معیشت ترقی کی راہ پر مستحکم نمو کی طرف بڑھ رہی ہے۔ کووڈ-19 کی وباء کے پاکستانی معیشت پر حملے سے پہلے اصلاحات کے ذریعے معاشی بحالی کا آغاز ہو گیا تھا جس کا اندازہ مالی سال 19 کی دوسری ششماہی سے ہوتا ہے، تاہم کرونا وائرس کی وبا پھیلنے کے سبب بحالی کا عمل رک گیا۔ پاکستان نے کئی دوسرے ممالک کے مقابلے میں وباء سے نمٹنے کیلئے بہتر اقدامات کئے جس کے نتیجے میں مالی سال 21 کے لئے جی ڈی پی کی شرح نمو مالی سال 20 میں 0.5% کی کمی سے بحالی کے بعد 3.94% ہو گئی۔ جی ڈی پی کی نمو کے دوبارہ بڑھنے کی وجہ مالی سال 20 میں صنعتی شعبے کے 3.8% سکڑاؤ سے مالی سال 21 میں 3.6% اضافی تھی۔ اسی طرح خدمات کے شعبے میں گزشتہ سال کے 0.6% سکڑاؤ کے بعد مالی سال 21 میں 4.4% پھیلاؤ آیا۔

افراط زر آج بھی ہماری معیشت کو درپیش سب سے بڑے مسائل میں سے ایک ہے۔ بلند ترین سی پی آئی اور بنیادی سی پی آئی بالترتیب 8.9% اور 6.6% ہیں۔ موخر الذکر کے 7% سے کم رہنے کے سبب اسٹیٹ بینک آف پاکستان کو اپنی نرم مانیٹری پالیسی برقرار رکھنے میں مدد ملی۔ یہ کہنا بھی ضروری ہے کہ دنیا بھر میں افراط زر میں اتار چڑھاؤ کی کیفیت جاری ہے جس کی وجہ کووڈ - 19 کی وباء سے اشیاء کی سپلائی کے مرحلے میں بڑی رکاوٹیں پیدا ہوتی تھی۔

اسٹیٹ بینک آف پاکستان نے چلکار شرح تبادلہ کی پالیسی کا سلسلہ بھی برقرار رکھا۔ گرین بیک کے مقابلے میں روپے کی قیمت میں 9.4% بہتری آئی جو اس مدت کے دوران میں اضافی کرنٹ اکاؤنٹ کے سبب ممکن ہوئی۔ اس کے نتیجے میں اسٹیٹ بینک آف پاکستان کے ذخائر 54% اضافے کے ساتھ 17.8 بلین امریکی ڈالر ہو گئے جب کہ کل لیویڈیڈ غیر ملکی زرمبادلہ (FX) کے ذخائر 36% اضافے کے ساتھ 24.8 بلین امریکی ڈالر ہو گئے۔ معاشی سرگرمیوں کے دوبارہ بڑھنے کے نتیجے میں درآمدات میں اضافے کے باوجود درآمدات کا کور 5 ماہ تک مستحکم رہا۔

ایکیویٹی مارکیٹ کا جائزہ

مالی سال 21 میں KSE 100 انڈیکس میں 37.6% جبکہ KSE 30 اور KMI 30 انڈیکسز میں بالترتیب 27.6% اور 39.3% کا اضافہ ہوا۔ شاندار منافع زیادہ تر پچھلے سال کووڈ کی وجہ سے مارکیٹ میں کمی کے سبب ہے جو رواں مالی سال میں بحال کیا گیا تھا۔

سال کے دوران ٹیکنالوجی اور کمیونیکیشن نے 294% کا منافع دیا جبکہ گلاس اور سرائیکس میں 171% کا اضافہ ہوا۔ اس مدت کے دوران ریٹائرمنٹ، انجینئرنگ، آٹو اسمبلرز، پیپر اینڈ بورڈ اور سیمنٹ وہ دیگر شعبے تھے جن میں سب سے زیادہ اضافہ ہوا۔ فوڈ اینڈ پراسسنگ، آئل اینڈ گیس اور ایکلوپلوریشن اینڈ فرٹیلائزرز سب سے زیادہ کم کارکردگی کا مظاہرہ کرنے والے تھے جن میں بالترتیب -3.2%، -0.4% اور 1.8% کا منافع ہوا۔

مالی سال کے دوران غالب موضوع high beta pro-cyclical اسٹاک تھا جس کو معاشی پھیلاؤ، بڑے پیمانے کی مینوفیکچرنگ میں بڑے اضافے اور خاص طور پر ہاؤسنگ کی جانب سے زیادہ طلب سے فائدہ ہوا۔ موجودہ حکومت کے ہاؤسنگ اور پانی کے ذخائر میں اضافہ (ڈیمیز کی تعمیر کے ذریعے) پر خصوصی توجہ نے تعمیراتی شعبہ سے متعلق اسٹاکس میں تیزی سے اضافہ کیا ہے۔

دوسری طرف روایتی مستحکم کمپنیوں کی کارکردگی میں معمولی کمی دیکھنے میں آئی۔ آمدنی کا جو استحکام مالی سال 17 - مالی سال 19 کی کساد بازاری کے دوران میں اقدار کو سہارا دینے میں معاون رہا، اسی کے سبب ان اسٹاکس میں عدم دلچسپی پیدا ہوئی جب کارپوریٹ آمدنی میں اضافے سے متعلق تشویش نمایاں رہی۔

بازار حصص میں تجارتی ویلیو میں نمایاں بہتری آئی KSE 100 میں ٹریڈنگ کی اوسط ویلیو مالی سال 20 کے 6.1 بلین پاکستانی روپے سے بڑھ کر مالی سال 21 میں 116% کے تاریخی اضافے کے ساتھ 13.2 بلین پاکستانی روپے ہو گئی۔ تجارتی ویلیو میں اس نمایاں اضافے کا سبب 2017 سے ایکویٹیز میں تیزی سے دوبارہ اضافہ ہونا تھا۔

انکم / منی مارکیٹ کا جائزہ

اب تک کے مالی سال کے دوران، اسٹیٹ بینک آف پاکستان (SBP) نے پالیسی ریٹ میں کوئی تبدیلی نہیں کی اور یہ شرح 7% رہی۔ سینٹرل بینک نے پاکستان انویسٹمنٹ بانڈز (PIBs) کی فراہمی میں کمی کی ہے اور جنوری 2021 تک 5 سالہ دستاویز کے نئے اجراء میں بولیاں مسترد کر دی تھیں۔ تاہم، اسٹورنس اور بینکنگ سیکٹر سے خاص طور پر طلب برقرار رہی، اسٹیٹ بینک نے بالآخر 9.52% کی کٹ آف پیداوار پر 5 سالہ دستاویز میں بولیاں قبول کرنا شروع کر دیں۔ اس وقت 5 سالہ PIBs 9.48% پر تجارت کر رہے ہیں۔

وزارت خزانہ اور اسٹیٹ بینک آف پاکستان معاشی ترقی کو ترجیح دینے کے لیے پرعزم ہیں۔ اس کے باوجود کرنٹ اکاؤنٹ اور افراط زر کے بارے میں خدشات برقرار ہیں؛ سرمایہ کاروں نے قلیل مدت میں معمولی شرح سود میں تنجی کی توقعات کی وجہ سے قلیل مدتی ٹریڈری بلوں (T Bills) اور فلوئنگ ریٹ بانڈز میں رہنے کو ترجیح دی ہے۔ زیر جائزہ مدت کے دوران، 3 ماہ، 6 ماہ اور 12 ماہ کے ٹی بلز کے لیے ثانوی مارکیٹ کی پیداوار بالترتیب 7.28%، 7.53% اور 7.81% تک بڑھ گئی ہے۔

مالی سال 2021 کی دوسری سہ ماہی (2QFY21) میں اسلاک منی مارکیٹ نے حکومت پاکستان کے اجارہ سکوک کے اجراء مشاہدہ کیا۔ SBP نے ویری ایبل ریٹیل ریٹ (VRR) اجارہ سکوک میں

JS Pension Savings Fund

335 ملین پاکستانی روپے کی بولیاں منظور کیں کیونکہ سرمایہ کاروں میں فلوٹنگ ریٹ سکوک کو ترجیح دی جاتی رہی۔ مزید برآں، 5 سالہ گلسڈ ریٹیل ریٹ (FRR) اجارہ سکوک کے لیے 33 ملین پاکستانی روپے کی بولیاں موصول ہوئیں، جن میں سے صرف 14 ملین پاکستانی روپے کی بولیاں قبول کی گئیں۔ اس کے مقابلے میں، گزشتہ ماہی میں اجارہ سکوکس کا کوئی نیا اجراء نہیں ہوا تھا۔

فنڈ کی کارکردگی کا جائزہ

فنڈ اہل شرکت کنندگان کی طرف سے حصہ جمع کرانے کے لیے والٹری پنشن سسٹم رولر، 2005 (VPS Rules, 2005) کے تحت 26 جون 2007 کو لانچ کیا گیا جس کا مقصد انہیں ریٹائرمنٹ کے لیے منصوبہ سازی میں مدد اور سہولت فراہم کرنا تھا۔ یہ فنڈ اس اکتین ذیلی فنڈ کا حامل ہے جو اکیویٹی سب فنڈ، ڈیٹ سب فنڈ اور منی مارکیٹ سب فنڈ ہیں۔ 30 جون 2021 کو ختم ہونے والی مدت کے لیے ہر ذیلی فنڈ کا منافع اور خالص اثاثے بمطابق 30 جون 2020 درج ذیل ہیں:

☆ 30 جون 2021 کو ختم ہونے والے سال کے لیے اکیویٹی سب فنڈ کا منافع 37.58% رہا۔ 30 جون 2021 کو خالص اثاثہ جات 180 ملین روپے (30 جون 2020) سے 217 ملین روپے پر پہنچ گئے۔

☆ 30 جون 2021 کو ختم ہونے والے سال کے لیے ڈیٹ سب فنڈ کا منافع 6.10% رہا۔ 30 جون 2021 کو خالص اثاثہ جات 199 ملین روپے (30 جون 2020) سے 236 ملین روپے پر پہنچ گئے۔

☆ 30 جون 2021 کو ختم ہونے والے سال کے لیے منی مارکیٹ سب فنڈ کا منافع 6.34% رہا۔ 30 جون 2021 کو خالص اثاثہ جات 201 ملین روپے (30 جون 2020) سے 258 ملین روپے پر پہنچ گئے۔

30 جون 2021 کو فنڈ کے 203 شرکت کنندگان ہیں۔

پینشن فنڈ مینجر ریٹنگ

پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) نے جے ایس اوٹومٹس لمیٹڈ کو "AM 2" (اے ایم ٹو) کی مینجمنٹ کوالٹی ریٹنگ "stable" امکانات کے ساتھ تفویض کی ہے۔ یہ ریٹنگ مینجمنٹ کے اعلیٰ معیار کی نشاندہی کرتی ہے۔

آڈیٹرز

ریٹائر ہونے والے بیرونی آڈیٹرز میسرز ایف فرگوسن، چارٹرڈ اکاؤنٹنٹس اہلیت کی بنیاد پر خود کو دوبارہ تقرری کے لیے پیش کرتے ہیں۔ بورڈ آف ڈائریکٹرز نے، آڈٹ کمیٹی کی تجویز پر، میسرز ایف فرگوسن، چارٹرڈ اکاؤنٹنٹس کی 30 جون 2022 کو ختم ہونے والے سال کے لیے تقرری کی منظوری دی۔

بورڈ آف ڈائریکٹرز

مدت کے دوران محترمہ عفت زہرہ منکانی نے جناب حسین رضا نیسی کی جگہ کمیٹی کی چیف ایگزیکٹو آفیسر کی حیثیت سے شمولیت اختیار کی۔ اس کے علاوہ جناب سید توقیر حیدر رضوی، جناب باہر اوجا اور جناب کامران جعفر بورڈ سے مستعفی ہو گئے جبکہ جناب سلیمان لالانی، جناب حلیم شیخ، جناب زاہد اللہ خان اور جناب مرزا ایم سادید ایچ برلاس کو بالترتیب ان کی جگہ ڈائریکٹر مقرر کیا گیا۔

یونٹ ہولڈنگ کا نمونہ

کل سرمایہ کاری	میزان (روپے ملین میں)	منی مارکیٹ سب فنڈ			ڈیٹ سب فنڈ			اکیویٹی سب فنڈ			کمیٹری
		(روپے ملین میں)	ملکیتی یونٹ کی تعداد	یونٹ ہولڈرز کی تعداد	(روپے ملین میں)	ملکیتی یونٹ کی تعداد	یونٹ ہولڈرز کی تعداد	(روپے ملین میں)	ملکیتی یونٹ کی تعداد	یونٹ ہولڈرز کی تعداد	
69.39	494.07	207.92	830,001	157	176.68	568,533	170	109.47	220,328	61	انفرادی
4.05	28.81	5.74	22,912	1	17.22	55,413	1	5.85	11,772	1	ڈائریکٹرز اور ان کی اہلیہ
26.56	189.09	44.46	177,463	1	42.68	137,349	1	101.95	205,210	1	غیر بینکنگ فنانس کمپنیاں
100.00	711.97	258.12	1,030,376	159	236.58	761,295	172	217.27	437,310	63	



JS Pension Savings Fund

اضافی معاملات

۱۔ اندرونی کنٹرول کا نظام ساخت کے اعتبار سے مضبوط ہے اور اس پر موثر اطلاق اور نگرانی کی جاتی ہے۔
ب۔ پینشن فنڈ کا کارکردگی کا ٹیبیل / اہم مالیاتی معلومات اس مالیاتی گوشوارے کے ضمیمہ 1 میں دی گئی ہیں۔

