JS investments

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JS INCOME FUND

ANNUAL REPORT 2024

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COMPANY INFORMATION

Management Company

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

Board of Directors

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

Chief Executive Officer

Ms. Iffat Zehra Mankani

Chief Financial Officer

Mr. Raheel Rehman

Chief Investment Officer

Mr. Syed Hussain Haider

Chief Operating Officer & Company Secretary

Mr. Muhammad Khawar Iqbal

Statutory Auditors

A.F. Ferguson & Co. Chartered Accountants

Legal Advisors

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

Audit Committee

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

Trustee

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

Vision

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



Mission

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

DIRECTORS' REPORT TO THE UNIT HOLDERS

FOR THE PERIOD ENDING JUNE 30, 2024

The Board of Directors of JS Investments Limited, the Management Company of **JS Income Fund** (the Fund), is pleased to present the Annual Report for the year ended June 30, 2024.

Economic Review:

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

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

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

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

Income / Money Market Review:

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

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

Review of Fund Performance

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

Dividend

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

Asset Manager and Fund Rating

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

Auditors

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

Additional Matters

a. Annexed to the Annual Report is the Fund Manager's Report, providing a description of principal risks and uncertainties along with a reasonable indication of future yield prospects.
b. The Pattern of Unit holding as of June 30, 2024, is annexed to this annual report.
c. The system of internal control is sound in design and has been effectively implemented and monitored.
d. A performance table/key financial data is annexed to this annual report.

Acknowledgment

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

Chief Executive Officer **Director**

Karachi: August 20, 2024

شراکت داروں کے لیے ڈائریکٹرز رپورٹ

جے ایس انویسٹمنٹس لمیٹڈ کے بورڈ آف ڈائریکٹرز، JS انکم فنڈ (دی فنڈ) کی مینجمنٹ کمپنی نے 30 جون 2024 کو ختم ہونے والے سال کے لیے سالانہ رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

معاشی جائزہ

مالی سال 2024 ملک کے لیے اہم تبدیلی کا دور رہا ہے، جو ایک غیر یقینی راستے سے سیاسی اور معاشی دونوں شعبوں میں نسبتاً استحکام کی راہ پر گامزن ہے۔ نگران سیٹ اَپ نے ابتدائی طور پر استحکام کا ایجنڈا متعارف کرایا جس نے سال کے زیادہ تر حصے کے رہنمائی کی۔ اس کے بعد، وفاقی انتخابات کے بعد ایک نئی حکومت تشکیل دی گئی، جس نے انتخابی عمل کے دوران کچھ ابتدائی غیر یقینی صورتحال کے باوجود ملک کو ایک واضح سمت فراہم کی۔ حالیہ برسوں میں قوم کو درپیش اہم چیلنجوں کے پیشِ نظر اس تبدیلی نے کچھ یقین دہانی کرائی ہے۔ آئی ایم ایف کے اسٹینڈ بائی ایگریمنٹ (SBA) کے تحت میکرو اکنامک فریم ورک، جس میں گزشتہ سال جون میں دستخط شدہ 3 بلین امریکی ڈالر کی قلیل مدتی فنڈنگ سہولت شامل تھی اور جس پر نگران حکومت نے بڑے پیمانے پر عمل درآمد کیا تھا، 1 بلین امریکی ڈالر کی حتمی تقسیم کے ساتھ اپریل کے آخر میں اختتام پذیر ہوئی۔

حقیقی معیشت کی طرف گامزن ہوتے ہوئے، زراعت میں 6.5 فیصد کی مضبوط نمو، بشمول تمام اہم فصلیں اور لائیو اسٹاک، نے مالی سال 2024 کے لیے عبوری GDP کی نمو کو نمایاں طور پر بڑھا کر 2.38 فیصد کر دیا، جو IMF (2 فیصد)، ایشیائی ترقیاتی بینک (1.9 فیصد) اور عالمی بینک (1.8 فیصد) کے تخمینوں سے زیادہ ہے۔ اس سے معیشت کی لچک کی نشاندہی ہوتی ہے۔ اس پسِ منظر میں، اس مدت کے دوران زری پالیسی میں نرمی اور بیک وقت مالیاتی پالیسی میں سختی دو اہم میکرو اکنامک واقعات تھے، ان رجحانات کا اگلے مالی سال تک جاری رہنے کی توقعات ہیں۔ یہ دیکھنا کہ یہ پالیسیاں بالآخر مجموعی معاشی ترقی کو کس طرح متاثر کریں گی، اہم ہوں گا، خاص طور پر جب صنعت کو انتہائی چیلنجنگ کاروباری ماحول کا سامنا ہے جو لاگت میں اضافے والی افراطِ زر اور سست طلب سے موصوم ہے۔

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

بیرونی کھاتے میں کافی مضبوطی دیکھی گئی اور اسٹیٹ بینک آف پاکستان کے غیر ملکی زرِمبادلہ کے ذخائر جون 2023 کے اختتام پر اپنی کم ترین سطح سے دگنا ہو کر جون 2024 کے اختتام 9.4 ملین امریکی ڈالر تک پہنچ گئے۔ پاکستانی روپے امریکی ڈالر کے مقابلے میں 2.8 فیصد کے اضافے سے 278 پر بند ہوا۔ مئی 2024 تک 11 ماہ کے دوران کرنٹ اکاؤنٹ خسارہ نمایاں طور پر کم ہو کر 464 ملین امریکی ڈالر رہ گیا ہے جو گزشتہ سال کے اسی مدت کے دوران 3.76 ملین امریکی ڈالر تھا، جس سے ادائیگیوں کے توازن کی صورتحال پر اعتماد پیدا ہوا۔ اس کی بنیاد پر، پاکستان کا آئی ایم ایف (IMF) کے ساتھ آئندہ آنے والا نیا اور بڑا فنڈنگ پروگرام انتہائی اہمیت کا حامل ہے، کیونکہ یہ ملک کی میکرو اکنامک بنیادوں بالخصوص مالی آپریشنز کو نمایاں طور پر مضبوط کرے گا، بیرونی قرضوں کی ذمہ داریوں کے انتظام کے لیے ضروری معاونت مہیا کرے گا۔

