JS Growth Fund

Annual Report 2017

JS investments

Managing Mutual Funds Better!

CONTENTS

Vision and Mission Statement	02
Organization	03
Directors' Report to the Unit Holders	04
Fund Manager's Report	08
Performance Table / Key Financial Data	10
Review Report to the Unit holders on Statement of Compliance with Best Practices of Code of Corporate Governance	11
Statement of Compliance with the Code of Corporate Governance	12
Trustee Report to the Unit Holders	14
Independent Auditors' Report to the Unit Holders	15
Statement of Assets and Liabilities	17
Income Statement	18
Statement of Comprehensive Income	19
Cash Flow Statement	20
Statement of Movement in Unit Holders' Fund	21
Distribution Statement	22
Notes to the Financial Statements	23

VISION

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

MISSION

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

BROAD POLICY OBJECTIVES

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

ORGANIZATION

Management Company	JS Investments Limited 7th Floor, The Forum, G-20 Khayaban-e-Jami, Block-9, Clifton Karachi-75600 Tel: (92-21) 111-222-626 Fax: (92-21)35361724 E-mail:info@jsil.com Website: www.jsil.com	
Board of Directors	Basir Shamsie Hasnain Raza Nensey Muhammad Yousuf Amanullah Suleman Lalani Muhammad Raza Dyer Kamran Jafar Ahsen Ahmed Asif Reza Sana	Chairman Chief Executive Officer
Audit Committee	Asif Reza Sana Muhammad Raza Dyer Suleman Lalani	Chairman Member Member
Chief Financial Officer & Company Secretary	Muhammad Khawar Iqbal	
Trustee	MCB Financial Services Ltd. 4th Floor, Perdesi House 2/1, R-Y-16, Old Queens Road, Karachi - 75530	
Auditors	Grant Thorton Anjum Rahman Chartered Accountants 3rd floor, Modern Motors House Beamount Road Karachi	
Legal Adviser	Bawaney & Partners 3rd & 4th Floor, 68-C, Lane-13 Bokhari Commercial Area Phase-VI DHA, Karachi	
Transfer Agent	Technology Trade (Private) Limited 241-C, Block 2, P.E.C.H.S, Karachi Tel: (92-21) 34391316-7 Fax: (92-21) 34391318	

DIRECTORS' REPORT TO THE UNITHOLDERS

The Board of Directors of JS Investments Limited, the Management Company of **JS Growth Fund** (the Fund), is pleased to present the Annual Report for the year ended June 30, 2017.

Equity Market Review

Looking at the performance for FY17, the KSE 30 Index staged a strong rally posting a return of 12.00% against a flat year in FY16 with a return of 0.37%. Contrary to the lackluster performance witnessed last year, the market rallied in FY17 on the back of i) successful reclassification to MSCI EM, ii) visible progress on projects under China Pakistan Economic Corridor (CPEC), iii) completion of IMF program and iv) forex reserves climbing to a record high of USD 23.62 billion in Oct 2016 and v) completion of 40.00% strategic sale of local bourse.

Total net foreign outflow in FY17 stood at USD 652.09 million against net foreign outflow of USD 11.91 million in FY16.

Review of Fund Performance

The Fund gave a return of 37.56% for the year ended June 30, 2017. Net Assets moved from PKR. 2,128.07 million to PKR. 2,612.41 million as at June 30, 2017. During the year the fund has paid an interim distribution of PKR. 6.00 per unit.

Asset Manager Rating

JCR-VIS Credit Rating Company Limited has assigned Management Quality Rating "AM2"(AM Two) to JS Investments Limited. The rating denotes high management quality of the Management Company.

Corporate Governance and Financial Reporting Framework

The Board of Directors of the Management Company states that:

a. The financial statements, prepared by the Management Company, present fairly the state of affairs of the Fund, the results of its operations, cash flows and movement in net assets of the fund.

b. Proper books of accounts of the Fund have been maintained.

c. Appropriate accounting policies have been consistently applied in preparation of financial statements, and accounting estimates are based on reasonable and prudent judgment.

d. International Financial Reporting Standards, as applicable in Pakistan, provisions of the Non-Banking Finance Companies (Establishment & Regulation) Rules, 2003, Non-Banking Finance Companies and Notified Entities Regulations, 2008 and directives of the Securities and Exchange Commission of Pakistan have been followed in preparation of the financial statements.

e. The system of internal control is sound in design and has been effectively implemented and monitored.

f. There are no significant doubts upon the Fund's ability to continue as a going concern.

g. Outstanding statutory payments on account of taxes, duties, levies and charges, if any, have been fully disclosed in the financial statements

h. There has been no material departure from the best practices of the Code of Corporate Governance, as detailed in the Rule Book of Pakistan Stock Exchange Limited.

i. Five out of eight directors on the board have duly completed Training program as per the criteria given in Clause 5.19.7 of the Rule Book of Pakistan Stock Exchange Limited under the Code of Corporate Governance.

j. A performance table / key financial data is annexed to this annual report.

k. The Pattern of Unit holding as at June 30, 2017 as per the requirements of Sub-clause f (x) of Clause 5.19.11 of the Rule Book of Pakistan Stock Exchange Limited is disclosed in Annexure 1 of the published financial statements.

l. The number of units of the Fund held by the Chief Executive, directors and executives and their spouses and minor children as at June 30, 2017 are as follows:

Name	Designation	Units
Mr. Suleman Lalani	Director	208
Mr. Hasnain Raza Nensey	Chief Executive Officer	873
Mr. Muhammad Khawar Iqbal	CFO & Company Secretary	136

m. No units of the Fund were acquired / redeemed during the year by the Chief Executive, Directors and executives, their spouses and minor children.

Name	Designation	Issuance	Redemption
Mr. Hasnain Raza Nensey	Chief Executive Officer	873	-

n. Annexed to the Annual Report is Fund Manager's Report giving reasonable indication of future prospects of profit.

Meetings of the Directors

During the year, 6 meetings of the Board of Directors of the Management Company were held. The details of meetings of board and its committees are disclosed in the Annexure 1 of the financial statements

Auditors

The external auditors of the Fund Messrs Grant Thornton Anjum Rahman Chartered Accountants, retire and being eligible offers themselves for reappointment. The Board of Directors, upon recommendation of the Audit Committee of the Board has approved the appointment of Grant Thornton Anjum Rahman Chartered Accountants, as the Fund's auditors for the ensuing year ending June 30, 2018.

Acknowledgment

The directors express their gratitude to the Securities and Exchange Commission of Pakistan and MCB Financial Services Limited (MCBFSL) 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.

Hasnain Raza Nensey
Chief Executive Officer

Karachi: August 16, 2017

ڈائریکٹرز کی یونٹ ہولڈرز کو رپورٹ

جے ایس گروتھ فنڈ (دی فنڈ) کی منیجمنٹ کمپنی، جے ایس انویسٹمنٹس لمیٹڈ کے بورڈ آف ڈائریکٹرز 30 جون 2017ء کو ختم ہونے والے سال کے لیے سالانہ رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

ایکویٹی مارکیٹ کا جائزہ

کارکردگی کے حوالے سے مالی سال 2017 کا جائزہ لیا جائے تو KSE30 انڈیکس نے مالی سال 2016 میں 0.37% کے منافع کے ساتھ ایک غیر متاثر کن سال کے مقابل ایک طاقت ور تسلسل کے ساتھ 12.00% منافع درج کرایا۔ گزشتہ سال کی مایوس کن کارکردگی کے برعکس، مالی سال 2017 میں درج ذیل وجوہ کے باعث تیزی کا تسلسل رہا: i) پاکستان اسٹاک ایکسچینج (PSX) کی MSCI ایمرجنگ مارکیٹ (EM) میں کامیابی سے دوبارہ درجہ بندی ii) چائنا پاکستان اکنامک کاریڈور (CPEC) کے تحت منصوبوں میں نمایاں پیش رفت iii) آئی ایم ایف پروگرام کی تکمیل iv) اکتوبر 2016 میں زرِمبادلہ کے ذخائر کا 23.62 ارب امریکی ڈالر کی ریکارڈ بلندی کو چھو لینا اور v) مقامی حصص بازار کی 40.00% اسٹریٹجک سیل کی تکمیل۔

مالی سال 2016 میں 11.91 ملین امریکی ڈالر کے خالص بیرونِ ملک اخراج کے مقابلے میں مالی سال 2017 میں زرِمبادلہ کا مجموعی خالص بیرونِ ملک اخراج 652.09 ملین امریکی ڈالر رہا۔

فنڈ کی کارکردگی کا جائزہ

فنڈ نے 30 جون 2017 کو ختم ہونے والے سال کے لیے 37.56% منافع کمایا۔ 30 جون 2017 کو خالص اثاثے 2,128.07 ملین روپے سے بڑھ کر 2,612.41 ملین روپے ہوگئے۔ اس سال کے دوران فنڈ نے فی یونٹ 6.00 روپے کی عبوری ڈسٹری بیوشن ادا کی ہے۔

ایسیٹ منیجر ریٹنگ

JCR-VIS کریڈٹ ریٹنگ کمپنی نے جے ایس انویسٹمنٹس لمیٹڈ کو منیجمنٹ کوالٹی ریٹنگ "AM2" (اے ایم ٹو) تفویض کی ہے۔ یہ ریٹنگ منیجمنٹ کمپنی کی اعلیٰ منیجمنٹ کوالٹی کی نشاندہی کرتی ہے۔

کارپوریٹ گورننس اینڈ فائنانشل رپورٹنگ فریم ورک

منیجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز کی طرف سے اطلاع دی جاتی ہے کہ:

i- منیجمنٹ کمپنی کی طرف سے تیار کردہ مالیاتی گوشوارے منصفانہ طور پر فنڈ کے کاروباری نتائج، کیش فلوز اور فنڈ کے خالص اثاثوں میں تبدیلیاں پیش کرتے ہیں۔

ii- فنڈ کے اکاؤنٹس کے کھاتے درست انداز میں مینٹین رکھے گئے ہیں۔

iii- مالیاتی گوشواروں کی تیاری میں مستقلاً مناسب اکاؤنٹنگ پالیسیز کا اطلاق کیا گیا ہے، اور حسابات کے تخمینہ جات مناسب اور عاقلانہ فیصلے پر مبنی ہیں۔

iv- مالیاتی گوشواروں کی تیاری میں انٹرنیشنل فائنانشل رپورٹنگ اسٹینڈرڈز (IFRS)، جیسا کہ پاکستان میں قابل اطلاق ہیں، نان بینکنگ فنانس کمپنیز (اسٹیبلشمنٹ اینڈ ریگولیشن) رولز 2003، نان بینکنگ فنانس کمپنیز اینڈ نوٹیفائیڈ اینٹیٹیز ریگولیشنز 2008 کے ضوابط اور سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی ہدایات کی پیروی کی گئی ہے۔

v- انٹرنل کنٹرول کا نظام ساخت کے اعتبار سے محفوظ ہے اور اس کا موثر اطلاق اور نگرانی کی گئی ہے۔

vi- فنڈ کے کاروبار جاری رکھنے کی اہلیت پر کوئی قابل ذکر خدشات نہیں ہیں۔

vii- ٹیکسز، ڈیوٹیز، لیویز اور چارجز، اگر کوئی ہوں، کی مد میں واجب الادا سرکاری خزانے کو ادائیگیاں مالیاتی گوشواروں میں پوری طرح ظاہر کر دی گئی ہیں۔

viii- کارپوریٹ گورننس کی بہترین روایات سے کسی قسم کا مادی انحراف نہیں کیا گیا ہے، جیسا کہ پاکستان اسٹاک ایکسچینج لمیٹڈ کی رول بک میں تفصیلاً درج ہے۔

ix-بورڈ کے آٹھ میں پانچ ڈائریکٹرز نے کوڈ آف کارپوریٹ گورننس کے تحت اسٹاک ایکسچینج لمیٹڈ کی رول بک کی شق 5.19.7 میں دیے گئے معیار اہلیت کے مطابق ٹریننگ پروگرام باضابطہ طور پر مکمل کرلیا ہے۔

x-پرفارمنس ٹیبل/اہم مالیاتی ڈیٹا اس سالانہ رپورٹ کے ساتھ منسلک کردیا گیا ہے۔

xi-پاکستان اسٹاک ایکسچینج لمیٹڈ کی رول بک کی شق 5.19.11 کی ذیلی شق (x) f کے تقاضوں کے مطابق 30 جون 2017 کو یونٹ ہولڈنگ کا پیٹرن شائع شدہ مالیاتی گوشواروں کے ضمیمہ 1 میں ظاہر کیا گیا ہے۔

xii-بمطابق 30 جون 2017 چیف ایگزیکٹیو، ڈائریکٹرز اور ایگزیکٹیوز اور ان کی بیویوں اور چھوٹے بچوں کی تحویل میں موجود فنڈ کے یونٹس کی تعداد درج ذیل ہے:

نام	عہدہ	تحویل میں موجود یونٹس
جناب سلیمان لالانی	ڈائریکٹر	208
جناب حسنین رضا نینسی	چیف ایگزیکٹیو آفیسر	873
جناب محمد خاور اقبال	CFO اور کمپنی سیکرٹری	136

xiii-چیف ایگزیکٹیو، ڈائریکٹرز اور ایگزیکٹیوز اور ان کی بیویوں اور چھوٹے بچوں کی طرف سے سال کے دوران خریدے گئے/تصرف میں لائے گئے یونٹس درج ذیل ہیں:

نام	عہدہ	خرید کردہ	تصرف میں لائے گئے
جناب حسنین رضا نینسی	چیف ایگزیکٹیو آفیسر	873	-

xiv-فنڈ منیجر کی طرف سے مستقبل میں منافع کے امکانات کی معقول نشان دہی کی حامل رپورٹ، سالانہ رپورٹ کے ہمراہ منسلک ہے۔

ڈائریکٹرز کے اجلاس

سال کے دوران منیجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز کے چھ اجلاس منعقد کیے گئے۔ بورڈ اور اس کی کمیٹیز کے اجلاسوں کی تفصیلات مالیاتی گوشواروں کے ضمیمہ اول میں مندرج ہیں۔

آڈیٹرز

فنڈ کے ریٹائر ہونے والے ایکسٹرنل آڈیٹرز میسرز گرانٹ تھارنٹن انجم رحمان، چارٹرڈ اکاؤنٹنٹس اہلیت کی بنیاد پر خود کو دوبارہ تقرری کے لیے پیش کرتے ہیں۔ بورڈ آف ڈائریکٹرز نے، آڈٹ کمیٹی کی سفارش پر، میسرز گرانٹ تھارنٹن انجم رحمان، چارٹرڈ اکاؤنٹنٹس کی 30 جون 2018 کو ختم ہونے والے سال کے لیے فنڈ کے آڈیٹرز کی حیثیت سے تقرری کی منظوری دے دی ہے۔

اظہارِ تشکر

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

حسنین رضا نینسی
چیف ایگزیکٹیو آفیسر

کراچی
16 اگست 2017

FUND MANAGER'S REPORT

JS Growth Fund (JSGF)

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

- **Statement of Collective Investment Scheme's investment objective**
  The main objective of JSGF is to enable the Certificate Holders to participate in a diversified portfolio of high quality equity securities listed on the stock exchanges and to maximize the investment return, by prudent investment management.

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

- **Statement of benchmark(s) relevant to the Collective Investment Scheme**
  KSE30 (Total Return Index) Effective from 01-Sep '16.

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

	July-16	August-16	September-16	October-16	November-16	December-16	January-17	February-17	March-17	April-17	May-17	June-17
JSGF	3.46%	3.45%	3.02%	0.94%	10.55%	9.87%	7.16%	-1.51%	-0.73%	2.78%	3.12%	-8.37%
Benchmark	5.03%	-0.34%	0.07%	-1.88%	4.84%	13.98%	1.75%	0.27%	-1.93%	2.04%	3.04%	-8.73%
Diff.	-1.57%	3.80%	2.95%	2.82%	5.71%	-4.11%	5.42%	-1.77%	1.20%	0.73%	0.08%	0.36%

- **Description of the strategies and policies employed during the period under review in relation to the Collective Investment Scheme's performance**
  Fiscal Year 2017 marked the extension of multi-year Bull Run where the KSE30 index provided a return of 18% led by improved corporate profitability of key sectors including Autos, Oil & Gas marketing, Auto Parts and Consumer Appliances. Strong growth momentum in the economy continued as highlighted by multi-year high Large Scale Manufacturing growth. Fiscal year 2017 also witnessed protectionism theme in action where the national tariff commission was relatively active in imposing anti-dumping duty on products where the government intends to boost local production e.g. Steel.

  The Fund tilted its exposure towards stocks linked to consumer expenditure & infrastructure where robust earnings growth was witnessed led by higher disposable income & record low interest rates encouraging consumption & investments. Inflation also remained at record low levels averaging 4.15 percent which in turn led to higher real income. The Pakistan Stock Exchange was formally included in the MSCI Emerging market index from MSCI Frontier market index in the latter part of the year. Politics took centre stage in the latter part of the year, dampening investor sentiments subsequently leading to market correction.

  For the period FY17, JS Growth Fund generated a return of 37.56 percent. In comparison, the benchmark of the fund generated a return of 17.92 percent for the same duration. The positive difference in performance was 19.64 percent for the year.

- **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-17	Jun-16
Cash	8.9%	28.7%
Equity	88.7%	69.4%
Other including receivables	2.3%	1.9%
Total	**100%**	**100%**

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

Statistical Analysis

	Fund		Fund	BM
Information Ratio	0.25	Beta	0.8	1.0
Correlation	0.84	Largest Month Gain	18.9%	25.2%
Standard Deviation	23.3%	Largest Month Loss	-35.2%	-45.1%
Expense Ratio*	3.84%	%Positive Months	63.4%	61.2%

- **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 (PKR mn)	NAV per Share (PKR)
30-Jun-17	2612	221.09
30-Jun-16	2128	166.31

- **Disclosure of the markets that the Collective Investment Scheme has invested in, including:-**
  The KSE-30 Index posted a return of 18 percent in FY17, following a relatively muted FY16 equity return of 0.37 percent. Foreign investors continued to sell Pakistan equities as concerns over currency deprecation took centre stage. Furthermore, the market has provided a multi-year bull run and foreign investors were keen on booking profits. FY17 saw net foreign portfolio outflow of USD 652mn followed by USD 282mn outflow in FY16. Average daily volumes for the KSE-30 Index were observed at 80mn (12.6 percent higher than FY16). Mutual funds remained key net liquidity absorbers as they recorded a net buy of USD 575mn.

- **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 Re. 6.00 per unit of Rs. 100/- each i.e. 6.00%. The total distribution for FY17 to **Re. 6.00** per unit.

NAV per unit as on June 30, 2017	
Cum NAV (PKR)	221.09
Ex-NAV (PKR)	221.09

- **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**

Ranges			Number of Folios
0.0001	to	9,999.9999	19,317
10,000.0000	to	49,999.9999	36
50,000.0000	to	99,999.9999	4
100,000.0000	to	499,999.9999	6
500,000.0000	&	above	5
		Total	**19,368**

- **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 / Key Financial Data

		Years					
		2017	2016	2015	2014	2013	2012
Net assets	Rs.	2,612,406	2,128,074	2,395,696	4,974,261	4,243,756	3,235,555
Net income / loss	Rs.	721,968	78,955	265,376	1,478,510	1,599,826	497,475
Total return of the Fund	%	37.56	3.88	12.42	40.12	56.91	17.92
Annual dividend distribution	%	6.00	1.25	0.87	33.00	32.50	11.50
Capital Growth	%	31.56	2.63	11.55	7.12	3.10	2.82
Average annual return							
- One Year	%	37.56	3.88	12.42	40.12	56.91	17.92
- Two Years	%	20.72	8.15	26.27	48.52	37.42	20.24
- Three Years	%	17.95	18.81	36.48	38.32	32.46	15.66
NAV per unit	Rs.	221.09	166.31	160.10	143.17	14.85	11.32
Highest offer price per unit	Rs.	264.92	171.89	177.39	188.66	n/a	n/a
Lowest offer price per unit	Rs.	171.30	156.79	134.87	129.68	n/a	n/a
Year-end offer price per unit	Rs.	227.72	171.30	164.91	147.47	n/a	n/a
Highest repurchase price per unit	Rs.	257.20	172.67	172.22	146.53	n/a	n/a
Lowest repurchase price per unit	Rs.	166.31	148.39	114.12	100.72	n/a	n/a
Year-end repurchase price per unit	Rs.	221.09	166.31	160.10	114.53	n/a	n/a
Interim distribution	Rs.	6.00	-	0.87	33.00	1.00	-
Announcement date		23-Jun-17	-	26-Jun-15	26-Jun-14	22-Feb-13	-
Final distribution	Rs.	-	1.25	-	-	2.25	1.15
Announcement date		-	12-Jul-16	-	-	8-Jul-13	27-Aug-12
Total distribution as % of par value	%	6.00	1.25	0.87	33.00	32.50	11.50

Notes

- JS Growth Fund was launched on June 28, 2005.
- Units have par value of Rs. 100/- each.
- Investment portfolio composition of the Fund is disclosed in note 7 of the financial statements.
- The income distribution have been shown against The year to which they relate although these were declared & distributed subsequently to the year end.

Disclaimer

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

REVIEW REPORT TO THE UNIT HOLDERS ON THE STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES OF THE CODE OF CORPORATE GOVERNANCE

We have reviewed the enclosed Statement of Compliance with the best practices (the Statement) contained in the Code of Corporate Governance (the Code) prepared by the board of directors (the board) of JS Investment Limited, the Management Company of **JS Growth Fund** (the Fund), for the year ended June 30, 2017 to comply with the requirements contained in Rule Book Regulation No. 5.19 of listing regulations of the Pakistan Stock Exchange Limited where the fund is listed.

The responsibility for compliance with the Code is that of the board of the Management Company of the fund. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement reflects the status of the Management Company's compliance with the provisions of the Code in respect of the fund and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the Management Company's personnel and review of various documents prepared by the Management Company to comply with the Code.

As part of our audit of financial statements, we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the board's statement on internal control covers all risks and controls, or to form an opinion on the effectiveness of such internal controls, the Management Company's corporate governance procedures and risks.

The Code requires the Management Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the board for their review and approval the fund's related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the board upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement does not appropriately reflect the Management Company's compliance for and on behalf of the fund, in all material respects, with the best practices contained in the Code as applicable to the fund for the year ended June 30, 2017.

Grant Thornton Anjum Rahman
Chartered Accountants
Khaliq-ur-Rahman
Engagement Partner

Karachi: September 25, 2017

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED JUNE 30, 2017

This statement is being presented to comply with the Code of Corporate Governance ("the Code") contained in Regulation No. 5.19.24 of the Rule Book of Pakistan Stock Exchange Limited. The purpose of the Code is to establish a framework of good governance, whereby a listed entity is managed in compliance with the best practices of corporate governance.

JS Investments Limited (the Management Company) which manages the affairs of the fund has applied the principles contained in the Code in the following manner:

1. The Management Company encourages representation of independent non-executive directors and directors representing minority interests on its Board of directors.

   At present the Board includes:

Category	Names
Independent Directors	Mr. Ahsen Ahmed Mr. Asif Reza Sana
Executive Director	Mr. Hasnain Raza Nensey – Chief Executive Officer
Non-Executive Directors	Mr. Basir Shamsie Mr. Suleman Lalani Mr. Kamran Jafar Mr. Muhammad Raza Dyer Mr. Muhammad Yousuf Amanullah

The independent directors meets the criteria of independence under 5.19.1(b) of the Code.

2. The directors of the Management Company have confirmed that none of them is serving as a director on more than seven listed companies, including this Company (excluding the listed subsidiaries of listed holding companies where applicable).

3. All the resident directors of the Management Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a broker of a stock exchange, has been declared as a defaulter by that stock exchange.