اہم معاملات

- 30 جون 2021 کو ختم ہونے والے سال کے بعد، سندھ ریونیو بورڈ (ایس۔ آر۔ بی) نے 12 اگست 2021 کے اپنے خط کے ذریعے ایم یو ایف اے پی کو آگاہ کیا ہے کہ میوچل فنڈز مالیاتی ادارے / صنعتی ادارے کے طور پر اہل نہیں ہیں اور اس وجہ سے وہ سندھ ورکرز ویلفیئر فنڈ (SWWF) کی شراکت ادائیگی کے ذمہ دار نہیں ہیں۔ اس ترقی پر MUFAP کی سطح پر تبادلہ خیال کیا گیا اور اسے سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کے ساتھ بھی اٹھایا گیا ہے اور ایس ای سی پی کے ساتھ مشاورت کے ساتھ تمام اثاثہ جات مینجمنٹ کمپنیوں نے فنڈ کے SWWF کو 13 اگست 2021 کے مالی بیانات میں تسلیم شدہ مجموعی فراہمی کو الٹ دیا ہے۔ ایس ای سی پی نے ڈبلیو ڈبلیو ایف کی فراہمی کی ممکنہ الٹ پلٹ کے لئے اپنی رضامندی دی ہے، اس کے مطابق، آگے بڑھتے ہوئے فنڈ کے مالی بیان میں ڈبلیو ڈبلیو ایف کے لئے کوئی شق تسلیم نہیں کی جائے گی۔

- 22 ستمبر 2021 کو بورڈ نے مالیاتی بیانات میں (SWWF) کے ممکنہ الٹ سے متعلق نوٹ 10.1 شامل کرنے کی منظوری دی۔

- سندھ ٹرسٹس ایکٹ 2020 (تیم شدہ بذریعہ سندھ ٹرسٹس (تیم شدہ) ایکٹ 2021 ("دی ایکٹ") کے نفاذ سے ٹرسٹس بشمول اجتماعی انویسٹمنٹ اسکیمز، پرائیویٹ فنڈز وغیرہ کو ایکٹ کے سیکشن 12 A کے تحت خصوصی ٹرسٹس ہونے کی بناء پر اسٹینڈ ڈائریکٹرز آف انڈسٹریز اینڈ کامرس (ٹرسٹ ونگ)، حکومت سندھ کے ساتھ رجسٹر ہونا لازمی ہے۔ اس مقصد کیلئے مینجمنٹ کمپنیوں کے درمیان تمام فنڈز کی دوبارہ تشکیل کی گئی ٹرسٹ ڈیڈز مکمل کر لی گئی ہیں اور ٹرسٹیز ارتمام متعلقہ ٹرسٹ ڈیڈز مع ضروری دستاویزات اسٹینڈ ڈائریکٹرز آف انڈسٹریز اینڈ کامرس (ٹرسٹ ونگ)، حکومت سندھ کے پاس جمع کرا دی گئی ہیں۔

اظہار تشکر

ڈائریکٹرز پیش قدمی، مدد اور رہنمائی پر سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) اور سینٹرل ڈپازٹری کمیٹی آف پاکستان لمیٹڈ (CDCPL) سے اظہار تشکر کرتے ہیں۔ بورڈ لگن اور محنت پر پینشن فنڈ مینجیجر کے ملازمین اور انتظامیہ پر اعتماد پر یونٹ ہولڈرز کا بھی شکریہ ادا کرتا ہے۔

ڈائریکٹروں کی رپورٹ کو ابتدائی طور پر 21 اگست 2021 کو مینجمنٹ کمیٹی کے بورڈ آف ڈائریکٹرز نے منظور کیا 22 ستمبر 2021 کو مزید ترمیم کی تاکہ بعد کے ایونٹ کو شامل کیا جاسکے جیسا کہ مذکورہ بالا اہم معاملے میں ظاہر کیا گیا ہے جو کہ SWWF پر دوپڑ ٹنگ سے متعلق ہے۔

ڈائریکٹر

چیف ایگزیکٹو آفیسر

کراچی:



**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:
CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shakra-e-Faisal
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TRUSTEE REPORT TO THE PARTICIPANTS

JS PENSION SAVINGS FUND

Report of the Trustee pursuant to Rule 31(h) of the Voluntary Pension System Rules, 2005

We, Central Depository Company of Pakistan Limited, being the Trustee of JS Pension Savings Fund (the Fund) are of the opinion that JS Investments Limited being the Pension Fund Manager of the Fund has in all material respects managed the Fund during the year ended June 30, 2021 in accordance with the provisions of the constitutive documents of the Fund and the Voluntary Pension System Rules, 2005.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, September 23, 2021





AUDITOR'S REPORT TO THE PARTICIPANTS OF JS PENSION SAVINGS FUND

We have audited the annexed financial statements comprising:

- i. Statement of Assets and Liabilities;
- ii. Income Statement;
- iii. Statement of Comprehensive Income;
- iv. Cash Flow Statement; and
- v. Statement of Movement in Participants' Sub-Funds

of JS Pension Savings Fund (the Fund) as at and for the year ended June 30, 2021 together with the notes to and forming part thereof for the year then ended.

It is the responsibility of the Pension Fund Manager to establish and maintain a system of internal control and prepare and present the financial statements of the Fund in conformity with the accounting and reporting standards as applicable in Pakistan and the requirements of the Voluntary Pension System Rules, 2005. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards as applicable in Pakistan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- a) the financial statements prepared for the year ended June 30, 2021 have been properly drawn in accordance with the relevant provisions of the trust deed and the Voluntary Pension System Rules, 2005 including the guidelines thereunder;
- b) a true and fair view is given of the disposition of the Fund as at June 30, 2021 and of the transactions of the Fund for the year then ended;
- c) the allocation and reallocation of units of the sub-funds for all the participants have been made according to the Voluntary Pension System Rules, 2005;
- d) the cost and expenses debited to the Fund and apportionment of expenses between sub-funds are as specified in the constitutive documents of the Fund;
- e) proper books and records have been kept by the Fund and the financial statements prepared are in agreement with the Fund's books and records;



A.F.FERGUSON & Co.

- f) 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; and
- g) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

A.F. Ferguson & Co

Chartered Accountants

Engagement Partner: **Noman Abbas Sheikh**

Date: September 30, 2021

Karachi

*A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
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■ KARACHI ■ LAHORE ■ ISLAMABAD



FINANCIAL STATEMENTS



JS Pension Savings Fund

STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2021

Note	June 30, 2021				June 30, 2020				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	
(Rupees)				(Rupees)					
Assets									
Bank balances	4	6,763,096	44,628,860	239,487,752	290,879,708	5,036,781	4,442,612	64,786,476	74,265,869
Investments	5	214,744,020	193,378,241	20,172,327	428,294,588	177,631,452	195,009,432	138,376,146	511,017,030
Security deposit with Central Depository Company of Pakistan Limited		100,000	100,000	100,000	300,000	100,000	100,000	100,000	300,000
Advance, dividend and profit receivables	6	361,651	1,474,085	879,874	2,715,610	328,497	1,893,491	435,073	2,657,061
Total assets		221,968,767	239,581,186	260,639,953	722,189,906	183,096,730	201,445,535	203,697,695	588,239,960
Liabilities									
Payable to JS Investments Limited - Pension Fund Manager	7	1,278,124	1,327,459	1,035,579	3,641,162	1,212,805	1,309,581	998,095	3,520,481
Payable to Central Depository Company of Pakistan Limited - Trustee	8	31,640	33,054	35,736	100,430	27,311	28,278	27,197	82,786
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)	9	69,769	72,365	76,189	218,323	59,577	64,774	59,505	183,856
Accrued expenses and other liabilities	10	3,318,499	1,567,595	1,370,370	6,256,464	2,020,137	1,285,372	1,687,576	4,993,085
Total liabilities		4,698,032	3,000,473	2,517,874	10,216,379	3,319,830	2,688,005	2,772,373	8,780,208
Net assets		217,270,735	236,580,713	258,122,079	711,973,527	179,776,900	198,757,530	200,925,322	579,459,752
Contingencies and commitments	13								
Participants' Sub-Funds (as per the statement attached)		217,270,735	236,580,713	258,122,079	711,973,527	179,776,900	198,757,530	200,925,322	579,459,752
		----- (Number of units) -----			----- (Number of units) -----				
Number of units in issue	11	437,310	761,295	1,030,376		497,834	678,605	852,884	
		----- (Rupees) -----			----- (Rupees) -----				
Net asset value per unit		496.83	310.76	250.51		361.12	292.89	235.58	

The annexed notes from 1 to 25 form an integral part of these financial statements.

For JS Investments Limited
(Pension Fund Manager)

Chief Executive Officer

Chief Financial Officer

Director



JS Pension Savings Fund

INCOME STATEMENT

For the year ended June 30, 2021

Note	June 30, 2021				June 30, 2020				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	
(Rupees)				(Rupees)					
Income									
Profit / mark-up income	14	743,553	17,054,802	16,459,700	34,258,055	1,492,173	24,620,756	22,509,310	48,622,239
Dividend income		6,893,855	-	-	6,893,855	8,819,538	-	-	8,819,538
Gain / (loss) on sale of investments - net		24,314,845	(1,874,917)	(58,853)	22,381,075	(6,255,456)	3,824,534	338,587	(2,092,335)
Unrealised gain / (loss) on revaluation of investments classified as at fair value through profit or loss - net	5.8	37,695,331	(54,318)	-	37,641,013	(7,990,385)	(1,982,894)	579,470	(9,393,809)
Total income / (loss)		69,647,584	15,125,567	16,400,847	101,173,998	(3,934,130)	26,462,396	23,427,367	45,955,633
Expenses									
Remuneration of JS Investments Limited - Pension Fund Manager	7.1	3,142,700	1,086,551	1,150,696	5,379,947	2,683,636	972,577	893,460	4,549,673
Sindh sales tax on remuneration of the Pension Fund Manager	7.2	408,551	141,252	149,590	699,393	348,873	126,435	116,150	591,458
Remuneration of Central Depository Company of Pakistan Limited - Trustee	8.1	318,172	326,313	345,582	990,067	268,357	291,765	268,030	828,152
Sindh sales tax on remuneration of the Trustee	8.2	41,362	42,421	44,926	128,709	34,886	37,929	34,844	107,659
Annual fee to the Securities and Exchange Commission of Pakistan	9	69,794	72,389	76,214	218,397	59,602	64,800	59,530	183,932
Auditors remuneration	15	120,974	120,973	120,973	362,920	104,746	104,745	104,745	314,236
Securities' transaction cost		756,197	22,391	325	778,913	1,278,733	23,520	1,050	1,303,303
Bank, settlement and other charges		27,742	17,619	14,199	59,560	69,765	78,137	45,934	193,836
Others		-	-	-	-	1,213	1,231	1,232	3,676
Total expenses		4,885,492	1,829,909	1,902,505	8,617,906	4,849,811	1,701,139	1,524,975	8,075,925
Net income / (loss) from operating activities		64,762,092	13,295,658	14,498,342	92,556,092	(8,783,941)	24,761,257	21,902,392	37,879,708
Provision for Sindh Workers' Welfare Fund	10.1	1,295,242	265,913	289,967	1,851,122	-	495,225	438,048	933,273
Net income / (loss) for the year before taxation		63,466,850	13,029,745	14,208,375	90,704,970	(8,783,941)	24,266,032	21,464,344	36,946,435
Taxation	16	-	-	-	-	-	-	-	-
Net income / (loss) for the year after taxation		63,466,850	13,029,745	14,208,375	90,704,970	(8,783,941)	24,266,032	21,464,344	36,946,435

For JS Investments Limited
(Pension Fund Manager)

Chief Executive Officer

Chief Financial Officer

Director



JS Pension Savings Fund

STATEMENT OF COMPREHENSIVE INCOME

For the year ended June 30, 2021

	June 30, 2021				June 30, 2020			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Rupees)				(Rupees)			
Net income / (loss) for the year after taxation	63,466,850	13,029,745	14,208,375	90,704,970	(8,783,941)	24,266,032	21,464,344	36,946,435
Other comprehensive income for the year	-	-	-	-	-	-	-	-
Total comprehensive income / (loss) for the year	63,466,850	13,029,745	14,208,375	90,704,970	(8,783,941)	24,266,032	21,464,344	36,946,435

The annexed notes from 1 to 25 form an integral part of these financial statements.

For JS Investments Limited
(Pension Fund Manager)

Chief Executive Officer

Chief Financial Officer

Director



JS Pension Savings Fund

STATEMENT OF CASH FLOW

For the year ended June 30, 2021

Note	June 30, 2021				June 30, 2020			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
(Rupees)								
CASH FLOWS FROM OPERATING ACTIVITIES								
	63,466,850	13,029,745	14,208,375	90,704,970	(8,783,941)	24,266,032	21,464,344	36,946,435
	Net income / (loss) for the year before taxation							
Adjustments for:								
	(37,695,331)	54,318	-	(37,641,013)	7,990,385	1,982,894	(579,470)	9,393,809
5.8	Unrealised (gain) / loss on revaluation of investments classified as at fair value through profit or loss - net							
	(37,695,331)	54,318	-	(37,641,013)	7,990,385	1,982,894	(579,470)	9,393,809
	25,771,519	13,084,063	14,208,375	53,063,957	(793,556)	26,248,926	20,884,874	46,340,244
(Increase) / decrease in assets								
	582,763	124,024,150	68,149,849	192,756,762	(19,383,465)	(160,764,707)	(80,790,060)	(260,938,232)
	(33,154)	419,406	(444,801)	(58,549)	595,996	(1,176,706)	510,777	(69,933)
	549,609	124,443,556	67,705,048	192,698,213	(18,787,469)	(161,941,413)	(80,279,283)	(261,008,165)
	Investments - net							
	Advance, dividend and profit receivables							
Increase / (decrease) in liabilities								
	65,319	17,878	37,484	120,681	(3,662)	14,742	12,008	23,088
	Payable to JS Investments Limited - Pension Fund Manager							
	4,329	4,776	8,539	17,644	410	4,526	3,564	8,500
	Payable to Central Depository Company of Pakistan Limited - Trustee							
	10,192	7,591	16,684	34,467	(8,711)	7,005	11,811	10,105
	Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)							
	1,298,362	282,223	(317,206)	1,263,379	6,908	503,595	1,080,408	1,590,911
	1,378,202	312,468	(254,499)	1,436,171	(5,055)	529,868	1,107,791	1,632,604
	Accrued expenses and other liabilities							
	27,699,330	137,840,087	81,658,924	247,198,341	(19,586,080)	(135,162,619)	(58,286,618)	(213,035,317)
	Net cash flows generated from / (used in) operating activities							
CASH FLOWS FROM FINANCING ACTIVITIES								
	8,687,145	47,620,648	54,337,740	110,645,533	11,413,747	31,925,050	36,764,621	80,103,418
	Amount received on issuance of units							
	(27,861,338)	9,400,461	18,460,877	-	7,388,916	(1,657,326)	(5,731,590)	-
	Reallocation of units among funds							
	(6,798,822)	(32,227,671)	(29,810,235)	(68,836,728)	(5,675,520)	(24,697,492)	(21,521,518)	(51,894,530)
	Amount paid on redemption of units							
	(25,973,015)	24,793,438	42,988,382	41,808,805	13,127,143	5,570,232	9,511,513	28,208,888
	Net cash flows (used in) / generated from financing activities							
	1,726,315	162,633,525	124,647,306	289,007,146	(6,458,937)	(129,592,387)	(48,775,105)	(184,826,429)
	Increase / (decrease) in cash and cash equivalents during the year							
	5,036,781	4,442,612	114,840,446	124,319,839	11,495,718	134,034,999	163,615,551	309,146,268
	Cash and cash equivalents at the beginning of the year							
	6,763,096	167,076,137	239,487,752	413,326,985	5,036,781	4,442,612	114,840,446	124,319,839
	Cash and cash equivalents at the end of the year							

The annexed notes from 1 to 25 form an integral part of these financial statements.