انکم / منی مارکیٹ کا جائزہ

مالی سال 2024 کے دوران، پیداوار کی قوس واضح طور پر نیچے کی جانب منتقل ہوگئی، اور پیداوار تمام مدتوں میں زوال پذیر ہوئی۔ 12 ماہ کے سرمایہ کاری کے پیپر میں سب سے واضح کمی دیکھنے میں آئی، جو دسمبر 2023 کے اختتام سے 425 بیسس پوائنٹس کی کمی کے ساتھ 18.68 فیصد پر بند ہوا۔ اسٹیٹ بینک آف پاکستان کی مانیٹری پالیسی کمیٹی (MPC) نے 10 جون کو اپنے اجلاس میں پالیسی کی شرح میں 150 بیسس پوائنٹس کی کمی کی تھی۔ یہ فیصلہ مئی کی کلیدی افراطِ زر کی شرح میں توقع سے زیادہ کمی کے بعد کیا گیا تھا، جو 11.8 فیصد رہی، جس کی بنیادی وجہ غذائی افراطِ زر میں کمی تھی۔

زرِمبادلہ کے ذخائر کی مستحکم جمع ہونے اور افراطِ زر میں کمی نے آہستہ آہستہ مارکیٹ کا اعتماد پیدا کیا، جس کی عکاسی 12 ماہ کے ٹریژری بلز (T - Bills) کی حالیہ نیلامیوں میں اعلیٰ سطحوں کی شرکت سے ہوتی ہے۔ سال کی گزشتہ ششماہی کے مقابلے میں سال کی دوسری ششماہی کے دوران 12 ماہ کی مدت کے لیے نیلامی میں آفر ٹو ٹارگٹ کا تناسب تقریباً دوگنا ہو کر 5.9 گُنا ہو گیا ہے۔ ایم ٹو کی نمو حکومتی قرضوں کی وجہ سے جاری رہی، جو اوپن مارکیٹ آپریشنز (OMOs) کے ذریعے خالص بقایا لیکویڈیٹی انجیکشن کے مسلسل بڑھتے ہوئے رجحان سے ظاہر ہوتی ہے۔

فنڈ کی کارکردگی کا جائزہ

30 جون 2024 کو ختم ہونے والے سال کے لیے فنڈ کا منافع 21.88 فیصد اپنے بنچ مارک منافع کے مقابلے میں 20.65 فیصد رہا۔ 30 جون 2024 کو خالص اثاثہ جات 30 جون 2023 کے 942.19 ملین روپے سے 8,520.97 ملین روپے پر پہنچ گئے۔ کُل اخراجات کا تناسب 2.50 فیصد ہے، جس میں فنڈ پر حکومتی محصولات کا 0.25 فیصد شامل ہے۔

ڈیویڈنڈ

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

ایسیٹ مینجر ریٹنگ

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

آڈیٹرز

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

اضافی معاملات

ا۔ سالانہ رپورٹ کے ساتھ فنڈ 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۔ 30 جون 2024 تک یونٹ ہولڈنگ کے نمونہ اس سالانہ رپورٹ کے ساتھ منسلک ہے۔

ج۔ اندرونی کنٹرول کا نظام ساخت کے اعتبار سے مضبوط ہے اور اس پر موثر اطلاق اور نگرانی کی جاتی ہے۔

د۔ کارکردگی کا ٹیبل / اہم مالیاتی معلومات اس سالانہ رپورٹ کے ضمیمہ میں دی گئی ہیں۔

اظہارِ تشکر

ڈائریکٹرز بیش قدر معاونت، مدد اور رہنمائی پر سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) اور ڈیجیٹل کسٹوڈین کمپنی لمیٹڈ (DCCL) 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۔

چیف ایگزیکٹو آفیسر

ڈائریکٹر

کراچی: 20 اگست 2024

FUND MANAGER REPORT

Annual Report 2024

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

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

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

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

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

Ann. Returns	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	FY24
JSIF	20.79%	19.59%	15.40%	21.49%	21.18%	17.25%	20.48%	13.75%	16.20%	20.58%	19.95%	20.06%	20.65%
Benckmark	23.03%	23.07%	23.55%	22.48%	21.54%	21.53%	20.98%	21.44%	21.51%	21.63%	21.41%	20.35%	21.88%
Diff.	**-2.24%**	**-3.48%**	**-8.14%**	**-0.99%**	**-0.37%**	**-4.28%**	**-0.50%**	**-7.70%**	**-5.31%**	**-1.05%**	**-1.46%**	**-0.29%**	**-1.23%**

- **Description of the strategies and policies employed during the period under review in relation to the Collective Investment Scheme's performance**
  During the year, the fund maintained a balanced exposure to corporate and government debt instruments. Asset allocation was strategically aligned with the anticipated monetary easing, focusing on increasing the portfolio's weighted average duration while considering instrument ratings, credit risk, and fundamental analysis. This allowed the fund to benefit from improving macroeconomic conditions and declining interest rates.