4. Only one casual vacancy occurred during ther year in the Board of Management. Mr. Ali Akhtar Ali resigned from his position of CEO on January 24, 2017. His resignation was accepted by the Board. However, he continued to serve the Company as CEO till his successor was appointed i.e. upto February 28, 2017. His successor, Mr. Hasnain Raza Nensey joined the Company, as CEO on March 1, 2017. During the year, election of directors was conducted on 26 December 2016, whereby all the directors were re-elected / re-appointed after obtaining approvals from SECP.

5. The Management Company has prepared a "Code of Conduct", and has ensured that appropriate steps have taken place to disseminate it throughout the Management Company along with its supporting policies and procedures.

6. The Board of the Management Company has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

7. All the powers of the Board have been duly exercised and decisions on material transactions including the appointment and determination of the remuneration and terms and conditions of the employment of the Chief Executive Officer and other executives and non-executive directors have been taken by the board.

8. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the Board meeting, along with the agenda and the working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

9. The Board has been provided with the Code along with briefings in order for them to properly manage the affairs of the Company as representatives of members of the Company. The directors are conversant of the relevant laws applicable to the Company, its policies and provisions of memorandum and articles of association and are aware of their duties and responsilities. Five out of eight directors on the Board have duly completed the certification under Director's Training Program from Pakistan Institute of Corporate Governance (PICG) as per clause 5.19.7 of of the Rule Book of Pakistan Stock Exchange Limited.

10. There was no new appointment of Chief Financial Officer/ Company Secretary and Head of Internal Audit during the year. The remuneration and terms and conditions of Chief Financial Officer/Company Secretary and Head of Internal Audit were approved by the Board.

11. The Directors Report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.

12. The financial statements of the Fund were duly endorsed by Chief Executive Officer and Chief Financial Officer before approval of the Board.

13. The Directors, Chief Executive Officer and Executives do not hold any interest in the units of the Fund other than those disclosed in the Directors' Report.

14. The Management Company has complied with all the corporate and financial reporting requirements of the Code.

15. The Board has formed an Audit Committee which comprises of three members, two of them are non-executive directors and one is independent director. Chairman of the committee, Mr. Asif Reza Sana is an independent director.

16. The meetings of the Audit Committee were held at least once every quarter prior to approval of interim and final results of the Fund and as required by the code. The terms of reference of the committee have been formed and advised to the committee for compliance.

17. The Board has formed a Human Resource and Remuneration Committee which comprises of four members. Three of them are non-executive directors and the chairman of the committee is a non-executive director.

18. The Board has set up an effective internal audit function and is conversant with the policies and procedures of the Fund.

19. The statutory auditors of the Fund have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP, that they or any of the partners of the firm, their spouses and minor children do not hold units of the Fund and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on Code of Ethics as adopted by the ICAP.

20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.

21. The "closed period", prior to the announcement of interim / final results, and business decisions, which may materially affect the unit price of the Fund was determined and intimated to directors, employees of the Management Company and stock exchange.

22. Material / price sensitive information has been disseminated among all market participants at once through stock exchange.

23. The Management Company has complied with the requirements relating to maintenance of register of persons having access to inside information by designated senior management officer in a timely manner and maintained proper record including basis for inclusion or exclusion of names of persons from the said list.

24. We confirm that all other applicable material principles enshrined in the Code have been duly complied with by the Management Company except those that are not yet applicable.

Hasnain Raza Nensey
Chief Executive Officer

Karachi: August 16, 2017

TRUSTEE REPORT TO THE UNIT HOLDERS

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

JS Growth Fund was a close-end scheme established under a Trust Deed executed between JS Investments Limited, as the Management Company and Central Depository Company of Pakistan Limited, as the Trustee. The Scheme was authorized by Securities and Exchange Commission of Pakistan (SECP) on April 05, 2006.

As per the Deed of change of Trustee and amendment of Trust Deed dated February 02, 2008 Central Depository Company of Pakistan Limited retired as the Trustee and MCB Financial Services Limited was appointed as the Trustee of JS Growth Fund.

Pursuant to Regulation 65 (4) of the NBFC Regulations 2008, as amended by SECP vide its S.R.O 1492(1)/2012 dated December 26, 2012 (the Regulations), an Extra Ordinary General Meeting (EOGM) of the certificate holders of the Fund was convened on April 30, 2013 in Karachi wherein a resolution was passed by Ninety nine percent (99%) significant majority for the conversion of the Fund from a close end scheme into an open end scheme. The new trust deed of JS Growth Fund was executed JS Investments Limited being the Management Company, a company incorporated under the Companies Ordinance, 1984 and MCB Financial Services Limited (MCBFSL) being the trustee on July 20, 2013 after being approved by the SECP on same date in accordance with the provisions of NBFC Regulations.

1. JS Investments Limited, the Management Company of JS Growth Fund has, in all material respects, managed JS Growth Fund during the year ended 30th June 2017 in accordance with the provisions of the following:

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

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

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

   (iv) and any regulatory requirement

Khawaja Anwar Hussain
Chief Executive Officer
MCB Financial Services Limited

Karachi: September 7, 2017

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of JS Growth Fund (the fund), which comprise the statement of assets and liabilities as at June 30, 2017, and the related income statement, statement of comprehensive income, distribution statement, cash flow statement and statement of movement in units holders' fund for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

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

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing as applicable in Pakistan. Those standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion the financial statements give a true and fair view of the state of the fund's affairs as at June 30, 2017 and of its financial performance, cash flows and transactions for the year then ended in accordance with approved accounting standards as applicable in Pakistan.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

Karachi: September 25, 2017

Grant Thornton Anjum Rahman
Chartered Accountants
Khaliq-ur-Rahman
Engagement Partner

FINANCIAL STATEMENTS

STATEMENT OF ASSETS AND LIABILITIES
AS AT 30 JUNE 2017

	Note		2017	2016
Assets			.....Rupees.....	
Balances with banks	6		**249,786,136**	694,209,436
Investments	7		**2,485,077,483**	1,679,827,433
Dividend receivable			**6,362,903**	-
Security deposits	8		**2,600,000**	2,600,000
Accrued mark-up / interest	9		**819,285**	3,216,738
Other receivables	10		**55,901,522**	40,812,897
Total Assets			**2,800,547,329**	2,420,666,504
Liabilities				
Payable to JS Investment Limited - Management Company	11		**38,361,917**	37,152,167
Payable to MCB Financial Services Limited - Trustee	12		**234,047**	205,014
Annual fee payable to the Securities and Exchange Commission of Pakistan	13		**2,456,928**	2,176,294
Dividend payable			**116,920,781**	82,421,248
Accrued and other liabilities	14		**30,167,796**	164,531,886
Taxation	15		-	6,105,662
Total liabilities			**188,141,469**	292,592,271
Contingencies and commitment	16		-	-
Net assets			**2,612,405,860**	2,128,074,233
Unit holders' fund			**2,612,405,860**	2,128,074,233
Number of units in issue	17	(Number)	**11,815,827**	12,796,037
Net asset value per unit		(Rupees)	**221.09**	166.31

The annexed notes from 1 to 25 form an integral part of these financial statements.

For JS Investments Limited
(Management Company)

Hasnain Raza Nensey	**M. Khawar Iqbal**	**M. Raza Dyer**
Chief Executive Officer	Chief Financial Officer	Director

INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017	2016
Income		.....Rupees.....	
Dividend income		**99,666,743**	101,853,300
Net realized gain on sale of investments		**246,558,152**	62,798,056
Net unrealised gain / (loss) on revaluation of held-for-trading investments		**419,127,352**	(22,009,854)
Net gain on investments in marketable securities		**665,685,504**	40,788,202
Mark-up / interest income on balances with banks		**20,828,012**	19,588,269
Other income		**91,402,041**	-
Element of loss and capital losses included in price of units issued less those of units redeemed - net		**(56,384,568)**	(8,384,154)
		821,197,732	153,845,617
Expenses			
Remuneration to the Management Company	11.1	**51,725,465**	45,807,060
Sales tax on remuneration to the Management Company	11.2	**6,724,311**	7,439,066
Provision for federal excise duty on remuneration to the Management Company	11.3	-	7,329,131
Remuneration to the Trustee	12.1	**2,426,763**	2,249,017
Sales tax on remuneration to the Trustee	12.2	**315,479**	314,862
Annual fee of Securities and Exchange Commission of Pakistan	13	**2,461,957**	2,176,290
Securities transactions cost		**4,390,092**	6,089,935
Auditors' remuneration	18	**873,640**	852,018
Printing, stationery and postage charges		**72,454**	348,360
Mutual fund rating fee		-	114,000
Legal and professional charges		**25,863**	477,886
Listing fee		**50,000**	40,000
Provision for Sindh Workers' Welfare Fund	14.1	**18,411,165**	-
Other expenses		**11,752,366**	1,653,370
Total expenses		**99,229,555**	74,890,995
Net income for the year before taxation		**721,968,177**	78,954,622
Taxation	5.7	-	-
Net income for the year after taxation		**721,968,177**	78,954,622

The annexed notes from 1 to 25 form an integral part of these financial statements.

For JS Investments Limited
(Management Company)

Hasnain Raza Nensey	**M. Khawar Iqbal**	**M. Raza Dyer**
Chief Executive Officer	Chief Financial Officer	Director

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	.....Rupees.....	
Net income for the year after taxation	**721,968,177**	78,954,622
Items that have been or may be re-classified subsequently to the income statement		
Net unrealised gain on remeasurement for available-for-sale investments	**236,003**	538,572
Total comprehensive income for the year	**722,204,180**	79,493,194

The annexed notes from 1 to 25 form an integral part of these financial statements.

For JS Investments Limited
(Management Company)

Hasnain Raza Nensey	**M. Khawar Iqbal**	**M. Raza Dyer**
Chief Executive Officer	Chief Financial Officer	Director

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017	2016
		.....Rupees.....	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year		**721,968,177**	78,954,622
Adjustments for:			
Dividend income		**(99,666,743)**	(101,853,300)
Net realised (gain) on sale of investments		**(246,558,152)**	(62,798,056)
Net unrealised (gain) / loss on remeasurement of held-for-trading investments		**(419,127,352)**	22,009,854
Mark-up / interest income on balances with bank		**(20,828,012)**	(19,588,269)
Element of loss and capital losses included in prices of units issued less those in units redeemed - net		**56,384,568**	8,384,154
Operating gain before working capital changes		**(729,795,691)**	(153,845,617)
(Increase) / decrease in assets			
Other receivables		**40,227,884**	22,697,746
(Decrease) / increase in current liabilities			
Payable to the Management Company		**1,209,750**	7,690,183
Payable to the Trustee		**29,033**	8,600
Annual fee payable to the Securities and Exchange Commission Pakistan		**280,634**	-
Accrued and other liabilities		**(140,672,241)**	67,853,940
		(139,152,824)	75,552,723
Purchase of investments		**(1,696,329,421)**	(1,958,948,619)
Sale of investments		**1,501,886,858**	2,714,189,023
Dividend received		**93,303,840**	101,853,300
		(101,138,723)	857,093,704
Mark-up / interest income received on balances with banks		**23,225,465**	17,454,127
Net cash (used in) / generated from operating activities		**(184,665,712)**	897,907,305
NET CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of units		**779,948,065**	36,476,144
Payments on redemption of units		**(1,020,163,905)**	(391,975,595)
Dividend paid/payable		**(19,541,748)**	(3,994,544)
Net cash used in financing activities		**(259,757,588)**	(359,493,995)
Net (decrease) / increase in cash and cash equivalents		**(444,423,300)**	538,413,310
Cash and cash equivalents at beginning of the year		**694,209,436**	155,796,126
Cash and cash equivalents at end of the year	6	**249,786,136**	694,209,436

The annexed notes from 1 to 25 form an integral part of these financial statements.