For JS Investments Limited
(Pension Fund Manager)

Chief Executive Officer

Chief Financial Officer

Director

STATEMENT OF MOVEMENT IN PARTICIPANTS' SUB-FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

Note	June 30, 2021				June 30, 2020				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	
	(Rupees)				(Rupees)				
Net assets at the beginning of the year	179,776,900	198,757,530	200,925,322	579,459,752	175,433,698	168,921,266	169,949,465	514,304,429	
Issuance of units	12	8,687,145	47,620,648	54,337,740	110,645,533	11,413,747	31,925,050	36,764,621	80,103,418
Redemption of units	11	(6,798,822)	(32,227,671)	(29,810,235)	(68,836,728)	(5,675,520)	(24,697,492)	(21,521,518)	(51,894,530)
Reallocation of units among funds	11	(27,861,338)	9,400,461	18,460,877	-	7,388,916	(1,657,326)	(5,731,590)	-
		(25,973,015)	24,793,438	42,988,382	41,808,805	13,127,143	5,570,232	9,511,513	28,208,888
Unrealised gain / (loss) on revaluation of investments classified as at fair value through profit or loss - net		37,695,331	(54,318)	-	37,641,013	(7,990,385)	(1,982,894)	579,470	(9,393,809)
Gain / (loss) on sale of investments - net		24,314,845	(1,874,917)	(58,853)	22,381,075	(6,255,456)	3,824,534	338,587	(2,092,335)
Other income for the year - net		1,456,674	14,958,980	14,267,228	30,682,882	5,461,900	22,424,392	20,546,287	48,432,579
Total comprehensive income / (loss) for the year		63,466,850	13,029,745	14,208,375	90,704,970	(8,783,941)	24,266,032	21,464,344	36,946,435
Net assets at the end of the year		217,270,735	236,580,713	258,122,079	711,973,527	179,776,900	198,757,530	200,925,322	579,459,752

The annexed notes from 1 to 25 form an integral part of these financial statements.

For JS Investments Limited
(Pension Fund Manager)

Chief Executive Officer

Chief Financial Officer

Director



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** JS Pension Savings Fund (the Fund) was established under a Trust deed executed between JS Investments Limited as the Pension Fund Manager (the PFM) and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was approved by the Securities and Exchange Commission of Pakistan (the SECP) on June 14, 2007 and was executed on October 06, 2016 under the Voluntary Pension System Rules, 2005 (the VPS Rules). The Fund was authorised by the SECP as a Pension Fund on January 07, 2007. The Pension Fund Manager of the Fund has been licensed to act as a Pension Fund Manager under the VPS rules through a certificate of registration issued by the SECP. The registered office of the Pension Fund Manager is situated at The Centre, 19th floor, Plot No. 28, SB-2, Saddar Town, Karachi, Pakistan.
- 1.2** The Fund is an open end mutual fund and offers units for public subscription on a continuous basis. The units are non-transferable except in the circumstances mentioned in the Voluntary Pension System Rules, 2005 and can be redeemed by surrendering them to the Fund. Further, as per the offering document, the Fund shall not distribute any income or dividend from the Fund whether in cash or otherwise from any of the sub funds.
- 1.3** The objective of the Fund is to provide a secure source of savings and retirement income to individuals. It is a portable pension scheme allowing individuals the flexibility of contributions and portfolio customisation through allocation of such contributions in equity and fixed income investment avenues suited to their specific needs and risk profile.
- 1.4** Title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as Trustee of the Fund.
- 1.5** The Trust Act, 1882 has been repealed due to promulgation of Provincial Trust Act "Sindh Trusts Act, 2020" as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration under the Trust Act have been introduced. The Pension Fund Manager to fulfil the requirement for registration of Trust Deed under Sindh Trusts Act, 2020 has submitted the Collective Investment Scheme Trust Deed to the Registrar (acting under Sindh Trusts Act, 2020) .
- 1.6** Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of 'AM2' (stable) (June 30, 2020: 'AM2' (Stable) dated December 31, 2019) dated September 1, 2020 to the Pension Fund Manager.
- 1.7** The Fund consists of three sub-funds namely, JS Pension Savings Fund Equity Sub-Fund (Equity Sub-Fund), JS Pension Savings Fund Debt Sub-Fund (Debt Sub-Fund) and JS Pension Savings Fund Money Market Sub-Fund (Money Market Sub-Fund) (collectively the "Sub-Funds"). Investment policy for each of the sub-funds are as follows:

Equity Sub-Fund

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



JS Pension Savings Fund

Debt Sub-Fund

The Debt Sub-Fund shall consist of debt securities and such other assets as specified herein below. The weighted average time to maturity of securities held in the portfolio of a Debt Sub-Fund shall not exceed five (5) years. At least twenty five per cent (25%) Net Assets of the Debt Sub-Fund shall be invested in debt securities issued by the Federal Government and up to 25% may be deposited with banks having not less than "AA plus" rating with stable outlook so that both these investments shall make up a minimum fifty per cent (50%) of net assets of a Debt Sub-Fund. Deposits in a single bank shall not exceed twenty per cent (20%) of Net Assets of the Debt Sub-Fund.

Money Market Sub-Fund

The weighted average time to maturity of net assets of a Money Market Sub-Fund shall not exceed ninety (90) days. Time to maturity of any asset in the portfolio of Money Market Sub-Fund shall not exceed six (6) months. There shall be no limit with respect to investment in the Federal Government securities. Furthermore, there shall be no limits for deposits with commercial banks having "A Plus" or higher rating provided that deposit with any one bank shall not exceed twenty per cent 20% of net assets of a Money Market Sub-Fund.

1.8 The Fund offers four types of allocation schemes, as prescribed by the SECP under VPS Rules 2005 vide its Circular no. 36 of 2009 dated December 10, 2009, to the participants of the Fund, namely High Volatility, Medium Volatility, Low Volatility and Lower Volatility. The participant has an option to suggest a minimum percentage of allocation to the above allocation schemes (subject to the minimum percentages prescribed in the offering document). Based on the minimum allocation, the Funds are allocated to the above stated Sub-Funds. The allocation to the sub-funds has to be done at the date of the opening of the participant's pension account and on an anniversary date thereafter. The contribution amount may be paid by the participant on a periodic basis such as annual, semi annual, quarterly or monthly basis within 5 days of the close of the period.

2. BASIS OF PRESENTATION

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS 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
- Voluntary Pension System Rules, 2005 (the VPS Rules) and the requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance, 1984, the VPS rules and the requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance, 1984, the VPS rules and requirements of the Trust Deed have been followed.

2.2 Standards, Interpretations and amendments to published accounting and reporting standards that are effective in the current year

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's accounting period beginning on or after July 1, 2020. However, these do not have any significant impact on the Fund's financial operations and, therefore, have not been detailed in these financial statements.

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

2.3.1 The following amendments would be effective from the dates mentioned below against the respective amendment:

Amendment	Effective date (accounting period beginning on or after)
IAS 1 - 'Presentation of financial statements' (amendment)	January 1, 2023
IAS 8 - 'Accounting policies, change in accounting estimates and errors' (amendment)	January 1, 2023

These amendments may impact the financial statements of the Fund on adoption. The Management is currently in the process of assessing the full impact of these amendments on the financial statements of the Fund.

There are certain other standards, amendments and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2021 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are therefore not disclosed in these financial statements.



2.4 Critical accounting estimates and judgments

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

The areas involving a degree of judgment or complexity, or areas where estimates and assumptions are significant to the financial statements relate to classification, valuation and impairment of financial assets (notes 3.2 and 5), provision for SWWF (note 10.1), provision for FED and sales tax (note 7.3) and provision for taxation (notes 3.6 and 16).

2.5 Accounting convention

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

2.6 Functional and presentation currency

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Cash and cash equivalents

Cash and cash equivalents comprise of bank balances and short term highly liquid investments with original maturity of three months or less which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

3.2 Financial assets

3.2.1 Initial recognition and measurement

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

3.2.2 Classification and subsequent measurement

3.2.2.1 Debt instruments

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

- at amortised cost
- at fair value through other comprehensive income (FVOCI)
- at fair value through profit or loss (FVTPL) based on the business model of the entity

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

3.2.2.2 Equity instruments

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

All equity investments are required to be measured in the statement of assets and liabilities at fair value, with gains and losses recognised in the income statement, except where an irrevocable election has been made at the time of initial recognition to measure the investment at FVOCI. The equity sub-fund is required to invest at least 90 percent of its assets in equity securities and the management has not opted for the irrevocable option. Therefore, the equity sub-fund investments in equity securities are being classified as FVTPL.



JS Pension Savings Fund

The dividend income for equity securities is recognised in the income statement.

Since all investments in equity instruments have been designated as FVTPL, the subsequent movement in the fair value of equity securities is routed through the income statement.

3.2.3 Impairment

The Fund assesses on a forward-looking basis the expected credit losses (ECL) associated with its financial assets (other than debt instruments as per Circular 33 of 2012) carried at amortised cost and FVOCI. The Fund recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

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

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

3.2.4 Impairment loss on debt securities

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

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

3.2.5 Regular way contracts

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

3.2.6 Derecognition

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

3.3 Financial liabilities

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

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

3.4 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are only offset and the net amount reported in the statement of assets and liabilities when there is a legally enforceable right to set off the recognised amount and the Fund intends to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

3.5 Provisions

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



JS Pension Savings Fund

3.6 Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxes after taking into account tax credits and rebates, if any. The charge for current tax is calculated using the prevailing tax rates.

The income of the Fund is exempt from taxation under clause 57 (3) (viii) of the Part I of the Second Schedule to the Income Tax Ordinance, 2001.

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

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit.

The deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on enacted tax rates.

3.7 Revenue recognition

- Interest on saving accounts with banks is recognised on a time proportion basis using the effective yield method.
- Income on sukuk certificates, term finance certificates, debt securities, commercial papers and Government securities is recognised on a time proportion basis using the effective yield method.
- Dividend income is recognised when the right to receive the dividend is established. i.e. on the date of commencement of book closure of the investee company declaring the dividend.
- Gains / (losses) arising on sale of investments classified as financial asset 'at fair value through profit and loss' are recognised in the income statement in the year in which the transaction takes place.
- Unrealised gains / (losses) arising on revaluation of investments classified as financial assets at fair value through profit or loss are included in the income statement in the year in which they arise.

3.8 Expenses

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

3.9 Issue, allocation, reallocation and redemption of units

Contribution received in the individual pension account after deduction of applicable front end fee is used to purchase the units of sub-funds of the pension fund according to the allocation scheme selected by the participant. The units are allotted at the net asset value notified by the Pension Fund Manager at the close of the business day for each sub-fund on the date on which funds are actually realised against application. The front end fee is payable to the distributors and the Pension Fund Manager.

The Pension Fund Manager makes reallocation of the sub-fund units between the sub-funds at least once a year to ensure that the allocation of the sub-fund units of all the participants are according to the allocation schemes selected by the participants. In case of withdrawal before retirement, units are redeemed at the net asset value of each of the Sub-Fund as of the close of the business day on which such request is received by the distributor before the cut off time. Redemption of units is recorded on acceptance of application for redemption.

In case of retirement of the participant, units are redeemed at the net asset value of each of the sub-fund as of the close of the business day on which retirement age is reached.

A participant can transfer his individual pension account with the Pension Fund Manager to another Pension Fund Manager or from one pension fund to another pension fund. Units are redeemed at the net asset value of each of the sub-fund as of the close of the business day corresponding to the date of change specified by the participant in accordance with the VPS Rules.

JS Pension Savings Fund

3.10 Net asset value (NAV) per unit

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

3.11 Earnings / (loss) per unit

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

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

3.12 Foreign currency translation

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

4 BANK BALANCES

Note	June 30, 2021				June 30, 2020				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	
	(Rupees)				(Rupees)				
Saving accounts	4.1	6,763,096	44,628,860	239,487,752	290,879,708	5,036,781	4,442,612	64,786,476	74,265,869
		<u>6,763,096</u>	<u>44,628,860</u>	<u>239,487,752</u>	<u>290,879,708</u>	<u>5,036,781</u>	<u>4,442,612</u>	<u>64,786,476</u>	<u>74,265,869</u>

- 4.1 These include balances held in Equity Sub-Fund amounting to Rs. 1.23 million (June 30, 2020: Rs. 4.54 million) and Money Market Sub-Fund amounting to Rs. 0.38 million (June 30, 2020: Rs. 40.68 million) carrying profit at the rate of 7.00% (June 30, 2020: 8%) per annum with JS Bank Limited (a related party). These also include a balance held in Money Market Sub-Fund amounting to Rs. 0.0003 million (June 30, 2020: Rs. 0.017 million) carrying profit at the rate of 6.5% (June 30, 2020: 6%) with BankIslami Limited (a related party). Other profit and loss sharing accounts carry profit rates ranging from 5% to 7% (June 30, 2020: 6% to 8%) per annum.