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

	Jun-24	Jun-23
Cash	28.95%	30.19%
TFCs / Sukkuks	10.59%	59.11%
T Bills	14.98%	2.57%
PIBs	42.30%	5.01%
Other including receivables	3.18%	3.11%
Total	**100.00%**	**100.00%**

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

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

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

** This is annualized and Includes 0.25% Government levy & SECP fee; 0.83% Selling & marketing expenses.

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

	Net Assets Excluding JSIL FoFs (PKR mn)	NAV per Unit (PKR)
30-Jun-24	8,468	102.45
30-Jun-23	942	102.10

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

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

Distribution

The fund has paid a final distribution of Rs. 3.22 per unit of Rs. 100/- each i.e. 3.22%. The cumulative distribution for FY24 is Rs. 19.62 per unit.

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

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

- **Breakdown of unit holdings by size**

Fund Name	Ranges			Number of Folios
JS Income Fund	0.0001	to	9,999.9999	554
	10,000.0000	to	49,999.9999	40
	50,000.0000	to	99,999.9999	7
	100,000.0000	to	499,999.9999	16
	500,000.0000	&	above	14
			Total	**631**

- **Disclosure on unit split (if any), comprising:-**
The Fund has not carried out any unit split exercise during the year.

- **Disclosure of circumstances that materially affect any interests of the unit holders**
Investment is subject to market risk.

- **Disclosure if the Asset Management Company or its delegate, if any, receives any soft commission (i.e. goods and services) from its broker(s) or dealer(s) by virtue of transactions conducted by the Collective Investment Scheme, disclosure of the following:-**
The Management Company and / or any of its delegates have not received any soft commission from its brokers / dealers by virtue of transactions conducted by the Fund.

PERFORMANCE TABLE

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

Notes

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

Disclaimer

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

DIGITAL CUSTODIAN COMPANY

#MonetizeYourAssets

REPORT OF THE TRUSTEE TO THE UNIT HOLDERS

JS INCOME FUND

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

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

1. JS Investments Limited, the Management Company of JS Income Fund has, in all material respects, managed JS Income Fund during the year ended June 30, 2024 in accordance with the provisions of the following:

   (i) Investment limitations imposed on the Asset Management Company and the Trustee under the trust deed and other applicable laws;

   (ii) the valuation or pricing is carried out in accordance with the deed and any regulatory requirement;

   (iii) the creation and cancellation of units are carried out in accordance with the deed;

   (iv) and any regulatory requirement.

2. Statement on the shortcoming(s) that may have impact on the decision of the existing or the potential unit holders remaining or investing in the Collective Investment Scheme; and

   Statement

   No short coming has been addressed during the year ended June 30, 2024.

3. Disclosure of the steps taken to address the shortcoming(s) or to prevent the recurrence of the short coming(s).

   Disclosure of the steps

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

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

   Trustee Opinion

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

Dabeer Khan
Manager Compliance
Digital Custodian Company Limited

Karachi: September 6, 2024

JS investments
Better Investments for a Better Future!

ONLINE
+923-111-322-228
digitalcustodian.co
/ digitalcustodian

LAHORE
LSE Plaza, 508
Kashmir Egerton Road
+92 42 3630 4406

KARACHI
Perdesi House
Old Queens Road
+92 21 3241 9770

INDEPENDENT AUDITOR'S REPORT

To the Unit Holders of JS Income Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of JS Income Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2024, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including material accounting policy information.

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

Basis for Opinion

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

Key Audit Matters

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

Following is the key audit matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
1	**Net Asset Value** (Refer notes 4 and 5 to the financial statements)	
	Investments and bank balances constitute the most significant component of the net asset value. Investments of the Fund as at June 30, 2024 amounted to Rs. 5,832.86 million and bank balances aggregated to Rs. 2,487.78 million. The existence and proper valuation of investments and existence of bank balances for the determination of NAV of the Fund as at June 30, 2024 was considered a high risk area and therefore we considered this as a key audit matter.	Our audit procedures amongst others included the following: ▪ obtained independent confirmations for verifying the existence of the investment portfolio and bank balances as at June 30, 2024 and traced it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed; ▪ re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies; and ▪ obtained bank reconciliation statements and tested reconciling items on a sample basis.

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Other Matter

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

Other Information

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

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

A.F. Ferguson & Co.
Chartered Accountants
Dated: September 27, 2024
Karachi
UDIN: AR202410061M6URrV29c

