



JS Growth Fund

Annual Report 2009

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Vision

To be Industry Leaders in Financial Services

Mission

Pursuit of Professional Excellence

Core Values

- Shareholder Value
- Integrity
- Commitment

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

Munawar Alam Siddiqui	Chairman
Muhammad Najam Ali	Chief Executive Officer
Ali Raza Siddiqui	
Nazar Mohammad Shaikh	
Siraj Ahmed Dadabhoy	
Lt.General (R) Masood Parwaiz	
Sadeq Sayeed	

Audit Committee

Nazar Mohammad Shaikh	Chairman
Munawar Alam Siddiqui	Member
Lt.General (R) Masood Parwaiz	Member

Chief Financial Officer & Company Secretary

Suleman Lalani

Trustee

Muslim Commercial Financial Services (Pvt) Ltd.
3rd Floor, Adamjee House,
I.I.Chundrigar Road,
Karachi-75530.

Auditors

KPMG Taseer Hadi & Co
Chartered Accountants
1st Floor, Shaikh Sultan
Trust Building # 2,
Beaumont Road, Karachi-75530.

Legal Adviser

Bawaney & Partners
Room No.404, 4th floor,
Beaumont Plaza,
Beaumont Road, Civil Lines
Karachi-75530.

Registrar

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 CERTIFICATE HOLDERS

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, 2009.

1. Review of Fund Performance

The KSE-100 Index declined by 41.72% during the year under review and closed at 7,162 points on June 30, 2009. The KSE-30 Index also witnessed similar decline of 47.15% and closed the year at 7,571 level. A detailed market review is presented in the enclosed Fund Manager Report.

JS Growth Fund posted a return of -45.02% against a benchmark return of -47.15% resulting in JSGF outperforming the benchmark by 2.13%. Whilst the fund outperformed its benchmark, the return of the fund would have been higher had we not reduced the fund's asset allocation to equities after the market freeze had been lifted on December 15, 2008. At the time we felt that a major element of systemic risk existed in the equity markets, due to the looming default on the large amount of CFS MK II and margin financing and the subsequent expected bankruptcy of a number of brokers. This potential financial Armageddon was avoided with the help of government intervention in solving the issue of margin financing. Despite government and exchange help 7 brokers defaulted over time and though this number was much lower than expected, the damage could have been very severe. Systemic meltdown was avoided and the market rebound was much sharper than expected by us. While we did miss out on the upside from the market low due to a reduced allocation to equities, we felt that on the balance of probabilities, protection of capital was the prudent stance to adopt when the level of systemic risk in the equity market was so high.

The Fund incurred a net loss of Rs. 2,282 million during the year ended June 30, 2009, including unrealized loss on investment of Rs. 997 million. The net assets of the Fund declined by 45.04 percent from Rs. 5,262 million to Rs. 2,892 million during the year under review. The net assets value as on June 30, 2009 was Rs. 9.10 per certificate compared to beginning net assets value of Rs. 16.55 per certificate.

2. Fund and Asset Manager Rating

The Fund rating methodology is presently under discussion between the Management Company and the Pakistan Credit Rating Agency (PACRA). Further, MUFAP is also in consultation with the country's two rating agencies and the SECP in terms of having a consistent and uniform rating methodology for mutual funds. Updated fund rating will be announced once a conclusion is reached on the same.

PACRA has awarded an **AM2+** asset manager rating to JS Investments Limited. The rating denotes the Company's very strong capacity to manage the risks inherent in asset management and the asset manager meets very high investment management industry standards and benchmarks.

3. Compliance

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 financial estimates are based on reasonable and prudent judgment.
- d. International Accounting 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, requirements of the Trust Deed 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. There has been no material departure from the best practices of the Code of Corporate Governance, as detailed in the listing regulations.
- h. A performance table / key financial data is given on page 09 of this annual report.
- i. The Directors have signed the Statement of Ethics and Business Practices .
- j. The number of certificates of the Fund held by the Chief Executive, directors and executives and their spouses as at June 30, 2009 are as follows:

<u>Name</u>	<u>Designation</u>	<u>Certificates Held</u>
Nazar Mohammad Shaikh	Director	1,394
Mrs. Nazar Mohammad Shaikh	-	282
Suleman Lalani	CFO & Company Secretary	1,265

- k. Summary of certificate acquired / sold during the year by the Chief Executive, directors and executives, their spouses and minor children is provided below:

<u>Name</u>	<u>Designation</u>	<u>Certificates Acquired</u>
Nazar Mohammad Shaikh	Director	1,000

- l. The value of investments of the staff provident fund of JS Investments Limited, as per the audited accounts for the year ended June 30, 2009 was Rs. 13.108 million.

4. Meetings of the Directors

During the year six meetings of the Board of Directors were held. The attendance of each director for these meetings is disclosed in the notes to the financial statements.

5. Auditors

The external auditors of the Fund, Messrs. KPMG Taseer Hadi & Co., Chartered Accountants, retire and being eligible offer themselves for reappointment. The Audit Committee of the Board of the Management Company has recommended reappointment of KPMG Taseer Hadi & Co., Chartered Accountants, as the Fund's auditors for the year ending June 30, 2010.

6. Acknowledgment

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

Karachi: 21 August, 2009

Muhammad Najam Ali
Chief Executive Officer

FUND MANAGER'S REPORT

Fund Profile

Fund type	Close end - Equity Fund
Fund launch date	06 June, 2006
Fund Assets (PKR mn)	2,892.37
Benchmark	KSE30 Index
Listing	KSE, LSE & ISE
Trustee	Muslim Comm. Fin. Services (Pvt) Ltd.
Auditors	KPMG Taseer Hadi & Co.
Risk profile	High risk
Management fee	2.00%

Investment Philosophy

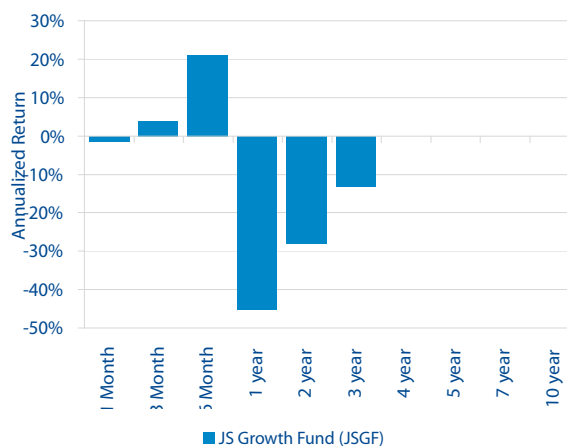
The main objective of JSGF is to enable the Certificate Holders to participate in a diversified portfolio of high quality equity securities listed on the stock exchanges and to maximize the investment return, by prudent investment management. JSGF seeks to achieve long term growth in the value of the investment that is aimed to out perform the underlying inflation rate in Pakistan as well as most of the other types of investments available. The fund during the period achieved its investment objective through its investment strategies. The investment strategy comprised of investment in fundamentally sound securities keeping in view both the market and the underlying economic sentiment in the country. The fund, during the year, outperformed the KSE30 index by 2.13%. There was no significant change in the state of affairs of the fund during the period.

Market Review FY09

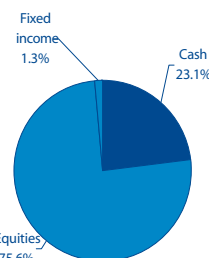
During the year under review, the KSE-100 index fell from 12,289.03 at June 30th, 2008 to 7,162.18 on June 30th, 2009, down by 41.72%. The decline was mainly on account of growing political uncertainties and worsening economic conditions. Activity in the equity market remained heavily subdued during the first half of the year after a floor mechanism was enforced by the management of the KSE on August 27th 2008 freezing scrip prices at their respective levels (the floor of the KSE-100 was set at a level of 9,144.93). Furthermore, high inflation and burgeoning fiscal and current deficits forced the country to enter into the IMF program with a loan of USD 7.6bn in order to bridge the expenditure gap. During FY09 two tranches of the IMF have been received. The tight monetary stance of the Central Bank continued into FY09. Having already raised its policy rate by 200 bps during 2HFY08, the regulator increased interest rates by another 100 bps to 13% on 30th July, 2008 and on 13th November 2008, the SBP, in an effort to bring down inflation from its 25% level, once again raised its discount rate, this time by 200 bps to 15%.

The removal of the floor mechanism on December 15th, 2008 led to strong selling pressure in the market, whereby the KSE-100 declined to a low of 4,815.34 points in January 2009. Thereafter, restoration of deposed judges, resolution of major political differences between the two leading parties and expectations of significant foreign inflows fuelled positive sentiments in the market. Declining inflation (June 09 inflation recorded at 13.13%) and a falling current account balance resulted in a 100 bps reduction (to 14%) in the policy rate by the State of Pakistan in its Monetary Policy Review on 21st April, 2009 which helped stimulate positive sentiments in the market and the KSE-100 index recovered by 58% to its closing level of 7,162.18 on June 30th 2009.

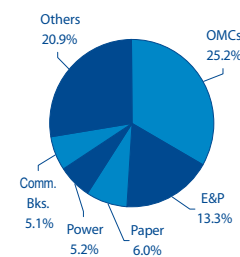
Performance (in percentage)



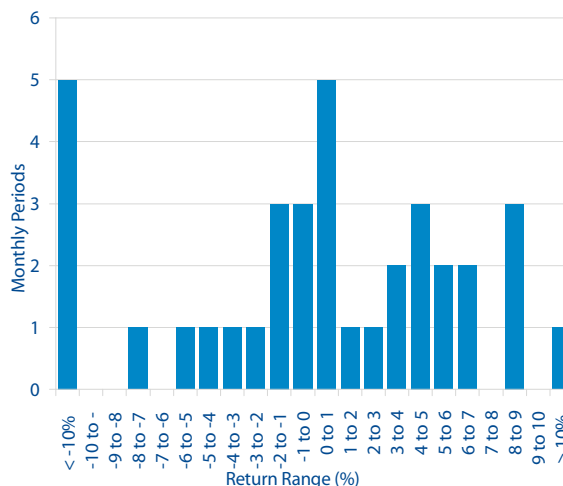
Asset Allocation



Sector Allocation



Distribution of Returns



JS Growth Fund

JS Growth Fund (JSGF)

Benchmark Analysis	Benchmark
Alpha	-0.3%
Annualized Alpha	-3.1%
Beta	0.8
Correlation	1.0
R-squared	0.9

Statistical Analysis	Fund	Benchmark
Compound ROR	-13.1%	-14.7%
Standard Deviation	32.4%	40.2%
Cumulative Return	-34.3%	-37.86%
Cumulative VAMI	657	621
Sharpe (13.00%)	-0.6	-0.5
Largest Month Gain	18.9%	25.2%
Largest Month Loss	-35.2%	-45.1%
% Positive Months	55.6%	44.4%
% Negative Months	44.4%	55.6%

Split of Certificate

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

Effects on the NAV after Split

n/a

Distribution (FY08)	in %	in PKR
Cash Dividend	10.00% on the face value of PKR 10/- per certificate	1.00

Distribution for the Year Ended June 30, 2009

The Fund has not paid any distribution for the year ended June 30, 2009.