5 INVESTMENTS

Note	June 30, 2021				June 30, 2020				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	
	(Rupees)				(Rupees)				
At fair value through profit or loss									
Listed equity securities	5.1	214,744,020	-	214,744,020	177,631,452	-	-	177,631,452	
Government securities	5.2	-	144,131,817	-	144,131,817	125,766,287	138,376,146	264,142,433	
GOP Ijara - Sukuk	5.3	-	-	-	-	48,500,000	-	48,500,000	
Listed debt securities	5.4	-	1,993,057	-	1,993,057	3,999,375	-	3,999,375	
Unlisted debt securities	5.5	-	31,860,950	-	31,860,950	16,743,770	-	16,743,770	
Commercial papers	5.6	-	15,392,417	20,172,327	35,564,744	-	-	-	
		<u>214,744,020</u>	<u>193,378,241</u>	<u>20,172,327</u>	<u>428,294,588</u>	<u>177,631,452</u>	<u>195,009,432</u>	<u>138,376,146</u>	<u>511,017,030</u>



JS Pension Savings Fund

5.1 Listed equity securities - at fair value through profit or loss

5.1.1 Equity Sub-Fund

(Ordinary shares have a face value of Rs.10/- each unless otherwise stated)

Name of Investee Company	As at July 1, 2020	Purchased during the year	Right/ Bonus received during the year	Sold during the year	As at June 30, 2021	Carrying value as at June 30, 2021	Market value / carrying value as at June 30, 2021	Unrealised gain / (loss)	Market Value as a percentage of		Paid-up value of shares held as a percentage of total paid-up capital of the investee company
									net assets of the Sub-Fund	total investments of the Sub-Fund	
----- (Number of shares) -----						----- (Rupees) -----			----- % -----		
Automobile Assembler											
Honda Atlas Cars (Pakistan) Limited	20,000	18,000	-	38,000	-	-	-	-	-	-	-
Pak Suzuki Motor Company Limited	-	34,000	-	34,000	-	-	-	-	-	-	-
Automobile Parts and Accessories											
Agriauto Industries Limited (face value of Rs. 5 each)	-	2,500	-	550	1,950	409,500	535,061	125,561	0.25%	0.25%	0.01%
						409,500	535,061	125,561	0.25%	0.25%	0.01%
Cement											
Cherat Cement Company Limited	89,000	-	-	22,000	67,000	5,840,390	11,884,460	6,044,070	5.47%	5.53%	0.03%
D.G. Khan Cement Company Limited	24,500	29,500	-	27,000	27,000	3,581,020	3,183,840	(397,180)	1.47%	1.48%	0.01%
Lucky Cement Limited *	19,000	-	-	4,900	14,100	6,508,278	12,174,504	5,666,226	5.60%	5.67%	-
Maple Leaf Cement Factory Limited	171,000	-	-	90,000	81,000	2,104,380	3,805,380	1,701,000	1.75%	1.77%	0.01%
Pioneer Cement Limited	144,000	-	-	63,000	81,000	5,106,240	10,616,670	5,510,430	4.89%	4.94%	0.04%
						23,140,308	41,664,854	18,524,546	19.18%	19.39%	0.09%
Chemicals											
Berger Paints Pakistan Limited	-	50,000	-	50,000	-	-	-	-	-	-	-
I.C.I Pakistan Limited	8,000	-	-	2,100	5,900	4,098,789	5,125,920	1,027,131	2.36%	2.39%	0.01%
Ittehad Chemical Limited	-	88,000	-	88,000	-	-	-	-	-	-	-
Engro Polymer & Chemicals Limited	-	176,500	-	24,000	152,500	7,189,150	7,204,100	14,950	3.32%	3.35%	0.02%
						11,287,939	12,330,020	1,042,081	5.68%	5.74%	0.03%
Commercial Banks											
Allied Bank Limited	47,500	-	-	47,500	-	-	-	-	-	-	-
Askari Bank Limited	-	221,500	-	221,500	-	-	-	-	-	-	-
Bank Alfalah Limited	186,700	-	-	186,700	-	-	-	-	-	-	-
Bank of Punjab	-	523,000	-	523,000	-	-	-	-	-	-	-
Faysal Bank Limited *	3,709	-	-	-	3,709	51,667	62,942	11,275	0.03%	0.03%	-
Habib Bank Limited	107,500	9,900	-	29,000	88,400	8,821,458	10,817,508	1,996,050	4.98%	5.04%	0.01%
Habib Metropolitan Bank Limited	-	131,500	-	4,000	127,500	5,227,466	5,176,500	(50,966)	2.38%	2.41%	0.01%
MCB Bank Limited *	52,500	25,000	-	58,500	19,000	3,325,000	3,036,770	(288,230)	1.40%	1.41%	-
United Bank Limited	78,300	88,000	-	91,500	74,800	9,344,661	9,140,560	(204,101)	4.21%	4.26%	0.01%
						26,770,252	28,234,280	1,464,028	13.00%	13.15%	0.03%
Engineering											
Aisha Steel Mills Limited	-	529,000	-	177,500	351,500	4,507,941	8,755,865	4,247,924	4.03%	4.08%	0.05%
International Steels Limited	-	68,000	-	-	68,000	6,571,340	6,351,880	(219,460)	2.92%	2.96%	0.02%
Mughal Iron and Steel Industries Limited	-	132,000	18,080	30,000	120,080	9,908,462	12,536,352	2,627,890	5.77%	5.84%	0.05%
						20,987,743	27,644,097	6,656,354	12.72%	12.88%	0.12%

*Nil Figures due to rounding off.

JS Pension Savings Fund

Name of Investee Company	As at July 1, 2020	Purchased during the year	Right/ Bonus received during the year	Sold during the year	As at June 30, 2021	Carrying value as at June 30, 2021	Market value / carrying value as at June 30, 2021	Unrealised gain / (loss)	Market Value as a percentage of		Paid-up value of shares held as a percentage of total paid-up capital of the investee company
									net assets of the Sub-Fund	total investments of the Sub-Fund	
						(Rupees)			%		
Fertilizers											
Engro Corporation Limited *	33,890	-	-	13,500	20,390	5,972,639	6,007,098	34,459	2.76%	2.80%	-
Engro Fertilizers Limited	-	56,000	-	56,000	-	-	-	-	-	-	-
Fauji Fertilizer Company Limited	-	46,000	-	46,000	-	-	-	-	-	-	-
						5,972,639	6,007,098	34,459	2.76%	2.80%	-
Glass and Ceramics											
Shabbir Tiles & Ceramics Limited (Face value of Rs.5 each)	-	225,000	-	15,000	210,000	4,971,269	7,003,500	2,032,231	3.22%	3.26%	0.06%
Tariq Glass Industries Limited	71,000	114,000	-	73,000	112,000	10,896,234	11,914,560	1,018,326	5.48%	5.55%	0.08%
						15,867,503	18,918,060	3,050,557	8.70%	8.81%	0.14%
Insurance											
Jubilee Life Insurance Company Limited	-	5,000	-	5,000	-	-	-	-	-	-	-
						-	-	-	-	-	-
Leasing Companies											
Orix Leasing Pakistan Limited	-	150,000	6,150	156,150	-	-	-	-	-	-	-
						-	-	-	-	-	-
Leather and Tanneries											
Service Industries Limited	-	3,000	3,000	600	5,400	2,565,054	3,173,202	608,148	1.46%	1.48%	0.02%
						2,565,054	3,173,202	608,148	1.46%	1.48%	0.02%
Miscellaneous											
Siddiqsons Tin Plate Limited	-	250,000	-	236,500	13,500	255,783	258,390	2,607	0.12%	0.12%	0.01%
Tri-Pack Films Limited	-	27,000	-	27,000	-	-	-	-	-	-	-
						255,783	258,390	2,607	0.12%	0.12%	0.01%
Oil & Gas Exploration Companies											
Mari Petroleum Company Limited	5,239	4,900	-	2,800	7,339	10,897,271	11,187,498	290,227	5.15%	5.21%	0.01%
Oil & Gas Development Company Limited *	143,100	-	-	90,500	52,600	5,733,400	4,998,578	(734,822)	2.30%	2.33%	-
Pakistan Oilfields Limited *	-	10,000	-	2,400	7,600	3,213,963	2,993,336	(220,627)	1.38%	1.39%	-
Pakistan Petroleum Limited *	121,304	25,000	-	92,700	53,604	4,804,873	4,654,435	(150,438)	2.14%	2.17%	-
						24,649,507	23,833,847	(815,660)	10.97%	11.10%	0.01%
Oil & Gas Marketing Companies											
Pakistan State Oil Company Limited	62,980	32,000	-	42,700	52,280	9,553,094	11,723,790	2,170,696	5.40%	5.46%	0.01%
Shell Pakistan Limited	31,000	-	13,000	44,000	-	-	-	-	-	-	-
Sui Northern Gas Pipelines Limited	63,000	-	-	63,000	-	-	-	-	-	-	-
						9,553,094	11,723,790	2,170,696	5.40%	5.46%	0.01%
Paper & Board											
Century Paper and Board Mills Limited	106,500	37,300	21,300	146,000	19,100	2,013,146	2,331,537	318,391	1.07%	1.09%	0.01%
Cherat Packaging Limited.	28,500	-	-	6,600	21,900	2,565,585	4,356,129	1,790,544	2.00%	2.03%	0.05%
Packages Limited	16,000	-	-	10,550	5,450	1,892,295	2,971,340	1,079,045	1.37%	1.38%	0.01%
Security Paper Limited	-	25,000	-	25,000	-	-	-	-	-	-	-
						6,471,026	9,659,006	3,187,980	4.45%	4.50%	0.07%

*Nil Figures due to rounding off.



JS Pension Savings Fund

Name of Investee Company	As at July 1, 2020	Purchased during the year	Right/ Bonus received during the year	Sold during the year	As at June 30, 2021	Carrying value as at June 30, 2021	Market value / carrying value as at June 30, 2021	Unrealised gain / (loss)	Market Value as a percentage of		Paid-up value of shares held as a percentage of total paid-up capital of the investee company
									net assets of the Sub-Fund	total investments of the Sub-Fund	
----- (Number of shares) -----						----- (Rupees) -----			----- % -----		
Pharmaceuticals											
Highnoon Laboratories Limited	8,140	4,000	834	4,800	8,174	3,991,116	4,904,400	913,284	2.26%	2.28%	0.02%
IBL HealthCare Limited	-	36,000	-	36,000	-	-	-	-	-	-	-
The Searle Company Limited	-	17,000	780	17,780	-	-	-	-	-	-	-
						3,991,116	4,904,400	913,284	2.26%	2.28%	0.02%
Power Generation & Distribution											
The Hub Power Company Limited	114,196	69,000	-	53,500	129,696	10,294,464	10,332,880	38,416	4.76%	4.81%	0.01%
Kot Addu Power Company Limited	-	142,000	-	11,500	130,500	4,893,327	5,787,675	894,348	2.66%	2.70%	0.01%
Nishat Power Limited	-	178,000	-	40,500	137,500	3,544,653	2,701,875	(842,778)	1.24%	1.26%	0.04%
						18,732,444	18,822,430	89,986	8.66%	8.77%	0.06%
Technology & Communications											
Systems Limited	22,000	10,000	-	32,000	-	-	-	-	-	-	-
						-	-	-	-	-	-
Textile Composite											
Gul Ahmed Textile Mills Limited	-	59,000	-	59,000	-	-	-	-	-	-	-
Interloop Limited	-	59,000	-	4,500	54,500	3,503,251	3,816,635	313,384	1.76%	1.79%	0.01%
Nishat Mills Limited	-	45,000	-	10,500	34,500	2,891,530	3,218,850	327,320	1.48%	1.50%	0.01%
						6,394,781	7,035,485	640,704	3.24%	3.29%	0.02%
Total value as at June 30, 2021						<u>177,048,689</u>	<u>214,744,020</u>	<u>37,695,331</u>	<u>98.84%</u>	<u>100.00%</u>	
Total value as at June 30, 2020						<u>185,621,837</u>	<u>177,631,452</u>	<u>(7,990,385)</u>			

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

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

In the year ended June 30, 2018, the Supreme Court of Pakistan passed a judgment on June 27, 2018 whereby the suits which are already pending or shall be filed in future must only be continued / entertained on the condition that a minimum of 50 percent of the tax calculated by the tax authorities is deposited with the authorities. Accordingly, the CISs / VPSs were required to pay minimum 50% of the tax calculated by the tax authorities for the case to remain continued. The CISs / VPSs failed to deposit the minimum 50% of the tax liability and accordingly the stay got vacated automatically during the year ended June 30, 2019. During the year ended June 30, 2019, the CISs / VPSs have filed a fresh constitutional petition via CP 4653 dated July 11, 2019. In this regard, on July 15, 2019, the Honourable High of Sindh has issued notices to the relevant parties and has ordered that no third party interest on bonus shares issued to the Funds in lieu of their investments be created in the meantime. The matter is still pending adjudication and the Funds have included these shares in their portfolio, as the management is confident that the decision of the constitutional petition will be in favour of the CISs / VPSs.