For JS Investments Limited
(Management Company)

Hasnain Raza Nensey	**M. Khawar Iqbal**	**M. Raza Dyer**
Chief Executive Officer	Chief Financial Officer	Director

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND
FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	.....Rupees.....	
Net assets at the beginning of the year	**2,128,074,233**	2,395,696,336
Issue of 3,872,000 units (2016: 216,941 units)	**811,756,271**	36,476,144
Redemption of 4,852,210 units (2016: 2,385,057 units)	**(1,020,163,905)**	(391,975,595)
Distribution to unit holders	**(85,849,487)**	-
Element of loss and capital losses included in prices of units issued less those of units redeemed - net	**56,384,568**	8,384,154
Net income for the year after taxation	**721,968,177**	78,954,622
Other comprehensive income for the year	**236,003**	538,572
Total comprehensive income for the year	**722,204,180**	79,493,194
Net assets at end of the year	**2,612,405,860**	2,128,074,233
Ex. Net assets value per unit at the beginning of the period	**165.06**	160.10
Net assets value per unit at the end of the year	**221.09**	166.31

For JS Investments Limited
(Management Company)

Hasnain Raza Nensey	**M. Khawar Iqbal**	**M. Raza Dyer**
Chief Executive Officer	Chief Financial Officer	Director

DISTRIBUTION STATEMENT
FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	.....Rupees.....	
Accumulated income brought forward comprising of:		
Net realised (loss) / income	**(22,009,854)**	782,277,325
Net unrealised income	**939,896,817**	56,655,017
	917,886,963	838,932,342
Net income for the year after taxation	**721,968,177**	78,954,622
Less: Distribution for the year:		
Final distribution at the rate of Rs. 1.25 per unit dated July 12, 2016 (2016: nil)	**(15,995,047)**	-
Final distribution at the rate of Rs. 6.00 per unit June 23, 2017 (2016: nil)	**(69,854,440)**	-
Accumulated income carried forward	**1,554,005,653**	917,886,964
Accumulated income carried forward comprise of:		
- Net realised income	**1,029,172,019**	939,896,818
- Net unrealised income / (loss)	**524,833,634**	(22,009,854)
	1,554,005,653	917,886,964

The annexed notes from 1 to 25 form an integral part of these financial statements.

For JS Investments Limited
(Management Company)

Hasnain Raza Nensey	**M. Khawar Iqbal**	**M. Raza Dyer**
Chief Executive Officer	Chief Financial Officer	Director

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

1 LEGAL STATUS AND NATURE OF BUSINESS

JS Growth Fund (the Fund) was a closed end scheme until July 20, 2013. Pursuant to Regulation 65(4) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations), as amended by the Securities and Exchange Commission of Pakistan (the SECP) vide its S.R.O.1492(1)/2012 dated December 26, 2012 (the Regulations), an Extra Ordinary General Meeting (EOGM) of the certificate holders of the Fund was convened on April 30, 2013 in Karachi wherein a resolution was passed by the Ninety nine percent (99%) significant majority for the conversion of the Fund from a closedend scheme into an open end scheme. The new Trust Deed of the JS Growth Fund (the Fund) was executed between JS Investments Limited being the Management Company, a company incorporated under the Companies Ordinance, 1984 and MCB Financial Services Limited (MCBFSL) being the Trustee on July 20, 2013 after being approved by the SECP on same date in accordance with the provisions of the NBFC Regulations.

Pursuant to the Special resolution passed at a general meeting of certificate holders on April 30, 2013, and subsequent approval from SECP, the Fund was converted into an Open-end scheme with effect from July 20, 2013. The status of Certificate Holders automatically stands changed to Initial Unit Holders and all existing Certificates issued under the closed end scheme were converted into Initial Units in the ratio of 10:1 i.e. against ten certificates of closed end scheme of Rs.10 each, one unit of open end scheme of Rs.100 each was issued. Accordingly 28,575,587 units of the open ended scheme were issued in lieu of 285,755,871 certificates to the certificate holders of the close end scheme on the date of conversion i.e. July 20, 2013.

Hence, with effect from July 20, 2013, the Fund is an open end mutual fund and is listed on Pakistan Stock Exchange (formerly Lahore Stock Exchange). Units are offered for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering them to the Fund.

The Fund is listed on Pakistan Stock Exchange Limited (formerly Lahore Stock Exchange Limited).

Title to the assets of the Fund are held in the name of MCB Financial Services Limited as a trustee of the Fund.

The Fund is categorized as an "Equity Scheme" as per circular number 07 of 2009 issued by Securities and Exchange Commission of Pakistan (SECP)

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, the Non Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), the Non Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP differ with the requirements of IFRS, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except for investments and derivatives which are valued as stated in notes 5.1 and 5.3 below.

2.3 Functional and presentation currency

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

3 ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making judgments about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis.

The estimates and judgments that have a significant effect on the financial statements are in respect of the following:

	Notes
Investments	5.1, 7 & 22
Element of income / loss and capital gains / losses in prices of units issued less those in units redeemed - net	5.6
Provisions and contingencies	5.2, 15 & 19

4 Standards, amendments and interpretations to the published standards that are relevant to the company and adopted in the current year

The Fund has adopted the following revised standard, amendments and interpretation of IFRSs which became effective for the current period:

Standard or interpretation	**Effective Date**
IAS 7 - Disclosure Initiative (Amendments to IAS 7)	January 1, 2017
IAS 12 - Recognition of Deferred Tax Assets for Unrealized Losses	January 1, 2017
IFRS 12 - Annual Improvements to IFRS 2014-2016	January 1, 2017

The adoption of the above amendments, improvements to accounting standards and interpretations have no any effect on the financial statements.

4.1 Promulgation of Companies Act, 2017

Consequent to the promulgation and implementation of Companies Act, 2017, additional disclosures to be provided in notes to these financial statements. However, Securities and Exchange Commission of Pakistan vide its circular 7 of 2017 has directed the companies having year ended before or June 30, 2017 to prepare financial statements in accordance with the provisions of repealed Companies Ordinance, 1984. Thus, these financial statements are prepared in accordance with repealed Companies Ordinance, 1984.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied unless otherwise stated.

4.2 Standards, amendments to published standards and interpretations that are effective but not relevant

The other new standards, amendments to published standards and interpretations that are mandatory for the financial year beginning on June 01, 2016 (or January 01, 2017 if interim) are considered not to be relevant or to have any significant effect on the Company's financial reporting and operations and are therefore not presented here.

4.3 Standards, amendments and interpretations to the published standards that are relevant but not yet effective and not early adopted by the Company

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

Standard or Interpretation	Effective Date
IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	Postponed
IFRS 2 - Classification and Measurement of Share-based Payment Transaction (Amendments to IFRS 2)	January 01, 2018
IFRS 1 and IAS 28 - Annual Improvements to IFRSs 2014-2016	January 01, 2018
IFRIC 22 - Foreign Currency Transactions and Advance Consideration	January 01, 2018
IAS 40 - Transfers of Investment Property (Amendments to IAS 40)	January 01, 2018
IFRIC 23 - Uncertainty over Income Tax Treatments	January 01, 2019

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

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

Standard	Effective Date
IFRS 9 – Financial Instruments: Classification and Measurement	January 01, 2018
IFRS 15 – Revenue from Contracts with Customers	January 01, 2017
IFRS 14 - Regulatory Deferral Accounts	January 01, 2016
IFRS 16 - Leases	January 1, 2019

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied unless otherwise stated.

5.1 Financial assets

5.1.1 Classification

The fund classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables and available for sale. The classification depends on the purpose for which the financial asset were acquired. The management determines the appropriate classification of its financial assets at initial recognition and we evaluate this classification on a regular basis.

The investments are categorized as follows:

Financial asset at fair value through profit or loss account

Financial assets that are acquired principally for the purpose of generating profits from short- term fluctuations in prices are classified as financial assets at fair value through profit or loss category. These include held for trading investments and such other investments that, upon initial recognition, are designated under this category.

Loans and receivables

These are non derivative financial assets that are fixed or determinable payments that are not quoted in an active market.

Available-for-sale

Available for sale financial assets are those non derivatives financial assets that are designated as available for sale or are not classified as (a) loans and receivables, (b) financial assets at fair value through profit or loss. These are changes intended to be held for a indefinite period of time which may be sold in response to needs for liquidity or changes in prices.

5.1.2 Regular way contracts

Regular purchases and sale of financial assets are recognized on the trade dates - the date on which the funds commits to purchase or sell the asset.

5.1.3 Initial recognition and measurement

Financial assets are initially recognized at fair value plus transaction costs except for financial assets carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value while the related transaction cost are expensed out in income statement.

5.1.4 Subsequent measurement

Financial asset at fair value through profit or loss account and available for sale

Subsequent to initial recognition, financial assets at fair value through profit or loss and available for sale are valued as follows:

- Basis of valuation of debt securities

The investment of the fund in the debt securities (comprising any securities issued by a company or a body corporate for the purpose of raising funds in the form of redeemable capital and includes term finance certificates, bonds, debentures, sukuks and commercial papers etc.) is valued on the basis of rates determined by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the SECP for valuation of debt securities. In determination of the rates the MUFAP takes in account the holding pattern of these securities and categorized them as traded, thinly traded and non-traded securities. The circular also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non-performing debt securities

- Basis of valuation of government securities

The investment of the fund in the government securities is valued on the basis of rates published by MUFAP.

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

Net gains and losses arising from changes in the fair value of available for sale financial assets are taken into other comprehensive income until these are derecognized or impaired. At this time, the cumulative gain or loss previously recognized in other comprehensive income is shown as part of net income for the year.

Loans and receivables

Subsequent to initial recognition, financial assets classified as loans and receivables are carried at amortized cost using the effective interest method.

Gains or losses are also recognized in the income statement when financial assets carried at amortized cost are derecognized or impaired.

5.1.5 Impairment

The carrying value of the Fund's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such an indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount.

Impairment loss in respect of available-for-sale investments (other than debt securities) is recognized based on management's assessment of objective evidence of impairment as a result of one or more events that may have an impact on the estimated future cash flows of the investments. A significant or prolonged decline in fair value of an equity investment below its cost is also considered an objective evidence of impairment. The determination of what is significant or prolonged requires judgment.

Provision for diminution in the value of debt securities is made as per the requirements of Circular No. 33 of 2012 dated October 24, 2012 (which is essentially the same as contained in Circular No. 1 of 2009 previously issued 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 pursuant to the requirements of the SECP's above referred circular.

In case of impairment of other available-for-sale investments, the cumulative loss that has been recognized directly in statement of comprehensive income is taken to the income statement.

Other individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. All impairment losses are recognised in the income statement.

5.1.6 Derecognition

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or the fund has transferred all the risk and rewards of ownership.

5.2 Provisions

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

5.3 Derivatives

These are initially recognized at cost and are subsequently remeasured at their fair value. Derivatives with positive fair values (unrealised gains) are included in other assets and derivatives with negative fair values (unrealised losses) are included in other liabilities in the statement of assets and liabilities. The resultant gain and loss is included in the income currently.

5.4 Issue and redemption of units

Units are issued at the offer price prevalent on the day in which application for issue is received. The offer price represents the net assets value of units at the end of the day plus the allowable sales load.

Units are redeemed at offer price prevalent on the date on which application for redemption is received. The redemption price represents the net assets value at the end of the day.

5.5 Revenue recognition

- Dividend income is recognized when right to receive dividend is established.

- Gain or loss on sale of securities and settlement of derivatives is accounted for in the period in which the sales / settlement occur.

- Interest on debt and government securities is recognized at the rate of return implicit in the instrument on a time proportionate basis.

- Profit on bank balances and term deposits is recognized on accrual basis in accordance with the contractual terms.

5.6 Element of income / loss and capital gains / losses in prices of units issued less those in units redeemed - net

To prevent the dilution of per unit income and distribution of income already paid out on redemption as dividend, an equalization account called "element of income / loss and capital gain / loss in prices of units issued less those in units redeemed" is created.

The "element of income / loss and capital gains / losses in prices of units issued less those in units redeemed" account is credited / charged with the amount representing net income / loss and capital gain / loss accounted for in the last announced net asset value and included in the sale proceeds of units. Upon redemption of units, the "element of income / loss and capital gain / loss in prices of units issued less those in units redeemed" account is charged / credited with the amount representing net income / loss and capital gain / loss accounted for in the last announced net asset value and included in the redemption price.