Other Disclosures

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.

Important Information: The value of mutual fund investments may go up or down and are subject to market conditions. Past performance is not necessarily indicative of future results and annualized returns for period of less than one year can be misleading. JS Investments Limited has exercised due diligence and care in preparing the information contained herein and believes it to be reliable as of the date indicated. However no guarantee is given that it is accurate or complete. JS Investments Limited shall not be liable for any direct, indirect, special, incidental, consequential, punitive or exemplary damages or losses, including lost profits arising in any way from the information contained herein. Please consult your legal and/ or financial advisor before making any investment decisions. Information provided here is for the use of intended recipients only and the contents may not be reproduced, redistributed, or copied in whole or in part for any purpose without prior express consent of JS Investments Limited.

PERFORMANCE TABLE / KEY FINANCIAL DATA

	year			
	2009	2008	2007	2006
Net assets (Rs in 000)	2,892,372	5,262,225	5,911,986	5,540,272
Net assets value per certificate (Rs.)	9.10	16.55	18.59	17.42
Paid-up Capital (Rs. in 000)	3,180,045	3,180,045	3,180,045	3,180,045
Net (loss)/ profit for the year (Rs in 000)	(2,281,557)	(419,583)	1,413,178	1,278,324
(Loss) / earnings per certificate (Rs.)	(7.17)	(1.32)	4.44	4.02
Income Distribution (Rs in 000)	-	318,004	1,041,465	954,013
Accumulated Capital Growth (Rs. in 000)	(793,641)	1,487,916	2,225,504	1,853,790
Average Annual Return (%)				
One Year	-79%	-8%	24%	23%
Two Year	-43%	8%	23%	N/A
Three Year	-21%	13%	N/A	N/A
Dividend distribution Per Certificate				
Cash (Rs.)				
Interim	-	1.00	1.275	3.00
Date of announcement	-	Apr 24, 2008	Feb 20, 2007	May 12, 2006
2nd Interim	-	-	2.00	-
Date of announcement	-	-	May 25, 2007	-
Final	-	-	-	-

Note: Past performance is not necessarily indicative of future performance and that certificate prices and investments return may go down as well as up.

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

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of the Management Company of the **JS Growth Fund** to comply with the listing regulation of the Karachi, Lahore and Islamabad Stock Exchanges, where the Fund is listed.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors 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 of Compliance reflects the status of the Fund's compliance with the provisions of the Code of Corporate Governance and report if it does not. 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 have not carried out any special review of the internal control system to enable us to express an opinion as to whether the Board's statement on internal control covers all controls and the effectiveness of such internal controls.

Based on our review, nothing has come to our attention, which causes us to believe that the Statement of Compliance does not appropriately reflect the Fund's compliance, in all material respects, with the best practices contained in the Code of Corporate Governance.

Karachi: 21 August, 2009

KPMG Taseer Hadi & Co.
Chartered Accountants

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

This Statement is being presented in compliance with the Code of Corporate Governance (the Code) contained in the listing regulations of Karachi, Lahore and Islamabad where the Fund is listed. 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 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 (the board). Presently, the Board includes five non-executive directors.
2. The directors have confirmed that none of them is serving as a director in more than ten listed companies, including the Management Company.
3. All the directors of the Management Company have confirmed that they are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFC or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. No casual vacancy on the Board occurred during the year.
5. The Management Company has prepared a Statement of Ethics and Business Practices, which has been signed by all the directors and employees of the Management Company.
6. The Management Company has developed a vision / mission statement, overall corporate strategy and significant policies of the Fund which have been approved by the Board. A complete record of particulars of significant policies has been maintained.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the Chief Executive Officer and other 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 during the year. Written notices of the meetings of the Board of Directors, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. As required under regulation 35 (xiii a) of the listing regulations of Karachi Stock Exchange, the management company of the fund is in the process of evaluating and introducing necessary procedures and systems for related party transactions vis- -vis the pricing methods for related parties transactions, separate consideration and maintenance of records of transactions with related parties etc.
10. The Board of Directors is well aware of the requirements of the Code of Corporate Governance and had participated in orientation courses arranged by the management company in previous years. Arrangements shall also be made shortly for another orientation session.
11. During the year, there was no change of Chief Financial Officer / Company Secretary and the Head of Internal Audit. Their remuneration and terms and conditions of employment have been approved by the Board.
12. The Directors Report has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
13. The financial statements of the Fund have been prepared in accordance with the approved accounting standards as applicable in Pakistan and were duly endorsed by the Chief Executive Officer and Chief Financial Officer before approval of the Board.
14. The directors, Chief Executive Officer and executives do not hold any interest in the certificates of the Fund other than those disclosed in the Directors Report.

JS Growth Fund

15. The Management Company has complied with all other corporate and financial reporting requirements of the Code with respect to the Fund.
16. The Board has formed an Audit Committee. It comprises of three non-executive directors.
17. The meetings of the Audit Committee are held every quarter prior to approval of interim and annual results of the Fund as required by the Code. The Board has approved terms of reference of the Audit Committee.
18. The Board has set-up an effective internal audit function headed by the Head of Internal Audit & Compliance.
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 Institute of Chartered Accountants of Pakistan (ICAP), that they or any of the partners of the firm, their spouses and minor children do not hold certificates 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 to the Fund except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. We confirm that all other material principles contained in the Code have been complied with.

Karachi: 21 August, 2009

Muhammad Najam Ali
Chief Executive Officer

TRUSTEE REPORT TO THE CERTIFICATE HOLDERS

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

JS Growth Fund, 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 (Commission) 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 Muslim Commercial Financial Services (Private) Limited was appointed as the Trustee of JS Growth Fund

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, 2009 in accordance with the provisions of the following:
 - (i) the limitations imposed on the investment powers of the Management Company under the Constitutive Documents;
 - (ii) the valuation and pricing of Certificates are carried out in accordance with the requirements of the Trust Deed and the Offering Document;
 - (iii) the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and Non-Banking Finance Companies and Notified Entities Regulations, 2008; and the constitutive documents.
2. We are not aware of any material shortcoming that may have impact on the decision of the existing or the potential Certificates Holders remaining or investing in the Fund.

Khawaja Anwer Hussain
Acting Chief Executive Officer
Muslim Commercial Financial Services (Private) Limited

Karachi: 12 August, 2009

INDEPENDENT AUDITORS REPORT TO THE CERTIFICATE HOLDERS

We have audited the accompanying financial statements of **JS Growth Fund** (the Fund), which comprise of the statement of assets and liabilities as at 30 June 2009 and the income statement, distribution statement, cash flow statement, statement of changes in equity and statement of movements in equity and reserves 'per certificate' for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statement

Management Company of the Fund is responsible for the preparation and fair presentation of these financial statements in accordance with the requirements of the approved accounting standards as applicable in Pakistan. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards as applicable in Pakistan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 30 June 2009, and of its financial performance, cash flows and transactions for the year then ended in accordance with approved accounting standards as applicable in Pakistan.

Other matters

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2007 and Non-Banking Finance Companies and Notified Entities Regulations, 2008.

Karachi: 21 August, 2009

KPMG Taseer Hadi & Co.
Chartered Accountants
Amin Pirani



FINANCIAL STATEMENTS

STATEMENT OF ASSETS AND LIABILITIES AS AT 30 JUNE 2009

	Note	2009	2008
ASSETS			
Bank balances	4	704,133,820	336,439,298
Investments	5	2,224,506,651	5,006,067,047
Dividend receivable on held for trading investments		5,885,008	11,002,500
Advances, prepayments and other receivables	6	16,942,509	23,967,036
Security deposits	7	2,700,000	2,700,000
Deferred formation cost	8	621,000	945,000
Total assets		2,954,788,988	5,381,120,881
LIABILITIES			
Balance payable to the Management Company	9	5,303,814	9,510,288
Remuneration payable to the Trustee	10	208,673	308,521
Creditors, accrued and other liabilities	11	48,605,262	52,216,846
Dividend payable		-	48,560,715
Provision for taxation	12	8,299,344	8,299,344
Total liabilities		62,417,093	118,895,714
NET ASSETS	Rupees	2,892,371,895	5,262,225,167
FINANCED BY CERTIFICATE HOLDERS' EQUITY			
Certificate capital			
Issued, subscribed and paid up certificate capital	13	3,180,044,630	3,180,044,630
Reserves			
<i>Capital reserves</i>			
Certificate premium reserve	14	306,437,500	306,437,500
Reserve on amalgamation	15	200,000,000	200,000,000
<i>Revenue reserves</i>			
(Accumulated loss) / unappropriated income		(793,641,136)	1,487,915,733
(Deficit) / surplus on revaluation of available-for-sale investments	5.6	(469,099)	87,827,304
		(287,672,735)	2,082,180,537
TOTAL CERTIFICATE HOLDERS' FUND	Rupees	2,892,371,895	5,262,225,167
NET ASSETS VALUE PER CERTIFICATE	Rupees 16	9.10	16.55

The annexed notes 1 to 23 and Annexure I form an integral part of these financial statements.

For JS Investments Limited
(Management Company)

Muhammad Najam Ali
Chief Executive Officer

Munawar Alam Siddiqui
Chairman

Ali Raza Siddiqui
Director

JS Growth Fund

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

	Note	2009	2008
Income			
Return on:			
- bank deposits		77,711,404	45,545,861
- investment in debt securities (available-for-sale)		1,147,335	4,979,030
Amortization of discount on investments held as available-for-sale		417,078	-
Loss on sale of held for trading investments - net		(840,680,075)	(18,641,805)
Dividend income on available-for-sale investments		59,595,883	20,432,874
Dividend income on held for trading investments		95,589,513	175,431,277
		(606,218,862)	227,747,237
Unrealised loss on remeasurement of held for trading investments - net		(996,878,632)	(497,446,520)
		(1,603,097,494)	(269,699,283)
Expenses			
Remuneration to the Management Company	9.1	62,197,927	116,533,751
Remuneration to the Trustee	10	2,722,248	4,259,100
Annual fee to Securities and Exchange Commission of Pakistan	11.2	2,954,402	5,826,688
Securities transactions cost		1,706,573	17,166,579
Auditors' remuneration	17	705,000	670,000
Amortisation of formation cost	8	324,000	324,000
Impairment loss on available-for-sale investments	5.1	605,494,165	-
Other expenses	18	2,355,060	5,103,824
		678,459,375	149,883,942
Net loss before taxation		(2,281,556,869)	(419,583,225)
Loss for the year	<i>Rupees</i>	(2,281,556,869)	(419,583,225)
Loss per certificate - basic and diluted	<i>Rupees 19</i>	(7.17)	(1.32)

The annexed notes 1 to 23 and Annexure I form an integral part of these financial statements.

