JS Islamic Fund

Annual Report 2021

JS investments

Managing Mutual Funds Better!

CONTENTS

VISION

To be recognized as a responsible asset manager respected for continuingly 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
The Centre, 19th Floor
Plot No.28, SB-5
Abdullah Haroon Road, Saddar,
Karachi-75600
Tel: (92-21) 3840209 Fax: (92-21) 35839977
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 Farial Salahuddin	Member
Mr. Hasan Shahid	Member

Director Finance & Company Secretary

Muhammad Khawar Iqbal

Chief Financial Officer

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

Grant Thornton Anjum Rahman
Chartered Accountants

Legal Adviser

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

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*

Directors' Report to the Unit Holders

The Board of Directors of JS Investments Limited, the Management Company of **JS Islamic 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 33.71% for the year ended June 30, 2021 against benchmark return of 39.32% Net Assets moved from PKR. 430.04 million to PKR. 490.87 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 Grant Thornton Anjum Rahman 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 Grant Thornton Anjum Rahman 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.

Shariah Advisors

Messrs Al-Hilal Shariah Advisors (Pvt.) Limited, completed its tenure. The Board of Directors of JS Investment Limited, the Management Company of the Fund, upon recommendation of the Audit Committee has approved the appointment of Al-Hilal Shariah Advisors for the ensuing year ending June 30, 2022.

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 13.1 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.

Karachi: Director Chief Executive Officer

شراکت داروں کے لیے ڈائریکٹرز رپورٹ

جے ایس انویسٹمنٹس لمیٹڈ کے بورڈ آف ڈائریکٹرز، JS اسلامک 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

لاتعداد 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 ہوگیا 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% ہوگئی۔ 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 شعبہ 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۔موخرالذکر 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 ہوگئے جب کہ کل لیکویڈ غیر ملکی زرمبادلہ (FX) کے ذخائر 36% اضافے کے ساتھ 24.8 بلین امریکی ڈالر ہوگئے۔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 سرامکس میں 171% کا اضافہ ہوا۔اس مدت کے دوران ریفائنری، انجینئرنگ، آٹو اسمبلرز، پیپر اینڈ بورڈ اور سیمنٹ وہ دیگر شعبے تھے جن میں سب سے زیادہ اضافہ ہوا۔فوڈ اینڈ پرسنل کیئر، آئل اینڈ گیس اور ایکسپلوریشن 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 (ڈیمز کی تعمیر کے ذریعے) پر خصوصی توجہ نے تعمیراتی شعبہ سے متعلق اسٹاکس میں تیزی سے اضافہ کیا ہے۔

دوسری طرف روایتی مستحکم کمپنیز 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 اضافہ 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 ہوگئی۔تجارتی ویلیو میں اس نمایاں اضافے کا سبب 2017 سے ایکویٹیز 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 39.32% اپنے بینچ مارک منافع کے مقابلے میں 33.71% رہا۔ 30 جون 2021 کو خالص اثاثہ جات 430.04 ملین روپے سے 490.87 ملین روپے پر پہنچ گئے۔

ایسیٹ مینجر 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

ریٹائر ہونے والے بیرونی آڈیٹرز میسرز گرینٹ تھورنٹن انجم رحمان چارٹرڈ اکاؤنٹنٹس اہلیت کی بنیاد پر خود کو دوبارہ تقرری کے لیے پیش کرتے ہیں۔ بورڈ آف ڈائریکٹرز نے، آڈٹ کمیٹی کی تجویز پر، میسرز گرینٹ تھورنٹن انجم رحمان 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 حسنین رضا نینسی کی جگہ کمپنی کی چیف ایگزیکٹیو 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 ہوگئے جبکہ جناب سلیمان لالانی، جناب حلیم شیخ، جناب زاہد اللہ خان اور جناب مرزا ایم ساجد ایچ براس کو بالترتیب ان کی جگہ ڈائریکٹر مقرر کیا گیا۔

شریعہ ایڈوائزرز

میسرز الہلال شریعہ ایڈوائزرز (پرائیوٹ) لمیٹڈ نے اپنی مدت مکمل کی۔ JS انویسٹمنٹس لمیٹڈ کے بورڈ آف ڈائریکٹرز، فنڈ کی مینجمنٹ کمپنی نے، آڈٹ کمیٹی کی تجویز پر الہلال شریعہ ایڈوائزرز کو 30 جون 2022 کو ختم ہونے والے اگلے سال کے لیے تقرری کی منظوری دی۔

اضافی معاملات

ا۔ سالانہ رپورٹ کے ساتھ فنڈ مینیجر 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 یونٹ 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 سیکیورٹیز 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 والٹ 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 13.1 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 اسکیمز، پرائیویٹ فنڈز وغیرہ کو ایکٹ کے سیکشن 12A کے تحت خصوصی ٹرسٹس ہونے کی بناء پر اسسٹنٹ ڈائریکٹر آف انڈسٹریز اینڈ کامرس (ٹرسٹ ونگ)، حکومت سندھ کے ساتھ رجسٹرڈ ہونا لازمی ہے۔ اس مقصد کیلئے منیجمنٹ کمپنیز کے درمیان تمام فنڈز کی دوبارہ تشکیل کی گئی ٹرسٹ ڈیڈز مکمل کر لی گئی ہیں اور ٹرسٹیز ار تمام متعلقہ ٹرسٹ ڈیڈز مع ضروری دستاویزات اسسٹنٹ ڈائریکٹر آف انڈسٹریز اینڈ کامرس (ٹرسٹ ونگ)، حکومت سندھ کے پاس جمع کرادی گئی ہیں۔

اظہارِ تشکر

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

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 کے مذکورہ بالا اہم معاملے میں ظاہر کی گیا ہے جو کہ SWWF پر وویژننگ سے متعلق ہے۔

چیف ایگزیکٹیو آفیسر | ڈائریکٹر

کراچی:

Fund Manager Report
Annual Report 2021

JS Islamic Fund (JS ISF)

- **Description of the Collective Investment Scheme category and type**
  Shariah Compliant Islamic - Equity Scheme / Open end

- **Statement of Collective Investment Scheme's investment objective**
  JS Islamic Fund [JS ISF] aims to grow investor's capital in the long term in adherence with principles of Shariah compliance as advised by the Shariah Advisory Council (SAC) of this fund. The fund investments are limited to asset classes approved by the Shariah Advisory Council (SAC) and all companies under investment consideration are semiannually screened for Shariah compliance.

- **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**
  KMI30 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
JSISF	14.03%	6.43%	-2.79%	-1.44%	1.78%	8.03%	5.19%	1.30%	-5.54%	-2.50%	9.54%	-2.70%	33.71%
Benckmark	14.75%	4.03%	-1.39%	-1.92%	4.44%	7.31%	4.29%	2.77%	-4.25%	-2.14%	10.17%	-2.70%	39.32%
Diff.	**-0.72%**	**2.40%**	**-1.40%**	**0.48%**	**-2.66%**	**0.72%**	**0.89%**	**-1.47%**	**-1.30%**	**-0.36%**	**-0.63%**	**0.00%**	**-5.61%**

- **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, Cement 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	6.56%	15.85%
Equity	92.17%	83.07%
Other including receivables	1.27%	1.08%
Total	**100.00%**	**100.00%**

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

	Fund		Fund	BM
Information Ratio	(0.06)	Beta	0.9	1.0
Correlation	0.97	Largest Month Gain	21.2%	23.3%
Standard Deviation*	22.6%	Largest Month Loss	-28.7%	-37.1%
Expense Ratio**	4.81%	% Positive Months	62.8%	60.5%

* Since inception
** This includes 0.93% government levy, Sindh Worker's Welfare Fund and SECP fee. Selling & Marketing Expense PKR 5,363,556.

- **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	491	104.67
30-Jun-20	430	78.28

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

The fund invests in shariah compliant 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)	104.67
Ex-NAV (PKR)	104.67

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

- **Breakdown of unit holdings by size**

Fund Name	Ranges			Number of Folios
JS Islamic Fund	0.0001	to	9,999.9999	905
	10,000.0000	to	49,999.9999	72
	50,000.0000	to	99,999.9999	11
	100,000.0000	to	499,999.9999	6
	500,000.0000	&	above	-
			Total	**994**

- **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 - Rupees in "000"		490,866	430,038	582,237	999,648	1,629,277
Net income / (loss) - Rupess in "000"		141,419	(21,837)	(168,035)	(391,598)	397,553
Total return of the Fund	%	33.71	(6.48)	(20.19)	(19.77)	46.06
Annual dividend distribution	%	-	-	-	-	20.00
Capital Growth	%	33.71	(6.48)	(20.19)	(19.77)	26.06
Average annual return						
- One Year	%	33.71	(6.48)	(20.19)	(19.77)	46.06
- Two Years	%	13.62	(13.34)	(19.98)	13.15	25.97
- Three Years	%	2.35	(15.48)	2.03	10.72	31.61
NAV per unit	Rs.	104.67	78.28	83.70	104.88	130.72
Highest offer price per unit	Rs.	113.29	99.72	107.24	137.84	170.05
Lowest offer price per unit	Rs.	82.74	58.06	72.97	101.82	107.20
Year-end offer price per unit	Rs.	108.22	80.94	86.54	108.44	134.65
Highest repurchase price per unit	Rs.	109.57	99.72	107.12	133.82	165.09
Lowest repurchase price per unit	Rs.	80.02	58.06	72.97	98.85	104.07
Year-end repurchase price per unit	Rs.	104.67	78.28	83.70	104.88	130.72
Interim distribution	Rs.	-	-	-	-	20.00
Final distribution	Rs.	-	-	-	-	-
Total distribution as % of par value	Rs.	-	-	-	-	20.00

Notes

- JS Islamic Fund was launched on December 27, 2002.
- 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.

Al-Hilal
Shariah Advisors

بِسۡمِ اللّٰہِ الرَّحۡمٰنِ الرَّحِیۡمِ

September 14, 2021

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

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

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

Keeping in view the above; we certify that:

We have reviewed all the investment and operational activities of the fund including all transactions and found them to comply with the Shariah guidelines. On the basis of information provided by the management company, all operations of the fund for the year ended June 30, 2021 comply with the provided Shariah guidelines. Therefore, it is resolved that investments in JS Islamic Fund (JS-ISF) managed by JS Investments Limited are halal and in accordance with Shariah principles.

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

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

Mufti Irshad Ahmad Aijaz
Member Shariah Council

Faraz Younus Bandukda, CFA
Chief Executive

Al-Hilal Shariah Advisors (Pvt) Limited

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STATEMENT OF COMPLIANCE WITH SHARIAH PRINCIPLES

JS Islamic Fund (the Fund) has fully complied with Shariah Principles specifi¬ed in the Trust Deed and in the guidelines issued by the Shariah Advisors for its operations, investments, bank accounts and placements made during the year ended June 30, 2021. The Shariah Advisors has also confirmed that the transactions were observed to be compliant with the guidelines laid down by Shariah Advisors.

Iffat Zehra Mankani
Chief Executive Officer

Karachi: September 24, 2021

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

Grant Thornton Anjum Rahman
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Karachi, Pakistan.

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Introduction

We were engaged by the Board of Directors of JS Investments Limited (the Management Company) to report on the Management Company's assessment of compliance with the Shariah Principles of JS Islamic Fund (the Fund), as set out in the annexed Statement of Compliance with the Shariah Principles (the Statement) prepared by the Management Company for the year ended June 30, 2021, in the form of an independent reasonable assurance conclusion about whether the annexed statement reflects, in all material respects the status of compliance of the Fund with the Shariah Principles as specified in the Trust Deed and the guidelines issued by the Shariah Advisor. Our engagement was conducted by a team of assurance practitioners.

Applicable Criteria

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

Management's Responsibility

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

Our Independence and Quality Control

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

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

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Our Responsibility and Summary of Work Performed

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

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

The procedures performed primarily comprised the following:

- checking compliance of specific guidelines relating to charity, maintaining bank accounts and for making investments of the Fund.
- checking that the Shariah Advisor has certified that the operations of the Fund, its investments and placements made during the year ended June 30, 2021 are in compliance with the Shariah Principles.

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

Conclusion

Based on the procedures performed during our reasonable assurance engagement, we report that in our opinion, the annexed Statement presents fairly, in all material respects, the status of the Fund's compliance with the Shariah Principles specified in the Trust Deed and in the guidelines issued by the Shariah Advisor for the year ended June 30, 2021.

Grant Thornton Anjum Rahman

Chartered Accountant

Dated: September 27, 2021
Karachi

Encl.: as above

CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED

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TRUSTEE REPORT TO THE UNIT HOLDERS

JS ISLAMIC 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 Islamic 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 17, 2021

Grant Thornton

INDEPENDENT AUDITOR'S REPORT TO THE UNIT HOLDERS OF JS ISLAMIC FUND

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Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **JS Islamic 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 movements in unit holder's fund and the statement of cash flows 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 approved accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

Key Audit Matters

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

Key audit matter	How our audit addressed the key audit matter
Net assets value (NAV)	
The balances with banks and investments constitute the most significant component of the net assets value (NAV). The balances with banks and investments as at June 30, 2021 amounted to Rs. 28.92 million and Rs. 472.16 million as disclosed in note 5 and 6 respectively. The proper valuation of balances with banks and investments for the determination of NAV of the Fund as at June 30, 2021 was considered as a high risk area and therefore, we consider this as a Key Audit Matter (KAM).	We performed the following audit procedures: • Obtained an understanding of design effectiveness of the key controls on the investment and balances with bank. • Obtained independent confirmations for verifying the existence of the investment portfolio and balances with banks as at June 30, 2021 and reconciled it with the books and records of the Fund. • Re-performed valuation to assess that the investments are carried as per the valuation methodology specified in the accounting policies. • Obtained bank reconciliation statements and tested reconciling items on a sample basis. • Checked presentation and disclosure as per applicable financial reporting framework.

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Other Matter

The financial statements of the Fund for the year ended June 30, 2020 were audited by another firm of Chartered Accountants who in their audit report dated September 29, 2020 has expressed an unmodified opinion.

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

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

Grant Thornton Anjum Rahman

Chartered Accountants

Karachi
Date: September 27, 2021

FINANCIAL STATEMENTS

STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2021

	Note	June 30, 2021	June 30, 2020
		-----------Rupees-----------	
Assets			
Balances with banks	5	**28,919,207**	73,426,398
Investments	6	**472,162,095**	384,764,489
Bank profit receivable	7	**188,628**	286,944
Security deposits	8	**2,600,000**	2,600,000
Advances and other receivables	9	**8,362,251**	2,104,153
Total assets		**512,232,181**	463,181,984
Liabilities			
Payable to JS Investments Limited - Management Company	10	**7,711,624**	7,223,970
Payable to Central Depository Company of Pakistan Limited - Trustee	11	**96,363**	84,016
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)	12	**100,260**	93,615
Dividend payable		**11,533**	11,533
Accrued expenses and other liabilities	13	**13,446,806**	25,730,596
Total liabilities		**21,366,586**	33,143,730
Contingencies and commitments	14		
Net assets		**490,865,595**	430,038,254
Unit holders' fund (as per statement attached)		**490,865,595**	430,038,254
		--------Number of units--------	
Number of units in issue	18	**4,689,823**	5,493,374
		-----------(Rupees)----------	
Net asset value per unit		**104.67**	78.28

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

For JS Investments Limited
(Management Company)

Chief Executive Officer | **Chief Financial Officer** | **Director**

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2021

	Note	June 30, 2021	June 30, 2020
		-----------Rupees-----------	
Net realized gain/(loss) on sale of investments at fair value through profit or loss		**70,537,927**	(15,831,687)
Net unrealised gain/(loss) on re-measurement of investments at fair value through profit or loss	6.2	**78,060,039**	(7,089,726)
Dividend income		**14,857,245**	15,326,976
Return on bank deposits		**2,096,451**	6,516,184
Total income / (loss)		**165,551,662**	(1,078,253)
Expenses			
Remuneration to the Management Company	10.1	**10,025,518**	9,364,019
Sindh Sales tax on remuneration to the Management Company	10.4	**1,303,328**	1,217,322
Remuneration to the Central Depository Company of Pakistan Limited - Trustee	11.1	**1,002,107**	938,035
Sindh Sales tax on remuneration of the trustee	11.2	**129,988**	121,944
Allocated expenses	10.2	**501,293**	468,246
Selling and marketing expenses	10.3	**5,363,556**	4,073,670
Annual fee to the SECP	12	**100,286**	93,640
Auditors' remuneration	15	**689,945**	553,800
Shariah advisory fee		**178,628**	99,630
Annual listing fee		**25,000**	25,000
SECP supervisory fee on listing fee		**2,500**	2,500
Securities transaction cost		**1,527,441**	3,242,252
Bank, settlement and other charges		**398,552**	558,956
Total expenses		**21,248,142**	20,759,014
Net income / (loss) from operating activities		**144,303,520**	(21,837,267)
Provision for Sindh Workers' Welfare Fund (SWWF)		**(2,884,625)**	-
Net income / (loss) for the year before taxation		**141,418,895**	(21,837,267)
Taxation	17	-	-
Net income / (loss) for the year after taxation		**141,418,895**	(21,837,267)
Allocation of net income for the year			
Net income for the year after taxation		**141,418,895**	-
Income already paid on units redeemed		**(34,099,914)**	-
Accounting income available for distribution		**107,318,981**	-
- Relating to capital gain		**148,597,966**	-
- Excluding capital gain		**(41,278,985)**	-
		107,318,981	-

The annexed notes from 1 to 26 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

	June 30, 2021	June 30, 2020
	-----------Rupees-----------	
Net income / (loss) for the year after taxation	**141,418,895**	(21,837,267)
Other comprehensive income for the year	-	-
Total comprehensive income / (loss) for the year	**141,418,895**	(21,837,267)

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

For JS Investments Limited
(Management Company)

Chief Executive Officer **Chief Financial Officer** **Director**

STATEMENT OF CASH FLOW
FOR THE ENDED JUNE 30, 2021

	Note	June 30, 2021	June 30, 2020
		-----------Rupees-----------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income / (loss) for the year before taxation		**141,418,895**	(21,837,267)
Adjustments for:			
Return on bank deposits		**(2,096,451)**	(6,516,184)
Dividend income		**(14,857,245)**	(15,326,976)
Net realised (gain)/loss on revaluation investments at fair value through profit or loss		**(70,537,927)**	15,831,687
Net unrealised (gain) / loss on re-measurement of investments at fair value through profit or loss		**(78,060,039)**	7,089,726
Operating (loss) / income before working capital changes		**(165,551,662)**	1,078,253
Increase in assets			
Investments - net		**54,848,577**	138,782,788
(Decrease)/increase in current liabilities			
Payable to JS Investments Limited - Management Company		**487,654**	68,717
Payable to Central Depository Company of Pakistan Limited -Trustee		**12,347**	(30,068)
Annual fee payable to the SECP		**6,645**	(723,998)
Accrued expenses and other liabilities		**2,810,169**	(196,419)
		3,316,815	(881,768)
Profit received on bank deposits		**2,194,767**	6,485,047
Dividend received		**14,857,245**	17,911,526
		17,052,012	24,396,573
Net cash generated from operating activities		**51,084,637**	141,538,579
NET CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts from issuance of units		**224,364,546**	265,143,890
Payments against redemption of units		**(319,956,374)**	(380,505,309)
Net cash used in financing activities		**(95,591,828)**	(115,361,419)
Net (decrease) / increase in cash and cash equivalents		**(44,507,191)**	26,177,160
Cash and cash equivalents at beginning of the year		**73,426,398**	47,249,238
Cash and cash equivalents at end of the year	5	**28,919,207**	73,426,398