Financial Position
& Performance

STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2024

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

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

Chief Financial Officer | Chief Executive Officer | Director

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024	2023
		---------- Rupees ----------	
Income			
Mark-up on bank deposits	13	**323,385,879**	51,944,609
Income from government securities		**695,267,787**	36,339,765
Income from debt securities		**147,357,761**	104,721,561
Loss on sale of investments - net		**(3,902,413)**	(17,050,429)
Net unrealised (diminution) / appreciation on re-measurement of investments classified as financial assets at 'fair value through profit or loss'	5.7	**(2,910,754)**	12,641,403
Income on spread transactions		**-**	8,923,500
Other income		**8,755,099**	6,611,525
Total income		**1,167,953,359**	204,131,934
Expenses			
Remuneration of JS Investment Limited - Management Company	8.1	**65,030,034**	16,360,640
Sindh Sales Tax on remuneration of the Management Company	8.2	**8,453,904**	2,126,882
Allocated expenses by the Management Company	8.4	**5,566,772**	1,163,544
Selling and marketing expenses	8.5	**46,300,062**	6,416,494
Remuneration of Digital Custodian Company Limited - Trustee	9.1	**4,175,075**	872,657
Sindh Sales Tax on remuneration of the Trustee	9.2	**542,760**	113,447
Fee to the Securities and Exchange Commission of Pakistan (SECP)	10.1	**4,174,864**	232,745
Auditors' remuneration	14	**1,033,079**	677,798
Mutual fund rating fee		**511,092**	639,755
PSX listing fee		**28,250**	25,000
SECP supervisory fee		**2,500**	2,500
Brokerage and settlement charges		**2,443,189**	582,311
Bank and settlement charges		**633,317**	872,955
Legal and professional charges		**-**	1,400,000
Provision for diminution in investment		**-**	10,000
Printing and stationery charges		**114,210**	101,466
Total expenses		**139,009,108**	31,598,194
Net income for the year before taxation		**1,028,944,251**	172,533,740
Taxation	18	**-**	-
Net income for the year after taxation		**1,028,944,251**	172,533,740
Allocation of net income for the year			
Net income for the year after taxation		**1,028,944,251**	172,533,740
Income already paid on units redeemed		**(167,791,899)**	(66,848,811)
		861,152,352	105,684,929
Accounting income available for distribution			
- Relating to capital gain		**-**	-
- Excluding capital gain		**861,152,352**	105,684,929
		861,152,352	105,684,929

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

Chief Financial Officer | Chief Executive Officer | Director

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2024

	2024	2023
	---------- Rupees ----------	
Net income for the year after taxation	**1,028,944,251**	172,533,740
Other comprehensive income for the year	-	-
Total comprehensive income for the year	**1,028,944,251**	172,533,740

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

Chief Financial Officer | Chief Executive Officer | Director

STATEMENT OF CASH FLOW

FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024	2023
		---------- Rupees ----------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year before taxation		**1,028,944,251**	172,533,740
Adjustments for:			
Mark-up on bank deposits		**(323,385,879)**	(51,944,609)
Loss on sale of investments - net		**3,902,413**	17,050,429
Net unrealised diminution / (appreciation) on re-measurement of investments classified as financial assets at 'fair value through profit or loss'	5.7	**2,910,754**	(12,641,403)
Income on spread transactions		**-**	(8,923,500)
		(316,572,712)	(56,459,083)
Increase in assets			
Investments - net		**(5,221,289,331)**	(16,637,597)
Deposits, prepayments and other receivables		**(32,911)**	591,513
		(5,221,322,242)	(16,046,084)
Increase in liabilities			
Payable to JS Investment Limited - Management Company		**25,533,773**	2,257,548
Payable to Digital Custodian Company Limited - Trustee		**513,194**	(18,331)
Payable to the Securities and Exchange Commission of Pakistan (SECP)		**291,073**	(214,618)
Accrued expenses and other liabilities		**25,087,588**	(1,870,266)
		51,425,628	154,333
Income received on spread transactions		**-**	8,923,500
Mark-up received on bank deposits		**79,488,834**	56,947,162
Net cash (used in) / generated from operating activities		**(4,378,036,241)**	166,053,568
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts against issuance of units		**29,118,570,380**	1,553,408,273
Payments against redemption of units		**(21,739,026,614)**	(1,945,515,613)
Dividend paid		**(829,713,044)**	(88,307,154)
Net cash generated from / (used in) financing activities		**6,549,830,722**	(480,414,494)
Net increase / (decrease) in cash and cash equivalents during the year		**2,171,794,481**	(314,360,926)
Cash and cash equivalents at the beginning of the year		**315,983,786**	630,344,712
Cash and cash equivalents at end of the year	16	**2,487,778,267**	315,983,786

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

Chief Financial Officer | Chief Executive Officer | Director

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND

FOR THE YEAR ENDED JUNE 30, 2024

	2024			2023		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees)			(Rupees)		
Net assets at beginning of the year	922,242,345	19,954,397	942,196,742	1,247,500,874	2,576,622	1,250,077,496
Issuance of 282,173,233 (2023:14,548,293) units						
- Capital value (at net asset value per unit at the beginning of the year)	28,809,887,074	-	28,809,887,074	1,411,475,384	-	1,411,475,384
- Element of income	308,683,306	-	308,683,306	141,932,889	-	141,932,889
Total proceeds on issuance of units	29,118,570,380	-	29,118,570,380	1,553,408,273	-	1,553,408,273
Redemption of 208,232,548 (2023:18,204,776) units						
- Capital value (at net asset value per unit at the beginning of the year)	(21,260,543,151)	-	(21,260,543,151)	(1,766,227,364)	-	(1,766,227,364)
- Element of loss	(310,691,564)	(167,791,899)	(478,483,463)	(112,439,438)	(66,848,811)	(179,288,249)
Total payments on redemption of units	(21,571,234,715)	(167,791,899)	(21,739,026,614)	(1,878,666,802)	(66,848,811)	(1,945,515,613)
Total comprehensive income for the year	-	1,028,944,251	1,028,944,251	-	172,533,740	172,533,740
Interim distribution on January 16, 2024 @ Rs. 11.45 per unit	-	(352,590,187)	(352,590,187)	-	-	-
Interim distribution on April 25, 2024 @ Rs. 4.95 per unit	-	(248,389,193)	(248,389,193)	-	-	-
Interim distribution on June 24, 2024 @ Rs. 3.22 per unit	-	(228,733,664)	(228,733,664)	-	-	-
Interim distribution on June 22, 2023 @ Rs. 10.4 per unit	-	-	-	-	(88,307,154)	(88,307,154)
Total distribution during the year	-	(829,713,044)	(829,713,044)	-	(88,307,154)	(88,307,154)
Net assets at end of the year	8,469,578,010	51,393,705	8,520,971,715	922,242,345	19,954,397	942,196,742