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

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

JS Pension Savings Fund

Name of the Company	June 30, 2021		June 30, 2020	
	Bonus Shares			
	Number of shares withheld	Market value as at June 30, 2021 (Rupees)	Number of shares withheld	Market value as at June 30, 2020 (Rupees)
Faysal Bank Limited	3,709	62,942	3,709	51,666
		<u>62,942</u>		<u>51,666</u>

5.2 Government securities - 'at fair value through profit or loss'

5.2.1 Debt Sub-Fund

Particulars	Issue date	Face value				Balance as at June 30, 2021			Market value as a percentage of	
		As at July 1, 2020	Purchased during the year	Sold / matured during the year	As at June 30, 2021	Carrying value	Market value	Unrealised gain / (loss)	net assets of the sub-fund	total investments of the sub-fund
(Rupees)										%
Market Treasury Bills - 3-months										
Market treasury bills	30-Jul-2020	-	4,000,000	4,000,000	-	-	-	-	-	-
Market treasury bills	27-Aug-2020	-	20,000,000	20,000,000	-	-	-	-	-	-
Market treasury bills	10-Sep-2020	-	50,000,000	50,000,000	-	-	-	-	-	-
Market treasury bills	8-Oct-2020	-	21,000,000	21,000,000	-	-	-	-	-	-
Market treasury bills	22-Oct-2020	-	10,000,000	10,000,000	-	-	-	-	-	-
Market treasury bills	5-Nov-2020	-	41,000,000	41,000,000	-	-	-	-	-	-
Market treasury bills	19-Nov-2020	-	39,000,000	39,000,000	-	-	-	-	-	-
Market treasury bills	3-Dec-2020	-	36,000,000	36,000,000	-	-	-	-	-	-
Market treasury bills	31-Dec-2020	-	11,000,000	11,000,000	-	-	-	-	-	-
Market treasury bills	14-Jan-2021	-	5,000,000	5,000,000	-	-	-	-	-	-
Market treasury bills	28-Jan-2021	-	53,000,000	53,000,000	-	-	-	-	-	-
Market treasury bills	25-Feb-2021	-	36,000,000	36,000,000	-	-	-	-	-	-
Market treasury bills	11-Mar-2021	-	4,000,000	4,000,000	-	-	-	-	-	-
Market treasury bills	25-Mar-2021	-	42,000,000	42,000,000	-	-	-	-	-	-
Market treasury bills	8-Apr-2021	-	40,000,000	40,000,000	-	-	-	-	-	-
Market treasury bills	22-Apr-2021	-	84,000,000	-	84,000,000	83,766,312	83,769,924	3,612	35.41%	43.32%
Market treasury bills	20-May-2021	-	39,000,000	-	39,000,000	38,676,475	38,677,353	878	16.35%	20.00%
Market Treasury Bills - 6-months										
Market treasury bills	18-Jun-2020	-	5,000,000	5,000,000	-	-	-	-	-	-
Market treasury bills	3-Jun-2021	-	5,000,000	-	5,000,000	4,845,941	4,846,040	99	2.05%	2.51%
Market Treasury Bills - 12-months										
Market treasury bills	29-Aug-19	-	77,000,000	77,000,000	-	-	-	-	-	-
Market treasury bills	12-Sep-19	-	48,000,000	48,000,000	-	-	-	-	-	-
Market treasury bills	24-Oct-19	29,000,000	14,000,000	43,000,000	-	-	-	-	-	-
Market treasury bills	26-Mar-20	21,000,000	-	21,000,000	-	-	-	-	-	-
Market treasury bills	9-Apr-20	8,000,000	-	8,000,000	-	-	-	-	-	-
Market treasury bills	23-Apr-20	46,000,000	-	46,000,000	-	-	-	-	-	-
Pakistan Investment Bonds										
3 years (floating rate)	22-Oct-20	-	17,000,000	-	17,000,000	16,881,489	16,838,500	(42,989)	7.12%	8.71%
5 years (fixed rate)	19-Sep-19	25,000,000	45,100,000	70,100,000	-	-	-	-	-	-
Total as at June 30, 2021						<u>144,170,217</u>	<u>144,131,817</u>	<u>(38,400)</u>	<u>60.93%</u>	<u>74.54%</u>
Total as at June 30, 2020						<u>125,510,610</u>	<u>125,766,287</u>	<u>255,677</u>		



JS Pension Savings Fund

5.2.1.1 These securities are held in the IPS account of Habib Metropolitan Bank Limited and maintained with the State Bank of Pakistan, carry effective yield ranging from 6.77% to 7.76% (June 30, 2020: 9.50% to 13.44%) per annum and will mature between July 15, 2021 and October 22, 2023. The face value of the above investments at June 30, 2021 amounted to Rs.145 million (June 30, 2020: Rs. 129 million).

5.2.2 Money Market Sub-Fund

Particulars	Issue date	Face value				Balance as at June 30, 2021			Market value as a percentage of		
		As at July 1, 2020	Purchased during the year	Sold / matured during the year	As at June 30, 2021	Carrying value	Market value	Unrealised gain / (loss)	net assets of the sub-fund	total investments of the sub-fund	
----- (Rupees) ----- % -----											
Market Treasury Bills - 3-months											
Market treasury bills	23-Apr-2020	50,200,000	-	50,200,000	-	-	-	-	-	-	
Market treasury bills	30-Jul-2020	-	23,000,000	23,000,000	-	-	-	-	-	-	
Market treasury bills	27-Aug-2020	-	40,000,000	40,000,000	-	-	-	-	-	-	
Market treasury bills	10-Sep-2020	-	30,000,000	30,000,000	-	-	-	-	-	-	
Market treasury bills	24-Sep-2020	-	25,000,000	25,000,000	-	-	-	-	-	-	
Market treasury bills	8-Oct-2020	-	77,000,000	77,000,000	-	-	-	-	-	-	
Market treasury bills	22-Oct-2020	-	30,000,000	30,000,000	-	-	-	-	-	-	
Market treasury bills	19-Nov-2020	-	40,000,000	40,000,000	-	-	-	-	-	-	
Market treasury bills	31-Dec-2020	-	75,000,000	75,000,000	-	-	-	-	-	-	
Market treasury bills	14-Jan-2021	-	172,000,000	172,000,000	-	-	-	-	-	-	
Market treasury bills	28-Jan-2021	-	139,000,000	139,000,000	-	-	-	-	-	-	
Market treasury bills	25-Mar-2021	-	88,000,000	88,000,000	-	-	-	-	-	-	
Market treasury bills	8-Apr-2021	-	87,000,000	87,000,000	-	-	-	-	-	-	
Market treasury bills	22-Apr-2021	-	139,000,000	139,000,000	-	-	-	-	-	-	
Market treasury bills	20-May-2021	-	6,000,000	6,000,000	-	-	-	-	-	-	
Market Treasury Bills - 6-months											
Market treasury bills	12-Mar-2020	30,000,000	-	30,000,000	-	-	-	-	-	-	
Market treasury bills	26-Mar-2020	25,000,000	-	25,000,000	-	-	-	-	-	-	
Market treasury bills	7-May-2020	30,000,000	-	30,000,000	-	-	-	-	-	-	
Market treasury bills	4-Jun-2020	5,000,000	-	5,000,000	-	-	-	-	-	-	
Market treasury bills	18-Jun-2020	-	14,000,000	14,000,000	-	-	-	-	-	-	
Market treasury bills	16-Jul-2020	-	50,200,000	50,200,000	-	-	-	-	-	-	
Market treasury bills	8-Oct-2020	-	31,000,000	31,000,000	-	-	-	-	-	-	
Market Treasury Bills - 12-months											
Market treasury bills	24-Oct-2019	-	21,000,000	21,000,000	-	-	-	-	-	-	
Total as at June 30, 2021						-					
Total as at June 30, 2020						137,796,676			138,376,146		579,470

5.2.2.1 These securities are held in the IPS account of Bank Alfalah Limited maintained and with the State Bank of Pakistan, carry effective yield of nil (June 30, 2020: 7.68% to 13.16%) per annum. The face value of the above investments at June 30, 2021 amounted to nil (June 30, 2020: Rs. 140.2 million).

5.3 Government of Pakistan (GOP) - Ijara Sukuks

5.3.1 Debt Sub-Fund

Particulars	Yield per annum	Maturity date	Face Value				June 30, 2021			Market value as a percentage of		
			As at July 1, 2020	Purchased during the year	Disposed of during the year	Matured during the year	As at June 30, 2021	Carrying value	Market value	Unrealised loss	Net assets of the Sub-Fund	Total investments of the Sub-Fund
----- (Rupees) -----												
GOP Ijara Sukuk (April 30, 2020)	6.63%	30-Apr-2025	50,000,000	-	50,000,000	-	-	-	-	-	-	
Total as at June 30, 2021			50,000,000				-			-		
Total as at June 30, 2020			-				50,000,000			48,500,000		(1,500,000)

JS Pension Savings Fund

5.4 Listed debt securities - sukuk having a face value of Rs. 5,000 each - 'at fair value through profit or loss'

5.4.1 Debt Sub-Fund

Name of the investee company	Maturity date	Interest rate	As at July 1, 2020	Purchase d during the year	Sold / matured during the year	As at June 30, 2021	Balance as at June 30, 2021			Market value as a percentage of		
							Carrying value	Market value	Unrealised gain / (loss)	net assets of the sub-fund	total investments of the sub-fund	
							----- (Number of certificates) -----			----- (Rupees) -----		%
K-Electric Limited - Sukuk IV (June 17, 2015)	17-Jun-2022	3-month KIBOR + 1%	1,975	-	-	1,975	2,004,170	1,993,057	(11,113)	0.84%	1.03%	
Total as at June 30, 2021							2,004,170	1,993,057	(11,113)	0.84%	1.03%	
Total as at June 30, 2020							3,957,148	3,999,375	42,227			

5.5 Unlisted debt securities - term finance certificates and sukuk having a face value of Rs. 5,000 each (unless stated otherwise) - 'at fair value through profit or loss'

5.5.1 Debt Sub-Fund

Name of the investee company	Maturity date	Interest rate	As at July 1, 2020	Purchase d during the year	Sold / matured during the year	As at June 30, 2021	Balance as at June 30, 2021			Market value as a percentage of					
							Carrying value	Market value	Unrealised gain / (loss)	net assets of the sub-fund	total investments of the sub-fund				
							----- (Number of certificates) -----			----- (Rupees) -----		%			
Aspin Pharma Private Limited - Sukuk (November 30, 2017) Face value: Rs: 50,000 (Note 5.7.1)	30-Nov-2023	6-month KIBOR + 1%	40	-	-	40	2,024,080	2,019,275	(4,805)	0.85%	1.04%				
Bank Al Habib Limited (March 17, 2016)	17-Mar-2026	6-month KIBOR + 1%	1,500	-	1,500	-	-	-	-	-	-				
Askari Bank Limited (September 30, 2014)	30-Sep-2024	6-month KIBOR + 1.2%	1,502	-	1,502	-	-	-	-	-	-				
Bank Alfalah Limited TFC (January 15, 2021)	14-Jan-2024	9.03%	-	2,800	-	2,800	14,000,000	14,000,000	-	5.92%	7.24%				
Hub Power Holdings Limited (November 12, 2020) Face value: Rs. 100,000	12-Nov-2025	6-month KIBOR + 2.5%	-	180	-	180	15,841,675	15,841,675	-	6.70%	8.19%				
Kot Addu Power Company Limited Sukuk (December 8, 2020) Face value:100,000	8-Jun-2021	3-month KIBOR + 0.7%	-	140	140	-	-	-	-	-	-				
Azgard Nine Limited - Privately Placed Term Finance Certificate (PPTFCs) - related party (refer note 5.5.1.1) Less: Provision for impairment			128	-	-	128	640,000 (640,000)	-	-	-	-				
Total as at June 30, 2021							3,170	3,120	3,142	3,148	31,865,755	31,860,950	(4,805)	13.47%	16.47%
Total as at June 30, 2020											17,524,568	16,743,770	(780,798)		



JS Pension Savings Fund

5.5.1.1 The convertible privately placed term finance certificates (PPTFCs) were issued against the cumulative preference shares of Azgard Nine Limited (ANL) on October 22, 2012 under the settlement agreement dated October 22, 2012 between the Pension Fund Manager of the Fund and ANL. Since these PPTFCs are received against the non-performing security, therefore the management, as a matter of prudence has recognised above PPTFCs at nil value. In addition these PPTFCs have been classified as non-performing by MUFAP. The carrying value of preference shares so converted into PPTFCs was Rs. 2.5 million and provision held there against was Rs. 2.5 million. These convertible PPTFCs carry mark-up at the rate of 11% per annum with a tenure of 8 years (inclusive of a two year grace period for principal redemption) as per the terms and conditions. In case of default, the PPTFCs Holders shall have the right to exercise the option to convert PPTFCs into ordinary voting shares of ANL as per the terms and procedures.

5.5.2 Money Market Sub-Fund

Name of the investee company	Maturity date	Interest rate	As at July 1, 2020	Purchase d during the year	Matured during the year	As at June 30, 2021	Balance as at June 30, 2021			Market value as a percentage of	
							Carrying value	Market value	Unrealised gain / (loss)	net assets of the sub-fund	total investments of the sub-fund
						----- (Number of certificates) -----			----- (Rupees) -----		
Kot Addu Power Company Limited Sukuk (December 8, 2020) Face value:100,000	8-Jun-2021	3-month KIBOR + 0.7%	-	100	100	-	-	-	-	-	-
Azgard Nine Limited - Privately Placed Term Finance Certificate (PPTFCs) - related party (refer note 5.5.2.1) Less: Provision for impairment			642	-	-	642	3,210,000 (3,210,000)	-	-	-	-
Total as at June 30, 2021							-	-	-	-	-
Total as at June 30, 2020							-	-	-	-	-

5.5.2.1 The convertible privately placed term finance certificates (PPTFCs) were issued against the cumulative preference shares of Azgard Nine Limited (ANL) on October 22, 2012 under the settlement agreement dated October 22, 2012 between the Pension Fund Manager of the Fund and ANL. Since these PPTFCs are received against the non-performing security, therefore the management, as a matter of prudence has recognised above PPTFCs at nil value. In addition these PPTFCs have been classified as non-performing by MUFAP. The carrying value of preference shares so converted into PPTFCs was Rs. 12.5 million and provision held there against was Rs. 12.5 million. These convertible PPTFCs carry mark-up at the rate of 11% per annum with a tenure of 8 years (inclusive of a two year grace period for principal redemption) as per the terms and conditions. In case of default, the PPTFCs Holders shall have the right to exercise the option to convert PPTFCs into ordinary voting shares of ANL as per the terms and procedures.

5.6 Commercial Papers - at fair value through profit or loss¹

5.6.1 Debt Sub-Fund

Name of the investee company	Maturity date	Interest rate	Number of Certificates				Balance as at June 30, 2021			Market value as a percentage of					
			As at July 1, 2020	Purchase d during the year	Matured during the year	As at June 30, 2021	Carrying value	Market value	Unrealised gain / (loss)	net assets of the Sub-Fund	total investments of Sub-Fund				
						----- Rupees -----			----- % -----						
K - Electric ICP 14* (10-February-2021)	10-Aug-2021	6-month KIBOR + 0.4%	-	16	-	16	15,392,417	15,392,417	-	6.51%	7.96%				
Total as at June 30, 2021							-	16	-	16	15,392,417	15,392,417	-	6.51%	7.96%
Total as at June 30, 2020							-	-	-	-	-	-	-	-	

* This is unsecured and is rated A-1+ by VIS Credit Rating Company Limited (Formerly known as JCR-VIS Credit Rating Company Limited).