For JS Investments Limited
(Management Company)

Muhammad Najam Ali
Chief Executive Officer

Munawar Alam Siddiqui
Chairman

Ali Raza Siddiqui
Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the year	(2,281,556,869)	(419,583,225)
Adjustments for:		
Capital loss on trading in held for trading securities - net	840,680,075	18,641,805
Dividend income	(155,185,396)	(195,864,151)
Unrealised loss on remeasurement of held for trading investments - net	996,878,632	497,446,520
Impairment loss on available-for-sale investments	605,494,165	-
Amortization of discount on available-for-sale investments	(417,078)	-
Amortisation of formation cost	324,000	324,000
	6,217,529	(99,035,051)
<i>Decrease in current assets - receivables</i>	7,024,527	125,849,705
<i>Decrease in current liabilities</i>		
Remuneration payable to the Management Company	(4,206,474)	(108,781,642)
Remuneration payable to the Trustee	(99,848)	(38,184)
Creditors, accrued and other liabilities	(6,002,926)	(147,605,155)
	2,932,808	(229,610,327)
Sale of investments	957,394,800	11,639,019,678
Purchase of investments	(706,766,601)	(12,263,208,221)
Dividend received	160,302,888	208,540,262
Security deposits paid	-	(1,500,000)
	410,931,087	(417,148,281)
Cash generated from / (used in) operating activities	413,863,895	(646,758,608)
NET CASH FLOWS FROM FINANCING		
ACTIVITIES - Dividend paid	(46,169,373)	(828,158,745)
Net increase / (decrease) in cash and cash equivalents	367,694,522	(1,474,917,353)
Cash and cash equivalents at beginning of the year	336,439,298	1,811,356,651
Cash and cash equivalents at end of the year	704,133,820	336,439,298

Rupees

The annexed notes 1 to 23 and Annexure I form an integral part of these financial statements.

For JS Investments Limited
(Management Company)

Muhammad Najam Ali
Chief Executive Officer

Munawar Alam Siddiqui
Chairman

Ali Raza Siddiqui
Director

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2009**

	Issued, subscribed and paid-up certificate capital	Reserves			Total	Surplus / (deficit) on remeasurement of available-for-sale investments	Total
		Certificate premium account	Capital reserve on amalgamation	Accumulated income / (loss)			
Balance as at 01 July 2007	3,180,044,630	306,437,500	200,000,000	2,225,503,421	2,731,940,921	-	5,911,985,551
<i>Changes in equity for the year ended 30 June 2007</i>							
Loss for the period	-	-	-	(419,583,225)	(419,583,225)	-	(419,583,225)
Unrealized gain on remeasurement of available-for-sale investments (recognised directly in equity)	-	-	-	-	-	87,827,304	87,827,304
Recognised income and expense for the period	-	-	-	(419,583,225)	(419,583,225)	87,827,304	(331,755,921)
Interim dividend @ Re.1 per certificate				(318,004,463)	(318,004,463)		(318,004,463)
Balance as at 30 June 2008	3,180,044,630	306,437,500	200,000,000	1,487,915,733	1,994,353,233	87,827,304	5,262,225,167
<i>Changes in equity for the year ended 30 June 2009</i>							
Loss for the year	-	-	-	(2,281,556,869)	(2,281,556,869)	-	(2,281,556,869)
Unrealized loss on remeasurement of available-for-sale investments (recognised directly in equity)	-	-	-	-	-	(693,790,568)	(693,790,568)
Recognised income and expense for the year	-	-	-	(2,281,556,869)	(2,281,556,869)	(693,790,568)	(2,975,347,437)
	3,180,044,630	306,437,500	200,000,000	(793,641,136)	(287,203,636)	(605,963,264)	2,286,877,730
Impairment on available-for-sale investments charged to the Income Statement 5.1	-	-	-	-	-	605,494,165	605,494,165
Balance as at 30 June 2009	Rupees 3,180,044,630	306,437,500	200,000,000	(793,641,136)	(287,203,636)	(469,099)	2,892,371,895

The annexed notes 1 to 23 and Annexure I form an integral part of these financial statements.

For JS Investments Limited
(Management Company)

Muhammad Najam Ali
Chief Executive Officer

Munawar Alam Siddiqui
Chairman

Ali Raza Siddiqui
Director

DISTRIBUTION STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

	2009	2008
Undistributed income at beginning of the year (realised)	1,631,959,657	794,851,386
Accumulated loss at beginning of the year (un-realised)	<u>(144,043,924)</u>	<u>1,430,652,035</u>
	1,487,915,733	2,225,503,421
Loss for the year	(2,281,556,869)	(419,583,225)
Interim dividend NIL for the year ended 30 June 2009		
Interim dividend @ Re.1 per certificate (10%) for the year ended 30 June 2008 (24 April, 2008)	-	(318,004,463)
(Deficit) / surplus undistributed income at end of the year	<i>Rupees</i> <u>(793,641,136)</u>	<u>1,487,915,733</u>
Undistributed income at end of the year (realised)	559,627,588	1,631,959,657
Accumulated loss at end of the year (un-realised)	<u>(1,353,268,724)</u>	<u>(144,043,924)</u>
	<i>Rupees</i> <u>(793,641,136)</u>	<u>1,487,915,733</u>

The annexed notes 1 to 23 and Annexure I form an integral part of these financial statements.

For JS Investments Limited
(Management Company)

Muhammad Najam Ali
Chief Executive Officer

Munawar Alam Siddiqui
Chairman

Ali Raza Siddiqui
Director

**STATEMENT OF MOVEMENT IN EQUITY AND RESERVES PER CERTIFICATE
FOR THE YEAR ENDED 30 JUNE 2009**

	2009	2008
Net assets per certificate at beginning of the year	16.55	18.59
Capital loss on trading in marketable securities - net	(2.64)	(0.06)
Unrealised loss on investments held for trading securities	(3.13)	(1.56)
Net (loss) / gain for the year excluding capital loss and unrealised (loss) / gain on investment in held for trading securities	(1.40)	0.30
Net loss for the year - per certificate	(7.17)	(1.32)
(Deficit) / surplus on revaluation of available-for-sale investments per certificate	(0.28)	0.28
Dividend per certificate	-	(1.00)
Net assets per certificate at end of the year	<i>Rupees</i> 9.10	16.55

The annexed notes 1 to 23 and Annexure I form an integral part of these financial statements.

For JS Investments Limited
(Management Company)

Muhammad Najam Ali
Chief Executive Officer

Munawar Alam Siddiqui
Chairman

Ali Raza Siddiqui
Director

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

1. LEGAL STATUS AND NATURE OF BUSINESS

JS Growth Fund ("the Fund"), a closed-end scheme, was constituted under Trust Deed entered into between JS Investments Limited as Management Company, a listed public limited company incorporated under the Companies Ordinance, 1984 and Central Depository Company of Pakistan Limited (CDC) as a Trustee with the approval of the Securities and Exchange Commission of Pakistan (SECP) through their letter dated 5 April 2006. Thereafter, Muslim Commercial Financial Services (Private) Limited (MCFSL) was appointed as trustee of the fund with effect from 2 February 2008. The Fund is governed under Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (NBFC Rules) and Non-Banking Finance Companies and Notified Entities Regulations, 2008 issued by the Securities and Exchange Commission of Pakistan (SECP). The Fund has been approved as a notified entity by the Securities and Exchange Commission of Pakistan (SECP) on 22 January 2009. The Fund's certificates are listed on all the stock exchanges of Pakistan.

The major objective of the fund is to enable certificate holders to participate in a diversified portfolio by prudent investment management (investment return being of a combination of capital appreciation and income).

The Fund was formed as a result of the amalgamation of ABAMCO Capital Fund (ACF), ABAMCO Stock Market Fund (ASMF) and ABAMCO Growth Fund (AGF) herein after referred to as "the amalgamating funds". The Board of Directors of JS Investments Limited in their meeting held on 30 March 2005, approved the merger of ABAMCO Capital Fund, ABAMCO Stock Market Fund and ABAMCO Growth Fund into a new Fund titled as UTP-Growth Fund (now JS Growth Fund), under a scheme of arrangement for amalgamation ("the scheme") The scheme was also approved by the certificate holders of respective amalgamating funds in their separate extra ordinary general meetings held on 2 February 2006 and by the Securities and Exchange Commission of Pakistan vide letter dated 5 April 2006. The amalgamation, as per the above referred "scheme", was effective as of 31 December 2005.

ABAMCO Capital Fund, a closed end scheme was formed as a result of the merger of 1st, 3rd, 8th, 11th, 12th, 15th, 19th and 20th ICP Mutual Funds. ABAMCO Stock Market Fund, also a closed end scheme, was formed as a result of the merger of 21st, 23rd and 25th ICP Mutual Funds. ABAMCO Growth Fund (a closed end fund) was formerly the 4th ICP Mutual Fund. The management rights of the above three funds were transferred from Investment Corporation Pakistan to JS Investments Limited under a management right of transfer agreement executed on 11 October 2002 between JS Investments Limited and the Privatization Commission of the Government of Pakistan.

The registered office of JS Investments Limited is situated at 7th floor, The Forum, G-20 Khayaban-e-Jami, Block-9, Clifton Karachi, Pakistan.

Title to the assets of the fund are held in the name of Muslim Commercial Financial Services (Private) Limited as a trustee of the Fund.

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 such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984, requirements of Trust Deed, Non Banking Finance Companies (Establishment and Regulation) Rules, 2003 and Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC rules and regulations). In case, the requirements differ, the provisions or directives of the Companies Ordinance, 1984, the requirements of the Trust Deed and Non Banking Finance Companies (Establishment and Regulation) Rules, 2003, Non Banking Finance Companies and Notified Entities Regulations, 2008 shall prevail.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except that investments held for trading and available-for-sale are measured at fair values.

2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupees, which is the functional and presentation currency of the Fund and rounded to the nearest Rupees.

2.4 Initial application of a standard or an interpretation

The following standards, amendments and interpretations become effective during the current year

IFRS 7 Financial Instruments: Disclosures (effective for annual periods beginning on or after 28 April 2008) supersedes IAS 30 Disclosures in the Financial Statements of Banks and Similar Financial Institutions and the disclosure requirements of IAS 32 Financial Instruments: Disclosure and Presentation. The application of the standard did not have any impact on the Fund's financial statements other than increase in disclosures.

IAS 29 Financial Reporting in Hyperinflationary Economies (effective for annual periods beginning on or after 28 April 2008). Application of the standard did not have any effect on the Fund's financial statements.

IFRIC 13 Customer Loyalty Programmes (effective for annual periods beginning on or after 01 July 2008) The application of IFRIC 13 did not have any effect on the Fund's financial statements.

IFRIC 14 IAS 19- The Limit on Defined Benefit Asset, Minimum Funding Requirements and their interaction (effective for annual periods beginning on or after 1 January 2008). The interpretation has no effect on Fund's financial statements for the year ended 30 June 2009.

Standards, Interpretations and Amendments not yet effective

The following standards, interpretations and amendments of approved accounting standards are effective for accounting periods beginning from the dates specified below. These standards are either not relevant to the Fund's operations or are not expected to have significant impact on the Fund's financial statements other than increase in disclosures in certain cases:

Revised IAS 1 - Presentation of financial statements (effective for annual periods beginning on or after 1 January 2009)

Revised IAS 23 - Borrowing costs (effective for annual periods beginning on or after 1 January 2009)

IAS 27 Consolidated and separate financial statements (effective for annual periods beginning on or after 1 January 2009)

Amended IAS 27 Consolidated and Separate Financial Statements (effective for annual periods beginning on or after 1 July 2009)

Amendment to IAS 32 Financial Instruments: Presentation and IAS 1 Presentation of Financial Statements (effective for annual periods beginning on or after 1 January 2009) - Puttable Financial Instruments and Obligations Arising on Liquidation

Amendments to IAS 39 and IFRIC 9 - Embedded derivatives (effective for annual periods beginning on or after 1 January 2009)

The International Accounting Standards Board made certain amendments to existing standards as part of its Second annual improvement project. The effective dates for these amendments vary by standard and most will be applicable to the Fund's 2010 financial statements.