The annexed notes from 1 to 26 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

	For The Year Ended June 30, 2021			For The Year Ended June 30, 2020		
	----------Rupees----------					
	Capital Value	**Undistributed income / (Accumulated loss)**	**Total**	Capital Value	Undistributed income / (Accumulated loss)	Total
Net assets at beginning of the year	**762,408,567**	**(332,370,313)**	**430,038,254**	892,770,260	(310,533,046)	582,237,214
Issue of **2,305,654** units (2020: Units 3,310,027)						
- Capital value (at net asset value per unit at the beginning of the year)	**180,486,595**	**-**	**180,486,595**	277,049,277	-	277,049,277
- Element of income / (loss)	**43,877,951**	**-**	**43,877,951**	(11,905,387)	-	(11,905,387)
Total proceeds on issuance of units	**224,364,546**	**-**	**224,364,546**	265,143,890	-	265,143,890
Redemption of **3,109,205** units (2020: Units 4,772,775)						
- Capital value (at net asset value per unit at the beginning of the year)	**(243,388,489)**	**-**	**(243,388,489)**	(399,488,066)	-	(399,488,066)
- Amount paid out of element of income	**-**	**(34,099,914)**	**(34,099,914)**	-	-	-
- Element of (loss) / income	**(27,467,697)**	**-**	**(27,467,697)**	3,982,483	-	3,982,483
Total payments on redemption of units	**(270,856,186)**	**(34,099,914)**	**(304,956,100)**	(395,505,583)	-	(395,505,583)
Total comprehensive income / (loss) for the year	**-**	**141,418,895**	**141,418,895**	-	(21,837,267)	(21,837,267)
Net assets at end of the year	**715,916,927**	**(225,051,332)**	**490,865,595**	762,408,567	(332,370,313)	430,038,254
Accumulated loss brought forward						
- Realized loss		**(325,280,587)**			(216,787,503)	
- Unrealized loss		**(7,089,726)**			(93,745,543)	
		(332,370,313)			(310,533,046)	
Accounting income available for distribution						
- Relating to capital gain		**148,597,966**			-	
- Excluding capital gain		**(41,278,985)**			-	
		107,318,981			-	
Total comprehensive income/ (loss) for the year		**107,318,981**			(21,837,267)	
Distribution during the year		**-**			-	
Undistributed loss carried forward		**(225,051,332)**			(332,370,313)	
Accumulated loss brought forward						
- Realized loss		**(296,499,788)**			(325,280,587)	
- Unrealized gain/ (loss)		**71,448,456**			(7,089,726)	
		(225,051,332)			(332,370,313)	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the year		**78.28**			83.70	
Net assets value per unit at end of the year		**104.67**			78.28	

The annexed notes from 1 to 26 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 JUNE 30, 2021

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 JS Islamic Fund ("the Fund") was established under a Trust Deed executed between JS Investments Limited as Management Company [a company incorporated under the repealed Companies Ordinance, 1984 (now Companies Act, 2017)] and the MCB Financial Services Limited (MCBFSL) as a Trustee, which is a wholly owned subsidiary of MCB Bank Limited. The Trust Deed was executed on December 16, 2002 and was approved by the Securities and Exchange Commission of Pakistan (the SECP) on November 18, 2002 under the Asset Management Companies Rules, 1995 [replaced by the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules)]. During the year ended June 30, 2005, MCBFSL voluntarily retired as a trustee of the Fund and Central Depository Company of Pakistan Limited (CDC) was appointed as the new trustee under an amended Trust Deed dated May 28, 2005. Accordingly, the Trust Deed was approved by the SECP on January 27, 2005 under the Rules.

1.2 All the activities of the Fund are undertaken in accordance with the Islamic Shariah rules and principles. The Management Company has appointed a Shariah Supervisory Council whose advice is followed to ensure that activities of the Fund are in compliance with Shariah.

1.3 The Fund is an open end mutual fund categorised as Shariah compliant (Islamic) equity scheme and is listed on the Pakistan Stock Exchange. Units are offered for public subscription on a continuous basis and are transferrable and can be redeemed by surrendering them to the Fund.

1.4 The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules) through a certificate of registration issued by the SECP. The registered office of JS Investments Limited is situated at 19th floor, The Centre, Abdullah Haroon Road, Saddar, Karachi. The Management Company is a member of the Mutual Funds Association of Pakistan (MUFAP).

1.5 Pakistan Credit Rating Agency (PACRA) has assigned Management Quality Rating of 'AM2 (AM - Two) to the Management Company as at June 30, 2021 (June 30, 2020: AM2).

1.6 The title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as the Trustee of the Fund.

1.7 Due to the enactment of the Sindh Trusts Act, 2020 (as amended vide Sindh Trusts (Amended) Act, 2021), the Trust, being a Specialized Trust is required to be got 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 alongwith necessary documents have been submitted with Assistant Director of Industries and Commerce (Trust Wing), Government of Sindh."

1.8 Significant events or transactions

There are no significant events or transactions during the year.

2 BASIS OF PREPARATION

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

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act);

- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and

- the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

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

2.2 Standards, Amendments and Interpretations to Approved Accounting Standards

2.2.1 Standards, amendments and interpretations to the published standards that may be relevant to the company and adopted in the current year

There is no standard, amendments and interpretations of IFRSs which became effective during the current

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

The following new standards, amendments to published standards and interpretations would be effective from the dates mentioned below against the respective standard or interpretation.

Standard or Interpretation	Effective date (Annual periods beginning on or after)
- IBOR Reform and its Effects on Financial Reporting—Phase 2	January 1, 2021
- Fees in the '10 per cent' Test for Derecognition of Financial Liabilities (Amendment to IFRS 9)	January 1, 2022
- Onerous Contracts—Cost of Fulfilling a Contract (Amendments to IAS 37)	January 1, 2022
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)	January 1, 2022
- Subsidiary as a First-time Adopter (Amendment to IFRS 1)	January 1, 2022
- Taxation in Fair Value Measurements (Amendment to IAS 41)	January 1, 2022
- Updating a Reference to the Conceptual Framework (Amendments to IFRS 3)	January 1, 2022
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)	January 1, 2023
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)	January 1, 2023
- Definition of Accounting Estimates (Amendments to IAS 8)	January 1, 2023
- Disclosure Initiative—Accounting Policies	January 1, 2023

The Company is in the process of assessing the impact of these Standards, amendments and interpretations to the published standards on the financial statements of the Company.

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

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

Standard or Interpretation	IASB effective date (Annual periods beginning on or after)
- IFRS 17 'Insurance Contracts'	January 1, 2023
- Amendments to IFRS 17 Insurance Contracts	January 1, 2023
- IFRS 1 'First-time Adoption of International Financial Reporting Standards'	July 1, 2009

3 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 assumption are significant to the financial statements relate to classification, impairment and valuation of investments (notes 4.1 and 6) provision for SWWF (note 13.1), provision for Federal Excise Duty (note 10.5) and provision for taxation (notes 4.7 and 17).

3.1 Accounting convention

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

3.2 Functional and presentation currency

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

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

4.1 Financial Assets

4.1.1 Initial recognition and measurement

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

4.1.2 Classification and subsequent measurement

a) 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 dividend income for equity securities classified under FVOCI are to be recognised in the income statement. However, any surplus / (deficit) arising as a result of subsequent movement in the fair value of equity securities classified as FVOCI is to be recognised in other comprehensive income and is not recycled to the income statement on derecognition.

The Fund has not made an irrevocable election upon adoption of IFRS 9 to present in other comprehensive income subsequent changes in the fair value of investments in equity instruments and accordingly all investments in equity instruments have been designated as FVTPL.

b) 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 around that is determined by evaluating a range of possible
- 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.

4.1.3 Regular way contracts

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

4.1.4 Derecognition

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

4.2 Derivatives

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

4.3 Financial liabilities

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 the income statement. Financial liabilities include payable to the Management Company and other liabilities.

4.4 Offsetting of financial assets and liabilities

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

4.5 Cash and cash equivalents

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

4.6 Provisions

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

4.7 Taxation

Current

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

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

4.8 Issue and redemption of units

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

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

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

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

4.10 Distributions to unit holders

Distributions to 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 SECP, distribution for the year also includes portion of income already paid on units redeemed during the year.

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

4.11 Revenue Recognition

- Realised capital gains / (losses) arising on sale of investments are included in the income statement and are recognised when the transaction takes place.
- Dividend income on equity securities is recognised when the right to receive the dividend is established, i.e. on the date of commencement of book closure of the investee company / institution declaring the dividend.
- Unrealised gains / (losses) arising on the revaluation of investments classified as 'at fair value through profit or loss' are included in the income statement in the year in which they arise.
- Profit on saving accounts with the banks are recognised on an accrual basis.

4.12 Expenses

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

4.13 Net asset value per unit

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

4.14 Earning / (loss) per unit

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

4.15 Foreign currency translation

Transactions denominated in foreign currencies are accounted for in Pakistan 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.

		Note	**June 30, 2021**	June 30, 2020
5	**BALANCES WITH BANKS**		-----------Rupees-----------	
	- In saving accounts	**5.1**	**26,412,755**	72,110,001
	- In current accounts	**5.2**	**2,506,452**	1,316,397
			28,919,207	73,426,398

5.1 This includes balance of Rs. 0.262 million (June 30, 2020: Rs. 0.031 million) with BankIslami Pakistan Limited (related party) that carries profit at 6.50% per annum (June 30, 2020: 11.00% per annum). Other PLS accounts of the Fund carry profit rates ranging from 3.25% to 6.75% per annum (June 30, 2020: 5.00% to 13.25% per annum).

5.2 This includes balance of Rs. 2.21 million (June 30, 2020: Rs.1.15 million) with JS Bank Limited (related party).

		Note	**June 30, 2021**	June 30, 2020
6	**INVESTMENTS**		-----------Rupees-----------	
	At fair value through profit or loss			
	Listed equity securities	6.1	**472,162,095**	384,764,489
			472,162,095	384,764,489

6.1 Listed equity securities - 'at fair value through profit or loss'

(Ordinary shares have a face value of Rs.10/- each unless stated otherwise).

Sector/companies	Holding (Opening)	During the year: Acquired	Bonus/right	Disposed	Holding (Closing)	Carrying value	Market value	% of net assets	Total Investments	Investee Capital
	---(Number of shares)---					---(Rupees)---		---(%)---		
Automobile Assembler										
Honda Atlas Cars (Pakistan) Limited	20,000	19,000	-	39,000	**-**	**-**	**-**	**0.00**	**0.00**	**0.00**
Pak Suzuki Motor Company Limited	-	112,100	-	82,500	**29,600**	**10,416,142**	**10,521,024**	**0.02**	**0.02**	**0.00**
						10,416,142	**10,521,024**			
Oil & Gas Exploration Companies										
Mari Petroleum Co. Limited	15,395	3,300	-	3,480	**15,215**	**19,911,620**	**23,193,594**	**0.05**	**0.05**	**0.01**
Oil & Gas Development Co. Limited	434,900	52,000	-	165,600	**321,300**	**34,488,051**	**30,533,139**	**0.06**	**0.06**	**0.01**
Pakistan Petroleum Limited	544,840	55,000	-	280,100	**319,740**	**28,105,637**	**27,763,024**	**0.06**	**0.06**	**0.01**
Pakistan Oilfields	-	43,000		6,500	**36,500**	**13,538,324**	**14,375,890**	**0.03**	**0.03**	**0.01**
						96,043,632	**95,865,647**			
Oil & Gas Marketing Companies										
Pakistan State Oil Co. Limited	150,300	30,000	-	40,000	**140,300**	**24,073,322**	**31,462,275**	**0.06**	**0.07**	**0.03**
Shell Pakistan (pvt.) limited	70,100	20,000	31,100	120,300	**900**	**138,204**	**157,680**	**0.00**	**0.00**	**0.00**
Sui Northern Gas Pipelines Limited	142,000	-	-	142,000	**-**	**-**	**-**	**0.00**	**0.00**	**0.00**
						24,211,526	**31,619,955**			
Power Generation & Distribution										
Hub Power Co. Limited	435,769	150,000	-	231,700	**354,069**	**27,552,846**	**28,208,677**	**0.06**	**0.06**	**0.03**
Nishat Chunian Power Limited	-	614,000	-	131,000	**483,000**	**8,120,606**	**7,254,660**	**0.01**	**0.02**	**0.13**
						35,673,452	**35,463,337**			

Sector/companies	Holding (Opening)	During the year Acquired	Bonus/right	Disposed	Holding (Closing)	Carrying value	Market value	% of net assets	Total Investments	Investee Capital
	----------(Number of shares)				----------	----------(Rupees)	----------	----------(%)		----------
Glass & Ceramics										
Tariq Glass Industries Limited	183,500	33,000	-	183,500	**33,000**	**3,274,760**	**3,510,540**	**0.01**	**0.01**	**0.02**
Shabbir Tiles & Ceramics Limited	-	425,500	-	55,500	**370,000**	**8,914,695**	**12,339,500**	**0.03**	**0.03**	**0.11**
						12,189,455	**15,850,040**			
Chemicals										
I.C.I Pakistan Limited	25,000	-	-	5,800	**19,200**	**13,338,432**	**16,680,960**	**0.03**	**0.04**	**0.02**
Berger Paints Pakistan Limited	-	60,000	-	60,000	**-**	**-**	**-**	**0.00**	**0.00**	**0.00**
Sitara Peroxide Limited	-	184,000	-	140,000	**44,000**	**1,095,007**	**1,244,760**	**0.00**	**0.00**	**0.08**
Engro Polymer & Chemicals Limited	-	477,000		74,000	**403,000**	**18,356,261**	**19,037,720**	**0.04**	**0.04**	**0.04**
						32,789,700	**36,963,440**			
Miscellaneous										
Siddiqsons Tin Plate Limited	-	505,500	-	505,500	**-**	**-**	**-**	**0.00**	**0.00**	**0.00**
Cement										
Lucky Cement Limited	45,200	9,000	-	10,400	**43,800**	**23,684,250**	**37,818,672**	**0.08**	**0.08**	**0.01**
D. G. Khan Cement Co. Limited	116,000	231,500	-	341,000	**6,500**	**824,422**	**766,480**	**0.00**	**0.00**	**0.00**
Cherat Cement Company Limited	222,000	45,700	-	54,500	**213,200**	**22,252,416**	**37,817,416**	**0.08**	**0.08**	**0.11**
Maple Leaf Cement Factory Limited	401,000	112,000	-	98,500	**414,500**	**12,981,473**	**19,473,210**	**0.04**	**0.04**	**0.04**
Pioneer Cement Limited	329,000	189,000	-	329,000	**189,000**	**24,382,355**	**24,772,230**	**0.05**	**0.05**	**0.08**
						84,124,916	**120,648,008**			
Textile Composite										
Nishat Mills Limited	-	107,000	-	24,000	**83,000**	**6,900,465**	**7,743,900**	**0.02**	**0.02**	**0.02**
Interloop Limited	-	159,000	-	33,000	**126,000**	**8,101,055**	**8,823,780**	**0.02**	**0.02**	**0.01**
						15,001,520	**16,567,680**			
Commercial Banks										
Meezan Bank Limited	230,660	-	-	230,660	**-**	**-**	**-**	**0.00**	**0.00**	**0.00**
Pharmaceuticals										
Highnoon Laboratories Limited	17,680	10,000	2,238	6,300	**23,618**	**11,614,316**	**14,170,800**	**0.03**	**0.03**	**0.07**
IBL Healthcare Limited	-	103,000	-	103,000	**-**	**-**	**-**	**0.00**	**0.00**	**0.00**
Searl Company Limited	-	61,000	5,083	65,900	**183**	**42,583**	**44,399**	**0.00**	**0.00**	**0.00**
						11,656,899	**14,215,199**			
Fertilizer										
Engro Corporation Limited	92,300	-	-	30,900	**61,400**	**17,985,289**	**18,089,054**	**0.04**	**0.04**	**0.01**
Engro Fertilizer Corporation Limited	-	128,000	-	128,000	**-**	**-**	**-**	**0.00**	**0.00**	**0.00**
Fauji Fertilizer Company Limited	-	103,000	-	103,000	**-**	**-**	**-**	**0.00**	**0.00**	**0.00**
						17,985,289	**18,089,054**			
Refinery										
Pakistan Refinery Limited	-	250,000	-	250,000	**-**	**-**	**-**	**0.00**	**0.00**	**0.00**
Engineering										
International Steels Limited	-	204,000	-	204,000	**-**	**-**	**-**	**0.00**	**0.00**	**0.00**
Aisha Steels Limited	-	557,000	-	-	**557,000**	**12,160,860**	**13,874,870**	**0.03**	**0.03**	**0.07**
Mughal Iron & Steel Industries Limite	-	280,500	41,120	37,500	**284,120**	**22,221,048**	**29,662,128**	**0.06**	**0.06**	**0.11**
						34,381,908	**43,536,998**			
Paper & Board										
Packages Limited	39,500	-	-	14,650	**24,850**	**8,628,168**	**13,548,220**	**0.03**	**0.03**	**0.03**
Century Paper & Board Mills Limited	80,000	149,000	35,300	263,900	**400**	**29,141**	**48,829**	**0.00**	**0.00**	**0.00**
Security Papers Limited	-	67,000	-	67,000	**-**	**-**	**-**	**0.00**	**0.00**	**0.00**
						8,657,309	**13,597,049**			
Food & Personal Care Products										
Unity Foods Limited		750,000	-	402,000	**348,000**	**8,068,705**	**15,492,960**	**0.03**	**0.03**	**0.04**
Automobile Parts & Accessories										
Agriauto Industries Limited*	-	16,900	-	3,300	**13,600**	**2,901,605**	**3,731,704**	**0.01**	**0.01**	**0.05**
Technology And Communications										
Systems Limited	52,000	42,000	-	94,000	**-**	**-**	**-**	**0.00**	**0.00**	**0.00**
Total as at June 30, 2021						**394,102,056**	**472,162,095**			
Cost as at June 30, 2021							**400,713,639**			

*Ordinary shares have a face value of Rs 10 per share, except for Agriauto Industries Limited & Shabbir Tiles & Ceramics Limited which have a face value of Rs 5 per share.