Undistributed income brought forward		
- Realised income	7,312,994	8,853,096
- Unrealised income / (loss)	12,641,403	(6,276,474)
	19,954,397	2,576,622
Accounting income available for distribution		
- Relating to capital gains / (loss)	-	-
- Excluding capital gains	861,152,352	105,684,929
	861,152,352	105,684,929
Total distribution during the year	(829,713,044)	(88,307,154)
Undistributed income carried forward	51,393,705	19,954,397
Undistributed income carried forward		
- Realised income	54,304,459	7,312,994
- Unrealised (loss) / Income	(2,910,754)	12,641,403
	51,393,705	19,954,397
Net asset value per unit at the beginning of the year	102.10	97.02
Net asset value per unit at the end of the year	102.45	102.10

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

Chief Financial Officer | Chief Executive Officer | Director

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 JS Income Fund ("the Fund") was established under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) as an open-end unit trust scheme. The Fund is governed under Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations). JS Investments Limited is the Management Company of the Fund, and Digital Custodian Company Limited (DCCL) is the Trustee. The Trust Deed was executed on July 18, 2002 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on August 22, 2002.

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

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

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

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

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

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

2.2 Standards, interpretations and amendments to published accounting and reporting standards that are effective in current year

During the year certain amendments to IAS 1 'Presentation of Financial Statements' have become applicable to the Fund which require entities to disclose their material accounting policy information rather than their significant accounting policies. These amendments to IAS 1 have been introduced to help entities improve accounting policy disclosures so that these provide more useful information to investors and other primary users of the financial statements. These amendments have been incorporated in these financial statements with the primary impact that the material accounting policy information has been disclosed rather than the significant accounting policies. There are certain other amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2023. However, these are not considered to be relevant or did not have any material effect on the Fund's financial statements and therefore, have not been disclosed in these financial statements.

2.3 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective

The new standard - IFRS 18 Presentation and Disclosure in Financial Statements (IFRS 18) (published in April 2024) with applicability date of January 1, 2027 by IASB. IFRS 18 is yet to be applicable in Pakistan. IFRS 18 when adopted and applicable shall impact the presentation of 'Income Statement' with certain additional disclosures in the financial statements.

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

There are certain new standards and amendments to the published accounting and reporting standards that will be applicable to the Fund for its annual periods beginning on or after July 1, 2024. However, these are not considered to be relevant or did not have any material effect on the Fund's financial statements.

2.4 Critical accounting estimates and judgments

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

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

2.5 Accounting convention

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

2.6 Functional and presentation currency

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

3 MATERIAL ACCOUNTING POLICY INFORMATION

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

3.1 Cash and cash equivalents

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

3.2 Financial assets

3.2.1 Initial recognition and measurement

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

3.2.2 Classification and subsequent measurement

a) Debt instruments

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

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

based on the business model of the entity.

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

b) Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective and are instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All equity investments are required to be measured in the "Statement of Assets and Liabilities" at fair value, with gains and losses recognised in the "Income Statement", except where an irrevocable election has been made at the time of initial recognition to measure the investment at FVOCI. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The management considers its investment in equity securities as a group of assets and assesses them on a fair value basis and hence has classified them as at FVPL. Accordingly, the irrevocable option has not been considered.

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

Since all investments in equity instruments have been designated as FVPL, the subsequent movement in the fair value of equity securities is routed through the "Income Statement".

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

3.2.3 Impairment (other than debt securities)

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

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

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

3.2.4 Impairment loss on debt securities

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

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

3.2.5 Regular way contracts

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

3.2.6 Derecognition

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

3.2.7 Derivatives

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

3.3 Financial liabilities

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

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

3.4 Offsetting of financial assets and financial liabilities

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

3.5 Provisions

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

3.6 Taxation

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

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

3.7 Net asset value per unit

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

3.8 Issue and redemption of units

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

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

3.9 Distributions to unit holders

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

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

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

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

3.11 Revenue recognition

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

3.12 Expenses

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

3.13 Earnings per unit

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

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

3.14 Margin Trading System

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

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

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

		Note	2024	2023
5	**INVESTMENTS**		(Rupees)	
	At fair value through profit or loss			
	Market Treasury Bills	5.1	1,287,257,000	24,818,300
	Pakistan Investment Bonds	5.2	3,635,573,060	48,320,000
	Listed debt securities	5.3	393,927,715	416,894,448
	Unlisted debt securities	5.4	516,106,170	153,173,333
			5,832,863,945	643,206,081
	At amortised cost			
	Unlisted debt securities	5.5	-	-
			5,832,863,945	643,206,081