The net "element of income / loss and capital gains / losses in prices of units issued less those in units redeemed" during an accounting period is reported to the income statement. The Element is arrived at by comparing the unit prices with opening Ex–NAV at the beginning of the year.

5.6.1 Ammendment in the NBFC Regulations subsequent to the year end

Subsequent to the year end on August 03, 2017, the SECP has made certain amendments in the NBFC Regulations, 2008 via SRO 756 (I)/2017. The definition of element of income has been inserted via said amendment which defines element of income as difference net assets value on the issuance or redemption date, as the case may be, of units and the net asset value at the beginning of the relevant accounting period. The said amendment also excludes element of income from accounting income for the purpose of distribution under the regulation 63 of the NBFC Regulations. The said SRO also contains amendments relating to congenial changes in the income statement and statement of movement in unit holders' fund. The Management Company is in the process of assessing the impact of the said changes with the view that these changes will be effective for the period following of the said SRO.

5.7 Taxation

The Fund is exempt from taxation under clause 99 of the Part I of the 2nd Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90% of its accounting income as reduced by the realized and unrealised capital gain for the year is distributed amongst the Fund's unit holders. Since the management has distributed the income earned by the Fund during the year to the unit holders in the manner as explained above, no provision for taxation has been made in these financial statements.

The Fund is exempt from provisions of section 113 (Minimum Tax) under the clauses IIA of Part IV of the second schedule of the Income Tax Ordinance, 2001.

5.8 Financial instruments

All financial assets and financial liabilities are recognized at the time when the Fund becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the contractual right to future cash flows from the asset expires or is transferred along with the risk and reward of ownership of the asset. Financial liabilities are derecognized when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gain or loss on derecognition of the financial assets and financial liabilities is taken to income currently.

5.9 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are only offset and the net amount is reported in the statement of assets and liabilities when there is a legally enforceable right to set off the recognized amount and the Fund intends to either settle on a net basis, or to realize the asset and settle the liability simultaneously.

5.10 Distribution to unit holders

Distribution to unit holders is recognized upon declaration and approval by the Board of Directors of the Management Company.

5.11 Net asset value per unit

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

5.12 Cash and cash equivalent

Cash and cash equivalent comprise of bank balances.

6. BANK BALANCES	Note	**2017**	2016
		.....Rupees.....	
- In saving accounts	6.1	**246,835,036**	691,253,752
- In current accounts		**2,951,100**	2,955,684
		249,786,136	694,209,436

6.1 This includes balances with related parties of Rs. 100.32 million (2016: Rs. 617.55 million) with JS Bank Limited and Rs. 0.008 million (2016: Rs. 31.01 million) with Bank Islami Pakistan Limited. These accounts carry profit at the rates of 6.25% (2016: 6.50%) and 5.60% (2016: 6.30%) per annum respectively. Other PLS accounts of the Fund carry profit at the rates from 3.00% to 8.50% (2016: 3.00% to 8.00%) per annum.

7. INVESTMENTS		**2017**	2016
		.....Rupees.....	
At fair value through profit and loss			
-Held-for-trading			
Quoted ordinary shares	7.1	**2,479,643,344**	1,674,629,298
Unquoted debt securities	7.2	-	-
Available-for-sale			
Quoted ordinary shares	7.3	**5,434,139**	5,198,135
Quoted debt securities	7.4	-	-
Unquoted debt securities	7.5	-	-
		2,485,077,483	1,679,827,433

7.1 **Quoted ordinary shares (Held-for-trading)**
(Ordinary shares have a face value of Rs.10/- each unless stated otherwise).

Sector / companies	Holding at the beginning of the year	Acquired during the year	Bonus / rights shares received during the year	Disposed during the year	Holding at the end of the year	Carrying value	Market value	% of total investments
		(Number of shares)				(Rupees)		
Leasing Companies								
Orix Leasing Pakistan Limited	1,326,500	98,500	-	-	**1,425,000**	**63,098,968**	**57,356,250**	**2.31**
Orix Leasing Pakistan Limited (Letter of right)	-	991,800	-	-	**991,800**	**7,116,867**	**2,876,220**	**0.12**
						70,215,835	**60,232,470**	
Commercial Banks								
Bank Alfalah Limited	2,700,500	-	-	750,000	**1,950,500**	**49,874,285**	**78,410,100**	**3.16**
Bank AL-Habib Limited	-	766,500		-	**766,500**	**43,277,070**	**43,498,875**	**1.75**
Habib Bank Limited	379,100	160,000	-	279,000	**260,100**	**51,717,652**	**70,003,314**	**2.82**
National Bank Limited	-	142,500		142,500	-	-	-	-
MCB Bank Limited	790,500	-	-	294,200	**496,300**	**109,195,926**	**104,436,409**	**4.20**
United Bank Limited	319,000	300,000	-	159,900	**459,100**	**82,330,398**	**108,127,232**	**4.35**
				-		**336,395,331**	**404,475,930**	
Insurance				-				
Adamjee Insurance Company Limited	3,352,500	-	-	420,500	**2,932,000**	**147,069,120**	**200,431,520**	**8.07**
IGI Insurance Limited	793,300	-	-	168,300	**625,000**	**119,262,500**	**198,000,000**	**7.97**
				-		**266,331,620**	**398,431,520**	
Textile Composite				-				
Nishat Mills Limited	250,000	486,100	-	-	**736,100**	**82,851,170**	**116,804,348**	**4.70**
				-				
Sugar & Allied Industries				-				
Al-Abbas Sugar Mills Limited	133,500	-	-	-	**133,500**	**35,778,000**	**26,039,175**	**1.05**
Shahtaj Sugar Mills Limited	1,134,942	-	-	1,500	**1,133,442**	**112,777,479**	**215,353,980**	**8.67**
				-		**148,555,479**	**241,393,155**	
Cement				-				
D.G.Khan Cement Company Limited	-	850,000	-	124,600	**725,400**	**142,416,068**	**154,626,264**	**6.22**
Cherat Cement Company Limited	903,000	381,500	-	1,284,500	-	-	-	-
Thatta Cement Limited	-	253,500		-	**253,500**	**11,792,770**	**10,132,395**	**0.41**
Fecto Cement Limited	-	460,000		-	**460,000**	**58,420,000**	**47,987,200**	**1.93**
Kohat Cement Company Limited	80,000	-	-	57,600	**22,400**	**5,867,008**	**5,135,424**	**0.21**
						218,495,846	**217,881,283**	
balance carried forward						**1,122,845,282**	**1,439,218,706**	

Sector / companies	Holding at the beginning of the year	Acquired during the year	Bonus / rights shares received during the year	Disposed during the year	Holding at the end of the year	Carrying value	Market / Carrying value	% of total investments
		(Number of shares)				(Rupees)		
balance brought forward						**1,122,845,282**	**1,439,218,706**	
Oil & Gas Marketing Companies								
Attock Petroleum Limited	218,400	-		81,800	**136,600**	**59,767,964**	**85,570,338**	**3.44**
Pakistan State Oil Company Limited	325,000	25,000	-	20,000	**330,000**	**124,734,776**	**127,825,500**	**5.14**
				-		**184,502,740**	**213,395,838**	
Oil & Gas Exploration Companies				-				
Oil & Gas Development Company Limited	-	700,000	-	700,000	-	-	-	-
Mari Petroleum Company Limited	-	56,740		-	**56,740**	**89,063,760**	**89,401,814**	**3.60**
Pakistan Petroleum Limited	-	600,000	-	600,000	-	-	-	-
Pakistan Oilfields Limited	-	355,000	-	355,000	-	-	-	-
				-		**89,063,760**	**89,401,814**	
Automobile Assembler				-				
Pak Suzuki Motor Company Limited	66,000	-	-	66,000	-	-	-	-
Indus Motor Company Limited	-	18,360		-	**18,360**	**36,713,149**	**32,930,496**	**1.33**
Hinopak Motors Limited	-	38,760	-	920	**37,840**	**50,102,879**	**49,570,400**	**1.99**
				-		**86,816,028**	**82,500,896**	
Automobile Parts & Accessories				-				
Agriauto Industries Limited (Face value Rs.5 each)	185,200	29,500	-	45,100	**169,600**	**36,579,540**	**73,250,240**	**2.95**
General Tyre & Rubber Company of Pakistan Limited	428,900	-	-	428,900	-	-	-	-
Thal Limited (Face value Rs.5 each)	87,500	-	-	87,500	-	-	-	-
				-		**36,579,540**	**73,250,240**	
Cable & Electrcial Goods				-				
Singer Pakistan Limited	-	376,500		-	**376,500**	**25,357,830**	**23,433,360**	**0.94**
Pak Elektron Limited	-	2,014,500		140,000	**1,874,500**	**169,414,612**	**206,794,840**	**8.32**
				-		**194,772,442**	**230,228,200**	
Transport				-				
Pakistan National Shipping Corporation Limited	-	575,000	-	225,000	**350,000**	**39,881,121**	**44,065,000**	**1.77**
Technology & Communication				-				
Pakistan Telecommunication Company Limited	4,552,000	25,000	-	4,577,000	-	-	-	-
Paper And Boards				-				
Century Paper & Board Mills Limited	50,000	915,000	-	161,000	**804,000**	**56,762,699**	**78,832,200**	**3.17**
				-		**1,811,223,611**	**2,250,892,894**	

Sector / companies	Holding at the beginning of the year	Acquired during the year	Bonus / rights shares received during the year	Disposed during the year	Holding at the end of the year	Carrying value	Market value	% of total investments
		(Number of shares)				(Rupees)		
balance brought forward						**1,811,223,611**	**2,250,892,894**	
Fertilizer				-				
Engro Corporation Limited	-	378,000	-	378,000	-	-	-	-
Fauji Fertilizer Bin Qasim Limited	-	1,250,000	-	1,250,000	-	-	-	-
				-		-	-	-
Engineering				-				
Aisha Steel Mills Limited	-	3,000,000	600,000	-	**3,600,000**	**78,099,920**	**73,224,000**	**2.95**
International Steels Limited	-	200,000		-	**200,000**	**26,297,850**	**25,578,000**	**1.03**
				-		**104,397,770**	**98,802,000**	
Pharmaceuticals				-				
Abbott Laboratories (Pakistan) Limited	16,450	-	-	16,450	-	-	-	-
				-				
Power Generation & Distribution				-				
Nishat Power Limited	-	732,500		-	**732,500**	**44,399,430**	**34,603,300**	**1.39**
				-				
Food & Personal Care Products				-				
Rafhan Maize Products Company Limited	13,919	-	-	-	**13,919**	**100,495,180**	**95,345,150**	**3.84**
				-				
Miscellaneous				-				
Synthetic Products Enterprises Limited	727,500	-	-	727,500	-	-	-	-
TPL Properties Limited	1,000,000	-	-	1,000,000	-	-	-	-
						-	-	
Total market value of held-for- trading quoted ordinary shares as at June 30, 2017						**2,060,515,991**	**2,479,643,344**	
Cost of held-for- trading quoted ordinary shares as at June 30, 2017							**1,954,809,710**	

Following shares have been pledged with National Clearing Company of Pakistan Limited	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
	(Number of shares)		Rupees	
Adamjee Insurance Company Limited	1,000,000	1,000,000	68,360,000	50,160,000
Cherat Cement Company Limited	-	300,000	-	35,871,000
General Tyre & Rubber Company of Pakistan Limited	-	100,000	-	17,799,000
MCB Bank Limited	-	200,000	-	66,006,000
Pakistan State Oil Company Limited	-	150,000	-	56,319,000
United Bank Limited	-	100,000	-	17,692,000

7.2 Unquoted debt securities- at fair value through profit or loss (held-for-trading)

Sector / companies	Note	Holding at the beginning of the year	Acquired during the year	Disposed during the year	Holding at the end of the year	Carrying value	Market value	% of total investments
		(Number of shares)				(Rupees)		
Textile Composite								
Azgard Nine Limited (related party)								
Convertible PPTFC	7.2.1	6,420	-	-	6,420	-	-	-
Cost of held for trading (Unquoted debt securities) as at June 30,2017							64,200,000	

7.2.1 These convertible privately placed term finance certificates (PPTFCs) were issued against the cumulative preference shares of Azgard Nine Limited on 22 October 2012 under the "Settlement Agreement" dated 22 October 2012 between the Management Company of the Fund and Azgard Nine Limited. Since these PPTFCs are received against non-performing security, therefore the management, as a matter of prudence had recognised above PPTFCs at nil value. In addition these PPTFCs have been classified as Non-performing by MUFAP. The carrying value of preference shares so converted into PPTFC was Rs. 42.65 million and provision held there against was Rs. 42.65 million. These convertible PPTFCs carry mark-up rate of 11% per annum with a tenor of 8 years (inclusive of a 2 year grace period for principal redemption) as per the terms and conditions. In case of default, the PPTFC Holders shall have the right to exercise the option to convert the PPTFCs into ordinary voting shares of Azgard Nine Limited as per the terms and procedures. During the period, the Fund received profit of Rs. Nil (30 June: Rs. 6.15 million) against these PPTFCs which has been

7.3 Quoted ordinary shares- (Available-for-sale)

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

Sector / companies	Note	Holding at the beginning of the year	Acquired during the year	Disposed during the year	Holding at the end of the year	Carrying value	Market value	% of total investments
		(Number of shares)				(Rupees)		
Chemical								
Agritech Limited	7.3.1	605,138	-	-	605,138	5,198,136	5,434,139	0.22
Cost of available-for-sale investments as at June 30, 2017							4,659,563	

7.3.1 During the year 2013, the Fund alongwith other lenders, entered into a restructuring agreement in respect of the outstanding liabilities of Azgard Nine Limited (ANL). In terms of the said restructuring, the Fund has acquired 605,138 ordinary shares of Agritech Limited which were previously owned by ANL, in order to partially settle the liabilities of ANL.