6.1.1 Following shares have been pledged with National Clearing Company of Pakistan Limited (NCCPL)

	June 30, 2021	June 30, 2020	**June 30, 2021**	June 30, 2020
	----(Number of shares)----		**Market Value of Shares ---------- Rupees----------**	
Engro Corporation Limited	**35,000**	35,000	**10,311,350**	10,252,200
The Hub Power Company Limited	**138,000**	138,000	**10,994,460**	10,005,000
Meezan Bank Limited	**-**	180,500	**-**	12,427,425
	173,000	353,500	**21,305,810**	32,684,625

			June 30, 2021	June 30, 2020
6.2	**Unrealised gain/ (loss) on re-measurement of investments at fair value through profit or loss**	**Note**	-----------**Rupees**-----------	
	Fair value of investments	**6.1**	**472,162,095**	384,764,489
	Less: carrying value of investments	**6.1**	**394,102,056**	391,854,215
			78,060,039	(7,089,726)
7	**BANK PROFIT RECEIVABLE**			
	Accrued profit on bank deposits	**7.1**	**188,628**	286,944

7.1 This include amount of Rs. 0.0014 million (June 30, 2020: Rs. Nil) as profit receivable from BankIslami Pakistan Limited (a related party)

		June 30, 2021	June 30, 2020
8	**SECURITY DEPOSITS**	-----------**Rupees**-----------	
	Security deposit with:		
	- National Clearing Company of Pakistan Limited	**2,500,000**	2,500,000
	- Central Depository Company of Pakistan Limited	**100,000**	100,000
		2,600,000	2,600,000

9	**ADVANCES AND OTHER RECEIVABLES**			
	Advance against book buidlings of Citi Pharma		**4,992,000**	-
	Advance against IPO of Pakistan Almunium Beverages Cans Limited		**1,266,098**	-
	Withholding tax recoverable	**9.1**	**2,104,153**	2,104,153
			8,362,251	2,104,153

9.1 As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001 (the Ordinance), payments made to collective investment schemes (CISs) are exempt from withholding tax under section 151 and 150 of the Ordinance. 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 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 withholdee. The tax withheld on dividends and profit on bank deposits amounts to Rs 0.010 million and Rs 2.094 million respectively.

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

10	**PAYABLE TO JS INVESTMENTS LIMTED - MANAGEMENT COMPANY**	**Note**	**June 30, 2021**	June 30, 2020
			-----------Rupees-----------	
	Remuneration of the Management Company	10.1	**838,176**	690,278
	Allocated expenses payable	10.2	**41,898**	34,512
	Selling and marketing expenses payable	10.3	**1,345,923**	1,078,096
	Sindh Sales Tax payable on the remuneration of the Management Company	10.4	**791,513**	772,277
	Federal Excise Duty payable on remuneration of the Management Company	10.5	**4,636,905**	4,636,905
	Sales load payable		**40,209**	446
	Shariah advisor fee		**17,000**	11,456
			7,711,624	7,223,970

10.1 The management fee from open-end Schemes is calculated by charging the specified rates to the net asset value / income of such schemes as at the close of business of each calendar day. As per Regulation 61 of the NBFC Regulations, 2008, an Asset Management Company shall be entitled to a remuneration equal to an amount not exceeding 2% (June 30, 2020: 2%) of the average annual net assets in case of equity, balanced, asset allocation and capital protected (dynamic asset allocation-direct exposure) schemes, that has been verified by the trustee and is paid in arrears on a monthly basis.

10.2 In accordance with the provisions of the NBFC Regulations, 2008 (as amended vide S.R.O 1160(I) / 2015 dated November 25, 2015), the Management Company was entitled to charge expenses related to registrar services, accounting, operations and valuation services, related to a Collective Investment Scheme (CIS) at the rate of 0.1% of the average annual net assets of the scheme or actual whichever is less. Further, SECP, vide SRO no. 639 (I)/2019 dated June 20, 2019, has removed the maximum cap of 0.1%. However, The Management Company based on its discretion has fixed a maximum capping of 0.1 percent of the average annual net assets of the scheme for allocation of such expenses to the Fund.

10.3 The SECP has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) initially for a period of three years (i.e. from January 1, 2017 till December 31, 2019). The maximum cap of selling and marketing expenses was 0.4% per annum of the net assets of the Fund or actual expenses whichever is lower.

During the current period, the SECP through its circular 11 dated July 5, 2019 has revised the conditions for charging of selling and marketing expenses to a Fund. As per the revised guidelines, the maximum cap of 0.4% per annum has been lifted and now the Asset Management Company is required to set a maximum limit for charging of such expenses to the Fund and the same should be approved by the Board of Directors of the Management Company as part of annual plan. Furthermore, the time limit of three years has also been removed in the revised conditions.

Accordingly, the Management Company based on its discretion has currently determined a capping of 1.07% of the average annual net assets of the Fund for charging of selling and marketing expenses which has also been approved by the Board of Directors of the Management Company.

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

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

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

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 management fee from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 4.64 million (June 30, 2020: 4.64 million) is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision not been made, the Net Asset Value per unit of the Fund would have been higher by Rs 0.99 (2020: Rs 0.84) per unit.

11	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note	June 30, 2021	June 30, 2020
			-----------Rupees-----------	
	Remuneration	11.1	**83,808**	70,634
	Sindh sales tax payable		**10,895**	9,182
	Settlement charges payable		**1,660**	4,200
			96,363	84,016

11.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed as per the tariff structure specified therein, based on the daily net assets of the Fund.

Based on the Trust Deed, the tariff structure applicable to the Fund as at June 30, 2021 is as follows:

Net assets	Tariff per annum
Up to Rs 1,000 million	0.2% per annum of the daily net assets.
Exceeding Rs 1,000 million	Rs 2 million plus 0.1% per annum of the daily net assets of the Fund exceeding Rs 1,000 million.

11.2 During the year, an amount of Rs 0.13 million (2020: Rs. 0.12 million) was charged on account of sales tax on remuneration of the Trustee levied through Sindh Sales Tax on Services Act, 2011.

12 ANNUAL FEE PAYABLE TO SECP

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

As per the guideline issued by the SECP vide SRO No. 685(I)/2019 dated June 28, 2019, the Fund has charged the SECP Fee at the rate of 0.02% (2020: 0.02%) of net assets during the current year.

13	ACCRUED EXPENSES AND OTHER LIABILITIES	Note	June 30, 2021	June 30, 2020
			-----------Rupees-----------	
	Provision for Sindh workers' welfare fund	13.1	**12,127,732**	9,243,107
	Withholding tax and capital gain tax payable		**70,991**	121,655
	Charity payable	13.2	**213,264**	246,496
	Zakat payable		**45,387**	44,172
	Payable against redemption of units	13.3	**-**	15,000,274
	Payable against transactions in marketable securities		**77,629**	171,314
	Auditors' remuneration		**429,640**	359,402
	Other payables		**311,688**	312,607
	Sales load payable		**170,475**	29,376
	Transfer load payable		**-**	202,193
			13,446,806	25,730,596

13.1 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 the 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, the 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).

Furthermore, on November 10, 2016, Honorable Supreme Court of Pakistan (SCP) passed a judgment declaring the amendments made in the Finance Acts 2006 and 2008 pertaining to WWF as illegal citing that WWF was not in the nature of tax and could, therefore, not have been introduced through money bills. Accordingly, the aforesaid amendments have been struck down by the SCP. The Federal Board of Revenue has filed a petition with the SCP against the said judgment, which is pending. While the petitions filed by the Collective Investment Schemes (CISs) on the matter are still pending before the Sindh High Court (SHC), the Mutual Funds Association of Pakistan (MUFAP) (collectively on behalf of the asset management companies and their CISs) have taken legal and tax opinions on the impact of the SCP's judgement on the CISs petition before the SHC. Both the legal and tax advisors consulted were of the view that the SCP's judgment has removed the very basis on which the demands were raised against the CISs. Therefore, there was no longer any liability against the funds under the WWF Ordinance and that all cases pending in the SHC or lower appellate forums will now be disposed of in light of the earlier judgement of the SCP.

In the repealed Companies Ordinance, 1984 and the now applicable Companies Act, 2017, mutual funds have not been included in the definition of "financial institutions". The MUFAP has held the view that SWWF is applicable on asset management companies and not on mutual funds.

As at June 30, 2021, the provision in relation to SWWF amounted to Rs. 8.19 million (2020: Rs. 5.17 million). Had the provision not being made, the Net Asset Value per unit as at June 30, 2021 would have been higher Rs. 2.59 per unit (June 30, 2020: Rs. 1.68 per unit).

13.2 According to the instructions of the Shariah Advisor, if any income is earned by the Fund from the investments whereby a portion of income of such investee has been derived from prohibited sources, such proportion of income of the Fund should be donated for charitable purposes.

During the current year, Non Shariah Compliant income amounting to Rs.0.787 million (2020: Rs.0.989 million) was set off against the dividend income of the Fund. The movement of charity payable is as follows:

	June 30, 2021	June 30, 2020
	-----------Rupees-----------	
Balance as at July 1	**246,496**	478,148
Haram income for the year	**786,768**	989,364
Paid during the year		
- Sindh Institute of Urology and		91,576
- Al-Shifa Trust Eye Hospital	-	91,576
- The Kidney Centre	-	91,576
- Hamdard Hospital	-	122,102
- Darut Tasneef	-	91,576
- AKU Patient Behbood	-	91,576
- Indus Hospital	-	61,051
- Marie Adelaide Leprosy Centre	-	91,576
- The Citizens Foundation	-	91,576
- LRBT	-	61,051
- Milestone Charitable	-	91,576
- Darul Sukoon	-	61,051
- Akhuwat	-	122,102
- HANDS	-	61,051
-Nawan Laboratories	**820,000**	-
	820,000	1,221,016
Balance as at June 30	**213,264**	246,496

13.3 This includes payable against units redeemed by various unit holders based on their request for transfer of units from the Fund to other collective investment schemes managed by the Management Company of the Fund.

14 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at June 30, 2021 (June 30, 2020: Nil).

		June 30, 2021	June 30, 2020
15	**Auditors' Remuneration**	-----------Rupees-----------	
	Annual audit fee	**310,200**	310,200
	Half yearly review of financial statements	**164,537**	164,537
	Other services	**25,000**	-
	Out of pocket expenses	**139,101**	38,041
		638,838	512,778
	Sales tax	**51,107**	41,022
		689,945	553,800

16 TOTAL EXPENSE RATIO

The total expense ratio (TER) of the Fund for the year ended June 30, 2021 is 4.81% (2020: 4.43%) which includes 0.93% (2020: 0.41%) representing government levies on the Fund such as sales taxes, Sindh Workers' Welfare Fund, annual fee payable to the SECP, etc. This ratio is within the maximum limit of 4.5% (excluding government levies) prescribed under the NBFC Regulations for a collective investment scheme categorised as an "equity" scheme.

17 TAXATION

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

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

		June 30, 2021	June 30, 2020
18	**NUMBER OF UNITS IN ISSUE**	----------Rupees----------	
	Total outstanding as of July 01	**5,493,374**	6,956,122
	Issued during the year	**2,305,654**	3,310,027
	Redemption during the year	**(3,109,205)**	(4,772,775)
	Total outstanding as of June 30	**4,689,823**	5,493,374

19 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons / related parties include JS Investments Limited (JSIL) being the Management Company of the Fund, CDC-Trustee 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) being the Holding Company of JSBL (Holding 75.02% shares of JS Bank Limited), JS Global Capital Limited (JSGCL) being the fellow subsidiary of JSBL (83.53% shares held by JS Bank), 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 connected persons.

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, other charges, sale and purchase of investment and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with the market rates.

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

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

	June 30, 2021	June 30, 2020
19.1 Transactions during the year	-----------Rupees-----------	
JS Investments Limited - Management Company		
Remuneration to the Management Company	**10,025,518**	9,364,019
Sindh Sales tax on remuneration to the Management Company	**1,303,328**	1,217,322
Sales load for the period	**124,213**	15,234
Selling and marketing expenses	**5,363,556**	4,073,670
Allocated expenses	**501,293**	468,246
Shariah advisory fee	**178,628**	99,630
Issuance of units 123,571 (2020: Nil)	**12,000,000**	-
Redemption of units 123,571 (2020: Nil)	**12,562,249**	-
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable to the Trustee	**1,002,107**	938,035
Sindh Sales Tax payable on remuneration of the trustee	**129,988**	121,944
Settlement charges	**50,093**	97,795
East West Insurance Company Limited (Common Directorship of JSCL)		
Redemption of units: Nil (2020: 393,210)	**-**	31,649,460
JS Bank Limited - Parent Company of JSIL		
Bank charges	**-**	10,435
Bank Islami Pakistan Limited (JSCL - Ultimate Parent Company holds 21.26% Shares)		
Return on bank balances	**10,171**	61,148
Bank charges	**-**	100

	June 30, 2021	June 30, 2020
	-----------Rupees-----------	
JS Global Capital Limited		
Brokerage expense	**157,125**	351,464
Key Management Personnel & Directors		
Issue of units 22,631 (2020: 35,227)	**1,859,203**	2,652,488
Redemption of units 25,874 (2020: 51,026)	**2,253,759**	4,042,202

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

JS Investments Limited - Management Company		
Remuneration to the Management Company	**838,176**	690,278
Sindh sales tax on remuneration to the Management Company	**791,513**	772,277
Federal Excise Duty payable on remuneration to the management company	**4,636,905**	4,636,905
Allocated expenses payable	**41,898**	34,512
Selling and marketing expenses payable	**1,345,923**	1,078,096
Sales load payable	**40,209**	446
Shariah advisor fee	**17,000**	11,454
Central Depository Company of Pakistan Limited		
Remuneration payable to the trustee	**83,808**	70,634
Sindh sales tax payable on remuneration to the trustee	**10,895**	9,182
Settlement charges payable	**1,660**	4,200
Security deposit	**100,000**	100,000
JS Bank Limited		
Balances with banks	**2,206,419**	1,145,899
Bank Islami Pakistan Limited (JSCL - Ultimate parent company holds 21.26% shares)		
Balances with banks	**262,375**	31,421
Key Management Personnel & Directors		
Units held: 2,634 (June 2020: 33,288) units	**275,668**	2,605,817
JS Global Capital Limited (Subsidiary of JS Bank Limited)		
Brokerage expense payable	**27,668**	-

20 FINANCIAL INSTRUMENTS - BY CATEGORY

Particulars	At amortised cost	Financial asset at 'fair value through profit or loss'	Total
	----------------As at June 30, 2021----------------		
	---------------------- Rupees ----------------------		
Financial assets			
Balances with banks	**28,919,207**	**-**	**28,919,207**
Investments		**472,162,095**	**472,162,095**
Bank profit receivable	**188,628**	**-**	**188,628**
Security deposits and other receivables	**2,600,000**	**-**	**2,600,000**
	31,707,835	**472,162,095**	**503,869,930**
Financial liabilities			
Payable to JS Investments Limited - Management Company	**7,711,624**	**-**	**7,711,624**
Payable to Central Depository Company of Pakistan Limited - Trustee	**96,363**	**-**	**96,363**
Dividend payable	**11,533**	**-**	**11,533**
Accrued expenses and other liabilities	**1,202,696**	**-**	**1,202,696**
	9,022,216	**-**	**9,022,216**

Particulars	At amortised cost	Financial asset at 'fair value through profit or loss'	Total
	----------------As at June 30, 2020----------------		
	---------------------- Rupees ----------------------		
Financial assets			
Balances with banks	73,426,398	-	73,426,398
Investments	-	384,764,489	384,764,489
Bank profit receivable	286,944	-	286,944
Security deposits and other receivables	2,600,000	-	2,600,000
	76,313,342	384,764,489	461,077,831
Financial liabilities			
Payable to JS Investments Limited - Management Company	-	7,223,970	7,223,970
Payable to Central Depository Company of Pakistan Limited - Trustee	-	84,016	84,016
Dividend payable	-	11,533	11,533
Accrued expenses and other liabilities	-	16,321,662	16,321,662
	-	23,641,181	23,641,181

21 FINANCIAL RISK MANAGEMENT

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

21.1 Risk management framework

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

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

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

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

21.2 Market risk

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

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

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

21.2.1 Currency risk

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

21.2.2 Profit rate risk

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

a) Sensitivity analysis for variable rate instruments

Presently, the Fund does not hold any variable rate instrument except for balances in profit and loss sharing accounts amounting Rs 26.41 million (2020: Rs 72.11 million) which carry profit at rates ranging from 3.25% to 6.75% (2020: 5.00% to 13.25%) per annum.

Cash flow sensitivity analysis for variable-rate instruments.

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / decreased unit holder fund and income statement by Rs 0.264 million (2020: Rs 0.721 million). The analysis assumes that all other variables remain constant.

None of the Fund's liabilities are subject to interest rate risk.

b) Sensitivity analysis for fixed rate instruments

Presently, the Fund does not hold any fixed rate instrument that exposes the Fund to any material interest rate risk.

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

Particulars	---- June 30, 2021 ----					
	Interest rate	Total	---Exposed to interest rate risk---			Not exposed to interest rate risk
			Upto three months	More than three months and upto one year	More than one year	
	%	---- (Rupees) ----				
On-balance sheet financial instruments						
Financial assets						
Balances with banks	3.25 - 6.75	28,919,207	26,412,755	-	-	2,506,452
Investments		472,162,095	-	-	-	472,162,095
Bank profit receivable		188,628	-	-	-	188,628
Security deposits and other receivables		2,600,000	-	-	-	2,600,000
		503,869,930	26,412,755	-	-	477,457,175
Financial liabilities						
Payable to JS Investment Limited Company		7,711,624	-	-	-	7,711,624
Payable to Central Depository Company of Pakistan Limited - Trustee		96,363	-	-	-	96,363
Dividend payable		11,533	-	-	-	11,533
Accrued expenses and other liabilities		1,202,696	-	-	-	1,202,696
		9,022,216	-	-	-	9,022,216
On-balance sheet gap (a)		494,847,714	26,412,755	-	-	468,434,959
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a+b)		494,847,714	26,412,755	-	-	468,434,959
Cumulative interest rate sensitivity gap			26,412,755	26,412,755	26,412,755	

Particulars	Interest rate	Total	Upto three months	More than three months and upto one year	More than one year	Not exposed to interest rate risk
	June 30, 2020		---Exposed to interest rate risk---			
	%	(Rupees)				
On-balance sheet financial instruments						
Financial assets						
Balances with banks	5.00 - 13.25	73,426,398	72,110,001	-	-	1,316,397
Investments		384,764,489	-	-	-	384,764,489
Bank profit receivable		286,944	-	-	-	286,944
Security deposits and other receivables		2,600,000	-	-	-	2,600,000
		461,077,831	72,110,001	-	-	388,967,830
Financial liabilities						
Payable to JS Investment Limited Company		7,223,970	-	-	-	7,223,970
Payable to Central Depository Company of Pakistan Limited - Trustee		84,016	-	-	-	84,016
Dividend payable		11,533	-	-	-	11,533
Accrued expenses and other liabilities		16,321,662	-	-	-	16,321,662
		23,641,181	-	-	-	23,641,181
On-balance sheet gap (a)		437,436,650	72,110,001	-	-	365,326,649
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a+b)		437,436,650	72,110,001	-	-	365,326,649
Cumulative interest rate sensitivity gap			72,110,001	72,110,001	72,110,001	

21.2.3 Price risk

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

The management of the Fund monitors the proportion of equity securities in its investment portfolio based on market indices. The Fund's 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 the NBFC Regulations. The Fund manages those risk by limiting exposure to any single investee company to the extent of 15% of issued capital of that investee company and the net assets of the Fund with overall limit of 35% to a single industry sector of the net assets of the Fund (the limit set by the 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 goal of the Fund's investment strategy is to maximise investment returns. The Fund's equity investments are concentrated in the sectors given in note 6.1.