5.1 Market Treasury Bills - 'at fair value through profit or loss'

Name of security	Issue date	Face Value				Balance as at June 30, 2024			Market value as a percentage of	
		As at July 01, 2023	Purchased during the year	Sold / matured during the year	As at June 30, 2024	Carrying value	Market value	Unrealised appreciation/ (diminution)	net assets of the fund	total investments
		Rupees							%	
Market Treasury Bills										
- 3 Months	April 20, 2023	25,000,000	-	(25,000,000)	-	-	-	-	-	-
- 3 Months	October 5, 2023	-	525,000,000	(525,000,000)	-	-	-	-	-	-
- 3 Months	August 10, 2023	-	23,000,000	(23,000,000)	-	-	-	-	-	-
- 3 Months	July 13, 2023	-	25,000,000	(25,000,000)	-	-	-	-	-	-
- 3 Months	October 19, 2023	-	110,000,000	(110,000,000)	-	-	-	-	-	-
- 3 Months	March 21, 2024	-	800,000,000	(800,000,000)	-	-	-	-	-	-
- 3 Months	August 24, 2023	-	1,150,000,000	(1,150,000,000)	-	-	-	-	-	-
- 3 Months	December 28, 2023	-	1,000,000,000	(1,000,000,000)	-	-	-	-	-	-
- 3 Month	September 7, 2023	-	500,000,000	(500,000,000)	-	-	-	-	-	-
Market Treasury Bills										
- 6 months	November 16, 2023	-	500,000,000	(500,000,000)	-	-	-	-	-	-
Market Treasury Bills										
- 12 Months	December 14, 2023	-	500,000,000	(500,000,000)	-	-	-	-	-	-
- 12 Months	November 2, 2023	-	1,000,000,000	(1,000,000,000)	-	-	-	-	-	-
- 12 Months	May 2, 2024	-	1,000,000,000	(500,000,000)	500,000,000	428,958,942	432,491,000	3,532,058	5.08%	7.41%
- 12 Months	April 4, 2024	-	1,500,000,000	(1,500,000,000)	-	-	-	-	-	-
- 12 Months	January 11, 2024	-	1,000,000,000	(1,000,000,000)	-	-	-	-	-	-
- 12 Months	June 13, 2024	-	500,000,000	(500,000,000)	-	-	-	-	-	-
- 12 Months	July 13, 2023	-	1,000,000,000	(1,000,000,000)	-	-	-	-	-	-
- 12 Months	May 16, 2024	-	500,000,000	(500,000,000)	-	-	-	-	-	-
- 12 Months	March 21, 2024	-	500,000,000	(500,000,000)	-	-	-	-	-	-
- 12 Months	May 30, 2024	-	2,500,000,000	(1,500,000,000)	1,000,000,000	848,449,426	854,766,000	6,316,574	10.03%	14.65%
- 12 Months	November 30, 2023	-	3,500,000,000	(3,500,000,000)	-	-	-	-	-	-
- 12 Months	November 16, 2023	-	2,500,000,000	(2,500,000,000)	-	-	-	-	-	-
Total as at June 30, 2024						1,277,408,368	1,287,257,000	9,848,632		
Total as at June 30, 2023						24,825,617	24,818,300	(7,314)		

These will mature latest by May 30, 2025 and carry effective yield rates ranging from 19.88% to 20.20% per annum.

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

Name of security	Issue date	Face Value				Balance as at June 30, 2024			Market value as a percentage of	
		As at July 01, 2023	Purchased during the year	Sold / matured during the year	As at June 30, 2024	Carrying value	Market value	Unrealised appreciation/ (dimunition)	net assets of the fund	total investments
		---------- Rupees ----------							---------- % ----------	
Face Value of Rs. 100,000/- each										
Pakistan Investment Bonds										
- 3 Years	July 4, 2023	-	2,254,000,000	704,000,000	1,550,000,000	1,420,151,176	1,424,327,550	4,176,374	16.72%	24.42%
- 3 Years	February 15, 2024	-	150,000,000	-	150,000,000	141,856,350	141,702,120	(154,230)	1.66%	2.43%
Pakistan Investment Bonds										
- 5 Years	August 10, 2023	-	75,000,000	75,000,000	-	-	-	-	-	-
- 5 Years	January 17, 2024	-	1,875,000,000	1,700,000,000	175,000,000	167,533,100	165,863,425	(1,669,675)	1.95%	2.84%
- 5 Years	October 19, 2023	-	2,750,000,000	1,400,000,000	1,350,000,000	1,311,666,750	1,306,125,000	(5,541,750)	15.33%	22.39%
- 5 Years	September 21, 2023	-	1,550,000,000	1,000,000,000	550,000,000	538,031,450	529,540,000	(8,491,450)	6.21%	9.08%
- 5 Years	May 6, 2021	50,000,000	-	50,000,000	-	-	-	-	0.00%	0.00%
Pakistan Investment Bonds										
- 10 Years	November 4, 2021	-	500,000,000	500,000,000	-	-	-	-	-	-
- 10 Years	April 21, 2016	-	78,000,000	-	78,000,000	65,571,324	68,014,965	2,443,641	0.80%	1.17%
Total as at June 30, 2024						3,644,810,150	3,635,573,060	(9,237,090)		
Total as at June 30, 2023						48,156,661	48,320,000	163,339		

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

5.3 Listed debt Securities - Term Finance Certificate and Sukuk Certificate

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

Name of the investee company	As at July 01, 2023	Purchased during the year	Sold / matured during the year	As at June 30, 2024	Balance as at June 30, 2024			Market value as a percentage of		Investment as a percentage of issue size
					Carrying value	Market value	Unrealised appreciation / (dimunition)	net assets	total investment	
	---------- (Number of certificates) ----------				---------- (Rupees) ----------			----------%----------		
Power generation & distribution										
The Hub Power Company Limited	2,150	1,653	-	3,803	294,185,400	290,786,888	(3,398,512)	3.41%	4.99%	6.34%
Commercial Banks										
Bank Alfalah Limited	20,000	-	20,000	-	-	-	-	-	-	-
Bank Al-Habib	20,000	-	-	20,000	101,697,448	103,140,827	1,443,379	1.21%	1.77%	1.43%
Total as at June 30, 2024					395,882,848	393,927,715	(1,955,133)			
Total as at June 30, 2023					406,707,400	416,894,448	10,187,048			