JS Pension Savings Fund

5.6.2 Money Market Sub-Fund

Name of the investee company	Maturity date	Interest rate	Number of Certificates				Balance as at June 30, 2021			Market value as percentage of	
			As at July 1, 2020	Purchased during the year	Matured during the year	As at June 30, 2021	Carrying value	Market value	Unrealised gain / (loss)	net assets of the Sub-Fund	total investments of Sub-Fund
-----Rupees----- % -----											
K - Electric ICP 14* (10-February-2021)	10-Aug-2021	6-month KIBOR + 0.4%	-	11	-	11	10,582,287	10,582,287	-	4.10%	52.46%
K - Electric ICP 16** (16-March-2021)	16-Sep-2021	6-month KIBOR + 0.6%	-	10	-	10	9,590,040	9,590,040	-	3.72%	47.54%
Total as at June 30, 2021			-	21	-	21	20,172,327	20,172,327	-	7.82%	100.00%
Total as at June 30, 2020											

* This is unsecured and is rated A-1+ by VIS Credit Rating Company Limited (Formerly known as JCR-VIS Credit Rating Company Limited).

** This is unsecured and is rated A-1+ by Pakistan Credit Rating Agency Limited (PACRA).

5.7 Significant terms and conditions of term finance certificates and other securities outstanding at June 30, 2021 are as follows:

Name of security	Number of certificates	Face value per unit	Face value / redemption value in total	Interest rate per annum	Maturity date	Secured / unsecured	Rating
----- (Rupees) -----							

Listed debt securities

K-Electric - Sukuk 1,975 1,000 1,975,000 3-month KIBOR + 1% June 17, 2022 Unsecured AA+

Unlisted debt securities

Aspin Pharma Private Limited - Sukuk (Note 40 50,000 2,000,000 3-month KIBOR + 1.5% November 30, 2023 Unsecured A
Hub Power Holdings Limited - Sukuk 180 100,000 18,000,000 6-month KIBOR + 2.5% November 12, 2025 Secured AA+
Bank Alfalah Limited 2,800 5,000 14,000,000 9.03% January 14, 2024 Secured AAA

5.7.1 In accordance with the requirements of Circular 12 of 2021 dated April 6, 2021, rating of any security in Debt Sub Fund shall not be lower than A+. Sukuks of Aspin Pharma (Private) Limited has been assigned a credit rating of 'A' by VIS Credit Rating Company Limited vide its report dated October 19, 2020. The Pension Fund Manager was required to dispose of these Sukuks by July 5, 2021 (90 days) to ensure compliance with the requirements of Circular 12. However, these Sukuks were disposed of on July 16, 2021.

5.8 Net unrealised gain / (loss) on revaluation of investments classified 'at fair value through profit or loss'

Particulars	June 30, 2021				June 30, 2020			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
----- (Rupees) -----								
Market value of investments	214,744,020	193,378,241	20,172,327	428,294,588	177,631,452	195,009,432	138,376,146	511,017,030
Less: carrying value of investments	177,048,689	193,432,559	20,172,327	390,653,575	185,621,837	196,992,326	137,796,676	520,410,839
	<u>37,695,331</u>	<u>(54,318)</u>	<u>-</u>	<u>37,641,013</u>	<u>(7,990,385)</u>	<u>(1,982,894)</u>	<u>579,470</u>	<u>(9,393,809)</u>

6 ADVANCE, DIVIDEND AND PROFIT RECEIVABLES

Note	June 30, 2021				June 30, 2020			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
----- (Rupees) -----								
Dividend receivable	-	-	-	-	2,923	-	-	2,923
Profit receivable on bank balances	27,635	14,903	202,193	244,731	56,145	38,657	321,193	415,995
Profit receivable on investments	-	1,396,549	563,801	1,960,350	-	1,792,201	-	1,792,201
Advance tax	6.1 334,016	62,633	113,880	510,529	269,429	62,633	113,880	445,942
	<u>361,651</u>	<u>1,474,085</u>	<u>879,874</u>	<u>2,715,610</u>	<u>328,497</u>	<u>1,893,491</u>	<u>435,073</u>	<u>2,657,061</u>



JS Pension Savings Fund

- 6.1** As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 151 and 150. However, withholding tax on dividend and profit on debt paid to the Fund was deducted by various withholding agents based on the interpretation issued by the 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 bank deposits in Equity Sub-Fund, Debt Sub-Fund and Money Market Sub-Fund amounting to Rs 0.185 million, Rs 0.063 million and Rs 0.114 million respectively. The tax withheld on dividend in Equity Sub-Fund amounting to Rs 0.149 million.

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Pension Fund Manager) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of the FBR. On January 28, 2016, the Board of Directors of the Pension Fund Manager passed a resolution by circulation, authorising all CISs / VPSs to file an appeal in the Honourable Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs / VPSs being managed by the Pension Fund Manager. Accordingly, a petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs / VPSs (managed by the Pension Fund Manager / the Pension Fund Manager and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgment of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on dividends and profit on bank deposits has been shown as other receivables as at June 30, 2021 as, in the opinion of the management, the amount of tax deducted at source will be refunded to the Fund.

7 PAYABLE TO JS INVESTMENTS LIMITED - PENSION FUND MANAGER

	Note	June 30, 2021				June 30, 2020			
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
		(Rupees)				(Rupees)			
Remuneration payable to the Pension Fund Manager	7.1	275,220	95,843	103,760	474,823	220,184	81,443	78,557	380,184
Sindh sales tax payable on Pension Fund Manager's remuneration	7.2	159,868	170,466	131,588	461,922	152,713	168,590	128,308	449,611
Federal excise duty payable on Pension Fund Manager's remuneration	7.3	839,908	1,059,548	791,230	2,690,686	839,908	1,059,548	791,230	2,690,686
Sales load payable		3,128	1,602	9,001	13,731	-	-	-	-
		<u>1,278,124</u>	<u>1,327,459</u>	<u>1,035,579</u>	<u>3,641,162</u>	<u>1,212,805</u>	<u>1,309,581</u>	<u>998,095</u>	<u>3,520,481</u>

- 7.1** As per the provisions of the Voluntary Pension System Rules, 2005, JS Investments Limited, the Pension Fund Manager of the Fund, is allowed to charge annual management fee at 1.5% of the average values of the net assets of each of the Sub-Funds. During the year, the Pension Fund Manager has charged management fee at the rate of 1.5% per annum (June 30, 2020: 1.5%) for Equity Sub-Fund and 0.5% per annum (June 30, 2020: 0.5%) for Debt Sub-Fund and Money Market Sub-Fund of the average daily net assets of the Sub-Funds. Remuneration is paid to the Pension Fund Manager monthly in arrears.
- 7.2** The Provincial Government of Sindh has levied Sindh Sales Tax at the rate of 13% (June 30, 2020: 13%) on the remuneration of the Pension Fund Manager through the Sindh Sales Tax on Services Act, 2011.
- 7.3** The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Pension Fund Managers as a result of which FED at the rate of 16 percent on the remuneration of the Pension Fund Manager and sales load was applicable with effect from June 13, 2013. The Pension Fund Manager was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Pension Fund Manager together with various other pension fund managers challenging the levy of FED.

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

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Pension Fund Manager and sales load with effect from July 1, 2016. However, as a matter of abundant caution the provisions for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 0.839 (2020: Rs 0.839) million in Equity Sub Fund, Rs 1.059 (2020: Rs 1.059) million in Debt Sub Fund and Rs 0.791 (2020: 0.791) million in Money Market Sub Fund are being retained in the financial statements of the respective sub-funds as the matter is pending before the Supreme Court of Pakistan.



JS Pension Savings Fund

Subsequent to the year ended June 30, 2021, SRB through its letter dated August 12, 2021 has intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and has also been taken up with the SECP and all the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Funds, for the period from May 21, 2015 to August 12, 2021, on August 13, 2021. The SECP has given its concurrence for prospective reversal of provision for SWWF. Accordingly, going forward, no provision for SWWF would be recognised in the financial statements of the Fund.

Had the provision not been made, Net Asset Value per unit of Equity Sub-Fund, Debt Sub-Fund and Money Market Sub-Fund as at June 30, 2021 would have been higher by Rs. 7.28 (2020: 3.79) per unit, Rs. 1.93 (2020: 1.77) per unit and Rs. 1.23 (2020: 1.15) per unit respectively.

11 NUMBER OF UNITS IN ISSUE

	June 30, 2021			June 30, 2020		
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund
	----- Number of units in issue -----					
Total units in issue at the beginning of the year	497,834	678,605	852,884	466,724	655,011	813,646
Units issued during the year	18,454	158,119	223,209	30,740	114,832	163,919
Units redeemed during the year	(15,277)	(107,161)	(122,926)	(13,953)	(88,146)	(95,879)
Effect of reallocation during the year	(63,701)	31,732	77,209	14,323	(3,092)	(28,802)
Total units in issue at the end of the year	<u>437,310</u>	<u>761,295</u>	<u>1,030,376</u>	<u>497,834</u>	<u>678,605</u>	<u>852,884</u>

12 CONTRIBUTION TABLE

Contributions received during the year.

	2021						
	Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund		Total
	Units	Rupees	Units	Rupees	Units	Rupees	Rupees
From:							
Individuals/ corporates	<u>18,454</u>	<u>8,687,145</u>	<u>158,119</u>	<u>47,620,648</u>	<u>223,209</u>	<u>54,337,740</u>	<u>110,645,533</u>
	2020						
	Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund		Total
	Units	Rupees	Units	Rupees	Units	Rupees	Rupees
From:							
Individuals/ corporates	<u>30,740</u>	<u>11,413,747</u>	<u>114,832</u>	<u>31,925,050</u>	<u>163,919</u>	<u>36,764,621</u>	<u>80,103,418</u>

13 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2021 and June 30, 2020.

14. PROFIT / MARK - UP INCOME

	June 30, 2021				June 30, 2020			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	----- (Rupees) -----							
Profit / Mark-up on:								
Bank balances	743,553	285,512	1,629,015	2,658,080	1,492,173	245,350	4,827,070	6,564,593
Government securities	-	12,178,982	13,865,958	26,044,940	-	18,341,687	16,401,664	34,743,351
GOP Ijara - Sukuk	-	454,410	-	454,410	-	562,795	-	562,795
Listed debt securities	-	1,267,583	-	1,267,583	-	2,769,909	-	2,769,909
Unlisted debt securities	-	2,395,005	400,926	2,795,931	-	1,631,645	597,957	2,229,602
Commercial papers	-	473,310	563,801	1,037,111	-	1,069,370	682,619	1,751,989
	<u>743,553</u>	<u>17,054,802</u>	<u>16,459,700</u>	<u>34,258,055</u>	<u>1,492,173</u>	<u>24,620,756</u>	<u>22,509,310</u>	<u>48,622,239</u>

15 AUDITORS' REMUNERATION

Annual audit fee	74,560	74,560	74,560	223,680	58,333	58,333	58,333	175,000
Fee for the review of the half yearly financial statements	30,000	30,000	30,000	90,000	30,000	30,000	30,000	90,000
Out of pocket expenses (including government levy)	16,414	16,413	16,413	49,240	16,412	16,412	16,412	49,236
	<u>120,974</u>	<u>120,973</u>	<u>120,973</u>	<u>362,920</u>	<u>104,745</u>	<u>104,745</u>	<u>104,745</u>	<u>314,236</u>

JS Pension Savings Fund

16 TAXATION

The income of the Fund is exempt from taxation under clause 57 (3) (viii) of the Part I of the Second Schedule to the Income Tax Ordinance, 2001.

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

17 CASH AND CASH EQUIVALENTS

Note	June 30, 2021				June 30, 2020				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	
	(Rupees)				(Rupees)				
Bank balances	6,763,096	44,628,860	239,487,752	290,879,708	5,036,781	4,442,612	64,786,476	74,265,869	
Market Treasury Bills (with original maturity of three months or less)	5.2	-	122,447,277	-	122,447,277	-	-	50,053,970	50,053,970
	<u>6,763,096</u>	<u>167,076,137</u>	<u>239,487,752</u>	<u>413,326,985</u>	<u>5,036,781</u>	<u>4,442,612</u>	<u>114,840,446</u>	<u>124,319,839</u>	

18 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

Connected persons / related parties include JS Investments Limited (JSIL) being the Pension Fund Manager of the Fund, CDC being the Trustee of the Fund, JS Bank Limited (JSBL) being the Holding Company of JSIL (Holding 84.56% shares of JS Investment Limited), Jahangir Siddiqui and Company Limited (JSCL) (Holding 75.02% shares of JS Bank Limited) being the Holding Company of JSBL, JS Global Capital Limited (JSGCL) (83.53% shares held by JS Bank) being the fellow subsidiary of JSBL, and other associated companies of JSBL, JSIL and its subsidiaries, Key Management Personnel of the above entities and other funds being managed by JSIL and includes entities holding 10% or more in the units of the Fund as at June 30, 2021. It also includes staff retirement benefit funds of the above related parties / connected persons.

Transactions with connected persons are executed on an arm's length basis and essentially comprise of sale and redemption of units, fee on account of managing the affairs of the Fund, other charges, sale and purchase of investment and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

Remuneration to the Pension Fund Manager and the Trustee of the Fund is determined in accordance with the provisions of the VPS Rules and the Trust Deed.