At June 30, 2021, the fair value of equity securities exposed to price risk are disclosed in note 6.1.

All of the Fund's equity investments are listed on the Pakistan Stock Exchange (PSX). In case of 5% increase / decrease in PSX 100 index on June 30, 2021, net income for the year would increase / decrease by Rs 23.608 million (2020: Rs 19.238 million) and net assets of the Fund would increase / decrease by the same amount as a result of gains / losses on equity securities at fair value through profit or loss. The sensitivity analysis is based on the Fund's equity securities as at the statement of assets and liabilities date with all other variables held constant.

The analysis is based on the assumption that equity index had increased / decreased by 5% with all other variables held constant. The composition of the Fund's investment portfolio and the correlation thereof to the PSX 100 index, is expected to change over time. Accordingly, the aforementioned 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 the PSX 100 Index.

21.3 Credit risk

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

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

	2021		2020	
	Balance as per statement of assets and liabilities	**Maximum exposure**	Balance as per statement of assets and liabilities	Maximum exposure
Balances with banks	**28,919,207**	**28,919,207**	73,426,398	73,426,398
Investments	**472,162,095**	**-**	384,764,489	-
Bank profit receivable	**188,628**	**188,628**	286,944	286,944
Security deposits and other receivables	**2,600,000**	**2,600,000**	2,600,000	2,600,000
	503,869,930	**31,707,835**	461,077,831	76,313,342

Difference in the balance as per the statement of assets and liabilities and maximum exposure is due to the fact that investments in equity securities are not exposed to credit risk.

Management of credit risk

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

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

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

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

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

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

Name Of The Bank	--------------------June 30, 2021--------------------		
	Rating agency	Latest available published rating	Percentage
Soneri Bank Limited	PACRA	AA-	23.20%
BankIslami Pakistan Limited	PACRA	A+	0.91%
Dubai Islamic Bank Pakistan Limited	VIS	AA	67.00%
Askari Bank Limited	PACRA	AA+	0.04%
Faysal Bank Limited	PACRA	AA	0.03%

Name Of The Bank	June 30, 2021		
	Rating agency	Latest available published rating	Percentage
Habib Metropolitan Bank Limited	PACRA	AA+	0.25%
Allied Bank Limited	PACRA	AAA	0.03%
MCB Bank Limited	PACRA	AAA	0.78%
JS Bank Limited	PACRA	AA-	7.63%
NRSP Microfinance Bank Limited	PACRA	A	0.04%
United Bank Limited	VIS	AAA	0.04%
AL Baraka Bank (Pakistan) Limited	VIS	A+	0.04%
Habib Bank Limited	VIS	AAA	0.00%

21.3.4 Concentration of credit risk

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

21.3.5 Liquidity risk

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

The Fund is exposed to the daily settlement of equity securities and to daily cash redemptions, if any at the option of unit holders. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation. The Fund's policy is, therefore, to invest the majority of its assets in investments that can be readily realised. The Fund's listed securities are considered readily realisable as they are listed on the Pakistan Stock Exchange.

In addition, the Fund has the ability to borrow, with prior approval of the trustee, for meeting redemption. The maximum amount available to the Fund from borrowings is limited to the extent of 10% of net assets at the time of borrowing with repayments within 90 days of such borrowings. However, no borrowings were obtained by the Fund during the current year.

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

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

Particulars	Total	Upto three months	Over three months and upto one year	Over one year
	---------------------------- (Rupees)			----------------------------
Financial liabilities				
Payable to JS Investments Limited - Management Company	**7,711,624**	**7,711,624**	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	**96,363**	**96,363**	-	-
Dividend payable	**11,533**	**11,533**	-	-
Accrued expenses and other liabilities	**1,202,696**	**1,202,696**	-	-
	9,022,216	**9,022,216**	-	-

2020

Particulars	Total	Upto three months	Over three months and upto one year	Over one year
	---------------------------- (Rupees)			----------------------------
Financial liabilities				
Payable to JS Investments Limited - Management Company	7,223,970	7,223,970	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	84,016	84,016	-	-
Dividend payable	11,533	11,533	-	-
Accrued expenses and other liabilities	16,321,662	16,321,662	-	-
	23,641,181	23,641,181	-	-

22 UNIT HOLDERS' FUND RISK MANAGEMENT

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

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

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

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

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

23 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value 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 fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

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

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

As at June 30, 2021 and June 30, 2020, all investments are categorised in level 1. The outstanding amounts of these investments are shown in note 6 to these financial statements.

24 SUPPLEMENTARY NON FINANCIAL INFORMATION

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

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

S. No.	**Name**	**Designation**	**Experience in years**	**Qualification**
1	Ms. Iffat Zehra Mankani	Chief Executive Officer	20	MBA
2	Mr. Khawar Iqbal	Director Finance	28	MBA
3	Mr. Zahid Ullah Khan	Chief Investment officer / Fund Manager	17	MBA
4	Mr. Syavash Pahore	Head of Research	4	BA
5	Mr. Shahveer Masood	Fund Manager	3	BA

24.2 Transactions with Brokers/Dealers

24.2.1 List of top 10 brokers by percentage of commission charged during the year ended June 30, 2021:

S. No.	**Name**	**Percentage of Commission/ Brokerage**
1	JS Global Capital Limited	**11.62%**
2	Nael Capital (Private) Limited	**8.10%**
3	Fortune Securities (Private) Limited	**7.12%**
4	Arif Habib Limited	**5.59%**
5	Intermarket Securities Limited	**5.47%**
6	BMA Capital Limited	**4.83%**
7	Al Falah Securites (Private) Limited	**4.36%**
8	MRAS Securities (Private) Limited	**4.35%**
9	Next Capital Limited	**4.21%**
10	Faysal Securities (Private) Limited	**4.09%**

24.2.2 List of top 10 brokers by percentage of commission charged during the year ended June 30, 2020

S. No.	Name	Percentage of Commission/ Brokerage
1	JS Global Capital Limited	12.59%
2	Next Capital Limited	7.56%
3	Topline Securities (Private) Limited	7.39%
4	EFG Hermes Pakistan Limited	7.06%
5	Intermarket Securities Limited	5.51%
6	Sherman Securities (Private) Limited	5.03%
7	Adam Securities Limited	4.26%
8	Shajar Capital Pakistan (Private) Limited	3.83%
9	BMA Capital Management Limited	3.74%
10	Arif Habib Limited	3.45%

24.3 Pattern of unit holding

Category	As at June 30, 2021			
	Number of unit holders	Number of units held	Net assets value of the amount invested (Rs. in million)	Percentage of total investment (%)
Individuals	963	3,474,182	363.62	74%
Associated Companies and Directors	-	-	-	0%
Insurance Companies	-	-	-	0%
Banks / Development Financial Institution	-	-	-	0%
Non Banking Financial Companies	-	-	-	0%
Retirement Funds	17	919,430	96.24	20%
Public Limited Companies	-	-	-	0%
Others	14	296,211	31.00	6%
	994	4,689,823	490.86	100%

Category	As at June 30, 2020			
	Number of unit holders	Number of units held	Net assets value of the amount invested (Rs. in million)	Percentage of total investment (%)
Individuals	1,053	4,289,004	335.76	78%
Associated Companies and Directors	1	1,418	0.11	0%
Insurance Companies	-	-	-	0%
Banks / Development Financial Institution	-	-	-	0%
Non Banking Financial Companies	-	-	-	0%
Retirement Funds	21	914,802	71.61	17%
Public Limited Companies	9	215,504	16.87	4%
Others	4	72,646	5.69	1%
	1,088	5,493,374	430.04	100%

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

The 154th, 155th, 156th, 157th and 158th meetings of the Board of Directors were held on August 18, 2020, October 20, 2020, December 24, 2020, February 19, 2021 and April 23, 2021 respectively. Information in respect of attendance by the directors and other persons in the meetings is given below:

S. No	Name of Directors	Meetings held on					
		Meetings attended	August 18, 2020	October 20, 2020	December 24, 2020	February 19, 2021	April 23, 2021
1	Mr. Suleman Lalani*	2	-	-	-	✓	✓
2	Ms. Iffat Zehra Mankani*	1	-	-	-	-	✓
3	Mr. Hasan Shahid	5	✓	✓	✓	✓	✓
4	Mr. Asif Reza Sana	4	✓	✓	✓	-	✓
5	Mr. Imran Haleem Shaikh*	2	-	-	-	✓	✓
6	Mr. Zahid Ullah Khan*	1	-	-	-	-	✓
7	Ms. Aisha Fariel Salahuddin	5	✓	✓	✓	✓	✓
8	Mr. Kamran Jafar*	3	✓	✓	✓	-	-
9	Mr. Babbar Wajid*	2	✓	✓	-	-	-

*Mr. Suleman Lalani Joined the Board on September 09, 2020
*Ms. Iffat Zehra Mankani joined the Board on April 15, 2021
*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

24.5 Meetings of the audit committee

S. No	Name of Directors	Meetings held on				
		Meetings attended	August 17, 2020	October 19, 2020	February 18, 2021	April 23, 2021
1	Mr. Asif Reza Sana	3	✓	✓	-	✓
2	Mr. Hasan Shahid	4	✓	✓	✓	✓
3	Ms. Aisha Fariel Salahuddi	4	✓	✓	✓	✓

25 GENERAL

25.1 Figures have been rounded off to the nearest rupee.

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

26 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorized for issue by Board of Directors of the Management Company of the Fund on August 21, 2021.

For JS Investments Limited
(Management Company)

Chief Executive Officer | **Chief Financial Officer** | **Director**

SUPPLEMENTARY NON FINANCIAL INFORMATION AS REQUIRED UNDER CLAUSE 38A (g) OF THE NBFC & NE REGULATION

Summary of Actual Proxy voted by JS Islamic Fund

	Resolutions	For	Against	Abstain
Number	3	3	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.

BOOK POST
PRINTED MATTER

JS investments

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

JS Income Fund

Annual Report 2021

JS investments
Managing Mutual Funds Better!

CONTENTS

VISION

To be recognized as a responsible asset manager respected for continuingly 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 19 th 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 Farial Salahuddin	Member
	Mr. Hasan Shahid	Member
& Company Secretary	Mr. Muhammad Khawar Iqbal	
Chief Financial Officer	Mr. Zafar Iqbal Ahmed	
Trustee	Digital Custodian Company Limited Fromerly; MCB Financial Services Ltd. 4th Floor, Perdesi House 2/1, R-Y-16, Old Queens Road, Karachi - 75530	
Auditors	EY Ford Rhodes 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*

Directors' Report to the Unit Holders

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

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%.

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 return was 6.89% for the year ended June 30, 2021 against benchmark return of 7.43%. Net Assets moved from PKR. 1,922.3 million to PKR. 1,925.4 million as at June 30, 2021.

Fund and Asset Manager Rating

The Pakistan Credit Rating Agency (PACRA) reaffirmed the stability rating of "A + (f)" (A plus – Fund Rating) to the Fund. The fund's rating denotes a strong capacity to maintain high degree of stability in returns and possesses low exposure to risks.

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 EY Ford Rhodes 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 EY Ford Rhodes, 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 14.1 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 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.

Karachi: **Director** **Chief Executive Officer**

شراکت داروں کے لیے ڈائریکٹرز رپورٹ

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

معاشی جائزہ

لاتعداد 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 ہوگئی۔ 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 شعبہ 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 ہوگئے جب کہ کل لیکویڈ غیر ملکی زرِ مبادلہ (FX) کے ذخائر %36 اضافے کے ساتھ 24.8 بلین امریکی ڈالر ہوگئے۔ معاشی سرگرمیوں کے دوبارہ بڑھنے کے نتیجے میں درآمدات میں اضافے کے باوجود درآمدات کا کور 5 ماہ تک مستحکم رہا۔

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 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 رہا ہے۔

وزارتِ خزانہ اور اسٹیٹ بینک آف پاکستان معاشی ترقی کو ترجیح دینے کے لیے پرعزم ہیں۔ اس کے باوجود کرنٹ اکاؤنٹ اور افراطِ زر کے بارے میں خدشات برقرار ہیں؛ سرمایہ کاروں نے قلیل مدت میں معمولی شرحِ سود میں سختی کی توقعات کی وجہ سے قلیل مدتی ٹریژری بلوں (T Bills) اور فلوٹنگ ریٹ بانڈز میں رہنے کو ترجیح دی ہے۔ زیرِ 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 اسلامک منی مارکیٹ نے حکومتِ پاکستان کے اجارہ سکوک کے اجراء مشاہدہ کیا۔ SBP نے ویری ایبل رینٹل 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 رینٹل 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 %7.43 اپنے بنچ مارک منافع کے مقابلے میں %6.89 رہا۔ 30 جون 2021 کو خالص اثاثہ جات 1.92 بلین روپے سے 1.93 بلین روپے پر پہنچ گئے۔

ایسیٹ مینجر ریٹنگ

پاکستان کریڈٹ ایجنسی لمیٹڈ (PACRA) نے فنڈ کی "A+(f)" (اے پلس - فنڈ ریٹنگ) ریٹنگ برقرار رکھی۔ فنڈ کی ریٹنگ جو منافع جات میں اعلیٰ استحکام برقرار رکھنے کی زبردست اہلیت اور خطرات کی زد میں آنے کے معمولی امکانات کی نشان دہی کرتی ہے۔

پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) نے جے ایس انویسٹمنٹس لمیٹڈ کو " AM2 " (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 ای وائے فورڈ رہوڈز 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 ای وائے فورڈ رہوڈز 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 حسنین رضا نینسی کی جگہ کمپنی کی چیف ایگزیکٹیو 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 زاہداللہ خان اور جناب مرزا ایم ساد یداینج برلاس کو بالترتیب ان کی جگہ ڈائریکٹر مقرر کیا گیا۔

اضافی معاملات

ا۔سالانہ رپورٹ کے ساتھ فنڈ مینیجر 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 کے ضمیمہ 1 میں 30 جون 2021 کو یونٹ 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 سیکیورٹیز 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 ڈبلیوڈبلیوایف کی فراہمی کی ممکنہ الٹ پلٹ کے لئے اپنی رضامندی دی ہے، اس کے مطابق، آگے بڑھتے ہوئے فنڈ کے مالی بیان میں ڈبلیوڈبلیوایف 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 14.1 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 اسکیمز، پرائیویٹ فنڈز وغیرہ کو ایکٹ کے سیکشن 12A کے تحت خصوصی ٹرسٹس ہونے کی بناء پر اسسٹنٹ ڈائریکٹر آف انڈسٹریز اینڈ کامرس (ٹرسٹ ونگ)، حکومت سندھ کے ساتھ رجسٹر ہونا لازمی ہے۔اس مقصد کیلئے منیجمنٹ کمپنیز کے درمیان تمام فنڈز کی دوبارہ تشکیل کی گئی ٹرسٹ ڈیڈز مکمل کر لی گئی ہیں اور ٹرسٹیز ار تمام متعلقہ ٹرسٹ ڈیڈز مع ضروری دستاویزات اسسٹنٹ ڈائریکٹر آف انڈسٹریز اینڈ کامرس (ٹرسٹ ونگ)، حکومت سندھ کے پاس جمع کرادی گئی ہیں۔

اظہارِ تشکر

ڈائریکٹرز بیش قدر معاونت، مدد اور رہنمائی پر سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) اور ڈیجیٹل کسٹوڈین 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 یونٹ 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 جا سکے جیسا کے مذکورہ بالا اہم معاملے میں ظاہر کی گیا ہے جو کہ SWWF پروویژننگ سے متعلق ہے۔

چیف ایگزیکٹیو آفیسر　　　　ڈائریکٹر

کراچی:

Fund Manager Report
Annual Report 2021

JS Income Fund (JS IF)

- **Description of the Collective Investment Scheme category and type**
  Income Fund Scheme / Open end

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

- **Explanation as to whether the Collective Investment Scheme has achieved its stated objective**
  The collective investment scheme achieved its stated objective.

- **Statement of benchmark(s) relevant to the Collective Investment Scheme**
  The performance benchmark of the Fund shall be 'Average Return of Six (6) months KIBOR for any period of return.

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

Ann. Returns	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	FY21
JSIF	0.31%	8.05%	5.53%	7.89%	8.70%	7.61%	4.99%	5.57%	10.03%	5.51%	7.23%	8.74%	6.89%
Benckmark	6.80%	7.20%	7.29%	7.34%	7.35%	7.35%	7.38%	7.58%	7.79%	7.78%	7.66%	7.70%	7.43%
Diff.	**-6.49%**	**0.86%**	**-1.76%**	**0.56%**	**1.35%**	**0.26%**	**-2.39%**	**-2.01%**	**2.23%**	**-2.27%**	**-0.43%**	**1.05%**	**-0.54%**

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

  The fund's asset allocation was mainly concentrated in TFCs (31.96%), Spread Transaction (15.64%), PIBs (9.93%), T-Bills (8.58%) while remaining in cash balance 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	33.98%	42.96%
TFCs / Sukkuks	36.33%	31.81%
T Bills	0.00%	18.08%
PIBs	0.00%	5.35%
MTS / Spread Transactions	26.06%	0.00%
Other including receivables	3.64%	1.81%
Total	**100.00%**	**100.00%**

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

	Fund	BM		Fund	BM
Standard Deviation*	3.8%	1.0%	Largest Month Gain	3.7%	1.2%
Expense Ratio**	2.21%		Largest Month Loss	-10.3%	0.0%
Duration (Yr)	0.07		% Positive Months	93.4%	100.0%
WAM (Yr)	0.97				

* Since inception
** This is annualized and includes 0.35% government levy, Sindh Worker's Welfare Fund and SECP fee. Selling & Marketing Expense PKR 3,457,590.