5.4 Unlisted debt Securities - Term Finance Certificate and Sukuk Certificate

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

8.2 Sindh Provincial Government has levied Sindh Sales Tax at the rate of 13% (2023: 13%) on Management Company`s remuneration through Sindh Sales Tax on Services Act, 2011 effective from July 01, 2011. Above liability includes Rs. 0.473 million (2023: 0.473 million) accrued on Federal Excise Duty (FED) on the Management Company's remuneration. Had the provision of Sindh Sales Tax on FED not made, net asset value per unit of the Fund as at the year end would have been higher by Re. 0.006 (2023: Re. 0.051) per unit.

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

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

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

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

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

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

8.5 In accordance with Circular 11 dated July 5, 2019 with respect to charging selling and marketing expenses, the Management Company based on its own discretion has charged selling and marketing expenses up to 2.5% (2023: 2.5%) of the average annual net assets of the Fund during the year ended June 30, 2024 subject to not being higher than the actual expense. These expenses have also been approved by the Board of Directors of the Management Company.

During the year, the Securities and Exchange Commission of Pakistan (SECP) carried out onsite inspection of the Management Company and inspected, among other matters, the mechanism of chargeability of selling & marketing expenses to the Funds under its management. As a result of this inspection, SECP raised certain observations relating to the chargeability of such expenses by the Management Company to the funds under its management. The Management Company has responded to the observations highlighted by the SECP and there has been no further correspondence on this matter with the SECP. Accordingly, the impact of the SECP's observations on unit holder's fund, if any, is not determinable as at the reporting date.

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

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

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

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

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

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

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

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

12 CONTINGENCIES AND COMMITMENTS

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

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

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

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

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

17 TOTAL EXPENSE RATIO

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

18 TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the Management Company has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2024 to the unit holders in a manner as explained above, no provision for taxation has been made in these financial statements during the year.

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

19 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

Connected persons / related parties include JS Investments Limited (JSIL) being the Management Company of the Fund, Digital Custodian Company Limited being the Trustee of the Fund, JS Bank Limited (JSBL) being the holding company of the Management Company - holding 84.56% shares of JS Investments Limited, Jahangir Siddiqui & Co. Limited (JSCL) being the holding company of JSBL - holding 71.20 % shares of JS Bank Limited, BankIslami Pakistan Limited (BIPL) which is a fellow subsidiary of JSBL - 75.12% shares are held by JS Bank Limited, JS Global Capital Limited (JSGCL) which is a fellow subsidiary of JSBL - 92.90% shares are held by JS Bank Limited and other associated companies of JSBL, JSGCL, JSIL and its subsidiaries, key management personnel, directors and their close family members of the above entities and other Funds being managed by JSIL and includes entities holding 10% or more in the units of the Fund as at June 30, 2024. It also includes staff retirement benefit Funds of the above related parties / connected persons.

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

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

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

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

19.1 Transactions during the year

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

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

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

20 FINANCIAL INSTRUMENTS BY CATEGORY

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

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

21 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

21.1 Market risk

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

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

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

21.1.1 Currency risk

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

21.1.2 Yield / Interest rate risk

Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market Yield / Interest rates. As of June 30, 2024, the Fund is exposed to such risk on its balances held with banks. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

Sensitivity analysis for variable rate instruments

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

The composition of the Fund's investment portfolio and profit rates are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2024 is not necessarily indicative of the impact on the Fund's net assets of future movements in profit rates.

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

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

	June 30, 2024					
		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 yield / interest risk	Total
	----------%----------	----------(Rupees)----------				
On-balance sheet financial instruments						
Financial assets						
Bank balances	18.50 to 24	2,487,778,267	-	-	-	2,487,778,267
Investments	14.00 to 24.08	-	1,664,257,000	4,168,606,945	-	5,832,863,945
Mark-up receivable		-	-	-	267,692,468	267,692,468
Deposits and other receivables		-	-	-	2,850,000	2,850,000
		2,487,778,267	1,664,257,000	4,168,606,945	270,542,468	8,591,184,680
Financial liabilities						
Payable to JS Investment Limited - the Management Company		-	-	-	34,146,833	34,146,833
Payable to Digital Custodian Company Limited - the Trustee		-	-	-	591,886	591,886
Accrued and other liabilities		-	-	-	4,312,834	4,312,834
		-	-	-	39,051,553	39,051,553
On-balance sheet gap		2,487,778,267	1,664,257,000	4,168,606,945	231,490,915	8,552,133,127

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

	June 30, 2023					
		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 yield / interest risk	Total
	----------%----------	----------(Rupees)----------				
On-balance sheet financial instruments						
Financial assets						
Bank balances	12.40 to 22.00	291,165,486	-	-	-	291,165,486
Investments	9.03 to 24.58	24,818,300	-	618,387,781	-	643,206,081
Advances and profit receivable		-	-	-	23,795,423	23,795,423
Deposits and other receivables		-	-	-	2,850,000	2,850,000
		315,983,786	-	618,387,781	26,645,423	961,016,990
Financial liabilities						
Payable to JS Investment Limited - the Management Company		-	-	-	8,613,060	8,613,060
Payable to Digital Custodian Company Limited - the Trustee		-	-	-	78,692	78,692
Accrued and other liabilities		-	-	-	951,449	951,449
		-	-	-	9,643,201	9,643,201
On-balance sheet gap		315,983,786	-	618,387,781	17,002,222	951,373,789