Amendments to IAS 39 Financial Instruments: Recognition and measurement - Eligible hedged items (effective for annual periods beginning on or after 1 July 2009)

Amendment to IFRS 2 Share-based Payment - Vesting Conditions and Cancellations (effective for annual periods

beginning on or after 1 January 2009)

Amendment to IFRS 2 - Share-based Payment - Group Cash-settled Share-based Payment Transactions (effective for annual periods beginning on or after 1 January 2010)

Revised IFRS 3 Business Combinations (applicable for annual periods beginning on or after 1 July 2009)

IFRS 4 - Insurance Contracts (effective for annual periods beginning on or after 1 January 2009)

Amendment to IFRS 7 - Improving disclosures about Financial Instruments (effective for annual periods beginning on or after 1 January 2009)

IFRS 8 'Operating segments' (effective for annual periods beginning on or after 1 January 2009) introduces the "management approach" to segment reporting

IFRIC 15-Agreement for Construction of Real Estate (effective for annual periods beginning on or after 1 October 2009)

IFRIC 16- Hedge of Net Investment in a Foreign Operation (effective for annual periods beginning on or after 1 October 2008)

IFRIC-17 Distributions of Non-cash Assets to Owners (effective annual periods beginning on or after 1 July 2009)

IFRIC 18 Transfers of Assets from Customers (to be applied prospectively to transfers of assets from customers received on or after 01 July 2009)

2.5 Critical accounting estimates and judgments

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by management in the application of approved accounting standards, as applicable in Pakistan, that have significant effect on the financial statements and estimates with a significant risk of material judgment in the next year are as follow:

Impairment of investment

The Fund determines that investments are impaired when there has been a significant or prolonged decline in the fair value below its cost. The determination of what is significant or prolonged requires judgment. In making this judgment, the Fund evaluates among other factors, the normal volatility in prices. In addition the impairment may be appropriate when there is an evidence of deterioration in the financial health of the invested industry and sector performance, changes in technology and operational financial cash flows (refer note 5.1 also)

Investment stated at fair value

Management has determined fair value of certain investments by using quotation from active market. Fair value estimates are made at a specific point in time, based on market conditions and information about the financial

instrument. These estimates are subjective in nature and involve uncertainties and matter of judgment (e.g. valuation, etc.) and therefore, can not be determined with precision.

Other assets

Judgment is involved in assessing the realisability of other assets balances.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Investments

3.1.1 All investments are initially recognized at cost, being the fair value of the consideration given including the transaction cost associated with the investment, except in case of held for trading investments, in which case the transaction costs are charged off to the profit and loss account.

3.1.2 The Fund classifies its investments in the following categories:

Financial asset at fair value through profit or loss

This category has two sub-categories, namely; financial instruments held for trading, and those designated at fair value through profit or loss upon initial recognition.

Investments which are acquired principally for the purposes of generating profit from short term fluctuation in price or are part of the portfolio in which there is recent actual pattern of short term profit taking are classified as held for trading.

Investments designated at fair value through profit or loss upon initial recognition include those group of financial assets which are managed and their performance evaluated on a fair value basis, in accordance with the documented risk management / investment strategy.

After initial recognition, the investments in listed equity instruments are remeasured at fair value determined with reference to Stock Exchange quoted market prices at the close of period end.

Gains or losses on investments on remeasurement of these investments are recognized in income.

Available-for-sale

Investments which do not fall under the above categories are classified as available-for-sale. After initial recognition, investments classified as available-for-sale are remeasured at fair value, determined with reference to the year-end quoted rates. Gains or losses on remeasurement of these investments are recognized directly in the certificate holders' funds until the investment is sold, collected or otherwise disposed-off, or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in certificate holders' funds is included in income.

3.1.3 Basis of valuation of Term Finance Certificates

Investments in Term Finance Certificates have been valued on the basis of period end rates quoted period end by the Mutual Fund Association of Pakistan.

Provision against non performing debt securities is made in accordance with the provisioning criteria prescribed by the Securities and Exchange Commission of Pakistan and the Fund's provisioning criteria more fully discussed in note 3.10 to these financial statements.

3.1.4 All regular way of purchases and sales of investments are recognized on the trade date i.e. the date the Fund commits to purchase / sell the investments. Regular way of purchase and sale of investments require delivery of securities within two days after the transaction, as required by the Stock Exchange Regulations.

3.2 Derivative Financial Instruments

Derivatives financial instruments held by the Fund generally comprise of futures contracts in the capital market. These are initially recognized at cost and are subsequently remeasured at their fair value. The fair value of futures contracts is calculated as being the net difference between the contract price and the closing price reported on the primary exchange of the futures contract. Derivatives with positive market values (unrealized gains) are included in other assets and derivatives with negative market values (unrealized losses) are included in other liabilities in the balance sheet. The resultant gains and losses are included in the income currently.

3.3 Securities under repurchase agreements

Transactions of purchase under resale (reverse-repo) of marketable and government securities are entered into at contracted rates for specified periods of time. Securities purchased with a corresponding commitment to resell at a specified future date (reverse repos) are not recognized in the statement of assets and liabilities. Amounts paid under these agreements are included in receivable in respect of reverse repurchase transactions. The difference between purchase and resale price is treated as income from reverse repurchase transactions and accrued over the life of the reverse-repo agreement.

3.4 Revenue recognition

Gains or loss on sale of marketable and government securities is recognised in the year in which the transaction takes place.

Dividend income is recorded at the time of the closure of share / certificate transfer book of the company / fund declaring the dividend.

Return on government securities, term finance certificates and the bank balances is recognized at effective profit rate on a time proportion basis.

3.5 Taxation

The Fund is exempt from taxation under clause 99 of Part 1 of the 2nd Schedule of the Income Tax Ordinance, 2001, subject to the condition that not less than 90% of its accounting income excluding realized and unrealised capital gains for the year is distributed amongst the certificate holders.

3.6 Provisions

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

3.7 Deferred formation cost

These represent costs incurred in connection with the formation of the Fund and are being amortised over the period of five years commencing from 06 June 2006 in accordance with the Trust Deed approved by the Securities and Exchange Commission of Pakistan.

3.8 Financial instruments

All the financial assets and financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. Any gain or loss on derecognition of the financial assets and financial liabilities is taken to income directly.

3.9 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount reported in the statement of assets and liabilities only 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.

3.10 Impairment

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of the asset.

Investments are impaired when there has been a significant or prolonged decline in the fair value below its cost. The determination of what is significant or prolonged requires judgment. In addition the impairment may be appropriate when there is an evidence of deterioration in the financial health of the invested industry and sector performance, changes in technology and operational financial cash flows.

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 income statement.

In respect of debt securities (currently comprising of term finance certificate), provision for impairment is determined in accordance with the provisioning criteria for non performing debt securities specified by the Securities and Exchange Commission of Pakistan (SECP) vide SRO circular no. 1 of 2009 dated 6 January 2009 and the provisioning criteria / policy for non performing exposure approved by the Board of Directors of the management company in accordance with the requirements of SECP vide SRO circular no. 13 of 2009 dated 4 May 2009. Amount of impairment is the higher of the amount determined with the above provisioning criterias.

The Fund's policy for provision against impaired debt securities essentially is the same as prescribed by the Securities and Exchange Commission of Pakistan (SECP). However in respect of the Pre-IPO investments and the advances (if any), it shall follow the time bands prescribed by the SECP for provision against impaired debt securities and the investment committee shall also consider additional provision keeping in view the information available of the borrower relating the financial statements, periodic announcements, etc. Full provision shall not be made against the entire balance of any of the installment in arrears (unless required as above).

3.11 Cash and cash equivalents

Cash and cash equivalents comprise of bank balances including term deposits with banks (that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value).

3.12 Other assets

Other assets are stated at cost less impairment losses, if any.

3.13 Dividend distribution and appropriation

Dividend distributions and appropriation are recorded in the period in which distributions are approved.

4. BANK BALANCES - local currency

		2009	2008
Balances with banks in:			
- profit / loss sharing accounts	4.1	401,124,280	333,402,926
- in term deposits	4.2	300,000,000	-
- current accounts		3,009,540	3,036,372
	<i>Rupees</i>	704,133,820	336,439,298

4.1 The profit / loss sharing accounts carry profit rates ranging from 5% to 19% (30 June 2008: 5% to 12%) per annum. This includes Rs. 28,367,397 (30 June 2008: Rs. 94,265,182) with a related party on which return is earned at 8.5% to 11.75% (30 June 2008 : 8.5% to 11 %) per annum.

4.2 This represents deposit with related party carrying rate ranging from 14.25% to 14.50% (30 June 2008 : Nil) per annum.

5. INVESTMENTS

		2009	2008
<i>At fair value through Profit and Loss - Held for trading</i>			
Listed equity securities	5.2	1,460,106,307	3,585,164,989
<i>Available-for-sale</i>			
Listed equity securities	5.1 & 5.3	727,580,588	1,420,902,058
Listed debt securities	5.3	36,819,756	-
	<i>Rupees</i>	2,224,506,651	5,006,067,047

5.1 International Accounting Standard 39 Financial Instruments: Recognition and Measurement (IAS 39) states that available for sale equity investments are impaired when there has been a significant or prolonged decline in the fair value below its cost. Such impairment loss is required to be transferred from equity to Income Statement.

SECP, vide SRO 150(1)/2009 dated 13 February 2009 had allowed that the impairment loss, if any, recognized as on 31 December 2008 due to valuation of listed equity investments held as Available for Sale to quoted market prices to be shown under equity. However, amount taken to equity as of 31 December 2008 including any subsequent adjustment/effect for price movements is required to be taken to Income Statement on a quarterly basis during the calendar year ending on 31 December 2009. The amount taken to equity at 31 December 2008 shall be treated as a charge to Income Statement for the purposes of distribution as dividend. At 31 December 2008, the management company of the Fund had decided to opt for the above provision and had decided to recognise the impairment loss of Rs. 840.711 million as of that date on a quarterly basis during the calendar year ending on 31 December 2009 (as adjusted for subsequent adjustment / effect for price movements as discussed above). Accordingly on the above basis, impairment loss as of 31 March 2009, was recognised during the quarter ended on that date to the extent of the 25% of the impairment loss as of that date. However, currently as of 30 June 2009, the Board of Directors of the management company of the Fund in its meeting held on 21 August 2009 have decided to recognise the entire impairment loss and not to defer the recognition of impairment loss. Accordingly, the entire remaining impairment loss of Rs. 439.043 million as of 30 June 2009 (for the three months period ended 30 June 2009) has been fully recorded in these financial statements.