- **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	1,925	95.91
30-Jun-20	1,922	95.89

- **Disclosure of the markets that the Collective Investment Scheme has invested in:**
An income fund invests in government securities, cash in bank account, money market placements, deposits, certificate of deposits (COD), certificate of musharakas (COM), Term Deposit Receipts (TDR), commercial paper, reverse repo, term finance certificates, sukuks, spread transactions and Margin Trading System.

- **Disclosure on distribution (if any), comprising:-**
- Particulars of income distribution or other forms of distribution made and proposed during the period; and
- Statement on effects on the NAV before and after distribution is made

Distribution

The fund has paid a final distribution of Rs. 6.58 per unit of Rs. 100/- each i.e. 6.58%. The cumulative distribution for FY21 is Rs. 6.58 per unit.

NAV per unit as on June 30, 2021	
Cum NAV (PKR)	95.91
Ex-NAV (PKR)	95.91

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

- **Breakdown of unit holdings by size**

Fund Name	Ranges			Number of Folios
JS Income Fund	0.0001	to	9,999.9999	490
	10,000.0000	to	49,999.9999	73
	50,000.0000	to	99,999.9999	14
	100,000.0000	to	499,999.9999	31
	500,000.0000	&	above	11
			Total	**619**

- **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	2016
Net assets	Rs.	1,925,390,249	1,922,312,353	2,552,789,387	2,380,699,119	2,167,499,724	878,915,784
Net income / loss	Rs.	135,520,424	189,624,892	178,421,784	154,206,452	74,527,937	38,236,900
Total return of the Fund	%	6.89	11.33	8.74	5.93	7.04	6.33
Annual dividend distribution	%	6.58	10.50	8.00	5.60	6.50	4.50
Capital Growth	%	0.31	0.83	0.74	0.33	0.54	1.83
Average annual return							
- One Year	%	6.89	11.33	8.74	5.93	7.04	6.33
- Two Years	%	9.11	10.04	7.34	6.48	6.68	8.49
- Three Years	%	8.99	8.67	7.24	6.43	8.01	8.22
NAV per unit	Rs.	95.91	95.89	95.57	101.57	95.88	95.69
Year-end offer price per unit	Rs.	98.08	98.06	96.65	102.72	96.84	96.65
Highest offer price per unit	Rs.	104.75	105.6727	104.41	102.67	103.23	100.92
Lowest offer price per unit	Rs.	97.87	46.0127	96.35	96.84	96.47	68.49
Year-end repurchase price per unit	Rs.	95.91	95.89	95.57	101.57	95.88	95.69
Highest repurchase price per unit	Rs.	102.43	105.9841	103.24	101.52	102.21	99.92
Lowest repurchase price per unit	Rs.	95.70	46.0127	95.27	95.88	95.51	67.81
First interim distribution	Rs.	-	-	-	-	-	-
Announcement date		-	-	-	-	-	-
Second interim distribution	Rs.	-	-	-	-	-	-
Announcement date		-	-	-	-	-	-
Third interim distribution	Rs.	-	-	-	-	-	-
Announcement date		-	-	-	-	-	-
Fourth interim distribution	Rs.	-	-	-	-	-	-
Announcement date		-	-	-	-	-	-
Fifth interim distribution	Rs.	-	-	-	-	-	-
Announcement date		-	-	-	-	-	-
Sixth interim distribution	Rs.	-	-	-	-	-	-
Announcement date		-	-	-	-	-	-
Seventh interim distribution	Rs.	-	-	-	-	-	-
Announcement date		-	-	-	-	-	-
Eighth interim distribution	Rs.	-	-	-	-	-	-
Announcement date		-	-	-	-	-	-
Ninth interim distribution	Rs.	-	-	-	-	-	-
Announcement date		-	-	-	-	-	-
Tenth interim distribution	Rs.	-	-	-	-	-	-
Announcement date		-	-	-	-	-	-
Eleventh interim distribution	Rs.	-	-	-	-	-	-
Announcement date		-	-	-	-	-	-
Twelfth interim distribution	Rs.	-	-	-	-	-	4.5
Announcement date		-	-	-	-	-	21-Jun-16
Thirteen interim distribution	Rs.	-	-	-	-	6.5	-
Announcement date		-	-	-	-	22-Jun-17	-
Fourteen interim distribution	Rs.	-	-	8.00	-	-	-
Announcement date		-	-	21-Jun-19	-	-	-
Fifteen interim distribution		-	10.50				
Announcement date		-	26-Jun-20				
Fifteen interim distribution		6.58	-				
Announcement date		29-Jun-21	-				
Final distribution	Rs.	-	-	-	5.60	-	-
Announcement date		-	-	-	2-Jul-18	-	-
Total distribution as % of par value	Rs.	6.58	10.50	8.00	5.60	6.50	4.50

Notes

- JS Income Fund was launched on August 26, 2002.
- All previous years' figures have been restated due to change in par value from Rs. 500 to Rs. 100 with effect from December 1, 2007.
- Investment portfolio composition of the Fund is disclosed in note 8 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.

DIGITAL CUSTODIAN COMPANY
Formerly MCB Financial Services Limited

REPORT OF THE TRUSTEE TO THE UNIT HOLDERS

JS INCOME FUND

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

JS Income Fund, an open-end scheme established under a trust deed executed between JS Investments Limited as the Management Company and MCB Financial Services Limited as the Trustee on July 18, 2002. The Fund was authorized by the Securities and Exchange Commission of Pakistan (SECP) on August 02, 2002.

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

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INDEPENDENT AUDITORS' REPORT

To the Unit holders of JS Income Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **JS Income Fund** (the Fund), which comprise the statement of assets and liabilities as at **30 June 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 present fairly, in all material respects, the financial position of the Fund as at 30 June 2021, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

Key Audit Matters

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

Following is the key audit matter:

Key audit matter	How our audit addressed the key audit matter
1. Existence and valuation of bank balances and investments	
As disclosed in note 7 and 8 to the accompanying financial statements of the Fund for the year ended 30 June 2021, the bank balances and investments (comprised of debt instruments) held by the Fund represent 95.31% of the total assets of the Fund as at the year end.	We performed a combination of audit procedures focusing on the existence and valuation of bank balances and investments. Our key procedures included the following: - We obtained independent confirmations for verifying the existence of the bank balances as at 30 June 2021 and reconciled the confirmed balances with the books and records of the Fund. - We tested controls over acquisition, disposals and periodic valuation of investments portfolio.

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Key audit matter	How our audit addressed the key audit matter
In view of the significance of bank balances and investment in relation to the total assets and the Net Assets Value (NAV) of the Fund, we have considered the existence and valuation of such bank balances and investments as a key audit matter.	- We performed substantive audit procedures on year-end balance of investment portfolio including review of custodian's statement and related reconciliations and valuations on such investments in accordance with the accounting policy of the Fund as mentioned in note 5. - We evaluated the appropriateness of the classification of the investments in accordance with the requirements of IFRS 9 and the valuations in accordance with the requirements of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations). - We assessed the Fund's compliance with the requirements of the Regulations in relation to the concentration of investments and exposure limits prescribed in such Regulations and the applicability of disclosures in this regard. - We also evaluated the adequacy of the overall disclosures in the financial statements in respect of the investment portfolio in accordance with the requirements of the Regulations and applicable financial reporting standards.

Other Information

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

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

Management 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 Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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-: 3 :-

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 judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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-: 4 :-

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 the Non-Banking Finance Companies and Notified Entities Regulation, 2008.

Other Matter

The annual financial statements for the year ended 30 June 2020 were reviewed and audited by another firm of Chartered Accountants, whose audit report dated 29 September 2020, expressed an unmodified opinion respectively, on the aforementioned financial statements.

The engagement partner on the audit resulting in this independent auditor's report is Shaikh Ahmed Salman.

Chartered Accountants

Date: 30 September 2021

Karachi

STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2021

	Note	2021	2020
		-----------Rupees-----------	
Assets			
Balances with banks	7	**668,144,264**	849,846,571
Investments	8	**1,221,893,559**	1,086,861,177
Accrued mark-up/interest	9	**14,181,181**	12,661,733
Deposits, prepayments and other receivables	10	**78,801,630**	19,035,303
Total assets		**1,983,020,634**	1,968,404,784
Liabilities			
Payable to JS Investments Limited - Management Company	11	**3,507,867**	2,173,671
Payable to Digital Custodian Company Limited *(Formerly: MCB Financial Services Ltd) - Trustee*	12	**138,029**	116,480
Annual fee payable to Securities and Exchange Commission of Pakistan	13	**406,274**	328,500
Unclaimed dividend		**2,095,078**	5,127,611
Accrued expenses and other liabilities	14	**51,483,137**	38,346,169
Total liabilities		**57,630,385**	46,092,431
		-----------(Number)----------	
Contingencies and Commitments	15		
Net assets		**1,925,390,249**	1,922,312,353
Unit holders' funds (as per statement attached)		**1,925,390,249**	1,922,312,353
		-----------(Rupees)----------	
Number of units in issue	16	**20,075,666**	20,046,917
Net assets value per unit		**95.91**	95.89

The annexed notes from 1 to 31 form an integral part of these financial statements.

For JS Investments Limited
(Management Company)

Chief Executive Officer | **Chief Financial Officer** | **Director**

INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2021

	Note	30, June 2021	30, June 2020
		-----------Rupees-----------	
Income			
Financial income	17	136,747,132	196,617,153
Net realised gain on sale of investments		27,565,013	1,016,411
"Net unrealised loss on investments		(28,891)	(3,412,919)
at fair value through profit or loss"		10,677,940	25,710,217
Dividend income on spread transactions		4,990,776	34,726
Other income		179,951,970	219,965,588
Expenses	11.1		
	11.2	20,313,512	14,532,958
Remuneration of the Management Company	12.1	2,640,752	1,889,285
Sales tax on Management Company's Remuneration	12.2	1,515,206	1,278,142
Remuneration of the trustee		196,976	163,054
Sindh sales tax on trustee fee	13		
Annual fee to the Securities & Exchange		406,299	328,525
Commission of Pakistan (SECP)		2,500	2,500
SECP supervisory fee		8,877,760	4,677,778
Securities transactions cost		25,000	25,000
Listing fee	18	362,048	338,840
Mutual fund rating fee	14.1	1,317,860	1,076,089
Bank and settlement charges	11.4	515,137	516,084
Auditors' remuneration	11.3	2,769,556	3,869,964
Provision for Sindh Workers' Welfare Fund		3,457,590	-
Selling and marketing expenses		2,031,350	1,642,477
Accounting and operational charges		44,431,546	30,340,696
	19		
Net income for the year before taxation		135,520,424	189,624,892
Taxation		-	-
Net income for the year after taxation		135,520,424	189,624,892
Allocation of income for the year			
Net income for the year after taxation		135,520,424	189,624,892
Income already paid on units redeemed		(50,515,126)	(87,252,884)
		85,005,298	102,372,008
Accounting income available for distribution:			
Relating to capital gain		27,536,122	-
Excluding capital gain		57,469,176	102,372,008
		85,005,298	102,372,008

The annexed notes from 1 to 31 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

	30, June 2021	30, June 2020
	-----------Rupees-----------	
Net income for the year after taxation	**135,520,424**	189,624,892
Other comprehensive income for the year	**-**	-
Total comprehensive income for the year	**135,520,424**	189,624,892

The annexed notes from 1 to 31 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

	30, June 2021	30, June 2020
	-----------Rupees-----------	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year	**135,520,424**	189,624,892
Adjustments for:		
Financial income	**(136,747,132)**	(196,617,153)
Dividend income	**(10,677,940)**	(25,710,217)
"Net unrealised loss on investments	**28,891**	3,412,919
at fair value through profit or loss"	**(27,565,013)**	(1,016,411)
Net realised gain on sale of investments	**2,769,556**	3,869,964
Provision for Sindh Workers' Welfare Fund	**(172,191,638)**	(216,060,898)
Operating loss before working capital changes		
Decrease / (increase) in assets	**(107,496,260)**	(461,028,050)
Investments - net	**(59,754,327)**	55,625,453
Deposits, prepayments and other receivables	**(167,250,587)**	(405,402,597)
(Decrease) / increase in liabilities	**1,334,195**	390,183
Payable to the Management Company	**21,549**	(5,241)
Payable to the Trustee		
Annual fee payable to the Securities and Exchange	**77,774**	(1,309,094)
Commission of Pakistan	**(3,032,533)**	4,170,710
Unclaimed dividend	**10,367,412**	10,523,744
Accrued and other liabilities	**8,768,397**	13,770,302
	135,227,684	190,503,534
Financial income received	**10,665,941**	25,710,217
Dividend received	**(49,259,779)**	(201,854,550)
Net cash used in operating activities		
CASH FLOWS FROM FINANCING ACTIVITIES	**2,678,431,567**	4,299,457,991
Amounts received against issue of units	**(2,725,982,797)**	(5,022,779,597)
Payment made against redemption of units	**(84,891,298)**	(96,780,320)
Dividend paid	**(132,442,528)**	(820,101,926)
Net cash used in financing activities		
	(181,702,307)	(1,021,956,476)
Net decrease in cash and cash equivalents		
	849,846,571	1,871,803,047
Cash and cash equivalents at beginning of the year		
	668,144,264	849,846,571
Cash and cash equivalents at end of the year		

The annexed notes from 1 to 31 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 UNITHOLDERS' FUND

FOR THE YEAR ENDED JUNE 30, 2021

	2021			2020		
	Value	Undistributed income / (loss)	Total	Value	Undistributed income / (loss)	Total
	----------Rupees----------			----------Rupees----------		
Net assets at beginning of the year	**1,931,156,827**	**(8,844,474)**	**1,922,312,353**	2,637,302,473	(84,513,086)	2,552,789,387
Issuance of units 27,268,667 (2020: 44,106,040 units)						
- Capital value (at net asset value per unit at the beginning of the year)	**2,614,792,446**	**-**	**2,614,792,446**	4,215,214,243	-	4,215,214,243
- Element of income	**63,639,121**	**-**	**63,639,121**	84,243,748	-	84,243,748
Total proceeds on issuance of units	**2,678,431,567**	**-**	**2,678,431,567**	4,299,457,991	-	4,299,457,991
Redemption of units 27,239,918 (2020: 50,770,456 units)						
- Capital value (at net asset value per unit at the beginning of the year)	**(2,612,035,730)**	**-**	**(2,612,035,730)**	(4,852,132,480)	-	(4,852,132,480)
- Amount paid out of element of income relating to net income for the year after taxation	**-**	**(50,515,126)**	**(50,515,126)**	-	(87,252,884)	(87,252,884)
- Refund / adjustment on units as element of income	**(63,431,941)**	**-**	**(63,431,941)**	(83,394,233)	-	(83,394,233)
	(2,675,467,671)	**(50,515,126)**	**(2,725,982,797)**	(4,935,526,713)	(87,252,884)	(5,022,779,597)
Total comprehensive income for the year	-	**135,520,424**	**135,520,424**	-	189,624,892	189,624,892
Interim distribution @ Rs.6.58 per unit (2020: Rs.10)	-	**(84,891,298)**	**(84,891,298)**	(70,076,924)	(26,703,396)	(96,780,320)
Net income for the year	-	**50,629,126**	**50,629,126**	(70,076,924)	162,921,496	92,844,572
Net assets at end of the year	**1,934,120,723**	**(8,730,474)**	**1,925,390,249**	1,931,156,827	(8,844,474)	1,922,312,353
Undistributed (loss) brought forward						
- Realised loss		**(5,242,741)**			(83,855,047)	
- Unrealised loss		**(3,601,733)**			(658,039)	
		(8,844,474)			(84,513,086)	
Accounting income available for distribution						
- Relating to capital gains		**27,536,122**			-	
- Excluding capital gains		**57,469,176**			102,372,008	
Net income for the year after taxation		**85,005,298**			102,372,008	
Distribution during the year		**(84,891,298)**			(26,703,396)	
Undistributed (loss) carried forward		**(8,730,474)**			(8,844,474)	
Undistributed (loss) carried forward						
- Realised (loss)		**(27,582,802)**			(5,242,741)	
- Unrealised income		**18,852,328**			(3,601,733)	
		(8,730,474)			(8,844,474)	
Net assets value per unit at beginning of the year			**95.89**			95.57
Net assets value per unit at end of the year			**95.91**			95.89

The annexed notes from 1 to 31 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 Income Fund (the Fund) was established under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations) and was approved as an open-end mutual fund by the Securities and Exchange Commission of Pakistan (SECP). It was constituted under the Trust Deed, dated 18 July 2002 between JS Investments Limited (a subsidiary company of JS Bank Limited) as the Management Company, a company incorporated under the Companies Act 2017 and Digital Custodian Company Limited as the Trustee.

1.2 The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through certificate of registration issued by SECP. The registered office of the Management Company is situated at 19th Floor, the Centre, Saddar, Karachi, Pakistan.

1.3 The Fund is categorized as an income scheme and units of the Fund are listed on the Pakistan Stock Exchange. Units are offered for public subscription on a continuous basis. The units of the Fund can be transferred to / from other funds managed by the Management Company and can also be redeemed by surrendering to the Fund. As per the offering document, the Fund shall invest in a diversified portfolio of Government securities, investment grade term finance certificates (TFCs), rated corporate debts, spread transactions (including spread on equity transactions) and other money market instruments.

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

1.5 The Pakistan Credit Rating Agency (PACRA) reaffirmed the stability rating of "A + (f)" (A plus – Fund Rating) to the Fund. The fund's rating denotes a strong capacity to maintain high degree of stability in returns and possesses low exposure to risks.

1.6 Amendments in Sindh Trusts Act

In line with the enactment of the Sindh Trusts Act, 2020 (as amended vide Sindh Trusts (Amendment) Act, 2021), the Trusts including Collective Investment, 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 alongwith necessary documents have been submitted with Assistant Director of Industries and Commerce (Trust Wing), Government of Sindh.

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. Such standards comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act);

- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and

- The NBFC rules, the Non-Banking Finance Companies, Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

3. BASIS OF MEASUREMENT

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

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

4. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and 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 result 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.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial years.

5.1 New / Revised Standards, Interpretations and Amendments

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Fund's accounting periods beginning on or after July 01, 2020 but are considered not to be relevant or do not have any significant effect on the Fund's operations and therefore not detailed in these financial statements.

5.2 Standards, interpretations and amendments to approved accounting standards that are not yet effective

The following standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

Standard or Interpretation	Effective date (annual periods beginning on or after)
Property, Plant and Equipment: Proceeds before Intended Use – - Amendments to IAS 16	January 01, 2022
Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37	January 01, 2022
Classification of liabilities as current or non-current - Amendment to IAS 1	January 01, 2023
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendment to IFRS 10 and IAS 28	Not yet finalized
Definition of Accounting Estimates - Amendments to IAS 8	January 01, 2023
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	January 01, 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	January 01, 2023

The above standards and amendments are not expected to have any material impact on the Fund's financial statements in the period of initial application.