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

21.1.3 Price risk

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

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

21.2 Credit risk

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

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

21.2.1 Exposure to credit risk

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

	2024		2023	
	Balance as per statement of assets and liabilities	Maximum exposure to credit risk	Balance as per statement of assets and liabilities	Maximum exposure to credit risk
	(Rupees)			
Bank balances	2,487,778,267	2,487,778,267	291,165,486	291,165,486
Investments	5,832,863,945	910,033,885	643,206,081	570,067,781
Mark-up receivable	267,692,468	267,692,468	23,795,423	23,795,423
Deposits and other receivables	2,850,000	2,850,000	2,850,000	2,850,000
	8,591,184,680	3,668,354,620	961,016,990	887,878,690

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

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

21.2.2 Credit quality of financial assets

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

Bank balances

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

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

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

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

21.2.3 Concentration of credit risk

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

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

21.2.4 Liquidity risk

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

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

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

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

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

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

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

22 FAIR VALUE MEASUREMENT

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

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

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

22.1 Fair value hierarchy

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

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

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

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

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

	2024			
Financial assets 'at fair value through profit or loss'	**Level 1**	**Level 2**	**Level 3**	**Total**
	(Rupees)			
Investments				
Market Treasury Bills	-	1,287,257,000	-	1,287,257,000
Pakistan Investment Bonds	-	3,635,573,060	-	3,635,573,060
Listed debt securities	393,927,715	-	-	393,927,715
Unlisted debt securities	-	516,106,170	-	516,106,170
	393,927,715	5,438,936,230	-	5,832,863,945

	2023			
Financial assets 'at fair value through profit or loss'	**Level 1**	**Level 2**	**Level 3**	**Total**
	(Rupees)			
Investments				
Market Treasury Bills	-	24,818,300	-	24,818,300
Pakistan Investment Bonds	-	48,320,000	-	48,320,000
Listed debt securities	416,894,448	-	-	416,894,448
Unlisted debt securities	-	153,173,333	-	153,173,333
	416,894,448	226,311,633	-	643,206,081

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

23 UNIT HOLDING PATTERN OF THE FUND

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

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

24 DETAILS OF MEMBERS OF INVESTMENT COMMITTEE AND FUND MANAGER

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

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

24.1. Name and qualification of the Fund Manager

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

25 LIST OF TOP 10 BROKERS BY PERCENTAGE OF COMMISSION PAID

2024		2023	
Name of broker	Percentage of commission paid	Name of broker	Percentage of commission paid
C & M Management Private Limited	28.51%	Multiline Securities Private Limited	38.24%
Alfalah CLSA Securities Private Limited	28.48%	Alfalah CLSA Securities Private Limited	23.96%
Summit Capital Private Limited	11.96%	Adam Securities Private Limited	10.54%
K Trade Securities Limited	10.66%	Paramount Capital Private Limited	8.05%
Pearl Securities Limited	7.06%	Vector Capital Private Limited	7.59%
Vector Securities Limited	3.98%	Topline Securities Limited	3.32%
Currency Market Associates Private Limited	2.60%	Next Capital Limited	2.15%
Next Capital Limited	2.33%	Summit Capital Private Limited	2.07%
Arif Habib Limited	1.90%	Continental Exchange Private Limited	1.25%
Optimus Capital Management Private Limited	1.64%	Optimus Capital Management Private Limited	1.20%

26 MEETINGS OF THE BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

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

S.No.	Name of Directors	Meetings attended	Meetings held on					
			04 August 2023	18 August 2023	20 October 2023	28 December 2023	20 February 2024	24 April 2024
1	Mr. Suleman Lalani	6	✓	✓	✓	✓	✓	✓
2	Ms. Iffat Zehra Mankani	6	✓	✓	✓	✓	✓	✓
3	Mr. Hasan Shahid	6	✓	✓	✓	✓	✓	✓
4	Ms. Aisha Fariel Salahuddin	2	×	×	✓	✓	×	×
5	Mr. Mirza M. Sadeed Hasan Barlas	4	✓	✓	×	✓	✓	×
6	Mr. Atif Salim Malik	5	×	✓	✓	✓	✓	✓
7	Ms. Mediha Kamal Afsar	6	✓	✓	✓	✓	✓	✓
8	Mr. Farooq Ahmed Malik	5	×	✓	✓	✓	✓	✓
			5	**7**	**7**	**8**	**7**	**6**

27 UNIT HOLDER'S FUND RISK MANAGEMENT

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

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

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

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

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

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

28 GENERAL

28.1 Rounding off

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

28.2 Corresponding figures

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

29 DATE OF AUTHORISATION FOR ISSUE

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

Chief Financial Officer	Chief Executive Officer	Director

JS investments

Better Investments for a Better Future!

JS INVESTMENTS OFFICES

- **Head Office - Karachi**
  19th Floor, The Centre, Plot No. 28, SB-5,
  Abdullah Haroon Road, Saddar, Karachi.

- **Wealth Centre**
  Ground Floor, Plot No. 97-C, Main
  Khayaban-e-Shaheen, DHA Phase 8,
  Karachi

- **Regional Office - Lahore**
  Ground Floor, No. 25, Block 13, Plot No.1-4,
  Usman Block, New Garden Town, Lahore

- **Regional Office - Islamabad**
  Office No. 414, 4th Floor, PSX Building,
  Jinnah Avenue, Islamabad

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