(Rupees)

The detail of impairment loss recognised in income statement is provided below:

- Impairment loss as of 31 December 2008	840,710,600
- Effect of improvement in price during the period from 1 January 2009 to 30 June 2009	(235,216,435)
- Net impairment loss as of 30 June 2009 recognised in income statement	605,494,165

5.2 Held for trading - listed equity securities

Sectors / companies (Ordinary shares have a face value of Rs 10 each unless stated otherwise)		Holding at beginning of the year (1 July 2008)	Acquired during the year	Bonus / right shares received during the year	Disposed during the year	Holding at end of the year (30 June 2009)	Market/ carrying value (30 June 2009)	% of total investments
	Note	(Number of shares)						
Modarabas								
First Punjab Modaraba		238,000	-	-	238,000	-	-	-
Leasing companies								
Orix Leasing Pakistan Limited		966,000	10,000	144,900	-	1,120,900	8,967,200	0.40
Investment Bank/ Investment Companies								
Jahangir Siddiqui and Company Limited - (Related party)	5.2.1	634,870	-	1,547,674	80,000	2,102,544	48,757,995	2.19
Commercial banks								
National Bank of Pakistan		925,000	600,000	-	1,445,000	80,000	5,362,400	0.24
United Bank Limited		1,880,243	600,000	80,000	1,290,243	1,270,000	48,628,300	2.19
Bank Islami Pakistan Limited (Related party)		5,806,125	121,500	-	-	5,927,625	37,758,971	1.70
The Bank of Punjab		75	-	-	75	-	-	-
Bank Alfalah Limited		594,800	700,000	1,078,725	680,600	1,692,925	17,860,359	0.80
MCB Bank Limited		-	1,239,200	-	1,001,700	237,500	36,819,625	1.66
							146,429,655	6.59
Insurance								
EFU Life Assurance Limited (Related Party)		187,269	900	-	-	188,169	18,805,610	0.85
IGI Insurance Limited		177,743	-	88,871	-	266,614	24,005,909	1.08
Adamjee Insurance Company Limited		105,300	150,000	-	255,300	-	-	-
							42,891,519	1.93
Textile composite								
Azgard Nine Limited (Related party)		2,946,950	-	1,287,227	-	4,234,177	93,744,679	4.21
Azgard Nine Limited - Non-convertible preference shares - (Related party)		2,775,000	-	-	-	2,775,000	22,172,250	1.00
Nishat Mills Limited		-	1,550,000	550,000	1,350,000	750,000	28,365,000	1.28
							144,281,929	6.49
Sugar & allied industries								
Shahhaj Sugar Mills Limited		647,886	-	-	-	647,886	63,492,828	2.85
Cement								
Lucky Cement Limited		-	1,709,300	-	609,300	1,100,000	64,383,000	2.89
Power generation & distribution								
The Hub Power Company Limited	5.2.1	5,575,500	600,000	-	625,500	5,550,000	150,349,500	6.76
Oil and gas exploration companies								
Mari Gas Company Limited		100,000	-	-	-	100,000	14,883,000	0.67
Oil and Gas Development Company Limited		2,090,000	1,124,300	-	1,745,000	1,469,300	115,545,752	5.19
Pakistan Petroleum Limited		600,000	227,500	60,000	320,000	567,500	107,563,950	4.84
Pakistan Oilfields Limited (Related party)	5.2.2	926,400	325,000	185,280	436,680	1,000,000	145,900,000	6.56
							383,892,702	17.26
Transport								
Pakistan International Container Terminal Limited (Related Party)		1,198,716	90,000	-	-	1,288,716	68,856,096	3.10
Automobile assembler								
Honda Atlas Cars (Pakistan) Limited		1,298,900	-	-	134,900	1,164,000	14,957,400	0.67
Pak Suzuki Motor Company Limited		78,900	151,900	-	-	230,800	15,671,320	0.70
							30,628,720	1.37
Technology and communication								
Pakistan Telecommunication Company Limited		5,213,500	-	-	5,213,500	-	-	-
NetSol Technologies Limited		-	884,100	116,820	1,000,920	-	-	-
Fertilizer								
Fauji Fertilizer Bin Qasim Limited		1,500,000	-	-	1,500,000	-	-	-
Fauji Fertilizer Company Limited		-	130,000	13,000	-	143,000	12,433,850	0.56
Engro Chemical Pakistan Limited		1,987,500	-	-	1,987,500	-	-	-
							12,433,850	0.56
Pharmaceuticals								
Wyeth Pakistan Limited (face value of Rs 100 each)		36,620	-	-	-	36,620	46,177,820	2.08
GlaxoSmithKline Pakistan Limited		537,747	89,200	-	20,000	606,947	72,718,320	3.26
							118,896,140	5.34
Chemicals								
Descon Oxychem Limited		-	230,076	-	18,000	212,076	1,599,053	0.07
Paper and board								
Packages Limited		1,108,696	-	-	-	1,108,696	174,109,620	7.83
Food and Personal Care Products								
Rafhan Maize Products		-	100	-	-	100	136,500	0.01
							Rupees 1,460,106,307	65.64
Cost of held for trading investments at 30 June 2009.							Rupees 2,207,880,866	

5.2.1 This includes 1,000,000 shares pledged with National Clearing Company of Pakistan Limited against exposure calls.

5.2.2 This includes 300,000 shares pledged with National Clearing Company of Pakistan Limited against exposure calls.

5.3 Available-for-sale investments

Quoted equity securities								
Pakistan State Oil Company Limited	5.4	3,405,479	-	-	-	3,405,479	727,580,588	32.70
Quoted debt securities								
Term Finance Certificates of Azgard Nine Limited (face value of Rs 5,000/- each)	5.5	-	10,000	-	-	10,000	36,819,756	1.66
							Rupees 764,400,344	34.36
Cost of available-for-sale investments as at 30 June 2009.							Rupees 1,369,946,531	

5.4 Shares of Pakistan State Oil Company Limited were frozen / blocked by an order of the Government of Pakistan (GoP) as the same form part of the strategic shareholding under the control of GoP. As a result, the Fund was restricted from selling, transferring, encumbering or otherwise disposing off or dealing with interest in the said shares, including any future bonus / right shares in respect thereof. In respect of the said shares pertaining to all the ICP Mutual Funds Lot "A" acquired by JS Investments Limited an agreement was executed on 27 December 2002 between JS Investments Limited and GoP, whereby JS Investments Limited had authorized GoP to act on its behalf in respect of sale of the said shares for the purpose of facilitating the privatization of Pakistan State Oil Company Limited. The said agreement was extended from time to time and was last extended up to 30 June 2008. JSIL did not extend the said agreement after June 30, 2008 and based on the legal counsel's advice, the management is of the view that the agreement having expired, is of no effect. This fact was also mentioned by JSIL's legal counsel in their reply to Messrs J.P.Morgan Pakistan Limited's request on behalf of PSO for further extension of the agreement. However, the management is now evaluating all possible options in relation to the PSO shares.

5.5 These term finance certificates carry a rate of mark-up equal to the simple average six months KIBOR plus 240 basis points per annum without any floor and cap receivable semi-annually in arrears and will mature in September 2012. These term finance certificates are secured by first pari pasu charge on the present and future fixed assets of the company (excluding land and building) with 25% margin in favour of the Trustee and memorandum for creation of mortgage through deposits of title deeds on lands building in favour of the trustee of the issue. These Term finance certificates have been rated as A+ as per the MUFAP's website as of 30 June 2009.

5.6 Details of (deficit) / surplus on revaluation of available-for-sale investments are as follows:

		2009	2008
Equity securities	5.1	-	87,827,304
Term finance certificates		(469,099)	-
	<i>Rupees</i>	<u>(469,099)</u>	<u>87,827,304</u>

6. ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES

Receivable against sale of marketable securities	6.1	2,327,360	-
Advance tax		7,206,598	7,206,598
Tax refundable		5,077,515	5,077,515
Cash deposit against exposure margin with National Clearing Company of Pakistan Limited		-	10,000,000
Mark-up receivable on			
- Bank deposits		695	1,655,423
- Term finance certificates (available-for-sale)	6.2	1,737,875	-
- Term deposit accounts	6.3	592,466	-
Prepaid expenses		-	27,500
	<i>Rupees</i>	<u>16,942,509</u>	<u>23,967,036</u>

6.1 Subsequently, the amount was received by the Fund.

6.2 This represents income receivable from Azgard Nine Limited (a related party).

6.3 This represents income receivable from JS Bank Limited, a related party carrying profit rate ranging from 14.25% to 14.5% (30 June 2008: Nil) per annum.

7. SECURITY DEPOSITS

	2009	2008
Central Depository Company of Pakistan Limited	200,000	200,000
National Clearing Company of Pakistan Limited	2,500,000	2,500,000
<i>Rupees</i>	<u><u>2,700,000</u></u>	<u><u>2,700,000</u></u>

8 DEFERRED FORMATION COST

This represents expenses incurred on the formation of the JS Growth Fund mentioned in note 3.7. The Trust Deed of the Fund, approved by the Securities and Exchange Commission of Pakistan, permits the deferral of cost over a period not exceeding five years, commencing from 6 June 2006.

	2009	2008
Total formation cost at 1 July	1,620,000	1,620,000
Amortization :		
At July 1	(675,000)	(351,000)
For the year	(324,000)	(324,000)
	<u>(999,000)</u>	<u>(675,000)</u>
Balance as at 30 June	<u><u>621,000</u></u>	<u><u>945,000</u></u>

9. BALANCE PAYABLE TO THE MANAGEMENT COMPANY

Remuneration payable	9.1	4,655,814	8,147,706
Amount payable in respect of the incorporation of the Fund	9.2	648,000	972,000
Other liability		-	390,582
<i>Rupees</i>		<u><u>5,303,814</u></u>	<u><u>9,510,288</u></u>

9.1 Remuneration payable to the Management Company has been calculated at the rate of 2% on average net assets value calculated on monthly basis in accordance with the requirements of Regulation 61 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

9.2 This represents expenses incurred in respect of the incorporation of the Fund, as discussed in note 8 to these financial statements.

10. REMUNERATION TO THE TRUSTEE

The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed on the basis of the average net assets of the Fund as of the last day of each calendar month. The remuneration of the Trustee has been calculated as per following applicable tariff:

**Average net assets Tariff
(Rs. in million)**

Upto 250	0.20% per annum
250 to 500	Rs. 500,000 plus 0.15% per annum on amount exceeding Rs 250 million.
500 to 2,000	Rs. 875,000 plus 0.08% per annum on amount exceeding Rs 500 million.
2,000 to 5,000	Rs. 2,075,000 plus 0.06% per annum on amount exceeding Rs 2,000 million.
5,000 and above	Rs. 3,875,000 plus 0.05% per annum on amount exceeding Rs 5,000 million.