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standards	IASB Effective date (annual periods beginning on or after)
IFRS 1 - First-time Adoption of International Financial Reporting Standards	July 01, 2009
IFRS 17 – Insurance Contracts	January 01, 2023

5.3 Financial assets

Classification

Debt instruments

A debt instrument is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- 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.

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

- 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.

A debt instrument held for trading purposes is classified as measured at FVTPL.

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

Business model assessment

The Fund determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Fund's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- the objectives for the portfolio, in particular, whether management's strategy focuses on earning contractual revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realizing cash flows through the sale of the assets;

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;

- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed; and

- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Fund's original expectations, the Fund does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

Assessments whether contractual cash flows are solely payments of principal and interest (SPPI)

As a second step of its classification process the Fund assesses the contractual terms of financial to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium / discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Fund applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

Initial Measurement

Investments are initially measured at their fair value except in the case of financial assets recorded at FVTPL, transaction costs are added to, or subtracted from, this amount.

Subsequent Measurement

Debt instruments at amortised cost

After initial measurement, such debt instruments are subsequently measured at amortised cost.

Amortised cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the effective interest rate.

Debt instruments at fair value through profit or loss

Financial assets at FVTPL are recorded in the statement of financial position at fair value. Changes in fair value are recorded in profit and loss.

Debt instruments at fair value through other comprehensive income

Financial assets at FVOCI are recorded in the statement of financial position at fair value. Changes in fair value are recorded in other comprehensive income.

5.4 Impairment

IFRS 9 requires an expected credit loss model which requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

However, SECP through its SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 have deferred the applicability of above impairment requirements in relation to debt securities for mutual funds and accordingly, basis defined in Circular No. 33 of 2012 dated, October 24, 2012 have been followed.

5.5 Derecognition

The Fund derecognises a financial asset when the contractual right to the cash flows from the financial asset expires or it transfers the right to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

5.6 Offsetting of financial assets and liabilities

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

5.7 Expenses

All expenses, including management fee and trustee fee, are recognized in the income statement on accrual basis.

5.8 Preliminary expenses and flotation costs

Preliminary expenses and flotation costs (formation costs) represent expenditure incurred prior to the commencement of operations of the Fund and include underwriting commission, commission to bankers to the issue, brokerage paid to the members of stock exchanges and other expenses. These costs are being amortised over a period of five years starting from the end of the initial offering period as per the requirement set out in the Trust Deed of the Fund and NBFC regulations.

5.9 Provisions

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

5.10 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 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders. The Fund is also exempt from the provision of Section 113 (minimum tax) under Clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

5.11 Earnings per unit

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.

5.12 Net asset value per unit

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

5.13 Unit holders' fund

Unit holders' fund representing the units issued by the Fund, is carried at the net asset value representing the investors' right to a residual interest in the Fund assets.

5.14 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the funds/cash received in Bank during business hours, as of the close of the previous day on which the funds/cash were received in the Bank. The offer price represents the net asset value per unit as of the close of the previous 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 as of the close of the previous day. The redemption price represents the net asset value per unit as of the close of the previous day on which applications were received less any back-end load, any duties, taxes, charges on redemption and any provision for transaction costs, if applicable.

5.15 Revenue recognition

- Gains / (losses) arising on sale of investments are included in the Income Statement on the date at which the transaction takes place.
- Income on government securities is recognised on an time proportion basis using effective interest rate method.
- Income on commercial papers is recognised on an time proportion basis.
- Unrealised gains / (losses) arising on remeasurement of investments classified as 'at fair value through profit or loss' are included in the Income Statement in the period in which they arise.
- Profit on bank deposits and certificate of investments is recognised on time proportion basis.

5.16 Distributions

Distributions declared subsequent to year end reporting date are considered as non adjusting events and are recognized in the financial statements of the period in which such distributions are declared. Based on MUFAP's guidelines (duly condensed upon SECP) distribution for the year is deemed to comprise of the portion of amount of income of units already paid on units redeemed and the amount of cash distribution for the year.

The distribution per unit is announced based on units that were held for the entire period. The rate of distribution is adjusted with effect of refund of capital if any based on the period of investment made during the year. Resultantly, the rate of distribution per unit may very depending on the period of investment.

5.17 Cash and cash equivalents

Cash and cash equivalents comprise of saving accounts maintained with banks. Cash equivalents are short term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short term cash commitments rather than for investments and other purposes.

6 TOTAL EXPENSE RATIO

The total expense ratio (TER) of the Fund for the year ended June 30, 2021 is 2.21% which includes 0.35% representing government levies on the Fund such as federal excise duties and sales taxes, Workers' Welfare Fund, annual fee payable to the SECP, etc. This ratio is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an "Income scheme".

	Note	June 30, 2021	June 30, 2020
		---------------Rupees---------------	
7 BALANCES WITH BANKS			
- Saving accounts	7.1	**668,144,264**	849,846,571
		668,144,264	849,846,571

7.1 This includes balance of Rs 139.54 million (June 30, 2020: Rs. 443.28 million) with JS Bank Limited (a related party) and Rs. 0.03 million (June 30, 2020: 0.03 million) with Bank Islami Pakistan Limited (a related party) carries profit rate of 7% (June 30, 2020: 8%) and 6.00% (June 30 ,2020: 6%) per annum respectively. Other saving accounts carry mark-up ranging from 5.00% to 9.00% (June 30, 2020: 6.00% to 14.15%) per annum.

		Note	June 30, 2021	June 30, 2020
			---------------Rupees---------------	
8	**INVESTMENTS**			
	At fair value through profit and loss			
	Government securities - Treasury bills	8.1	-	355,694,625
	Government securities - Pakistan investment bonds	8.2	-	105,228,902
	Debt securities - unquoted	8.3	**714,368,724**	625,927,650
	Quoted equity securities - Spread transactions	8.4	**507,514,835**	-
			1,221,883,559	1,086,851,177
	At amortised cost			
	Debt securities - quoted	8.5	-	-
	Debt securities - unquoted	8.5	-	-
	Debt securities - Pre-IPO placement	8.6	**10,000**	10,000
			10,000	10,000
			1,221,893,559	1,086,861,177

	At fair value through P&L	As at 01 July 2020	Acquired during the year	Matured/ disposed during the year	As at 30 June 2021	Carrying value as at 30 June 2021	Market value as at 30 June 2021	Market value as percentage of net assets
		------------------------Number of certificates------------------------				--------------Rupees--------------		%
8.1	**Government Securities - Treasury Bills - 'at fair value through profit or loss'**							
	12 - Months Treasury Bill	3,750	2,000	5,750	-	-	-	-
	3 - Months Treasury Bill	-	6,000	6,000	-	-	-	-
	Total as at June 30, 2021	**3,750**	**8,000**	**11,750**	-	-	-	-
	Total as at June 30, 2020	-	27,250	23,500	3,750	349,784,978	355,694,625	18.50
8.2	**Government Securities - Pakistan Investment Bonds - 'at fair value through profit or loss'**							
	5 Years Pakistan Investment Bonds	1,000	4,650	5,650	-	-	-	-
	3 Years Pakistan Investment Bonds	-	1,250	1,250	-	-	-	-
	Total as at June 30, 2021	**1,000**	**5,900**	**6,900**	-	-	-	-
	Total as at June 30, 2020	-	12,050	11,050	1,000	106,669,168	105,228,902	5.47
8.3	**Debt securities - Term Finance Certificates (TFCs) and Sukuks - 'At fair value through profit or loss'**							
	Unquoted - Face Value of Rs. 100,000/- each							
	Refinery							
	BYCO Petroleum Pakistan Limited	1,015	1,194	-	2,209	128,972,182	128,917,387	6.70
	HUB Power Holdings Limited		2,150	-	2,150	189,220,002	189,220,002	9.83
		1,015	3,344	-	4,359	318,192,184	318,137,389	16.53
	Pharmaceutical							
	Aspin Pharma (Pvt) Limited	1,976	-	-	1,976	99,864,336	99,752,235	5.18
		1,976	-	-	1,976	99,864,336	99,752,235	5.18
	Total as at June 30, 2021	**2,991**	**3,344**	-	**6,335**	**418,056,520**	**417,889,624**	**21.71**
	Total as at June 30, 2020	2,730	333	72	2,991	196,133,855	199,059,585	10.35
	Unquoted - Face Value of Rs. 5,000/- each							
	Commercial Banks							
	JS Bank Limited (Related Party)	50,000	-	10,000	40,000	195,914,452	196,479,100	10.20
	Bank Alfalah Limited	-	20,000	-	20,000	100,000,000	100,000,000	5.19
	Total as at June 30, 2021	**50,000**	**20,000**	**10,000**	**60,000**	**295,914,452**	**296,479,100**	**15.40**
	Total as at June 30, 2020	50,000	-	-	50,000	250,731,665	244,993,065	12.74
	Pakistan Ijarah sukuk certificate - Face Value of Rs. 100/- each							
	Pakistan Ijara Sukuk certificates	1,875,000	-	1,875,000	-	-	-	-
	Total as at June 30, 2021	**1,875,000**	-	**1,875,000**	-	-	-	-
	Total as at June 30, 2020	-	1,875,000	-	1,875,000	187,500,000	181,875,000	9.46

Name of secuirty	Number of certificates	Interest rate per annum	Maturity
BYCO Petroleum Pakistan Limited (January 18, 2020)	2,209	3M KIBOR + 1.05%	January 18, 2023
HUB Power Holdings Limited	2,150	6M KIBOR + 1.00%	November 12, 2025
Aspin Pharma Private Limited	1,976	3M KIBOR + 1.5%	November 30, 2023
JS Bank Limited - TFC (December 14, 2016)	40,000	6M KIBOR + 1.4%	December 16, 2023
Bank Alfalah Limited TFC (November 24, 2020)	20,000	6M KIBOR + 1.00%	November 24, 2023

8.4 Quoted equity securities - Spread transaction

Name of investee company	As at 01 July 2020	Acquired during the year	Matured/ disposed during the year	As at 30 June 2021	Carrying value 30 June 2021	Market value as at 30 June 2021	Market value as percentage of net assets	Market value as percentage of total investments	Market value as percentage of paid-up capital of the investee
	-------------------------Number of shares			------------------------	--------------Rupees	--------------	-- %		-------------------------------------
Shares of listed companies - fully paid ordinary shares of Rs.10 each unless stated otherwise:									
Commercial banks									
Bank Alfalah Limited	-	15,500	15,500	-	-	-	-	-	-
Habib Bank Limited	-	257,500	257,500	-	-	-	-	-	-
Meezan Bank Limited	-	1,500	1,500	-	-	-	-	-	-
National Bank of Pakistan Limited	-	1,920,500	1,913,500	7,000	250,690	255,990	0.01	0.02	0.00
Bank Al Habib Limited	-	500	-	500	35,225	35,060	0.00	0.00	0.00
Bank Of Punjab Limited	-	2,021,000	1,991,000	30,000	253,500	252,000	0.01	0.02	0.00
United Bank Limited	-	60,000	60,000	-	-	-	-	-	-
Chemicals									
Engro Polymer and Chemicals Limited	-	360,500	325,500	35,000	1,692,585	1,653,400	0.09	0.14	0.02
Lotte Chemical Pakistan Limited	-	1,917,000	1,915,000	2,000	31,680	30,880	0.00	0.00	0.00
Descon Oxychem Limited	-	25,000	25,000	-	-	-	-	-	-
Ghani Global Holdings Limited	-	4,297,000	3,002,500	1,294,500	65,476,665	64,258,980	3.34	5.26	2.30
Nimir Resins Limited*	-	190,000	112,000	78,000	1,599,495	1,571,700	0.08	0.13	0.11
Cable and electrical goods									
Pak Elektron Limited	-	5,203,000	5,150,500	52,500	1,814,090	1,840,650	0.10	0.15	0.04
Waves Singer Pakistan Limited	-	108,500	-	108,500	2,776,060	2,957,710	0.15	0.24	0.11
Automobile assembler									
Pak Suzuki Motor Company Limited	-	81,500	80,500	1,000	354,250	355,440	0.02	0.03	0.04
Ghandhara Nissan Limited	-	172,000	172,000	-	-	-	-	-	-
General Tyre and Rubber Company Limited	-	76,000	76,000	-	-	-	-	-	-
Ghandhara Industries Limited	-	747,000	744,000	3,000	853,350	837,060	0.04	0.07	0.20
Sazgar Engineering Works Limited	-	62,000	60,500	1,500	258,509	252,315	0.01	0.02	0.05
Oil and gas exploration companies									
Oil and Gas Development Company Limited	-	234,500	212,500	22,000	2,156,978	2,090,660	0.11	0.17	0.00
Pakistan Petroleum Limited	-	736,000	709,000	27,000	2,417,238	2,344,410	0.12	0.19	0.01
Engineering									
Amreli Steels Limited	-	597,500	577,500	20,000	890,220	868,800	0.05	0.07	0.03
International Steels Limited	-	1,957,500	1,902,500	55,000	5,224,623	5,137,550	0.27	0.42	0.12
Mughal Iron and Steels Industries Limited	-	147,000	143,500	3,500	369,915	365,400	0.02	0.03	0.01
International Industries Limited	-	397,500	385,000	12,500	2,685,714	2,637,750	0.14	0.22	0.20
Aisha Steel Limited	-	333,000	67,500	265,500	6,708,790	6,613,605	0.34	0.54	0.09
Glass and ceramics									
Tariq Glass Industries Limited	-	33,500	27,000	6,500	692,390	691,470	0.04	0.06	0.05
Fertilizer									
Fauji Fertilizer Bin Qasim Limited	-	88,500	50,000	38,500	1,029,790	1,016,785	0.05	0.08	0.01
Engro Corporation Limited	-	43,000	42,000	1,000	299,000	294,610	0.02	0.02	0.01
Fauji Fertilizer Company Limited	-	4,000	4,000	-	-	-	-	-	-
Food and personal care products									
Fauji Foods Limited	-	1,219,500	1,219,500	-	-	-	-	-	-
Treet Corporation Limited	-	361,000	129,000	232,000	11,835,125	11,481,680	0.60	0.94	0.66
Unity Foods Limited	-	26,981,500	24,541,500	2,440,000	105,017,338	108,628,800	5.64	8.89	1.09
Al Shaheer Corporation Limited	-	342,500	267,000	75,500	1,516,515	1,504,715	0.08	0.12	0.05
Paper and board									
Century Paper & Board Mills Limited	-	34,000	34,000	-	-	-	-	-	-
Refinery									
Attock Refinery Limited	-	1,231,000	1,207,000	24,000	6,313,199	6,154,800	0.32	0.50	0.58
Pakistan Refinery Limited	-	8,204,000	8,204,000	-	-	-	-	-	-
National Refinery Limited	-	874,000	855,000	19,000	9,931,907	9,940,610	0.52	0.81	1.24
Byco Petroleum Pakistan Limited	-	8,012,000	7,131,000	881,000	10,893,030	10,228,410	0.53	0.84	0.02
Cement									
D. G. Khan Cement Company Limited	-	1,140,000	1,127,500	12,500	1,523,215	1,474,000	0.08	0.12	0.03
Cherat Cement Company Limited	-	85,500	85,500	-	-	-	-	-	-
Maple Leaf Cement Factory Limited	-	4,564,500	4,542,000	22,500	1,047,950	1,057,050	0.05	0.09	0.01
Lucky Cement Limited	-	30,000	29,500	500	443,250	431,720	0.02	0.04	0.01
Pioneer Cement Limited	-	322,500	319,500	3,000	386,480	393,210	0.02	0.03	0.02
Power Cement Limited	-	434,000	434,000	-	-	-	-	-	-
Fauji Cement Company Limited	-	977,500	956,000	21,500	499,050	494,500	0.03	0.04	0.00
Power generation and distribution									
Hub Power Company Limited	-	461,000	451,500	9,500	774,649	756,865	0.04	0.06	0.01
Kot Addu Power Company Limited	-	3,067,000	2,815,500	251,500	11,106,035	11,154,025	0.58	0.91	0.13
K-Electric Limited**	-	803,500	716,500	87,000	354,640	363,660	0.02	0.03	0.00
Pharmaceuticals									
The Searle Company Limited	-	370,000	370,000	-	-	-	-	-	-
Ferozsons Laboratories Limited	-	8,500	8,500	-	-	-	-	-	-

Name of investee company	As at 01 July 2020	Acquired during the year	Matured/ disposed during the year	As at 30 June 2021	Carrying value 30 June 2021	Market value as at 30 June 2021	Market value as percentage of net assets	Market value as percentage of total investments	Market value as percentage of paid-up capital of the investee
	------------------------Number of shares-----------------------				--------------Rupees--------------		-- %-----------------------------------		
Textile									
Nishat Chunian Limited	-	59,000	59,000	-	-	-	-	-	
Gul Ahmed Textile Mills Limited	-	588,500	573,500	15,000	774,575	760,950	0.04	0.06	0.01
Nishat Mill Limited	-	544,000	533,500	10,500	1,015,875	979,650	0.05	0.08	0.03
Azgard Nine Limited	-	3,373,000	3,283,000	90,000	3,229,640	3,050,100	0.16	0.25	0.06
Transport									
Pakistan Intl. Bulk Terminal Limited	-	9,718,500	9,592,500	126,000	1,465,880	1,433,880	0.07	0.12	0.01
Oil and gas marketing companies									
Pakistan State Oil Company Limited	-	263,500	261,000	2,500	564,145	560,625	0.03	0.05	0.01
Hascol Petroleum Limited	-	17,606,500	16,458,500	1,148,000	11,747,757	10,251,640	0.53	0.84	0.10
Sui Northern Gas Pipeline Limited	-	1,430,500	1,121,500	309,000	15,312,661	15,011,220	0.78	1.23	0.24
Pakistan Oil Limited	-	4,500	4,500	-	-	-	-	-	-
Sui Southern Gas Company Limited	-	484,500	484,500	-	-	-	-	-	-
Technology and communications									
Pakistan Telecom Company Limited	-	221,000	5,500	215,500	2,603,940	2,551,520	0.13	0.21	0.01
TRG Pakistan Limited	-	15,028,000	14,101,000	927,000	145,040,080	154,187,910	8.01	12.62	2.83
NetSol Technologies Limited		4,025,500	3,756,000	269,500	45,391,425	45,809,610	2.38	3.75	5.10
Avanceon Limited	-	2,186,000	2,180,500	5,500	529,380	504,240	0.03	0.04	0.02
Hum Network Limited***	-	11,656,500	10,416,000	1,240,500	10,123,875	9,948,810	0.52	0.81	1.05
Miscellaneous									
Siddiqsons Tin Plate Limited	-	218,000	111,500	106,500	1,894,440	2,038,410	0.11	0.17	0.09
Total as at June 30, 2021	**-**	**149,019,000**	**138,409,000**	**10,610,000**	**499,206,814**	**507,514,835**	**26.36**	**41.54**	**16.80**
Total as at June 30, 2020	-	52,213,300	52,213,300	-	-	-	-	-	-