The details of transactions during the year and balances at year end with related parties / connected persons other than investments as disclosed in notes 5.5 to the financial statements are as follows:

18.1 Balances outstanding as at year end:

	June 30, 2021				June 30, 2020			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Rupees)				(Rupees)			
JS Investments Limited (Pension Fund Manager)								
Remuneration payable to the Pension Fund Manager	275,220	95,843	103,760	474,823	220,184	81,443	78,557	380,184
Sales tax payable on remuneration of Pension Fund Manager	159,868	170,466	131,588	461,922	152,713	168,590	128,308	449,611
Federal Excise Duty payable on remuneration of Pension Fund Manager	839,908	1,059,548	791,230	2,690,686	839,908	1,059,548	791,230	2,690,686
Sales load payable	3,128	1,602	9,001	13,731	-	-	-	-
Investment at year end	101,954,549	42,682,572	44,456,361	189,093,482	74,105,058	40,228,330	41,807,339	156,140,727
Units outstanding	205,210	137,349	177,463	520,022	205,210	137,349	177,463	520,022
Central Depository Company of Pakistan Limited - Trustee								
Remuneration payable to the Trustee	27,521	28,751	31,125	87,397	22,019	24,433	23,568	70,020
Sales Tax payable on remuneration of the Trustee	3,577	3,738	4,046	11,361	2,862	3,280	3,171	9,313
Settlement charges payable	542	565	565	1,672	2,430	565	458	3,453
Security deposit	100,000	100,000	100,000	300,000	100,000	100,000	100,000	300,000



JS Pension Savings Fund

June 30, 2021				June 30, 2020			
Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total

(Rupees)

(Rupees)

BankIslami Pakistan Limited

Bank balance	-	-	325	325	-	-	17,036	17,036
Profit receivable on bank balance	-	-	-	-	-	-	-	-

JS Bank Limited

Bank balance	1,234,488	-	382,415	1,616,903	4,536,814	-	40,679,302	45,216,116
Profit receivable on bank balance	12,814	-	360	13,174	39,228	-	231,889	271,117

Key Management Personnel

Investments at year end	5,848,471	17,220,231	5,813,027	28,881,729	31,687,397	14,745,908	23,704,874	70,138,179
Units outstanding	11,772	55,413	23,210	90,395	87,748	50,346	100,622	238,716

18.2 Details of transaction with related parties during the year:

June 30, 2021				June 30, 2020			
Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total

(Rupees)

(Rupees)

JS Investments Limited (Pension Fund Manager)

Remuneration of the Pension Fund Manager	3,142,700	1,086,551	1,150,696	5,379,947	2,683,636	972,577	893,460	4,549,673
Sindh sales tax on remuneration of the Pension Fund Manager	408,551	141,252	149,590	699,393	348,872	126,434	116,147	591,453
Sales load for the year	14,511	10,005	18,947	43,463	9,879	6,597	183	16,659

Central Depository Company of Pakistan Limited - Trustee

Remuneration of the Trustee	318,172	326,313	345,582	990,067	268,357	291,765	268,030	828,152
Sindh sales tax on remuneration of the Trustee	41,362	42,421	44,926	128,709	34,885	38,034	34,950	107,869
Settlement charges	25,339	6,780	6,780	38,899	43,097	6,780	6,780	56,657

JS Global Capital Limited

Brokerage expense	60,380	11,556	325	72,261	101,991	650	-	102,641
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JS Bank Limited

Profit on bank balance	371,998	-	604,396	976,394	932,985	-	3,426,331	4,359,316
Bank charges	-	-	-	-	9,320	-	9,892	19,212

BankIslami Pakistan Limited

Profit on bank balance	-	-	489	489	-	-	22,047	22,047
Bank charges	-	-	-	-	-	-	50	50

Key Management Personnel

Amount received against issuance of units	641,600	1,500,000	1,171,794	3,313,394	35,323,203	32,277,293	40,238,113	107,838,609
Units issued	1,401	4,967	4,809	11,177	99,078	112,618	174,749	386,445
Amount paid against redemption of units	1,408,174	136,459	1,328,224	2,872,857	29,486,822	32,603,135	34,306,099	96,396,056
Units redeemed	3,219	462	5,535	9,216	83,109	111,678	150,712	345,499

JS Pension Savings Fund

19 FINANCIAL INSTRUMENTS BY CATEGORY

As at June 30, 2021, all the financial assets carried on the Statement of Assets and Liabilities are categorised either as financial assets measured at amortised cost or financial assets at fair value through profit or loss. All the financial liabilities carried on the Statement of Assets and Liabilities are categorised as financial liabilities measured at amortised cost.

June 30, 2021										
Equity Sub-Fund			Debt Sub-Fund			Money Market Sub-Fund			Total	
At amortised cost	At fair value through profit or loss	Sub total	At amortised cost	At fair value through profit or loss	Sub total	At amortised cost	At fair value through profit or loss	Sub total		
(Rupees)										
Financial assets										
Bank balances	6,763,096	-	6,763,096	44,628,860	-	44,628,860	239,487,752	-	239,487,752	290,879,708
Investments	-	214,744,020	214,744,020	-	193,378,241	193,378,241	-	20,172,327	20,172,327	428,294,588
Security deposit with Central Depository Company of Pakistan Limited	100,000	-	100,000	100,000	-	100,000	100,000	-	100,000	300,000
Dividend and profit receivables	27,635	-	27,635	1,411,452	-	1,411,452	765,994	-	765,994	2,205,081
	<u>6,890,731</u>	<u>214,744,020</u>	<u>221,634,751</u>	<u>46,140,312</u>	<u>193,378,241</u>	<u>239,518,553</u>	<u>240,353,746</u>	<u>20,172,327</u>	<u>260,526,073</u>	<u>721,679,377</u>
Financial liabilities										
Payable to JS Investments Limited - Pension Fund Manager	1,278,124	-	1,278,124	1,327,459	-	1,327,459	1,035,579	-	1,035,579	3,641,162
Payable to Central Depository Company of Pakistan Limited - Trustee	31,640	-	31,640	33,054	-	33,054	35,736	-	35,736	100,430
Accrued expenses and other liabilities	117,653	-	117,653	77,846	-	77,846	73,800	-	73,800	269,299
	<u>1,427,417</u>	<u>-</u>	<u>1,427,417</u>	<u>1,438,359</u>	<u>-</u>	<u>1,438,359</u>	<u>1,145,115</u>	<u>-</u>	<u>1,145,115</u>	<u>4,010,891</u>

June 30, 2020										
Equity Sub-Fund			Debt Sub-Fund			Money Market Sub-Fund			Total	
At amortised cost	At fair value through profit or loss	Sub total	At amortised cost	At fair value through profit or loss	Sub total	At amortised cost	At fair value through profit or loss	Sub total		
(Rupees)										
Financial assets										
Bank balances	5,036,781	-	5,036,781	4,442,612	-	4,442,612	64,786,476	-	64,786,476	74,265,869
Investments	-	177,631,452	177,631,452	-	195,009,432	195,009,432	-	138,376,146	138,376,146	511,017,030
Security deposit with Central Depository Company of Pakistan Limited	100,000	-	100,000	100,000	-	100,000	100,000	-	100,000	300,000
Dividend and other receivables	59,068	-	59,068	1,830,858	-	1,830,858	321,193	-	321,193	2,211,119
	<u>5,195,849</u>	<u>177,631,452</u>	<u>182,827,301</u>	<u>6,373,470</u>	<u>195,009,432</u>	<u>201,382,902</u>	<u>65,207,669</u>	<u>138,376,146</u>	<u>203,583,815</u>	<u>587,794,018</u>
Financial liabilities										
Payable to JS Investments Limited - Pension Fund Manager	372,897	-	372,897	250,033	-	250,033	206,865	-	206,865	829,795
Payable to Central Depository Company of Pakistan Limited - Trustee	27,311	-	27,311	28,278	-	28,278	27,197	-	27,197	82,786
Accrued expenses and other liabilities	132,354	-	132,354	71,669	-	71,669	699,692	-	699,692	903,715
	<u>532,562</u>	<u>-</u>	<u>532,562</u>	<u>349,980</u>	<u>-</u>	<u>349,980</u>	<u>933,754</u>	<u>-</u>	<u>933,754</u>	<u>1,816,296</u>

20. FINANCIAL RISK MANAGEMENT

The Fund's objective in managing risk is the protection of unitholders' 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 Pension Fund Manager, the constitutive documents of the Fund and the regulations and directives of the SECP. These limits reflect the business strategy and market environment of the Fund as well as the level of the risk that the Fund is willing to accept. The Board of Directors of the Pension Fund Manager supervises the overall risk management approach within the Fund.

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



JS Pension Savings Fund

20.1 Market risk

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

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

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

20.1.1 Currency risk

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

20.1.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. The interest rate profile of the Fund's interest bearing financial instruments is as follows:

	June 30, 2021			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	----- (Rupees) -----			
Variable rate instruments (financial assets)				
Bank balances	6,763,096	44,628,860	239,487,752	290,879,708
Listed debt securities	-	1,993,057	-	1,993,057
Unlisted debt securities	-	31,860,950	-	31,860,950
Government securities	-	16,838,500	-	-
	<u>6,763,096</u>	<u>95,321,367</u>	<u>239,487,752</u>	<u>324,733,715</u>
Fixed rate instruments (financial assets)				
Government securities	-	127,293,317	-	127,293,317
Commercial Papers	-	15,392,417	20,172,327	35,564,744
	<u>-</u>	<u>142,685,734</u>	<u>20,172,327</u>	<u>162,858,061</u>

Sensitivity analysis of variable rate instruments

In case of 100 basis points increase / (decrease) in interest rates at the reporting date, the net assets of the Fund and net income for the year would have been higher / lower by Rs. 3,415,722. The analysis assumes that all other variables remain constant.

Change in basis points

	Effect on income and net assets as at June 30, 2021			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	----- (Rupees) -----			
Increase in 100 basis points	67,631	953,214	2,394,878	3,415,722
Decrease in 100 basis points	(67,631)	(953,214)	(2,394,878)	(3,415,722)

Sensitivity analysis of fixed rate instruments

In case of 100 basis points increase / (decrease) in interest rates at the reporting date, the net assets of the Fund and net income for the year would have been higher / lower by Rs 1,628,581. The analysis assumes that all other variables remain constant.

JS Pension Savings Fund

Change in basis points

Effect on income and net assets as at June 30, 2021			
Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
(Rupees)			

Increase in 100 basis points	-	1,426,857	201,723	1,628,581
Decrease in 100 basis points	-	(1,426,857)	(201,723)	(1,628,581)

The composition of the Fund's investment may change over time. Accordingly, the sensitivity analysis prepared as at June 30, 2021 is not necessarily indicative of the impact on the Fund's net assets of future movements in interest rates.

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

The Fund also holds balances in certain saving accounts, the interest rate of which in certain circumstances ranged between 5% - 7% (June 30, 2020: 6% to 8%) per annum.

JS Pension Savings Fund - Equity Sub Fund

June 30, 2021						June 30, 2020					
Effective yield / interest rate	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total	Effective yield / interest rate	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total
	Upto three months	More than three months and upto one year	More than one year				Upto three months	More than three months and upto one year	More than one year		
%						%					
(Rupees)						(Rupees)					

On-balance sheet financial instruments

Financial assets

Bank balances	5 - 7	6,763,096	-	-	-	6,763,096	6 - 8	5,036,781	-	-	-	5,036,781
Investments		-	-	-	214,744,020	214,744,020		-	-	-	177,631,452	177,631,452
Security deposit with Central Depository Company of Pakistan Limited		-	-	-	100,000	100,000		-	-	-	100,000	100,000
Dividend and profit receivables		-	-	-	27,635	27,635		-	-	-	59,068	59,068
Sub total		<u>6,763,096</u>	<u>-</u>	<u>-</u>	<u>214,871,655</u>	<u>221,634,751</u>		<u>5,036,781</u>	<u>-</u>	<u>-</u>	<u>177,790,520</u>	<u>182,827,301</u>

Financial liabilities

Payable to JS Investments Limited - Pension Fund Manager		-	-	-	1,278,124	1,278,124		-	-	-	372,897	372,897
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	31,640	31,640		-	-	-	27,311	27,311
Accrued expenses and other liabilities		-	-	-	117,653	117,653		-	-	-	132,442	132,442
Sub total		<u>-</u>	<u>-</u>	<u>-</u>	<u>1,427,417</u>	<u>1,427,417</u>		<u>-</u>	<u>-</u>	<u>-</u>	<u>532,650</u>	<u>532,650</u>

On-balance sheet gap 6,763,096 - - 213,444,238 220,207,334

Total interest rate sensitivity gap 6,763,096 - -

Cumulative interest rate sensitivity gap 6,763,096 6,763,096 6,763,096

5,036,781 - - 177,257,870 182,294,651

5,036,781 - -

5,036,781 5,036,781 5,036,781



JS Pension Savings Fund

JS Pension Savings Fund - Debt Sub Fund

Effective yield / interest rate	June 30, 2021					Effective yield / interest rate	June 30, 2020				
	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total		Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total
	Upto three months	More than three months and upto one year	More than one year				Upto three months	More than three months and upto one year	More than one year		

% ----- (Rupees) ----- % ----- (Rupees) -----

On-balance sheet financial instruments

Financial assets

Bank balances	5 - 7	44,628,860	-	-	-	44,628,860	6 - 8	4,442,612	-	-	-	4,442,612
Investments	6.77 - 10.12	122,447,277	4,846,040	36,692,507	29,392,417	193,378,241	9.5 - 13.44	-	-	146,509,432	48,500,000	195,009,432
Security deposit with Central Depository Company of Pakistan Limited		-	-	-	100,000	100,000		-	-	-	100,000	100,000
Dividend and profit receivables		-	-	-	1,411,452	1,411,452		-	-	-	1,830,858	1,830,858
Sub total		167,076,137	4,846,040	36,692,507	30,903,869	239,518,553		4,442,612	-	146,509,432	50,430,858	201,382,902

Financial liabilities

Payable to JS Investments Limited - Pension Fund Manager		-	-	-	1,327,459	1,327,459		-	-	-	250,033	250,033
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	33,054	33,054		-	-	-	28,278	28,278
Accrued expenses and other liabilities		-	-	-	77,846	77,846		-	-	-	80,124	80,124
Sub total		-	-	-	1,438,359	1,438,359		-	-	-	358,435	358,435

On-balance sheet gap

	167,076,137	4,846,040	36,692,507	29,465,510	238,080,194	4,442,612	-	146,509,432	50,072,423	201,024,467
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Total interest rate sensitivity gap

	167,076,137	4,846,040	36,692,507			4,442,612	-	146,509,432		
--	-------------	-----------	------------	--	--	-----------	---	-------------	--	--

Cumulative interest rate sensitivity gap

	167,076,137	171,922,177	208,614,684			4,442,612	4,442,612	150,952,044		
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JS Pension Savings Fund - Money Market Sub Fund