11. CREDITORS, ACCRUED AND OTHER LIABILITIES

		2009	2008
Payable against purchase of marketable securities	11.1	235,972	4,297,542
Settlement charges payable to Central Depository Company of Pakistan Limited		30,000	60,000
Annual fee payable to the Securities and Exchange Commission of Pakistan	11.2	2,954,402	5,826,688
Accrued expenses		1,397,744	433,814
Unclaimed dividend		43,987,144	41,595,802
Withholding tax payable		-	3,000
	<i>Rupees</i>	<u>48,605,262</u>	<u>52,216,846</u>

11.1 Subsequent to the year end, this amount was paid by the Fund.

11.2 This represents annual fee payable to SECP in accordance with the NBFC Regulations, whereby the Fund is required to pay SECP an amount as follows:

Upto 20 November 2008

- at the rate of 0.1% of the average monthly net assets of the fund in accordance with regulation 71 of NBFC regulations 2007

From 21 November 2008 onwards

- at the rate of 0.095% of the average monthly net assets of the fund in accordance with regulation 62 of NBFC regulations 2008

12. TAXATION

12.1 The income tax assessments of the former ABAMCO Stock Market Fund (formerly 21st, 23rd and 25th ICP Mutual Funds), former ABAMCO Growth Fund (formerly 4th ICP Mutual Fund) and former ABAMCO Capital Fund (formerly 1st, 3rd, 8th, 11th, 12th, 15th, 19th and 20th ICP Mutual Funds) have been finalised up to and including assessment year 2002- 2003. The tax returns in respect of the tax years 2004 and 2005 have been filed by ABAMCO Stock Market Fund, ABAMCO Growth Fund and ABAMCO Capital Fund and tax return in respect of the tax year 2006 has been filed by UTP Growth Fund, which are deemed to be assessed under section 120 of Income Tax Ordinance, 2001 unless selected for audit.

12.2 The income tax assessments of the merging funds in to JS Growth Fund have been finalised up to assessment year 2002-2003. Income tax returns have been filed in respect of Fund upto tax year 2008, which are deemed to be assessed under section 120 of Income Tax Ordinance, 2001 unless selected for audit.

12.3 Assessment by the Income Tax Department for the Assessment years from 1993-1994 to 2000-2001 are in appeals at various levels. The management is confident that the decisions in respect of the matters under appeals will be given in its favour. However, full tax provisions have been made in the financial statements on the basis of decision of appeals, appeal effect orders and assessments finalised to date.

12.4 The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule of the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the certificate holders. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the fund is required to distribute 90% of the net accounting income other than unrealized capital gains to the certificate holders. No provision has been made in these financial statements due to loss for the year.

13. ISSUED, SUBSCRIBED AND PAID-UP CERTIFICATE CAPITAL

13.1 This represents 318,004,463 (2008: 318,004,463) certificates of Rs. 10 each.

13.2 The Board of Directors of Management Company in its meeting held on 07 July 2009 has announced Repurchase Program as permitted under Circular 14 of 2009 issued by the Securities and Exchange Commission of Pakistan. Under the Repurchase Program, the Fund will repurchase upto 5,500,000 certificates at discount of not less than 20% to the net asset value. The repurchase period, excluding the closed period from 27 July 2009 to 26 August 2009, shall be from 14 July 2009 to 13 October 2009 and will be subject to the prevailing market and investment conditions.

13.3 Certificates in the Fund held by related parties are as follows :

	2009		2008	
	Certificates (Number)	Holding (%)	Certificates (Number)	Holding (%)
JS Investments Limited	36,081,424	11.35	36,080,424	11.35
JS Fund of Funds	18,651,000	5.87	9,484,000	2.98
Key Management Personnel	2,659	0.000836	1,659	0.000522
	54,735,083	17.22	45,566,083	14.33

14. CERTIFICATE PREMIUM RESERVE

This represents certificate premium on issuance of right certificates in prior years by former ABAMCO Capital Fund and former ABAMCO Growth Fund amounting to Rs. 82,687,500 and Rs. 223,750,000 respectively.

15. RESERVE ON AMALGAMATION

This represents reserve created on the amalgamation of 21st, 23rd and 25th ICP Funds into former ABAMCO Stock Market Fund. The aggregate paid up capitals of 21st, 23rd and 25th ICP Funds amounting to Rs. 700 million were reorganized and converted into paid up capital of Rs. 500 million, thereby creating a reserve of Rs. 200 million.

16. NET ASSET VALUE PER CERTIFICATE

	2009	2008
Total net assets	<i>Rupees</i> 2,892,371,895	5,262,225,167
Total certificates in issue	<i>Number</i> 318,004,463	318,004,463
Net assets value per certificate	<i>Rupees</i> 9.10	16.55

17. AUDITORS' REMUNERATION

Annual audit fee	400,000	400,000
Half yearly review fee	200,000	200,000
Fee for review of statement of compliance with the code of corporate governance	50,000	25,000
Other services	20,000	10,000
Out of pocket expenses	35,000	35,000
	<i>Rupees</i> 705,000	670,000

18. OTHER EXPENSES	2009	2008
Postage, printing and stationery	1,487,094	3,449,808
CDC fee and settlement charges	465,753	992,541
Listing fee - stock exchanges	140,000	140,000
Professional tax	100,000	100,000
Bank charges	11,159	63,971
Mutual Fund's rating fee	100,000	50,000
Professional charges	25,000	265,000
Others	26,054	42,504
	Rupees <u>2,355,060</u>	<u>5,103,824</u>

19. LOSS PER CERTIFICATE - basic and diluted

Loss for the year	Rupees <u>(2,281,556,869)</u>	<u>(419,583,225)</u>
Weighted average certificates outstanding during the year	Number <u>318,004,463</u>	<u>318,004,463</u>
Loss per certificate - basic and diluted	Rupees <u>(7.17)</u>	<u>(1.32)</u>

20. TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

20.1 Related parties comprise the following:

Related party	Relationship	Details of transactions and balances Note
JS Investments Limited	Management Company	9 & 20.3
Key Management Personnel	Directors and Head of departments of the Management Company	20.2
Jahangir Siddiqui and Company Limited	Holding Company of the Management Company	5.2
JS Global Capital Limited	Associate Company of Holding Company of the Management Company	20.3
Pakistan International Container Terminal Limited	----- do -----	5.2 & 20.3
EFU Life Assurance Company Limited	----- do -----	5.2 & 20.3
Azgard Nine Limited	----- do -----	5.2, 6.2 & 20.3
EFU General Insurance Limited	----- do -----	-
Pak American Fertilizer Limited	----- do -----	-
Network Microfinance Bank Limited	----- do -----	-
JS Bank Limited	Subsidiary of Holding Company of the Management Company	4.1, 4.2 & 20.3
JS ABAMCO Commodities Limited	Subsidiary of the Management Company	-
Muslim Commercial Financial Services (Private) Limited	Trustee of the Fund	10 & 20.4
JS Value Fund Limited	Fund managed by JS Investments Limited	-
Unit Trust of Pakistan	----- do -----	-
UTP Islamic Fund	----- do -----	-
JS Income Fund	----- do -----	-
JS Large Cap. Fund (formerly UTP Large Cap Fund)	----- do -----	-
JS Fund of Funds	----- do -----	20.3

JS Growth Fund

Related party	Relationship	Details of transactions and balances
		Note
UTP A 30+ Fund	----- do -----	-
JS Aggressive Asset Allocation Fund	----- do -----	-
JS Aggressive Income Fund	----- do -----	-
JS Capital Protected Fund	----- do -----	-
JS Capital Protected Fund II	----- do -----	-
JS Capital Protected Fund III	----- do -----	-
JS Capital Protected Fund IV	----- do -----	-
JS Islamic Pension Savings Fund	----- do -----	-
JS Pension Savings Fund	----- do -----	-
JS Principal Secure Fund I	----- do -----	-
Pakistan Oilfields Limited	Company under common directorship of the Management Company	5.2
Bankislami Pakistan Limited	----- do -----	5.2
Al Abbas Sugar Mills Limited	----- do -----	-
Eye Television Network Limited	----- do -----	-
Silk Bank Limited	----- do -----	-

20.2 Details of balances of certificates with related parties during the year are as follows:

Certificates held by:	2009 (Certificates)	2008	2009 (Rupees)	2008
- JS Investments Limited	<u>36,081,424</u>	36,080,424	<u>360,814,240</u>	360,804,240
- JS Fund of Funds	<u>18,651,000</u>	9,484,000	<u>186,510,000</u>	94,840,000
- Key Management Personnel	<u>2,659</u>	1,659	<u>26,590</u>	16,590

20.3 Details of other transactions with related parties during the year are as follows:

		2009	2008
JS Investments Limited			
- Management Company			
Dividend Paid	Rupees	<u>-</u>	<u>35,838,312</u>
JS Fund of fund			
Dividend paid	Rupees	<u>-</u>	<u>8,675,500</u>
Pak Oilfields Limited			
Dividend received	Rupees	<u>22,822,400</u>	<u>-</u>
JS Global Capital Limited			
Brokerage fee (20.3.1)	Rupees	<u>1,103,966</u>	<u>1,833,951</u>
JS Bank Limited			
Interest received	Rupees	<u>11,567,360</u>	<u>8,967,416</u>
EFU Life Assurance Limited			
Dividend received	Rupees	<u>846,761</u>	<u>374,538</u>
Pakistan International Container Terminal Limited			
Dividend received	Rupees	<u>3,866,148</u>	<u>-</u>
Azgard Nine Limited			
Dividend received	Rupees	<u>2,483,625</u>	<u>2,483,625</u>
Profit on Term Finance Certificates	Rupees	<u>1,147,335</u>	<u>-</u>
Profit receivable on Term Finance Certificates	Rupees	<u>1,737,875</u>	<u>-</u>

20.3.1 The amount disclosed represents the amount of brokerage paid to 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.

20.4 Details of balances with other related parties are as follows:

Muslim Commercial Financial Services (Private) Limited - Trustee of the Fund		2009	2008
Remuneration payable	<i>Rupees</i>	<u>208,673</u>	<u>308,521</u>
Settlement charges payable	<i>Rupees</i>	<u>30,000</u>	<u>60,000</u>

20.5 Remuneration of the Management Company and the Trustee is determined in accordance with terms disclosed in notes 9.1 & 10 respectively. Other transactions are in accordance with agreed / commercial terms

21. FINANCIAL INSTRUMENTS

Financial risk management

The Fund's objective in managing risk is the creation and protection of certificate 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 primarily invests in debt instruments and equity securities.

The Fund has exposure to following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

21.1 Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss for the Fund by failing to discharge an obligation. The risk is generally limited to principal amounts and accrued interest thereon, if any. The Fund's policy is to enter into financial contracts in accordance with the investment guidelines approved by the Investment Committee, its Trust Deed and the requirements of NBFC rules and regulations.

In summary, compared to the maximum amount included in statement of assets and liabilities, the maximum exposure to credit risk as at 30 June 2009 is as follows:

	30 June 2009		30 June 2008	
	Statement of assets and liabilities	Maximum exposure	Statement of assets and liabilities	Maximum exposure
Bank balances	704,133,820	704,133,820	336,439,298	336,439,298
Investments in held for trading	1,460,106,307	-	3,585,164,989	-
Investments in available-for-sale	764,400,344	36,819,756	1,420,902,058	-
Dividend receivable on held for trading investments	5,885,008	5,885,008	11,002,500	11,002,500
Advances and other receivables	16,942,509	4,065,235	23,939,536	10,000,000
Security deposits	2,700,000	2,700,000	2,700,000	2,700,000
<i>Rupees</i>	<u>2,954,167,988</u>	<u>753,603,819</u>	<u>5,380,148,381</u>	<u>360,141,798</u>

Differences in the balances as per the statement of assets & liabilities and maximum exposures in investments and advances & other receivables is due to the fact that equity securities amounting Rs.2,187,686,895 and receivable from tax authorities of Rs.12,284,113 are not exposed to credit risk.