7.3.2 The above ordinary shares of Agritech Limited are subject to sale after the lock-in-period of 5 years in terms of the Share Purchase Agreement (SPA) between the ANL and various lenders including the Fund. However, as per the SPA, the sale restriction is not applicable to transactions between the lenders of ANL. The lock in period end will expire in the year 2017.

7.4 Quoted debt securities- (Available-for-sale)
(Term Finance Certificates have a face value of Rs 5,000/- each)

Sector / companies	Note	Holding at the beginning of the year	Acquired during the year	Disposed during the year	Holding at the end of the year	Carrying value	Market value	% of total investments
		(Number of shares)				(Rupees)		
Textile Composite								
Azgard Nine Limited (related party)	7.4.1	10,000	-	-	10,000	13,681,024	13,681,024	0.01
Less: Provision held						(13,681,024)	13,681,024	(0.01)
						-	-	-
Cost of available-for-investments (quoted debt securities) as at June 30, 2017						7,357,963		

7.4.1 During the year 2013, the Fund alongwith other lenders, entered into a restructuring agreement in respect of the outstanding liabilities of Azgard Nine Limited (ANL). In terms of the said restructuring, the Fund has acquired 605,138 ordinary shares of Agritech Limited which were previously owned by ANL, in order to partially settle the liabilities of ANL.

Sector / companies	Note	Holding at the beginning of the year	Acquired during the year	Disposed during the year	Holding at the end of the year	Carrying value	Market value	% of investee capital
		(Number of shares)				(Rupees)		
7.5 Unquoted debt securities-(Available-for-sale)								
Azgard Nine Limited PPTFC (related party)	7.5.1	2,150	-	-	2,150	-	-	-
Cost of available-for-investments (Unquoted debt securities) as at June 30, 2017						10,750,000		

7.5.1 The Fund has received 2,150 Zero Coupon PPTFC against interest receivable on unlisted TFCs. Since these PPTFCs are received against already defaulted securities and have non-performing status in MUFAP, therefore, as a matter of prudence, management has maintained the provision against the said PPTFCs. These PPTFCs are valued at zero but cost is carried at Rs.10,750,000.

	Note	2017	2016
		.....Rupees.....	
8 SECURITY DEPOSITS			
National Clearing Company of Pakistan Limited		**2,500,000**	2,500,000
Central Depository Company of Pakistan Limited		**100,000**	100,000
		2,600,000	2,600,000
9 ACCRUED MARK-UP / INTEREST			
Mark-up receivable on:			
- Bank deposits		**819,285**	3,216,738
- Term finance certificates (available-for-sale)		**906,103**	906,103
- Provision held against term finance certificates		**(906,103)**	(906,103)
		-	-
		819,285	3,216,738
10 OTHER RECEIVABLES			
Receivable against sale of marketable securities		**55,316,509**	25,768,112
Advance tax	10.1	**585,013**	15,044,785
		55,901,522	40,812,897

10.1 The company's tax advisor KPMG Taseer Hadi & Co. , Chartered Accountants in their letter dated April 27, 2017 upon inquiry from the company has confirmed remote chances of recoverability of income tax recoverable amounted to Rs. 8.69 million. Thus the company has written off the said amount.

11 PAYABLE TO JS INVESTMENT LIMTED - MANAGEMENT COMPANY

	Note	2017	2016
		.....Rupees.....	
Management remuneration	11.1	**4,506,883**	3,603,831
Sindh Sales Tax on remuneration	11.2	**4,935,864**	4,854,510
Federal excise duty on remuneration	11.3	**28,693,826**	28,693,826
Expenses chargeable to fund	11.4	**225,344**	-
		38,361,917	37,152,167

11.1 According to the provisions of the Trust Deed of the Fund, the Management Company has charged its remuneration at the rate of 2% (2016: 2%) per annum on the average annual net assets of the Fund calculated on a daily basis.

11.2 The Sindh Provincial Government has levied Sindh Sales Tax at the rate of 13% (2016: 14%) on Management Company's remuneration.

11.3 The Finance Act, 2013 has extended the scope of the Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from June 13, 2013. As the asset management services rendered by the Management Company of the Fund is already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund, the Management Company is of the view that further levy of FED is not justified.

On September 4, 2013, a Constitutional Petition has been filed in Honorable Sindh High Court (SHC) jointly by various asset management companies, together with their representative Collective Investment Schemes through their trustees, challenging the levy of FED.

However, the Finance Act, 2016 withdrew the levy of FED on Non-Banking Financial Institution (NBFC) where the provincial sales tax has been levied on NBFC. Therefore, the Honorable SHC has issued an order dated July 15, 2016 in favor of the Management Company.

However, as a matter of abundant caution, the Management Company is carrying provision of Federal Excise Duty for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 28.89 million.

11.4 During the period, the management company has charged 0.1 percent of average annual net assets as allocated expenses to the fund according to clause 60(s) of Non-Banking Finance Companies and Notified Entities Regulations, 2008.

12 PAYABLE TO MCB FINANCIAL SERVICES LIMITED - TRUSTEE

	Note	**2017**	2016
		.....Rupees.....	
Remuneration	12.1	**207,124**	179,836
Sindh Sales Tax on remuneration of trustee	12.2	**26,923**	25,178
		234,047	205,014

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

On net assets:	Remuneration to Trustee
- up to Rs. 250 million	0.20% per annum
- from Rs. 250 million to Rs. 500 million	Rs. 500,000 plus 0.15% per annum on amount exceeding Rs. 250 million
- from Rs. 500 million to Rs. 2 billion	Rs. 875,000 plus 0.08% per annum on amount exceeding Rs. 500 million
- from Rs. 2 billion to Rs. 5 billion	Rs. 2,075,000 plus 0.06% per annum on amount exceeding Rs. 2 billion
- from Rs. 5 billion and above	Rs. 3,875,000 plus 0.05% per annum on amount exceeding Rs. 5 billion

12.2 The Sindh Provincial Government has levied Sindh Sales Tax at the rate of 13% (2016: 14%) on trustee's remuneration.

13 ANNUAL FEE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Represents annual fee of SECP in accordance with the NBFC Regulations, whereby the Fund is required to pay SECP at the rate of 0.095% (2016: 0.095%) per annum of the monthly net assets of the Fund computed on a monthly basis.

14 ACCRUED AND OTHER LIABILITIES

	Note	2017	2016
		.....Rupees.....	
Accrued expenses		**11,554,142**	1,624,308
Payable against Workers' Welfare Fund	14.1	-	91,288,041
Payable against Sindh Workers' Welfare Fund	14.1	**18,411,165**	-
Payable against purchase of securities		**202,489**	71,619,537
		30,167,796	164,531,886

14.1 Provision for Sindh Workers Welfare Fund is being made on a daily basis going forward pursuant to MUFAP's recommendation to all its members on January 12, 2017 against the backdrop of the Sindh Revenue Board (SRB) letter to mutual funds in January 2016 whereby SRB directed the mutual funds to register and pay Sindh Workers Welfare Fund (SWWF) for the accounting year closing on or after December 13, 2013. This is on the premise that mutual funds are included in definition of financial institutions in the Financial Institutions (Recovery of Finance) Ordinance, 2001 hence WWF is payable by them. Though MUFAP has taken up the matter with the Sindh Finance Ministry to have mutual funds excluded from the applicability of SWWF but as a matter of abundant caution the Management has recorded SWWF with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from May 21, 2015).

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

Pursuant to above MUFAP recommended that the entire provision of Rs. 91.28 million against WWF held by the fund till 30 June 2015, to be reversed on January 12, 2017.

The above decisions were communicated to the SECP and the Pakistan Stock Exchange Limited on January 12, 2017 and the SECP vide its letter dated February 01, 2017 has advised MUFAP that the adjustments relating to the above should be prospective. Accordingly, the Fund has recorded these adjustments in its books on January 12, 2017.

15 TAXATION

The amount of tax liability has been reversed upon fund's tax advisor advise based on the premise that their chances of claim by the tax authorities are quite remote as they pertain to the legacy of ICP mutual funds.

16 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at June 30, 2017 and June 30, 2016

		2017	2016
			.....Rupees.....
17	**NUMBER UNITS IN ISSUE**		
	Total outstanding as of July 01	**2,796,037**	14,964,153
	Issued during the year	**3,872,000**	216,941
	Redemption during the year	**(4,852,210)**	(2,385,057)
	Total outstanding as of June 30	**11,815,827**	12,796,037
18	**AUDITORS' REMUNERATION**		
	Annual audit fee	**440,000**	440,000
	Half yearly review of financial statements	**283,140**	277,818
	Review of Code of Corporate Governance	**27,500**	27,500
	Income certification	**25,000**	27,500
		775,640	772,818
	Sales tax	**39,400**	29,700
	Out of pocket expenses	**49,500**	49,500
	Others	**9,100**	-
		873,640	852,018

19 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Related parties / connected persons include JS Investments Limited being the Management Company, MCB Financial Services Limited being the Trustee, Jahangir Siddiqui and Co. Limited being the holding company of JS Bank Limited (JSBL-which is the holding company of the Management Company), JS Global Capital Limited (which is a fellow subsidiary of JSBL) and other associated companies of the Management Company and its subsidiaries, Key Management Personnel of the Management Company and other funds being managed by the Management Company and includes entities holding 10% or more in the units of the Fund as at June 30, 2017. It also includes the staff retirement benefits of the above related parties / connected persons.