Effective yield / interest rate	June 30, 2021					Effective yield / interest rate	June 30, 2020				
	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total		Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total
	Upto three months	More than three months and upto one year	More than one year				Upto three months	More than three months and upto one year	More than one year		

% ----- (Rupees) ----- % ----- (Rupees) -----

On-balance sheet financial instruments

Financial assets

Bank balances	5 - 7	239,487,752	-	-	-	239,487,752	6 - 8	64,786,476	-	-	-	64,786,476
Investments	7.96	-	-	-	20,172,327	20,172,327	7.68 - 13.16	50,053,970	88,322,176	-	-	138,376,146
Security deposit with Central Depository Company of Pakistan Limited		-	-	-	100,000	100,000		-	-	-	100,000	100,000
Dividend and profit receivables		-	-	-	765,994	765,994		-	-	-	321,193	321,193
Sub total		239,487,752	-	-	21,038,321	260,526,073		114,840,446	88,322,176	-	421,193	203,583,815

Financial liabilities

Payable to JS Investments Limited - Pension Fund Manager		-	-	-	1,035,579	1,035,579		-	-	-	206,865	206,865
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	35,736	35,736		-	-	-	27,197	27,197
Accrued expenses and other liabilities		-	-	-	73,800	73,800		-	-	-	922,592	922,592
Sub total		-	-	-	1,145,115	1,145,115		-	-	-	1,156,654	1,156,654

On-balance sheet gap

	239,487,752	-	-	19,893,206	259,380,958	114,840,446	88,322,176	-	(735,461)	202,427,161
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Total interest rate sensitivity gap

	239,487,752	-	-			114,840,446	88,322,176	-		
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Cumulative interest rate sensitivity gap

	239,487,752	239,487,752	239,487,752			114,840,446	203,162,622	203,162,622		
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JS Pension Savings Fund

20.1.3 Price risk

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

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

The table below summarises the sensitivity of the Equity Sub-Fund's net assets attributable to unit holders to the equity price movements as at June 30, 2021. The analysis is based on the assumption that the KSE 100 index increased / decreased by 5%, with all other variables held constant and that the fair value of its portfolio of equity securities moved according to their historical correlation with the index. This represents managements' best estimate of a reasonable possible shift in the KSE index, having regard to the historical volatility of the index of the past three years.

At June 30, 2021, the fair value of equity securities exposed to price risk are concentrated in the sectors as disclosed in note 5.1.

Effect due to increase / decrease in KSE 100 index

	-----Rupees-----	
Investment and net assets	10,737,201	8,881,573
Income statement	10,737,201	8,881,573

20.2 Credit risk

Credit risk represents the risk of a loss if the counter parties fail to perform as contracted.

The Fund is exposed to counterparty credit risks on investments (other than treasury bills and PIBs), balances with banks, dividend receivable and deposit and profits receivable. The credit risk on the Fund is limited because the counterparties are financial institutions with reasonably high credit ratings. Investments in Treasury bills and Pakistan Investment Bonds are government backed and hence considered as secured.

The Fund has adopted a policy of only dealing with creditworthy counterparties, and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. This information is supplied by independent rating agencies, where available, and if not available, the Fund uses other publicly available financial information and its own trading records to rate its major customers. The Fund's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

20.2.1 Exposure to credit risk

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

JS Pension Savings Fund - Equity Sub Fund

	2021		2020	
	Balance as per statement of assets and	Maximum exposure	Balance as per statement of assets and liabilities	Maximum exposure
	----- Rupees -----			
Bank balances	6,763,096	6,763,096	5,036,781	5,036,781
Investments	214,744,020	-	177,631,452	-
Security deposit with Central Depository Company of Pakistan Limited	100,000	100,000	100,000	100,000
Dividend and profit receivables	27,635	27,635	59,068	59,068
	<u>221,634,751</u>	<u>6,890,731</u>	<u>182,827,301</u>	<u>5,195,849</u>

Difference in the balance as per the statement of assets and liabilities and maximum exposure is due to the fact that investments in listed equity securities of Rs 214.74 million (2020: Rs 177.63 million) are not exposed to credit risk as they are primarily traded in the Pakistan Stock Exchange and settled through centralised clearing system.



JS Pension Savings Fund

JS Pension Savings Fund- Debt Sub Fund

	2021		2020	
	Balance as per statement of assets and	Maximum exposure	Balance as per statement of assets and liabilities	Maximum exposure
	----- Rupees -----			
Bank balances	44,628,860	44,628,860	4,442,612	4,442,612
Investments	193,378,241	49,246,424	195,009,432	20,743,145
Security deposit with Central Depository Company of Pakistan Limited	100,000	100,000	100,000	100,000
Dividend and profit receivables	1,411,452	1,411,452	1,830,858	1,830,858
	<u>239,518,553</u>	<u>95,386,736</u>	<u>201,382,902</u>	<u>27,116,615</u>

Difference in the balance as per the statement of assets and liabilities and maximum exposure is due to the fact that investments in Government Securities of Rs 144.13 million (2020: Rs. 174.27 million) are not exposed to credit risk.

JS Pension Savings Fund- Money Market Sub Fund

	2021		2020	
	Balance as per statement of assets and	Maximum exposure	Balance as per statement of assets and liabilities	Maximum exposure
	----- Rupees -----			
Bank balances	239,487,752	239,487,752	64,786,476	64,786,476
Investments	20,172,327	20,172,327	138,376,146	-
Security deposit with Central Depository Company of Pakistan Limited	100,000	100,000	100,000	100,000
Dividend and profit receivables	765,994	765,994	435,073	435,073
	<u>260,526,073</u>	<u>260,526,073</u>	<u>203,697,695</u>	<u>65,321,549</u>

Difference in the balance as per the statement of assets and liabilities and maximum exposure is due to the fact that investments in Government Securities amounting to nil (2020: Rs. 138.37 million) are not exposed to credit risk.

No financial assets were considered to be past due or impaired as at June 30, 2021.

20.2.2 Credit quality of balances held by the Fund in bank accounts

Balances with banks by rating category

	June 30, 2021			June 30, 2020		
	Rating agency	Published rating	Percentage of bank balance	Rating agency	Published rating	Percentage of bank balance
JS Pension Savings Fund - Equity Sub-Fund						
Habib Metropolitan Bank Limited	PACRA	AA+	0.11%	PACRA	AA+	0.60%
Samba Bank Limited	VIS	AA	0.29%	VIS	AA	0.39%
Bank Alfalah Limited	PACRA	AA+	81.31%	VIS	AA+	7.92%
Dubai Islamic Bank Pakistan Limited	VIS	AA	0.02%	VIS	AA	1.02%
JS Bank Limited	PACRA	AA-	18.27%	PACRA	AA-	90.07%
JS Pension Savings Fund - Debt Sub-Fund						
Allied Bank Limited	PACRA	AAA	0.03%	PACRA	AAA	0.24%
Habib Metropolitan Bank Limited	PACRA	AA+	99.92%	PACRA	AA+	99.25%
Bank Al Habib Limited	PACRA	AAA	0.01%	PACRA	AA+	0.13%
United Bank Limited	VIS	AAA	0.04%	VIS	AAA	0.38%
JS Pension Savings Fund - Money Market Sub-Fund						
BankIslami Pakistan Limited*	PACRA	A+	-	PACRA	A+	0.03%
Samba Bank Limited	VIS	AA	0.01%	VIS	AA	0.05%
United Bank Limited	VIS	AAA	0.02%	VIS	AAA	0.06%
Faysal Bank Limited	PACRA	AA	0.01%	PACRA	AA	0.02%
Allied Bank Limited	PACRA	AAA	0.02%	PACRA	AAA	0.08%
Dubai Islamic Bank Pakistan Limited	VIS	AA	0.01%	VIS	AA	36.63%
JS Bank Limited	PACRA	AA-	0.16%	PACRA	AA-	62.79%
Bank Alfalah Limited	PACRA	AA+	99.77%	VIS	AA+	0.34%

*Nil due to rounding off

JS Pension Savings Fund

Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors affect the group of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. Despite the high concentration of credit risk as stated above, the Fund has entered into transactions with credit worthy counterparties thereby mitigating any significant risk due to concentration of credit risk. Details of the Fund's concentration of credit risk of financial instruments by economic sectors are as follows:

20.3 Liquidity risk

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

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

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

In order to manage the overall liquidity, the Sub-Fund also has the ability to withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. None of the Sub-Fund withhold any redemptions during the year.

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

JS Pension Savings Fund - Equity Sub-Fund

	2021				2020			
	Upto three months	More than three months and upto one year	More than one year	Total	Upto three months	More than three months and upto one year	More than one year	Total
	(Rupees)				(Rupees)			
Financial liabilities								
Payable to JS Investments Limited - Pension Fund Manager	1,278,124	-	-	1,278,124	372,897	-	-	372,897
Payable to Central Depository Company of Pakistan Limited - Trustee	31,640	-	-	31,640	27,311	-	-	27,311
Accrued expenses and other liabilities	117,653	-	-	117,653	132,442	-	-	132,442
	<u>1,427,417</u>	<u>-</u>	<u>-</u>	<u>1,427,417</u>	<u>532,650</u>	<u>-</u>	<u>-</u>	<u>532,650</u>

JS Pension Savings Fund - Debt Sub-Fund

	2021				2020			
	Upto three months	More than three months and upto one year	More than one year	Total	Upto three months	More than three months and upto one year	More than one year	Total
	(Rupees)				(Rupees)			
Financial liabilities								
Payable to JS Investments Limited - Pension Fund Manager	1,327,459	-	-	1,327,459	250,033	-	-	250,033
Payable to Central Depository Company of Pakistan Limited - Trustee	33,054	-	-	33,054	28,278	-	-	28,278
Accrued expenses and other liabilities	77,846	-	-	77,846	80,124	-	-	80,124
	<u>1,438,359</u>	<u>-</u>	<u>-</u>	<u>1,438,359</u>	<u>358,435</u>	<u>-</u>	<u>-</u>	<u>358,435</u>



JS Pension Savings Fund

JS Pension Savings Fund - Money Market Sub-Fund

	2021				2020			
	Upto three months	More than three months and upto one year	More than one year	Total	Upto three months	More than three months and upto one year	More than one year	Total
	(Rupees)				(Rupees)			
Financial liabilities								
Payable to JS Investments Limited - Pension Fund Manager	1,035,579	-	-	1,035,579	206,865	-	-	206,865
Payable to Central Depository Company of Pakistan Limited - Trustee	35,736	-	-	35,736	27,197	-	-	27,197
Accrued expenses and other liabilities	73,800	-	-	73,800	922,592	-	-	922,592
	<u>1,145,115</u>	<u>-</u>	<u>-</u>	<u>1,145,115</u>	<u>1,156,654</u>	<u>-</u>	<u>-</u>	<u>1,156,654</u>

21. FAIR VALUE MEASUREMENT

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

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

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of 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, the Fund held the following financial instruments measured at fair values:

Equity Sub-Fund

	2021				2020			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	Rupees				Rupees			
Financial assets 'at fair value through profit or loss'								
Investments								
Listed equity securities	214,744,020	-	-	214,744,020	177,631,452	-	-	177,631,452
	<u>214,744,020</u>	<u>-</u>	<u>-</u>	<u>214,744,020</u>	<u>177,631,452</u>	<u>-</u>	<u>-</u>	<u>177,631,452</u>

JS Pension Savings Fund

	2021				2020			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets 'at fair value through profit or loss'	Rupees				Rupees			
Investments								
Government securities	-	144,131,817	-	144,131,817	-	125,766,287	-	125,766,287
GOP Ijara - Sukuk	-	-	-	-	-	48,500,000	-	48,500,000
Listed debt securities	-	1,993,057	-	1,993,057	-	3,999,375	-	3,999,375
Unlisted debt securities	-	31,860,950	-	31,860,950	-	16,743,770	-	16,743,770
Commercial papers *	-	15,392,417	-	15,392,417	-	-	-	-
	-	193,378,241	-	193,378,241	-	195,009,432	-	195,009,432

Money Market Sub-Fund

	2021				2020			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets 'at fair value through profit or loss'	Rupees				Rupees			
Government securities	-	-	-	-	-	138,376,146	-	138,376,146
Listed debt securities	-	-	-	-	-	-	-	-
Commercial papers *	-	20,172,327	-	20,172,327	-	-	-	-
	-	20,172,327	-	20,172,327	-	138,376,146	-	138,376,146

* The valuation of commercial papers has been done based on amortisation of commercial papers to its face value as per the guidelines given in Circular 33 of 2012 since the residual maturity of this investment is six months or less and they are placed with counterparties which have high credit ratings.

22 PARTICIPANTS' SUB-FUND RISK MANAGEMENT

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

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

The Fund's objectives when managing funds received are to safeguard its ability to continue as a going concern so that it can continue to provide returns for participants and to maintain a strong base of asset under management.

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

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

23 CORRESPONDING FIGURES

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

24 GENERAL

24.1 Figures have been rounded off to the nearest rupee.



JS Pension Savings Fund

24.2 Impact of COVID-19

The COVID – 19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts. The Securities and Exchange Commission of Pakistan (SECP) had provided certain time bound relaxations to CISs operating in Pakistan in order to provide temporary relaxation against covid pandemic. All of the relaxations provided have expired prior to June 30, 2021.

The Pension Fund Manager is closely monitoring the situation and has invoked required actions to ensure safety and security of the staff and an uninterrupted service to the customers. Business Continuity Plans (BCP) for respective areas are in place and tested. The Pension Fund Manager has significantly enhanced monitoring for all cyber security risk during these times from its information security protocols. The remote work capabilities were enabled for critical staff and related risk and control measures were assessed to make sure they are fully protected using virtual private network (“VPN”) connections. Further, the Pension Fund Manager has also ensured that its remote access systems are sufficiently resilient to any unwanted cyber-attacks.

The Pension Fund Manager has made an assessment of Covid-19 on the credit risk and liquidity risk and believes that there is no significant impact on the Fund.

25 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Pension Fund Manager on August 21, 2021.

For JS Investments Limited
(Pension Fund Manager)

Chief Executive Officer

Chief Financial Officer

Director

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