*Fully paid ordinary shares of Rs.5
**Fully paid ordinary shares of Rs.3.5
***Fully paid ordinary shares of Rs.1

8.5 Debt securities - Term Finance Certificates (TFCs) and Sukuks - 'At amortised cost'

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

	Note	As at 01 July 2020	Acquired during the year	Matured/ disposed during the year	As at 30 June 2021	Carrying value 30 June 2021	Market value 30 June 2021	Market value as percentage of net assets
		-------------------------Number of certificates------------------------				---------------Rupees---------------		%
Quoted								
Personal Goods								
Azgard Nine Limited - TFC (September 20, 2005) (Related Party)	8.5.2	4,530	-	4,530	-	**6,335,844**	-	-
Less: Provision for impairment						**(6,335,844)**	-	-
						-	-	-
Total as at June 30, 2021		**4,530**	**-**	**4,530**	**-**	**-**	**-**	**-**
Total as at June 30, 2020		4,530	-	4,530	-	-	-	-
Unquoted								
Chemicals								
Agritech Limited - Privately Placed TFC (January 14, 2008)		2,249	-	-	2,249	-	-	-
Less: Provision for impairment						-	-	-
						-	-	-
Personal Goods								
Azgard Nine Limited - Privately placed TFC (December 04, 2007) (Related Party)	8.5.2	10,000	-	10,000	-	30,569,538	-	-
Less: Provision for impairment						(30,569,538)	-	-
						-	-	-
Azgard Nine Limited - Privately placed TFC (December 04, 2007) (Related Party)		4,827	-	-	4,827	-		
Less: Provision for impairment						-		
						-	-	-
Chemicals								
Agritech Limited - Privately placed TFC		12,484	-	-	12,484	59,572,782	-	-
Less: Provision for impairment						(59,572,782)	-	-
						-	-	-
Total as at June 30, 2021		**29,560**	**-**	**10,000**	**19,560**	**-**	**-**	**-**
Total as at June 30, 2020		29,560	-	10,000	19,560	-	-	-

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

8.5.2 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 is paid starting from April 29, 2021 over a period of 10 years. Further, new zero coupon PPTFCs will be issued for the PPTFC and interest accrued on TFC and PPTFC till the date of restructuring on the existing TFC and PPTFC, having redemption of principal through bullet payment on the 10th anniversary of the issuance date. As of the year end Rs. 1.74 million has been received by the Fund on account of repayment of principal of TFC and Rs. 0.011 million on account of interest income, accordingly the same has been recorded in the income statement.

8.6 Disclosure of non compliant investments as at 30 June 2021

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

Name of security	Note	Type of Investment	Value of Investment before provision	Provision held (If any)	Value of investment after provisioning	Percentage of Net Assets	Percentage of total assets
		---------------------- (Number of shares)	----------------------		(Rupees)		
Personal goods							
Azgard Nine Limited - restructured	8.6.1	Term Finance Certificates	**6,335,844**	**(6,335,844)**	-	-	-
Azgard Nine Limited - PPTFCs 4th issue - restructured	8.6.2	Privately Placed TFC	**30,569,538**	**(30,569,538)**	-	-	-
Azgard Nine Limited - PPTFCs 5th issue	8.6.3	Privately Placed TFC	-	-	-	-	-
Agritech Limited	8.6.4	Sukuk Certificates	**59,572,782**	**(59,572,782)**	-	-	-
Agritech Limited	8.6.5	Privately Placed TFC	-	-	-	-	-
Dewan Cement Limited	8.6.6	Pre-IPO Investment	**50,000,000**	**(49,990,000)**	**10,000**	**0.0005%**	**0.0005%**

8.6.1 The Fund has made a full provision against the principal amount in accordance with the requirements of the regulatory body & the provisioning policy of the Fund.

8.6.2 The Commercial papers of Azgard Nine Limited has been settled through issuance of 15,000 PPTFCs in the name of the Fund. These PPTFCs have been restructured however, the management as a matter of prudence has maintained the provision against the said PPTFCs.

8.6.3 The Fund received 4,827 zero coupon PPTFCs against interest receivable of listed and unlisted Azgard Nine Limited Term Finance Certificates. Since these PPTFCs are received against already defaulted securities and have non-performing status in MUFAP, therefore the management as a matter of prudence maintained the provision against the said PPTFCs. These PPTFCs are valued at zero but cost is carried at 24,135,000.

8.6.4 The Fund has made a full provision against the principal amount in accordance with the requirements of Circular 1 and the provisioning policy of the Fund.

8.6.5 The Fund has made a full provision against the principal amount of Agritech Limited's Sukuk in accordance with the requirements of Circular 1 of 2009 issued by the SECP and the provisioning policy of the Fund. The Fund has received Agritech Limited's PPTFC of face value of Rs. 11.245 million against interest due on Agritech Limited's Sukuk which is not recognized as income by the Fund and these PPTFCs are valued at zero.

8.6.6 This represents Pre-IPO disbursement to Dewan Cement Company (the Company) made on January 14, 2008. As per the requirement of the Trust Deed, the IPO was to take place within 270 days of the initial disbursement, however, the Company has not yet arranged the IPO. Accordingly, the Management Company decided to suspend mark-up on this placement from October 29, 2008 and has made a provision of Rs. 49.99 million against the actual amount disbursed which is without prejudice to the Fund's claim against the above entire exposure of Rs. 50 million, unrecognized mark-up and other charges etc.

		Note	June 30, 2021	June 30, 2020
9	**ACCRUED MARK-UP/INTEREST**		----------------Rupees	-------------
	Mark-up / interest receivable on:			
	- Bank balances and term deposits		**3,872,995**	4,165,890
	- Debt securities		**10,308,186**	8,495,843
	- Term finance certificates and Pre-IPO investments		**4,418,797**	4,418,797
	- Provision against accrued mark-up on non-performing assets		**(4,418,797)**	(4,418,797)
			14,181,181	12,661,733

		Note	June 30, 2021	June 30, 2020
10	**DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES**			
	Income tax recoverable	10.1	**2,616,075**	2,566,880
	Security deposits with CDC		**100,000**	100,000
	Security deposits with NCCPL		**2,750,000**	2,750,000
	NCCPL exposure margin		**72,793,575**	13,251,857
	Dividend receivable		**12,000**	-
	Prepayments and other receivables		**529,980**	366,566
			78,801,630	19,035,303

10.1 Clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 provides exemption from withholding tax deduction on dividends received by the collective investment scheme from investee companies.

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 investee companies on dividends. An exemption certificate was issued by the concerned Commissioner of Inland Revenue effective up to June 30, 2021. Accordingly the management is in the process of recovering the above tax amount deducted.

			June 30, 2021	June 30, 2020
11	**PAYABLE TO JS INVESTMENTS LIMITED - MANAGEMENT COMPANY**	**Note**	----------------Rupees-------------	
	Remuneration payable to management company	11.1	**1,630,480**	1,374,408
	Sales tax payable on management company's remuneration	11.2	**684,216**	650,926
	Accounting and operational charges payable	11.3	**163,047**	137,441
	Selling and marketing expenses payable	11.4	**1,030,124**	-
	Sales load payable to management company		**-**	10,896
			3,507,867	2,173,671

11.1 REMUNERATION PAYABLE TO MANAGEMENT COMPANY

According to the provisions of the Trust Deed of the Fund, the Management Company has charged its remuneration at the rate of 1% (June 30, 2020: 1%) per annum on the average annual net assets of the Fund calculated on a daily basis.

11.2 SALES TAX PAYABLE ON MANAGEMENT COMPANY'S REMUNERATION

The Sindh Provincial Government has levied Sindh Sales Tax at the rate of 13% (June 30, 2020: 13%) on Management Company`s remuneration

11.3 ACCOUNTING AND OPERATIONAL CHARGES

In accordance with the provisions of the Non Banking Financial Companies Regulations amended vide S.R.O 1160(I) / 2015 dated November 25, 2015, the Management Company of the Fund is entitled for reimbursement of fee and expenses incurred by the Management Company in relation to registrar service, accounting, operation and valuation services related to Fund maximum up to 0.1% of average annual net assets of the scheme or actual which ever is less. Accordingly, the Management Company has charged accounting and operating expenses to the Fund at a rate of 0.1% per annum of the average annual net assets of the Fund for the year ended June 30, 2021 (June 30, 2020: 0.1%).

11.4 SELLING AND MARKETING EXPENSE

The SECP had allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) initially for a period of three years (i.e. from January 01, 2017 till December 31, 2019). The maximum cap of selling and marketing expense was 0.4% per annum of the net assets of the Fund or actual expenses whichever is lower. 'The SECP through its circular 11 dated July 05, 2019 has revised the conditions for charging of selling and marketing expenses to a Fund. As per the revised guidelines, the maximum cap of 0.4% per annum has been lifted and now the asset management company is required to set a maximum limit for charging of such expense to the Fund and the same should be approved by the Board as part of annual plan. Furthermore, the time limit of three years has also been removed in the revised conditions. Accordingly, the Management Company based, has determined a capping of 0.2% of the average annual net assets of the Fund for charging of selling and marketing expenses which has been duly approved by the Board of Directors of the Management Company.

		Note	June 30, 2021	June 30, 2020
12	**PAYABLE TO MCB FINANCIAL SERVICES LIMITED - TRUSTEE**		----------------Rupees-------------	
	Trustee remuneration	12.1	**122,150**	103,080
	Sindh Sales Tax on remuneration of trustee		**15,879**	13,400
			138,029	116,480

12.1 According to the provisions of the trust deed of the Fund, the Trustee is entitled to monthly remuneration for services rendered to the Fund as follows:

On net assets:

- up to Rs.1 billion	Rs.0.350 million or 0.10% per annum of the net assets of the Fund computed on a daily basis whichever is higher.
- exceeding Rs.1 billion	Rs.1 million plus 0.05% per annum of the net assets of the Fund computed on a daily basis exceeding Rs.1 billion.

The trustee fee revised from April 09, 2020 till year end is 0.075% per annum on the average annual net assets of the Fund calculated on a daily basis.

12.2 The Sindh Provincial Government has levied Sindh Sales Tax at the rate of 13% (June 30, 2020: 13%) on Trustee`s remuneration.

13 ANNUAL FEE OF SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay annual fee to the Securities and Exchange Commission of Pakistan (SECP) at the rate of 0.02% of daily net assets of the Fund.

		Note	June 30, 2021	June 30, 2020
14	**ACCRUED EXPENSES AND OTHER LIABILITIES**		----------------Rupees-------------	
	Payable against Sindh Workers' Welfare Fund	14.1	**15,712,993**	12,943,437
	Federal excise duty on Management Compay's remuneration	14.2	**3,143,283**	3,143,283
	Payable against purchase of Securities / Brokerage		**7,823,827**	165,291
	Unrealised loss on revaluation of derivative instruments		**8,733,280**	-
	Audit fee payable		**399,576**	395,340
	Zakat payable		**80,076**	148,995
	Other liabilities		**15,590,102**	21,549,823
			51,483,137	38,346,169

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, 2021would have been higher by Re. 0.78 (2020: Re.0.65) per unit.

14.2 As per the requirement of Finance Act, 2013, Federal Excise Duty (FED) at the rate of 16% on the remuneration of the Management Company has been applied effective June 13, 2013. The Management Company is of the view that since the remuneration is already subject to 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 Honorable Sindh High Court (SHC) on September 04, 2013.

The Honorable Sindh High Court (SHC) through its order dated June 02, 2016, in CPD-3184 of 2014 (and others) filed by various taxpayers, has interalia declared that Federal Excise Act, 2005 (FED Act) is on services, other than shipping agents and related services, is ultra vires to the Constitution from July 01, 2011. However, the declaration made by the Honorable Court, as directed, will have affect in the manner prescribed in the judgment. The Sindh High Court in its decision dated July 16, 2016 in respect of constitutional petition filed by management companies of mutual funds maintained the previous order on the FED.

Sindh Revenue Board and Federal Board of Revenue have filed appeals before Honourable Supreme Court against the Sindh High Court's decision dated June 02, 2016, which is pending for the decision. However, after the exclusion of the mutual funds from federal statute on FED from July 01, 2016, the Fund has discontinued making the provision in this regard.

Since the appeal is pending in the Supreme Court of Pakistan, the Management Company as a matter of abundant caution has retained provision for FED on management fee aggregating to Rs. 3.14 million as at June 30, 2021 (June 30, 2020: 3.14 million). Had the provision not been made, Net Asset Value per unit as at June 30, 2021 would have been higher by Re. 0.16 (June 30, 2020: Re. 0.16) per unit.

15 CONTINGENCIES AND COMMITMENTS

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

15.1 COMMITMENTS	Note	June 30, 2021	June 30, 2020
		----------------Rupees-------------	
Future sale transactions of equity securities entered into by the Fund in respect of which the sale transactions have not been settled as at year end		**503,709,760**	-

16 NUMBER OF UNITS IN ISSUE

	(Number of units)	
Total outstanding as of July 01, 2020	**20,046,917**	26,711,333
Issued during the year	**26,126,755**	44,106,040
Redemption during the year	**(27,239,918)**	(50,770,456)
Reinvested units during the year	**727,971**	-
Refund of capital during the year	**413,941**	-
Total outstanding as of June 30, 2021	**20,075,666**	20,046,917

		June 30, 2021	June 30, 2020
		----------------Rupees-------------	
17	**FINANCIAL INCOME**		
	Mark-up / interest income on:		
	- balances with banks and term deposits receipts	**56,139,970**	102,053,974
	- government securities	**21,633,774**	57,658,702
	- term finance certificates	**58,973,388**	36,134,833
	- commercial paper	**-**	769,644
		136,747,132	196,617,153
18	**AUDITORS' REMUNERATION**		
	Annual audit fee	**291,500**	291,500
	Half yearly review of financial statements	**96,800**	96,800
	Other services	**25,000**	25,000
	Out of pocket expenses including government levy	**101,837**	102,784
		515,137	516,084

19 TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders. Provided that for the purpose of determining distribution of at least 90% of accounting income, the income distributed through bonus shares, units or certificates as the case may be, shall not be taken into account. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than capital gains / loss to the unit holders. Since the management has distributed the required minimum percentage of income earned by the Fund during the year ended 30 June 2021 to the unit holders as explained above, therefore no provision for taxation has been made in the financial statements during the year.

20. INTERIM DISTRIBUTION

In the current year, the Fund has made a final distribution of Rs. 84.89 million in respect of the year ended June 30, 2021 based on net income for the year after taxation as envisaged in the NBFC Regulations.

21 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

Connected persons / related parties include JS Investments Limited (JSIL) being the Management Company of the Fund, DCCL Trustee 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 Ltd.) 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..

		Note	June 30, 2021	June 30, 2020
			----------Rupees----------	
21.1	**Transactions during the year ended**			
	JS Investments Limited (Management Company)			
	Remuneration of the Management Compay		**20,313,512**	14,532,958
	Sales Tax on remuneration to the Management Compay		**2,640,752**	1,889,285
	Sales load		**65,474**	73,011
	Accounting and operational charges		**2,031,350**	1,642,477
	Selling and marketing expenses		**3,457,590**	-
	Issuance of units: 1,051,398 (2020: 2,651,706)		**107,000,000**	264,354,343
	Refund of capital units: 33,032 (2020: Nil)		**-**	-
	Redemption of units: 1,194,090 (2020: 6,133,390)		**121,000,000**	610,354,343
	Reinvest in lieu of dividend paid: 2,868 units (2020: Nil)		**323,644**	-
	Digital Custodian Company Limited (Trustee)			
	Remuneration of the trustee		**1,515,206**	1,278,142
	Sales tax on trustee fee		**196,976**	163,054
	JS Bank Limited (Parent Company of JSIL)			
	Income on bank balances		**14,025,119**	39,618,376
	Bank charges deducted		**-**	32,805
	Sales load		**4,534,971**	22,635,557
	Mark-up on term finance certificate		**18,967,563**	36,134,833
	JS Global Capital Limited (Fellow subsidiary of JSBL)			
	Brokerage expense	21.2.1	**103,360**	24,906
	Bank Islami Pakistan Limited (Group Company) (Associate of Ultimate Parent Company - JSCL)			
	Income on bank balance		**148**	24,660
	Bank charges deducted		**-**	50
	JS ABAMCO Commodities Limited (100% Subsidiary of Management Company JSIL)			
	Redemption of units: 5,864 (2020: 4,110)		**600,000**	400,000
	Reinvest in lieu of dividend paid: 38,921 units (2020: 57,401)		**4,390,713**	5,495,525
	Optimus Limited (Other Group Entity)			
	Reinvest in lieu of dividend paid: 7 units (2020: 10)		**763**	947

	Note	June 30, 2021	June 30, 2020
		----------Rupees----------	
JS Fund of Funds			
(Fund Under JSIL Management)			
Issue of units: Nil (2020: 2,659,234)		-	259,198,559
Redemption of units: Nil (2020: 4,246,149)		-	415,746,406
East West Insurance Co Limited			
(Common Directorship JSCL)			
Issue of units: Nil (2020: 145,744)		-	15,000,000
Dividend paid		-	390,230
Redemption of units: 156,933 (2020: Nil)		**15,264,884**	-
Key Management Personnel of the Management Company			
Reinvest in lieu of dividend paid: 4,713 units (2020: 6,261)		**531,693**	599,438
Units refunded as capital: 425 (2020: 432)		-	-
Issue of units: 27,866 (2020: 41,551)		**2,468,671**	4,053,178
Redemption of units: 75 (2020: 44,244)		**7,610**	4,386,539

21.2 Balance as at the year end

JS Investments Limited (Management Company)			
Payable to the Management Compay		**2,823,651**	1,522,745
Sales tax payable on Management Compay's remuneration		**684,216**	650,926
FED payable on Management Compay's remuneration		**3,143,283**	3,143,283
Units held: 566,465 (June 30, 2020: 673,256)		**54,329,679**	64,558,473
Digital Custodian Company Limited (Trustee)			
Remuneration payable to the trustee		**122,150**	103,080
Sales tax payable on trustee fee		**15,879**	13,400
JS Bank Limited (Parent Company of JSIL)			
Bank balances		**139,544,887**	443,278,152
Sales load payable		**352,779**	5,997,927
Profits receivable on bank balances		**529,333**	683,537
Profits receivable on Term Finance Certificate		**843,834**	1,125,159
Placement in Term Finance Certificate		**196,479,100**	244,993,065
Bank Islami Pakistan Limited			
(Associate of Ultimate Parent Company - JSCL)			
Bank balances		**30,213**	30,065
Optimus Limited (Other Group Entity)			
(Other Group Entity)			
Units held: 123 (June 30, 2020: 116)		**11,775**	11,124

	Note	June 30, 2021	June 30, 2020
		----------Rupees----------	
JS ABAMCO Commodities Limited (100% Subsidiary of Management Company JSIL)			
Units held: 706,202 (June 30, 2020: 673,146)		**67,731,859**	64,547,924
East West Insurance Company Limited (Common Directorship of JSCL)			
Units held: Nil (June 30, 2020: 156,933)		-	15,048,316
Key Management Personnel & Directors			
Units held: 92,139 (June 30, 2020: 59,210)		**8,837,025**	5,677,616
Unit holder holding 10% or more of units in issue			
Units held: 2,086,120 (June 30, 2020: Nil)		**200,079,803**	-

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

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

22. FINANCIAL RISK MANAGEMENT

The Fund's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Fund's financial performance.