		2017	2016
			.....Rupees.....
19.1	**Transactions during the year ended**		
	JS Investments Limited		
	Remuneration of the Management Company	**51,725,465**	45,807,060
	Sales tax on remuneration to the Management Company	**6,724,311**	7,439,066
	Provision for federal excise duty on remuneration to the Management Company	-	7,329,131
	Issue of units: 1,887,766 (2016: Nil)	**390,652,132**	-
	Redemption of units: 2,262,512 (2016: 798,230)	**475,000,000**	135,000,000
	Cash Dividend	**25,747,804**	-
	Other cost incurred	**3,060,863**	2,111,996
	Sales load paid	**281,135**	7,549
	MCB Financial Services Limited (Trustee)		
	Remuneration for the period	**2,426,763**	2,249,317
	Sales tax on trustee remuneration	**315,479**	314,862

19.1 Transactions during the year ended (Continued...)	2017	2016
	.....Rupees.....	
JS Global Capital Limited		
Brokerage commission	**480,136**	589,211
JS Bank Limited		
Profit on Bank deposit	**10,749,138**	9,883,084
Bank charges	**7,848**	10,190
Bank Islami Pakistan Limited		
Profit on Bank Deposit	**1,095,880**	1,498,925
Bank charges	**225**	1,334
Mahvash & Jahangir Siddiqui Foundation		
Cash Dividend	**4,473,765**	-
JS Fund of Funds		
Issue of units: 630,670 (2016: Nil)	**125,400,104**	-
Redemption of units: 537,886 (2016: Nil)	**105,869,432**	-
Cash dividends	**542,014**	-
Al-Abbas Sugar Mills Limited		
Dividend income	**2,536,500**	3,034,800
EFU Life Assurance Limited		
Issue of units: 393 (2016: Nil)	**82,161**	-
Cash Dividend	**93,440**	-
Askari Securities Limited		
Brokerage commission	-	365,908
State Life Insurance Corp. of Pakistan		
Cash Dividend	**1,962,702**	-
Key Management Personnel		
ssue of units: 2,164 (2016: Nil)	**470,992**	-
Redemption of units: 10,580 (2016: Nil)	**2,232,410**	-
Cash Dividend	**310,404**	-

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

	2017	2016
	.....Rupees.....	
JS Investments Limited		
Remuneration payable to the Management Company	**4,506,883**	3,603,831
Sales Tax payable on remuneration of the Management Co.	**4,935,864**	4,854,510
Provision for federal excise duty on remuneration to the Management Company	**28,693,826**	28,693,826
Other cost payable	**225,344**	180,193
Units held 3,554,958 (June 2016: 3,929,703)	**785,965,555**	653,548,982
Mahvash & Jahangir Siddiqui Foundation		
Units held 617,071 (June 2016: 617,071)	**136,428,248**	102,625,094
JS Fund of Funds		
Units held 92,784 (June 2016: Nil)	**20,513,583**	-
EFU Life Assurance Limited		
Units held 13,209 (June 2016: 12,816)	**2,920,440**	2,131,422
JS Bank Limited		
Bank balance	**100,315,546**	617,552,433
Profit receivable	**220,047**	2,564,905
Bank Islami Pakistan Limited		
Bank balance	**7,631**	31,008,957
Profit receivable	**33**	148,310
State Life Insurance Corp. of Pakistan		
Units held 270,718 (June 2016: 270,718)	**59,852,948**	45,023,039
MCB Financial Services Limited		
Remuneration payable	**207,124**	179,836
Sales Tax payable on trustee remuneration	**26,923**	25,178
JS Global Capital Limited		
Brokerage commission payable	-	9,944
Key Management Personnel		
Units held 42,165 (June 2016: 50,753)	**9,322,259**	8,440,750

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

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

20 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

RISK MANAGEMENT FRAMEWORK

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, Fund's constitutive documents and the regulations and directives of the SECP. These limits reflect the business strategy and market environment of the Fund as well as the level of the risk that Fund is willing to accept. The Board of Directors of the Management Company supervises the overall risk management approach within the Fund. The Fund is exposed to market risk, credit risk and liquidity risk arising from the financial instruments it holds.

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

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

20.1 Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices.

(i) Interest risk

Interest rate risk is the risk that the value of the financial instrument will fluctuate due to changes in the market interest rates. As of June 30, 2017, the Fund is exposed to such risk in respect of bank balances, investment in debt and Government securities. The bank balances are subject to interest rates as declared by the respective bank on periodic basis. Debt securities are subject to floating interest rates other than Government securities which are subject to fixed interest rates. The sensitivity of the income / (loss) for the year is the effect of the assumed changes in interest rates on:

- The net interest income for one year, based on the floating rate financial assets held at the year end; and

- Changes in fair value of investments for the year, based on revaluing fixed rate financial assets at the year end.

The following table demonstrates the sensitivity of Fund's income / (loss) for the year to a reasonably possible change in interest rates, with all other variables held constant. In practice, the actual results may differ from the sensitivity analysis.

	Effect on income	
	2017	2016
	---------Rupees----------	
+100	**2,468,350**	6,912,538
- 100	**(2,468,350)**	(6,912,538)

Particulars	Yield / effective interest rate	June 30, 2017				
		Exposed to yield / interest rate ri			Not exposed to yield / interest rate risk	Total
		Up to three months	More than three months and up to one year	More than one year		
	%	----------Rupees----------				
On-balance sheet financial instruments						
Financial assets						
Balances with banks	5 - 8	**249,786,136**	-	-	-	**249,786,136**
Investments		-	-	-	**2,485,077,483**	**2,485,077,483**
Dividend receivable		-	-	-	**6,362,903**	**6,362,903**
Security deposits		-	-	-	**2,600,000**	**2,600,000**
Accrued mark-up / interest		**819,285**	-	-	-	**819,285**
Other receivables		-	-	-	**55,316,509**	**55,316,509**
		250,605,421	-	-	**2,549,356,895**	**2,799,962,316**
Financial liabilities						
Payable to JS Investment Limited - Management Company		-	-	-	**4,732,227**	**4,732,227**
Payable to MCB Financial Services Limited - Trustee		-	-	-	**207,124**	**207,124**
Annual fee payable to the Securities and Exchange Commission of Pakistan		-	-	-	**2,456,928**	**2,456,928**
Dividend payable		-	-	-	**116,920,781**	**116,920,781**
Accrued and other liabilities		-	-	-	**30,167,796**	**30,167,796**
		-	-	-	**154,484,856**	**154,484,856**
On-balance sheet gap		**250,605,421**	-	-	**2,394,872,039**	**2,645,477,460**

There is no off-balance sheet financial instrument that exist as at year ended June 30, 2017

Particulars	Yield / effective interest rate	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total
		Up to three months	More than three months and up to one year	More than one year		
	%	----------Rupees----------				
		.....June 30, 2016.....				
On-balance sheet financial instruments						
Financial assets						
Balances with banks		694,209,436	-	-	-	694,209,436
Investments	5 - 9.6	-	-	-	1,679,827,433	1,679,827,433
Dividend receivable		-	-	-	-	-
Security deposits		-	-	-	2,600,000	2,600,000
Accrued mark-up / interest		3,216,738	-	-	-	3,216,738
Other receivables		-	-	-	25,768,112	25,768,112
		697,426,174	-	-	1,708,195,545	2,405,621,719
Financial liabilities						
Payable to JS Investment Limited - Management Company		-	-	-	37,152,167	37,152,167
Payable to MCB Financial Services Limited - Trustee		-	-	-	205,014	205,014
Annual fee payable to the Securities and Exchange Commission of Pakistan		-	-	-	2,176,294	2,176,294
Dividend payable		-	-	-	82,421,248	82,421,248
Accrued and other liabilities		-	-	-	164,531,886	164,531,886
		-	-	-	286,486,609	286,486,609
(i) **On-balance sheet gap**		697,426,174	-	-	1,421,708,936	2,119,135,110

There were no off-balance sheet financial instrument that exist as at year ended June 30, 2016

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instruments will fluctuate because 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 at the year end.

(iii) Equity price risk

Equity price risk is the risk of unfavourable changes in the fair value of equity securities as a result of changes in the levels of PSX-Index and the value of individual shares. The equity price risk exposure arises from the Fund's investments in equity securities for which prices in the future are uncertain. The Management Company manages the above market risks through diversification of investment portfolio and placing limits on individual and aggregate exposures in accordance with the internal risk management policies and regulations laid down by the SECP.

Details of the Fund's investment in industrial / economic sector are given in note 7.1

The following table illustrates the sensitivity of the income for the year and the unit holders' fund to an increase or decrease of 5% in the fair values of the Fund's equity securities. This level of change is considered to be reasonably possible based on observation of current market conditions. The sensitivity analysis s based on the Funds' equity securities at each Statement of Assets and Liabilities date, with all other variables held constant.

	2017	2016
	.....Rupees.....	
Income statement	**124,253,874**	83,991,372
Unit holders' fund	**124,253,874**	83,991,372

(iv) Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the processes, technology and infrastructure supporting the Fund's operations either internally credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of investment management behaviour. Operational risks arise from all of the Fund's activities.

The Fund's objective is to manage operational risk so as to balance limiting of financial losses and damage to its reputation with achieving its investment objective of generating returns for investors.

The primary responsibility for the development and implementation of controls over operational risk rests with the board of directors. This responsibility encompasses the controls in the following areas:

- requirements for appropriate segregation of duties between various functions, roles and responsibilities.

- requirements for the reconciliation and monitoring of transactions;

- compliance with regulatory and other legal requirements;

- documentation of controls and procedures;

- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;

- ethical and business standards; and

- risk mitigation, including insurance where this is effective.

20.2 Liquidity risk

Liquidity risk is defined as the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities. Liquidity risk arises because of the possibility that the Fund could be required to pay its liabilities earlier than expected. The Fund is exposed to cash redemptions of its redeemable units on a regular basis. Units are redeemable at the unit holders' option based on the Fund's net asset value per unit at the time of redemption calculated in accordance with the Fund's constitutive documents.

2017	Within one month	One to three months	Three to twelve months	One to five years	More than five years	Total
	----------Rupees----------					
Financial liabilities						
Remuneration payable to the Management Company	**4,732,227**	-	-	-	-	**4,732,227**
Remuneration payable to the Trustee	**207,124**	-	-	-	-	**207,124**
Accrued and other liabilities	**11,756,631**	-	-	-	-	**11,756,631**
	16,695,982	-	-	-	-	**16,695,982**

2016	Within one month	One to three months	Three to twelve months	One to five years	More than five years	Total
	----------Rupees----------					
Financial liabilities						
Remuneration payable to the Management Company	3,603,831	-	-	-	-	3,603,831
Remuneration payable to the Trustee	179,836	-	-	-	-	179,836
Accrued and other liabilities	73,243,845	-	-	-	-	73,243,845
	77,027,512	-	-	-	-	77,027,512

20.3 Credit risk

(i) Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss for the Fund by failing to discharge its obligation. The Fund's policy is to enter into financial contracts with reputable counter parties in accordance with the internal guidelines, offering document and regulatory requirements. The maximum exposure is shown gross, before the effect of mitigation through the use of collateral agreements at reporting date:

	2017	2016
	.....Rupees.....	
Bank balances	**249,786,136**	694,209,436
Accrued mark-up / interest	**819,285**	3,216,738
Security deposits	**2,600,000**	2,600,000
Other receivables	**55,316,509**	25,768,112
	308,521,930	725,794,286

Name of Bank	Rating agency	Latest available published rating	Percentage of bank balance
Allied Bank Limited *	PACRA	A1+	0.00%
Bank Islami Pakistan Limited *	PACRA	A1	0.00%
Faysal Bank Limited *	PACRA	A1+	0.00%
JS Bank Limited	PACRA	A1+	43.00%
NIB bank Limited *	PACRA	A1+	0.00%
Samba Bank Limited	JCR-VIS	A-1	46.52%
Soneri Bank Limited	PACRA	A1+	10.47%
U MicroFinance Bank Limited	JCR-VIS	A-2	0.00%

* Nil value due to rounding off

(ii) Settlement risk

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

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

21 FAIR VALUE OF FINANCIAL INSTRUMENTS

The Fund uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted prices in active markets for identical assets.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

As at June 30, 2017, the Fund held the following financial instruments measured at fair value:

	Level 1	Level 2	Level 3	Total
	----------Rupees----------			
2017				
Held-for-trading investments	**2,479,643,344**	-	-	**2,479,643,344**
Available-for-sale investments	**5,434,139**	-	-	**5,434,139**
	2,485,077,483	-	-	**2,485,077,483**

	Level 1	Level 2	Level 3	Total
	----------Rupees----------			
2016				
Held-for-trading investments	1,674,629,298	-	-	1,674,629,298
Available-for-sale investments	5,198,135	-	-	5,198,135
	1,679,827,433	-	-	1,679,827,433

22 TOTAL EXPENSE RATIO

In the current period, Securities and Exchange Commission of Pakistan (SECP) vide directive No. SCD/PRDD/Direction/18/2016 dated July 20, 2016, required that Collective Investment Scheme shall disclose Total Expense Ratio (TER) in the periodic financial statements of CIS / the Fund. TER of the Fund for the period ended June 30, 2017 is 3.84% (YTD) which includes 1.10% representing government levy, Workers Welfare Fund and SECP fee.