Fund's credit risk is managed in the following manner:

- Where the investment committee makes an investment decision, the credit rating and credit worthiness of the issuer is taken into account along with the financial background so as to minimise the risk of default (in respect of investment securities exposed to credit risk).
- Investment transactions are carried out with a large number of brokers, whose credit worthiness is taken into account so as to minimise the risk of default.
- The risk of counterparty exposure due to failed trades causing a loss to the Fund is mitigated by periodic review of trade reports. In addition, the investment Committee is to trade only in the securities of entities with credit rating approved by external rating agencies. Details of the rating of a debt instrument is mentioned in note 5.5 to these financial statements.
- Cash is held only with reputable banks with high quality external credit enhancements.
- None of the Fund's financial assets exposed to credit risk are past due or impaired.

21.1.1 Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors affect the group of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial assets is broadly diversified and transactions are entered into with diverse credit worthy counterparties thereby mitigating any significant concentration of credit risk. Out of the total financial instrument of Rs 754 million carrying credit risk, Rs 704 million represent bank balances, Rs. 37 million represents TFCs of Azgard Nine Limited (a textile composite company, a related party), while the remaining balance of Rs. 13 million is due from entities of other economic segments.

21.2 Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial liabilities. Liquidity risk arises because of the possibility that the Fund could be required to pay its liabilities higher than expected. The Management Company manages liquidity risk by following internal guidelines of the Investment Committee such as monitoring maturities of financial assets and financial liabilities and investing in highly liquid financial assets.

The Fund is not materially exposed to liquidity risk as all obligations / commitments of the Fund are short term in nature and/or all assets of the Fund are readily disposable on the stock exchanges and over-the-counter market. In addition, the present settlement system is T+2, which means that proceeds from sales of holding will be received on the second day of the sale.

Details of the undiscounted contractual financial liabilities based on the remaining period at the balance sheet date to the contractual maturity date are given in the notes 21.3.2.2 to the financial statements. Liability payable on demand/currently payable are included in the earliest time band.

21.3 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price of securities due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market.

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

The Fund is exposed to interest rate risk and equity rate risk only.

21.3.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate exposure arises on investment in debt securities, profit and loss sharing bank balances. The Fund monitors the interest rate environment on a regular basis and alters the portfolio mix of fixed and floating rate securities. Other risk management procedures are the same as those mentioned in the credit risk management.

At the balance sheet date the interest rate profile of the Fund's interest-bearing financial instrument was as follows:

		<u>Carrying amount</u>	
		2009	2008
		(Rupees)	
Fixed rate instruments			
Financial assets	21.3.2.1	<u>300,000,000</u>	<u>-</u>
Variable rate instruments			
Financial assets	21.3.2.2	<u>437,944,036</u>	<u>333,402,926</u>

The composition of the Fund's investment portfolio, KIBOR rates and rates announced by Financial Market Association is expected to change over time. Accordingly, the actual trading results may differ from the below sensitivity analysis and the difference could be material.

21.3.2.1 Fair value sensitivity analysis for fixed rate instruments

The Fund does not account for any fixed rate financial assets at fair value through profit and loss. Therefore, a change in interest rates at the reporting date would not affect income statement and equity.

21.3.2.2 Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the year end would have increased / (decreased) the income statement and equity by Rs.76,899 (2008 : 16,554) The analysis assumes that all other variables remain constant.

Information about the Fund's exposures to mark-up / profit rate risk based on contractual repricing and maturity dates, whichever is earlier, is as follows:

	Profit (%)	30 June 2009				Total
		Profit bearing			Non mark-up / profit bearing upto three months	
		up to three months	three months to one year	more than one year		
Financial assets						
Bank balances	5 to 12.75	701,124,280	-	-	3,009,540	704,133,820
Investments	14.92	-	7,363,951	29,455,805	2,187,686,895	2,224,506,651
Dividend receivable		-	-	-	5,885,008	5,885,008
Advances and other receivables		-	-	-	4,658,396	4,658,396
Security deposits		-	-	-	2,700,000	2,700,000
		<u>701,124,280</u>	<u>7,363,951</u>	<u>29,455,805</u>	<u>2,203,939,839</u>	<u>2,941,883,875</u>
Financial liabilities						
Balance payable to the Management Company		-	-	-	5,303,814	5,303,814
Remuneration payable to the Trustee		-	-	-	208,673	208,673
Creditors, accrued and other liabilities		-	-	-	48,605,262	48,605,262
Dividend payable		-	-	-	-	-
		-	-	-	54,117,749	54,117,749
On-balance sheet gap 2009 (a)	Rupees	<u>701,124,280</u>	<u>7,363,951</u>	<u>29,455,805</u>	<u>2,149,822,090</u>	<u>2,887,766,126</u>
30 June 2008						
	Profit (%)	Profit bearing			Non mark-up / profit bearing upto three months	Total
		up to three months	three months to one year	more than one year		
Financial assets						
Bank balances	5 to 12	333,402,926	-	-	3,036,372	336,439,298
Investments		-	-	-	5,006,067,047	5,006,067,047
Dividend receivable		-	-	-	11,002,500	11,002,500
Advances and other receivables		-	-	-	11,682,923	11,682,923
Security deposits		-	-	-	2,700,000	2,700,000
		<u>333,402,926</u>	<u>-</u>	<u>-</u>	<u>5,034,488,842</u>	<u>5,367,891,768</u>
Financial liabilities						
Balance payable to the Management Company		-	-	-	9,510,288	9,510,288
Remuneration payable to the Trustee		-	-	-	308,521	308,521
Creditors, accrued and other liabilities		-	-	-	52,213,846	52,213,846
Dividend payable		-	-	-	48,560,715	48,560,715
		-	-	-	110,593,370	110,593,370
On-balance sheet gap 2008 (a)	Rupees	<u>333,402,926</u>	<u>-</u>	<u>-</u>	<u>4,923,895,472</u>	<u>5,257,298,398</u>

(a) On-balance sheet gap represents the net amounts of on-balance sheet financial instruments.

21.3.4 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 KSE-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 Fund policy is to manage price risk through diversification and selection of securities within specified limits set by internal risk management guidelines and the requirements of NBFC regulations.

The Fund manages those risk by limiting exposure to any single investee company to the extent of 10% of issued capital of that investee company with overall limit of 25% to a single industry sector (the limit set by NBFC regulations). The Fund also manages its exposure to price risk by reviewing portfolio allocation as frequently as necessary and at least once a quarter from the aspect of allocation within industry and individual stock within that allocation. The portfolio and individual stock allocation shall also be reviewed in the event of major moves in the market (more than a 10% move since last review) or any abnormal activity in any stock in the portfolio.

A summary analysis of investments by industry sector and the percentage in relation to Fund's own investment is presented in Note 5.2.

As at June 30, 2009, the fair value of equity securities exposed to price risk was as follow:

	2009	2008
Held for trading securities	1,460,106,307	3,585,164,989
Available for sale securities	727,580,588	1,420,902,058
	<i>Rupees</i> <u>2,187,686,895</u>	<u>5,006,067,047</u>

The following table illustrates the sensitivity of the net loss for the year and the equity to an increase or decrease of 10% 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 is based on the Funds' equity securities at each statement of assets and liabilities date, with all other variables held constant.

	30 June 2009	30 June 2008
Income statement for the year - held for trading investments	<i>Rupees</i> <u>146,010,631</u>	<u>358,516,499</u>
Fund's equity as at the year end	<i>Rupees</i> <u>218,768,690</u>	<u>500,606,705</u>

21.4 Certificate capital risk management

Management's objective when managing certificate holders' funds is to safe guard the Fund's ability to continue as a going concern so that it can continue to provide optimum returns to its certificate holders' and to ensure reasonable safety of certificate holders' funds.

The Fund manages its investment portfolio and other assets by monitoring return on net assets and makes adjustments to it in the light of changes in markets' conditions. In order to maintain or adjust capital structure, the fund may adjust the amount of dividend paid to certificate holders or issue of new certificate. The Fund is not exposed to the externally imposed minimum certificate capital maintenance requirement.

21.5 Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently differences can arise between carrying values and the fair value estimates.

The Fund is of the view that the fair market value of the financial assets and liabilities are not significantly different from their carrying values.

22. SUPPLEMENTARY NON FINANCIAL INFORMATION

The information regarding certificate holding pattern, top brokers, members of the Investment Committee, fund manager, meetings of the Board of Directors of the management company and rating of the Fund and the management company has been disclosed in Annexure I to the financial statements.

23. DATE OF AUTHORIZATION FOR ISSUE

These financial statement were authorized for issue by the Board of Directors of the Management Company on 21 August, 2009.

For JS Investments Limited
(Management Company)

Muhammad Najam Ali
Chief Executive Officer

Munawar Alam Siddiqui
Chairman

Ali Raza Siddiqui
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**

Annexure I

(i) **CERTIFICATE HOLDING PATTERN OF THE FUND**

Category	30 June 2009		
	Number of certificate holder	Certificate holding / investment Amount (Rupees)	% of Total
Individuals	22,604	609,934,120	19.18
Associated companies / directors	3	547,338,180	17.21
Insurance companies	20	129,809,530	4.08
Banks / DFIs	39	243,648,100	7.66
NBFCs	14	2,021,000	0.06
Retirement Funds	16	48,508,550	1.53
Public limited companies	36	119,992,840	3.77
Others	149	1,478,792,310	46.51
	22,881	3,180,044,630	100.00

Category	30 June 2008		
	Number of certificate holder	Certificate holding / investment Amount (Rupees)	% of Total
Individuals	22,437	463,095,270	14.56
Associated companies / directors	3	455,648,180	14.33
Insurance companies	18	125,726,020	3.95
Banks / DFIs	36	342,380,230	10.77
NBFCs	8	5,759,020	0.18
Retirement Funds	16	49,533,550	1.56
Public limited companies	29	4,498,040	0.14
Others	165	1,733,404,320	54.51
	22,712	3,180,044,630	100.00

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

Name of brokers	2009 % of commission paid
JS Global Capital Limited	28.84
Crosby Securities Pakistan (Pvt.) Limited	17.81
Investment Managers Securities (Private) Limited	10.28
Invisor Securities (Pvt.) Limited	7.67
KASB Securities Limited	5.43
Elixir Securities Pakistan (Pvt.) Limited	5.43
WE Financial Services Ltd.	4.38
BMA Capital Management Limited	3.52
Fortune Securities Limited	3.29
Arif Habib Limited	2.72

Name of brokers	2008 % of commission paid
Investment Managers Securities (Private) Limited	14.30
Standard Capital Securities (Private) Limited	9.94
Capital One Equities Limited	8.54
AKD Securities Limited	6.98
JS Global Capital Limited	6.33
AAG Securities (Private) Limited	5.99
Atlas Capital Markets (Private) Limited	5.47
Live Securities (Private) Limited	5.05
KASB Securities Limited	3.31
Intermarket Securities (Private) Limited	2.39

(iii) MEMBERS OF THE INVESTMENT COMMITTEE

Following are the members of the Investment Committee of the Fund:

- Mr. Muhammad Najam Ali
- Mr. Ali Raza Siddiqui
- Syed Ather Ahmed

MR. MUHAMMAD NAJAM ALI

Mr. Najam Ali joined JS Investments Limited as Chief Executive Officer in 2004. Prior to his appointment, he was the Executive Director and Head of the Non-Banking Finance Companies Department at the Securities & Exchange Commission of Pakistan (SECP) where he was involved in regulation, monitoring and enforcement for mutual funds, leasing, housing finance, investment banking, venture capital and discounting companies.