The Fund's activities expose it to a variety of financial risks: market risk (including currency risk, profit rate and other price risk), credit risk and liquidity risk. Risk of the Fund is being managed by the Management Company in accordance with the approved policies of the investment committee which provide broad guidelines for management of above mention risks. The Board of Directors of Management Company has overall responsibility for the establishment and oversight of the Fund's risk management framework.

The Fund primarily invests in a mix of short term corporate debt and government securities, term deposit, spread transactions and money market placements with scheduled banks.

22.1 Impact of Covid-19

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 that. 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.

22.2 Market risk

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

The Management Company manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Board and regulations laid down by the SECP, the NBFC Regulations and the NBFC Rules.

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

22.2.1 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 exchange rates. The Fund, at present is not exposed to currency risk as all transactions were carried out in Pak Rupee.

22.2.2 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 market interest rates.

a) Sensitivity analysis for variable rate instruments

Presently, the Fund does not hold any variable profit based investment except balances with banks in saving accounts exposing the Fund to cash flow profit rate risk. The Fund is also exposed to mark-up rate risk on bank deposits. In case of 100 basis points increase / decrease in KIBOR at year end, the net income for the year and the net assets would be higher / lower by Rs.6.68 (2020: Rs.8.50) million.

b) Sensitivity analysis for fixed rate instruments

As at June 30, 2021, the Fund holds term finance certificate and sukuks, exposing the Fund to mark-up interest rate risk. In case of 100 basis points increase / decrease in rates on June 30, 2021, with all other variables held constant, net income for the year and net assets would be lower / higher by Rs.7.14 (2020: Rs.10.87) million.

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

	Yield / effective interest rate (%)	June 30, 2021				
		Exposed to yield / interest rate risk				
		Upto three months	More than three months and upto one year	More than one year	Not exposed to profit rate risk	Total
		------------------------------------ (Rupees) ------------------------------------				
On-balance sheet financial instruments						
Financial assets						
Balances with banks	5 - 9	668,144,264	-	-	-	668,144,264
Investments	7.46 - 9	714,368,724	-	-	507,524,835	1,221,893,559
Accrued mark-up/interest		-	-	-	14,181,181	14,181,181
Deposits, prepayments and other receivables		-	-	-	78,801,630	78,801,630
		1,382,512,988	-	-	600,507,646	1,983,020,634
Financial liabilities						
Payable to JS Investments Limited - Management Company		-	-	-	2,823,651	2,823,651
Payable to MCB Financial Services - Limited - Trustee		-	-	-	122,150	122,150
Unclaimed dividend		-	-	-	2,095,078	2,095,078
Annual fee payable to the Securities and Exchange Commission of Pakistan		-	-	-	406,299	406,299
Accrued and other liabilities		-	-	-	35,690,068	35,690,068
		-	-	-	41,137,246	41,137,246
On-balance sheet gap		1,382,512,988	-	-	559,370,402	1,941,883,388

There is no off-balance sheet financial instrument that exist as at year ended June 30, 2021.

	June 30, 2020					
		Exposed to yield / interest rate risk				
	Yield / effective interest rate (%)	Upto three months	More than three months and upto one year	More than one year	Not exposed to profit rate risk	Total
		(Rupees)				
On-balance sheet financial instruments						
Financial assets						
Balances with banks	6 to 14.25	849,846,571	-	-	-	849,846,571
Investments	7 to 15.25	1,086,851,177			10,000	1,086,861,177
Accrued mark-up / interest		-		-	12,661,733	12,661,733
Deposits, prepayments and other receivables		-	-	-	19,035,303	19,035,303
		1,936,697,748	-	-	31,707,036	1,968,404,784
Financial liabilities						
Payable to JS Investments Limited - Management Company		-	-	-	1,522,745	1,522,745
Payable to MCB Financial Services - Limited - Trustee		-	-	-	103,080	103,080
Unclaimed dividend		-	-	-	5,127,611	5,127,611
Annual fee payable to the Securities						-
and Exchange Commission of Pakistan		-	-	-	328,525	328,525
Accrued and other liabilities		-	-	-	22,110,454	22,110,454
		-	-	-	29,192,415	29,192,415
On-balance sheet gap		1,936,697,748	-	-	2,514,621	1,939,212,369

There is no off-balance sheet financial instrument that exist as at year ended June 30, 2020.

22.2.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Fund does not hold any security which exposes the Fund to price risk.

22.3 Credit risk

Credit risk represents the risk of loss if counterparties fail to perform as contracted. The Fund is exposed to counter party credit risks on bank balances, investments and profit receivable.

The Fund's maximum exposure to credit risk related to receivables at June 30, 2021 and June 30, 2020 is the carrying amounts of following financial assets.

	June 30, 2021	June 30, 2020
	-------- (Rupees) --------	
Balances with banks	**668,144,264**	849,846,571
Investments	**1,221,893,559**	1,086,861,177
Accrued mark-up/interest	**14,181,181**	12,661,733
Deposits, prepayments and other receivables	**78,801,630**	19,035,303
	1,983,020,634	1,968,404,784

The analysis below summaries the credit rating quality of the Fund's financial assets as at June 30, 2021 and June 30, 2020.

Bank balances	**2021**		
Name of the bank	**Rating agency**	**Latest available Published rating**	**Percentage of total bank balances**
Allied Bank Limited	**PACRA**	AAA	**7.50%**
Bank Islami Limited	**PACRA**	A+	**0.00%**
Dubai Islamic Bank Limited	**VIS**	AA	**0.06%**
Faysal Bank Limited	**VIS**	AA	**0.00%**
Finca Microfinance Bank Limited	**PACRA**	A	**0.00%**
First Micro Finance Bank Limited	**VIS**	A+	**0.00%**
Habib Bank Limited	**VIS**	AAA	**0.00%**
JS Bank Limited	**PACRA**	AA-	**20.90%**
Mobilink Microfinance Bank Limited	**PACRA**	A	**0.00%**
MIB Bank Limited	**PACRA**	A	**0.00%**
NRSP MicroFinance Bank Limited	**PACRA**	A	**0.00%**
Samba Bank Limited	**VIS**	AA	**0.00%**
Sindh Bank Limited	**VIS**	A+	**0.00%**
Telenor MicroFinance Bank Limited	**PACRA**	A+	**0.00%**
UBL Bank Limited	**VIS**	AAA	**0.00%**
U Microfinance Bank Limited	**PACRA**	A	**71.50%**

Bank balances Name of the bank	2020 Rating agency	 Latest available Published rating	 Percentage of total bank balances
			%
Allied Bank Limited	PACRA	AAA	0.00%
Bank Islami Limited	PACRA	A+	0.00%
Dubai Islamic Bank Limited	VIS	AA	0.00%
Faysal Bank Limited	VIS	AA	0.01%
Finca Microfinance Bank Limited	PACRA	A1	0.05%
First Micro Finance Bank Limited	VIS	A+	0.00%
Habib Bank Limited	VIS	AAA	0.00%
JS Bank Limited	PACRA	AA-	52.16%
Mobilink Microfinance Bank Limited	PACRA	A	0.00%
MIB Bank Limited	PACRA	A	0.00%
NRSP MicroFinance Bank Limited	PACRA	A	0.00%
Samba Bank Limited	VIS	AA	0.00%
Sindh Bank Limited	VIS	A+	0.00%
Telenor MicroFinance Bank Limited	PACRA	A+	0.00%
UBL Bank Limited	VIS	AAA	0.01%
U Microfinance Bank Limited	VIS	A	47.75%

Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial instruments is mostly concentrated in government sector and deposits held with commercial banks.

22.4 Liquidity risk

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

The Fund is exposed to daily cash redemptions, if any, at the option of unit holders. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation. Its policy is therefore to invest the majority of its assets in investments that are traded in an active market and can be readily disposed and are considered readily realisable.

The Fund has the ability to borrow in the short-term to ensure settlement. During the current year, the Fund did not avail any borrowing. As per the NBFC Regulations the maximum amount available to the Fund from the borrowing would be limited to fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund and bear interest at commercial rates.

In order to manage the Fund's overall liquidity, the 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. The Fund did not withhold any redemptions during the year.

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

	As at June 30, 2021			
	Upto three months	Over three months and upto one year	Over one year	Total
	------------------------------ (Rupees) --------------------------------			
Financial liabilities				
Payable to JS Investments Limited - Management Company	**2,823,651**	**-**	**-**	**2,823,651**
Payable to MCB Financial Services - Limited - Trustee	**122,150**	**-**	**-**	**122,150**
Unclaimed dividend	**2,095,078**	**-**	**-**	**2,095,078**
Annual fee payable to the Securities and Exchange Commission of Pakistan	**406,299**	**-**	**-**	**406,299**
Accrued and other liabilities	**35,690,068**	**-**	**-**	**35,690,068**
	41,137,246	**-**	**-**	**41,137,246**

	As at June 30, 2020			
	Upto three months	Over three months and upto one year	Over one year	Total
	------------------------------ (Rupees) --------------------------------			
Financial liabilities				
Payable to JS Investments Limited - Management Company	1,522,745	-	-	1,522,745
Payable to MCB Financial Services -	-			
Limited - Trustee	103,080	-	-	103,080
Unclaimed dividend	5,127,611	-	-	5,127,611
Annual fee payable to the Securities and Exchange Commission of Pakistan	328,525	-	-	328,525
Accrued and other liabilities	22,110,454	-	-	22,110,454
	29,192,415	-	-	29,192,415

23. Financial instruments by category

	June 30, 2021			
	At fair value through OCI	At fair value through profit or loss	Amortised cost	Total
	(Rupees)			
Assets				
Balances with bank	-	-	668,144,264	668,144,264
Investments	-	1,221,883,559	10,000	1,221,893,559
Accrued mark-up/interest	-	-	14,181,181	14,181,181
Deposits, prepayments and other receivables	-	-	78,801,630	78,801,630
	-	1,221,883,559	761,137,075	1,983,020,634

	June 30, 2021			
	At fair value through OCI	At fair value through profit or loss	Amortised cost	Total
	(Rupees)			
Liabilities				
Payable to JS Investments Limited - Management Company	-	-	2,823,651	2,823,651
Payable to MCB Financial Services - Limited - Trustee	-	-	122,150	122,150
Unclaimed dividend	-	-	2,095,078	2,095,078
Annual fee payable to the Securities and Exchange Commission of Pakistan	-	-	406,299	406,299
Accrued and other liabilities	-	-	35,690,068	35,690,068
	-	-	41,137,246	41,137,246

	June 30, 2020			
	At fair value through OCI	At fair value through profit or loss	Amortised cost	Total
Assets	(Rupees)			
Balances with bank	-	-	849,846,571	849,846,571
Investments	-	1,086,851,177	10,000	1,086,861,177
Accrued mark-up/interest	-	-	12,661,733	12,661,733
Deposits, prepayments and other receivables	-	-	19,035,303	19,035,303
	-	1,086,851,177	881,553,607	1,968,404,784

	June 30, 2020			
	At fair value through OCI	at fair value through profit or loss	At amortised cost	Total
	------------------------------ (Rupees) --------------------------------			
Liabilities				
Payable to JS Investments Limited - Management Company	-	-	1,522,745	1,522,745
Payable to MCB Financial Services - Limited - Trustee	-	-	103,080	103,080
Unclaimed dividend	-	-	5,127,611	5,127,611
Annual fee payable to the Securities and Exchange Commission of Pakistan	-	-	328,525	328,525
Accrued and other liabilities	-	-	22,110,454	22,110,454
	-	-	29,192,415	29,192,415

24. UNIT HOLDERS' FUND RISK MANAGEMENT

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

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

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

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

As required under the NBFC Regulations, every open end scheme shall maintain minimum fund size (i.e. net assets of the Fund) of Rs.100 million at all times during the life of scheme. The Fund has maintained and complied with the requirements of minimum fund size during the year.

25. FAIR VALUE OF FINANCIAL INSTRUMENTS

IFRS 13 - 'Fair Value Measurement' establishes a single source of guidance under IFRS for all fair value measurements and disclosures about fair value measurement where such measurements are required as permitted by other IFRSs. It defines fair value as 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 (i.e. an exit price).

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

The following table shows financial instruments recognized at fair value, analyzed between those whose fair value is based on:

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

Level 2: those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

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

The Fund has not disclosed the fair values of its financial assets and financial liabilities, as these are either short term in nature or repriced periodically. Therefore, their carrying amounts are a reasonable approximation of their fair values.

During the year ended June 30, 2021, there were no transfers between level 1 and level 2 fair value measurements, and no transfer into and out of level 3 fair value measurements.

	Fair value			
	Level 1	Level 2	Level 3	Total
June 30, 2021	(Rupees)			
Investments at fair value through profit or loss	**507,514,835**	**425,148,722**	**289,220,002**	**1,221,883,559**

	Fair value			
	Level 1	Level 2	Level 3	Total
June 30, 2020	(Rupees)			
Investments at fair value through profit or loss	-	904,976,177	181,875,000	1,086,851,177

26. PATTERN OF UNIT HOLDING

	As at June 30, 2021			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	**548**	**8,924,782**	**855,909,003**	**44.83**
Associated companies / directors	**2**	**756,326**	**72,539,262**	**3.77**
Non Banking Finance Companies	**1**	**566,465**	**54,329,679**	**2.82**
Retirement funds	**33**	**2,898,485**	**277,993,732**	**14.44**
Others	**35**	**6,929,607**	**664,618,573**	**34.14**
	619	**20,075,665**	**1,925,390,249**	**100.00**

	As at June 30, 2020			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	589	8,959,195	859,110,680	44.69
Associated companies / directors	2	830,079	79,596,241	4.14
Retirements Funds	30	3,291,264	315,599,294	16.42
Others	35	6,966,380	668,006,139	34.75
	656	20,046,918	1,922,312,354	100.00

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

Name of broker	% of commission 2021
Particulars	
MRA Securities Private Limited	**29.94**
Adam Securities Private Limited	**27.32**
Multiline Securities Private Limited	**16.30**
Topline Securities Private Limited	**14.70**
Growth Securities Private Limited	**3.70**
BMA Capital Management Limited	**3.37**
Taurus Securities Limited	**1.62**
Paramount Capital Private Limited	**1.51**
JS Global Capital Limited	**1.18**
Innovative Securities Private Limited	**0.24**
Icon Securities Private Limited	**0.14**
	100.00

Name of broker	% of commission 2020
Particulars	
Adam Securities Private Limited	37.94
MRA Securities Private Limited	35.79
Multiline securities Private Limited	19.83
Paramount Capital Private Limited	3.30
Growth Securities Private Limited	1.57
JS Global Capital Limited	0.57
Optimus Market Private Limited	0.34
Icon securities Private Limited	0.31
Arif Habib Private Limited	0.15
Vector capital Private Limited	0.10
Next Capital Limited	0.08
	100.00

28. PARTICULARS OF INVESTMENT COMMITTEE AND FUND MANAGER

Following are the members of Investment Committee of the Fund:

Ms. Iffat Zehra Mankani – Chief Executive Officer
Mr. Muhammad Khawar Iqbal - Director Of Finance & Company Secretary
Mr. Zahid Ullah Khan - Chief Investment Officer
Mr. Asim Ilyas – Head Of Fixed Income
Mr. Syvash 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.

MR. ZAHID ULLAH KHAN - CHIEF INVESTMENT OFFICER

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. ASIM ILYAS – HEAD OF FIXED INCOME

Mr. Asim Ilyas is currently serving as Vice President in the Investments Department as the Head of Fixed Income. He has more than 25 years of working experience in the capital markets. Previously Mr. Ilyas was a Fixed Income Fund Manager at National Fullerton Asset Management Limited for two years. He also served as the AGM / Head of Treasury & Resource Mobilization at Security Leasing Corporation Limited, for nine years. He was also a senior member of the Fixed Income desk at BMA Capital Management for 4 years and at the start of his career had worked very closely with the Ministry of Finance as a Research Officer. Mr. Ilyas has earned his MAS (Applied Economics) from Applied Economics Research Centre, an Institute of National Capability in Applied Economics in 1993 and MSc. Economics from University of Karachi in 1991.

29. 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	18 August 2020	20 October 2020	24 December 2020	19 February 2021	23 April 2021
Mr. Suleman Lalani*	2	-	-	-	1	1
Ms. Iffat Zehra Mankani*	1	-	-	-	-	1
Mr. Hasan Shahid	5	1	1	1	1	1
Mr. Asif Reza Sana	4	1	1	1	-	1
Mr. Imran Haleem Shaikh*	2	-	-	-	1	1
Mr. Zahid Ullah Khan*	1	-	-	-	-	1
Ms. Aisha Fariel Salahuddin	5	1	1	1	1	1
Mr. Kamran Jafar*	3	1	1	1	-	-
Mr. Babbar Wajid*	2	1	1	-	-	-
		5	**5**	**4**	**4**	**7**

*Mr. Suleman Lalani Joined the Board on September 09, 2020
*Ms. Iffat Zehra Mankani joined the Board on April 15, 2021
*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

29.1 MEETINGS OF AUDIT COMMITTEE

Name of Directors	Meetings attended	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**

29.2 MEETINGS OF HUMAN RESOURCE AND REMUNERATION COMMITTEE

Name of Members	Meetings attended	Meetings held on 17-Feb-21
Ms. Aisha Fariel Salahuddin	1	1
Mr. Suleman Lalani	1	1
Mr. Hasnain Raza Nensey	1	1
		3

29.3 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.

29.4 SUMMARY OF ACTUAL PROXY VOTED BY JS VALUE FUND

	Resolutions	For	Against	Abstain
Number	Nil	Nil	Nil	Nil
(% ages)	Nil	Nil	-	-

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.

30 GENERAL

30.1 The corresponding figures have been re-arranged wherever necessary.

30.2 Figures have been rounded off to the nearest Rupee.

31 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**

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