23 SUPPLEMENTARY NON FINANCIAL INFORMATION

The information regarding unit holding pattern, top 10 brokers, members of the Investment Committee, Fund manager, meeting of the Board of Directors of the Management Company, Audit Committee, Human Resource and Remuneration Committee and rating of the Fund and the Management Company has been disclosed in Annexure I to the financial statements.

24 GENERAL

24.1 Figures have been rounded off to the nearest rupee.

24.2 Certain prior year's figures have been reclassified for the purpose of comparison. However, there were no material reclassifications to report.

25 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on August 16, 2017.

For JS Investments Limited
(Management Company)

Hasnain Raza Nensey	M. Khawar Iqbal	M. Raza Dyer
Chief Executive Officer	Chief Financial Officer	Director

SUPPLEMENTARY NON FINANCIAL INFORMATION AS REQUIRED UNDER SECTION 6(D), (F), (G), (H), (I) AND (J) OF THE FIFTH SCHEDULE TO THE NBFC REGULATIONS

(i) UNIT HOLDING PATTERN OF THE FUND

Category	2017 Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	19,190	6,095,803	1,347,744,080	51.59
Associated companies	4	4,278,022	945,844,015	36.21
Directors and their spouse	3	1,080	238,861	0.01
Insurance companies	13	327,181	72,337,791	2.77
Banks / DFI's	32	29,805	6,589,767	0.25
Non Banking Finance Companies	16	9,959	2,201,961	0.08
Retirement funds	13	294,546	65,122,368	2.49
Public limited companies	-	-	-	-
Others	97	779,430	172,327,018	6.60
	19,368	**11,815,827**	**2,612,405,860**	**100**

Category	2016 Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	19,457	6,500,333	1,081,052,359	50.80
Executives	1	136	22,618	0.00
Associated companies	3	4,559,591	758,293,322	35.63
Directors and their spouse	4	413	68,749	0.00
Insurance companies	13	482,151	80,185,248	3.77
Banks / DFI's	19	12,285	2,043,026	0.10
Non Banking Finance Companies	30	29,446	4,897,031	0.23
Retirement funds	10	227,416	37,820,898	1.78
Public limited companies	-	-	-	-
Others	99	984,268	163,690,983	7.69
	19,636	**12,796,037**	**2,128,074,233**	**100**

(ii) LIST OF TOP 10 BROKERS BY PERCENT OF THE COMMISSION PAID

Name of broker 2017	% of commission
Js Global Capital Limited	14.05
Adam Securities Limited	10.18
Shajar Capital Pakistan (Private) Limited	5.84
Al-Habib Capital Markets (Private) Ltd	5.39
EFG Hermes Pakistan Limited	4.48
Alfalah Securities (Private) Limited	4.46
Optimus Capital Management (Pvt) Limited	4.06
Nael Capital (Pvt) Limited	3.83
Taurus Securities Limited	3.56
Insight Securities Private Limited	3.48

Name of broker s 2016	% of commission
Js Global Capital Limited	12.13
Al-Habib Capital Markets (Private) Ltd	7.36
Askari Securities Limited	6.11
Taurus Securities Limited	5.96
Shajar Capital Pakistan (Pvt.) Limited	4.68
Habib Metropolitan Financial Services Limited	4.11
Ms Maniar Financials (Pvt.) Limited	4.08
IGI Finex Securities Limited	4.03
Next Capital Limited	3.98
Foundation Securities (Private) Ltd	3.75

(iii) THE MEMBERS OF THE INVESTMENT COMMITTEE

Following are the members of Investment Committee of the Fund:

Mr. Hasnain Raza Nensey - Chief Executive Officer
Mr. Khawar Iqbal - CFO & Company Secretary
Mr. Zahid Ullah Khan - Chief Investment Officer / Head
Mr. Ali Turab Alvi - Chief Strategy Officer
Mr. Yousuf M. Farooq - Head of Research, IC Secretary

MR. HASNAIN RAZA NENSEY - CHIEF EXECUTIVE OFFICER

Mr. Hasnain Raza Nensey is the Chief Executive Officer of JS Investments Ltd since March 2017. He has an aggregate work experience of 23 years of which around 15 years has been in the Financial Industry in Pakistan. Prior to joining JSIL, he spent 11 years at UBL Fund Managers Ltd in multiple capacities namely Chief Operating Officer, Chief Financial Officer & Chief Investment Officer. Prior to 2005, Mr. Nensey was associated with the JS Group in various roles including Chief Investment Officer at JS Abamco Limited.

Mr. Nensey has a BSBA Degree with a concentration in Finance and Marketing from Boston University in Massachusetts, USA. He is also an MBA from Babson College in Massachusetts, USA which is very well known for its specialization in entrepreneurial studies.

MR. MUHAMMAD KHAWAR IQBAL, CFO & COMPANY SECRETARY

Mr. Muhammad Khawar Iqbal joined JS Investments Limited in May 2005

In March 2012, he was promoted as Company Secretary and Chief Financial Officer. Previously he was managing financial reporting and fund accounting matters of various funds under management. He has contributed a lot towards automation of Fund Accounting Management and has been key resource in designing and implementing Fund Accounting Management module in ERP system.

Prior to joining JSIL, he has a rich and diversified experience of managing financial accounting of twenty six closed end funds under management of Investment Corporation of Pakistan. ICP was established by the Government of Pakistan with objectives to encourage and broaden the base of investments, development of capital market and to promote industrial development in the country. Where, Mr. Khawar had also contributed significantly in the development and implementation of an investment scheme.

Mr. Khawar holds masters degrees in Business Administration and Economics

MR. ZAHID ULLAH KHAN - CHIEF INVESTMENT OFFICER / HEAD

Mr.Zahid Ullah Khan has joined JS Investments w.e.f September 30, 2016 as Chief Investment Officer.

Prior to his joining at JS Investments Mr. Zahid ullah Khan was associated with JS Bank Ltd. in Risk Management Group at Senior Vice President Level.

He started of his career with Pakistan State Oil in Corporate Planning Department. He joined JS Investments Ltd. in 2010 as a Senior Fund Manager till 2012. He then moved to JS Bank Ltd. in 2012 where he worked for 4 years.

He holds a Masters Degree in Business administration (class of 2000) and Economics (class of 2004) from Lahore University of Management Sciences and Masters Degree in Finance (Class of 2007) from London Business School.

MR ALI TURAB ALVI - CHIEF STRATEGY OFFICER

Mr. Syed Ali Turab Alvi joined JS Investments Limited as Chief Strategy Officer in March 2017. Overall he has an experience of 15 years under his wing.

Prior to joining at JS Investments Ltd. Mr. Alvi was associated with UBL Fund Managers Ltd. as Chief Investment Officer. He has previously served UBL Fund Managers Ltd. on multiple fronts such as the "Head of Research", "Head of Risk Management" & "Head of Strategy, and Business & Product Development".

Mr. Alvi holds a Bachelors Degree in Computer Engineering and Electrical Engineering from Cornell University, NY, USA.

MR. YOUSUF M. FAROOQ - HEAD OF RESEARCH, IC SECRETARY

Mr. Farooq has joined Js Investments Ltd. in January 2016 as the Head of Research. Previously he was working as the Head of Research at Fortune Securities Limited where had joined as a Research Analyst in the year 2012. Mr.Farooq`s main expertise are on the Equity Side and he has published many reports on various sectors. He is a graduate from "Szabist" in Business Administration and is currently a CFA Level 3 candidate.

(iv) MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

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

Name of Directors	Meetings attended	Meetings held on 12 July 2016	23 August 2016	17 October 2016	28 December 2016	14 February 2017	20 April 2017
Mr. Hasnain Raza Nensey *	1	-	-	-	-	-	1
Mr. Basir Shamsie	6	1	1	1	1	1	1
Mr. Ali Akhtar Ali **	5	1	1	1	1	1	-
Mr. Suleman Lalani	5	-	1	1	1	1	1
Mr. Asif Reza Sana	4	1	1	1	-	-	1
Mr. Kamran Jafar	4	1	-	1	1	-	1
Mr. Muhammad Raza Dyer	6	1	1	1	1	1	1
Mr. Ahsen Ahmed	4	-	-	1	1	1	1
Mr. Muhammad Yousuf Amanullah	5	1	1	1	-	1	1
		6	6	8	6	6	8

*** Mr. Hasnain Raza Nensey appointed on 01 March, 2017**
**** Mr. Ali Akhtar Ali resigned on 24 January, 2017. However, he continued to serve the Company as CEO till February 28, 2017.**

(v) MEETINGS OF AUDIT COMMITTEE

Name of Directors	Meetings attended	Meetings held on 22 August 2016	14 October 2016	08 February 2017	19 April 2017
Mr. Asif Reza Sana	4	1	1	1	1
Mr. Suleman Lalani	4	1	1	1	1
Mr. Muhammad Raza Dyer	4	1	1	1	1
		3	3	3	3

(vi) MEETINGS OF HUMAN RESOURCE AND REMUNERATION COMMITTEE

Name of Members	Meetings attended	Meetings held on 12 August 2016	24 January 2017	27 January 2017	10 February 2017	06 March 2017	03 May 2017
Mr. Hasnain Raza Nensey *	2	-	-	-	-	1	1
Mr. Basir Shamsie	5	1	1	1	1	1	-
Mr. Ali Akhtar Ali **	2	1	-	-	1	-	-
Mr. Kamran Jafar	6	1	1	1	1	1	1
Mr. Ahsen Ahmed	4	-	1	1	1	1	-
		3	3	3	4	4	2

*** Mr. Hasnain Raza Nensey appointed on 01 March, 2017**
**** Mr. Ali Akhtar Ali resigned on 24 January, 2017. However, he continued to serve the Company as CEO till February 28, 2017.**

(vii) MEETINGS OF EXECUTIVE COMMITTEE

Name of Members	Meetings attended	Meetings held on 04 October 2016	28 October 2016	10 November 2016	20 Decemebr 2016
Mr. Basir Shamsie	4	1	1	1	1
Mr. Ali Akhtar Ali *	4	1	1	1	1
Mr. Kamran Jafar	2	-	1	1	-
Mr. Muhammad Yousuf Amanullah	4	1	1	1	1
Mr. Ahsen Ahmed	-	-	-	-	-
		3	4	4	3

*** Mr. Ali Akhtar Ali resigned on 24 January, 2017. However, he continued to serve the Company as CEO till February 28, 2017.**

(viii) RATING OF THE MANAGEMENT COMPANY

JCR-VIS Credit Rating Company Limited has assigned Management Quality Rating of "AM2" (AM Two) to JS Investments Limited.
The rating denotes high management quality of the Management Company.

Summary of Actual Proxy voted by JS Growth Fund

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

Note:

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

www.jamapunji.pk

Jama Punji
سرمایہ کاری سمجھداری کے ساتھ



Be aware, Be alert, Be safe

Learn about investing at www.jamapunji.pk

Key features:

- Licensed Entities Verification
- Scam meter*
- Jamapunji games*
- Tax credit calculator*
- Company Verification
- Insurance & Investment Checklist
- FAQs Answered
- Stock trading simulator (based on live feed from KSE)
- Knowledge center
- Risk profiler*
- Financial calculator
- Subscription to Alerts (event notifications, corporate and regulatory actions)
- Jamapunji application for mobile device
- Online Quizzes

jamapunji.pk @jamapunji_pk

*Mobile apps are also available for download for android and ios devices

SECP

Jama Punji is an Investor Education Initiative of Securites and Exchange Commission of Pakistan



JS Investments Limited

7th Floor, The Forum,
G-20 Khayaban-e-Jami,
Block-9, Clifton, Karachi- 75600

Phone: +92 21 111 222 626
Fax: +92 21 35361724
E-mail: info@jsil.com
Website: www.jsil.com