Prior to his appointment to the SECP, he served for seven years as the founding CEO of the Central Depository Company (CDC) which is Pakistan's only share depository established by Citigroup, IFC and Pakistan's stock exchanges. While at CDC, he also led the development of the National Clearing and Settlement System, which is the centralized clearing system in Pakistan for all the stock exchanges. The success of these projects has laid the foundation of a world class capital market infrastructure that has made it possible to settle enormous trading volumes witnessed in the recent years. It was due to his leadership role in Pakistan's Capital Market that has earned high praise and recognition at the national level. The Money Magazine has included his name in the list of Top Ten Capital Market Builders in Pakistan.

He has worked in various positions at the Fidelity Investment Banking including Group Financial Controller and Head of Money and Capital Markets at Fidelity Investment Bank. He has also worked with Robson Rhodes, Chartered Accountants, a member firm of the RSM Group in the UK.

He serves on the Boards of Directors of Pakistan Oilfields Limited and has also previously been a director of the National Clearing Company of Pakistan Limited and the Karachi Stock Exchange (Guarantee) Limited. He is also the Chairman of Mutual Funds Association of Pakistan.

Mr. Najam Ali holds a Bachelors degree in Economics from the University of Michigan, Ann Arbor, USA. He is a qualified Chartered Accountant and holds memberships of the Institute of Chartered Accountants in England & Wales and the Institute of Chartered Accountants of Ontario, Canada. He has also qualified as a Certified Public Accountant (CPA) in USA.

MR. ALI RAZA SIDDIQUI

Mr. Siddiqui has recently been appointed as the Chief Investment Officer in January, besides his role as an Executive Director at JS Investments Limited, which he has been associated with since 2005. Previously, he was Assistant Vice President at AIM Investments in Houston, a wholly-owned subsidiary of AMVESCAP plc.

At AIM, Mr. Siddiqui was part of a 5-person team responsible for the management of USD 60 billion in mutual fund assets. These included the AMVESCAP Global Portfolios (USD 4+ billion), Brown Brothers Investment Trust (USD 1+ billion) and STIT Treasury Portfolio (USD 10+ billion).

Mr. Siddiqui holds a Bachelors Degree from Cornell University, USA, with double majors in Economics and Government.

SYED ATHER AHMED

Mr. Ahmed joined JS Investments Limited in May 2007 and is presently looking after Investment Advisory, Products & International Business Development, Marketing, Investor Relations and Investment Finance activities of the Company. Prior to joining JSIL, Mr. Ahmed was associated with Standard Chartered Bank for almost 11 years. His last assignment with Standard Chartered was in the capacity of Director & Head of Transaction Banking, Pakistan. Prior to this, he also worked as Corporate Head of Lahore for Standard Chartered Bank.

Mr. Ahmed earned his MSc. in Accounting & Finance from London School of Economics, UK, in addition to MBA degree from Lahore University of Management Sciences.

(iv) PARTICULARS OF FUND MANAGER

Mr. Waseem Jalbani has been associated with the capital markets in Pakistan for more than 15 years. Mr. Jalbani's experience includes portfolio management for the largest private sector Asset Management Company in Pakistan, Equity Brokerage, Primary & Secondary Market Trading of Government Securities (Long & Short Term). Mr. Jalbani is Bachelor of Commerce and has been associated with JS Group in various capacities for almost 15 years. Currently, he is looking after the JS Growth Fund, JS Islamic Pension Fund and JS Pension Fund.

(v) 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:

	Dates	09 July 2008	15 Sep 2008	06 Oct 2008	24 Oct 2008	26 February 2009	22 Apr 2009
	Meeting Attended						
Name of directors							
Mr. Munawar Alam Siddiqui	6	1	1	1	1	1	1
Mr. Muhammad Najam Ali	6	1	1	1	1	1	1
Mr. Nazar Mohammad Shaikh	6	1	1	1	1	1	1
Lt. General (Retd.) Masood Parwaiz	4	1	-	1	1	1	-
Mr. Ali Raza Siddiqui	5	-	1	1	1	1	1
Mr. Sadeq Sayeed	1	-	-	-	-	1	-
Mr. Siraj A. Dadabhoy	-	-	-	-	-	-	-
Members attended		4	4	5	5	6	4

(vi) FUND AND ASSET MANAGER RATING

Pakistan Credit Rating Agency (PACRA) assigned rating of **3-Star** for the year ended June 2007. For the year ended June, 2008 the fund rating methodology is presently under discussion between the Company and PACRA. Furthermore, Mutual Fund Association of Pakistan (MUFAP) is also in consultation with the country's two rating agencies and SECP in terms of having a consistent and uniform rating methodology from mutual funds. Updated Fund rating will be announced once a conclusion is reached on rating methodology of mutual funds.

PACRA has maintained the "**AM2+**" asset manager rating to JS Investments Limited. The rating denotes the company's very strong capacity to manage the risks inherent in asset management and the asset manager meets very high investment management industry standards and benchmarks.

PATTERN OF CERTIFICATE HOLDING
As at June 30, 2009

No. of Certificate Holders	Certificate Holding		Total Certificates Held
	From	To	
3798	1	100	204,645
11303	101	500	2,900,967
3097	501	1000	2,220,181
3046	1001	5000	6,931,199
683	5001	10000	5,132,752
240	10001	15000	2,931,448
161	15001	20000	2,882,795
109	20001	25000	2,473,117
67	25001	30000	1,873,841
40	30001	35000	1,302,518
34	35001	40000	1,283,586
16	40001	45000	665,126
40	45001	50000	1,943,816
14	50001	55000	740,944
16	55001	60000	929,138
10	60001	65000	626,354
15	65001	70000	1,014,142
10	70001	75000	725,388
8	75001	80000	622,612
5	80001	85000	415,838
2	85001	90000	173,250
12	90001	95000	1,111,096
24	95001	100000	2,390,503
2	100001	105000	205,730
4	105001	110000	425,689
7	110001	115000	792,323
5	115001	120000	584,332
1	120001	125000	120,444
3	125001	130000	378,851
2	130001	135000	265,766
2	135001	140000	274,096
1	140001	145000	144,000
7	145001	150000	1,043,924
2	150001	155000	305,536
4	155001	160000	631,832
3	165001	170000	503,428
3	170001	175000	516,000
3	175001	180000	539,614
1	185001	190000	186,892
3	195001	200000	600,000
1	200001	205000	204,327
2	205001	210000	413,975
3	215001	220000	653,949
2	220001	225000	449,500
1	225001	230000	227,410
1	230001	235000	230,157
1	235001	240000	239,533
2	245001	250000	500,000
1	250001	255000	250,500
1	255001	260000	260,000
1	265001	270000	266,461
1	270001	275000	275,000
1	275001	280000	280,000
1	285001	290000	289,850
2	295001	300000	599,472
2	315001	320000	636,372
1	320001	325000	325,000
2	325001	330000	657,824
1	345001	350000	350,000
1	350001	355000	352,754
1	365001	370000	366,843

JS Growth Fund

No. of Certificate Holders	Certificate Holding		Total Certificates Held
	From	To	
2	400001	405000	808,000
1	410001	415000	414,120
2	425001	430000	856,282
1	435001	440000	436,000
3	495001	500000	1,498,000
1	500001	505000	501,057
2	530001	535000	1,061,071
1	555001	560000	560,000
1	575001	580000	575,807
1	590001	595000	593,256
1	600001	605000	601,322
1	605001	610000	606,082
1	625001	630000	626,918
1	670001	675000	670,500
1	705001	710000	709,000
1	780001	785000	785,000
1	795001	800000	796,117
1	830001	835000	831,165
1	850001	855000	851,893
2	995001	1000000	2,000,000
1	1000001	1005000	1,000,500
1	1020001	1025000	1,022,000
1	1100001	1105000	1,100,081
1	1995001	2000000	2,000,000
1	2075001	2080000	2,077,450
1	2195001	2200000	2,195,011
1	2695001	2700000	2,700,000
1	2995001	3000000	3,000,000
1	3950001	3955000	3,950,660
1	4225001	4230000	4,228,905
1	4995001	5000000	5,000,000
1	7695001	7700000	7,700,000
1	9275001	9280000	9,277,937
1	9785001	9790000	9,787,430
1	10080001	10085000	10,081,861
1	12835001	12840000	12,840,000
1	13380001	13385000	13,381,363
1	15180001	15185000	15,184,200
1	17995001	18000000	18,000,000
1	18650001	18655000	18,651,000
1	23855001	23860000	23,858,411
1	36080001	36085000	36,081,424
1	42260001	42265000	42,262,000
22881			318,004,463

S.NO.	Categories of Certificate Holders	No. of certificate Holders	Total Certificates Held	Percentage
1	Individual	22596	60,848,990	19.13
2	Investment Companies	111	59,292,724	18.65
3	Insurance Companies	20	12,980,953	4.08
4	Joint Stock Companies	39	13,533,261	4.26
5	Financial Institution	39	24,364,810	7.66
6	Modaraba & Mutual Funds	17	33,132,441	10.42
7	Foreign Investors	20	73,659,443	23.16
8	Others			
	Trust/Foundation	14	5,900,413	1.86
	Provident & Pension Funds	16	4,850,855	1.53
	Govt. Institutions	9	29,440,573	9.25
		22881	318,004,463	100.00

DISCLOSURE TO PATTERN OF CERTIFICATE HOLDING

(% of Certificate holding indicated where holding is 5% or more)

1	Associated Companies, Undertakings and Related Parties:	Certificates Held
	JS Investments Limited	11.35% 36,081,424
	JS Fund of Funds	5.87% 18,651,000
		<u>54,732,424</u>
2	NIT and ICP	
	Investment Corporation of Pakistan	189,052
	National Investment (Unit) Trust	9,996,551
		<u>10,185,603</u>
3	Banks, DFIs, NBFCs, Insurance Companies, Modarabas & Mutual Funds	13.16% <u>41,842,687</u>
4	Director, CEO and their Spouse and Minor children	
	Nazar Mohammad Shaikh	1394
	Mrs. Nazar Mohammad Shaikh	282
		<u>1676</u>
5	Executives	<u>1265</u>
6	Public Sector Companies and Corporations	<u>NIL</u>
7	Secretary Zakat & Ushr Corporations	7.50% <u>23,858,411</u>
8	Others	
	J.P. Morgan Clearing Corporation	13.29% 42,262,000
	Pearl Securities (Pvt.) Limited	5.66% 18,000,000
		<u>60,262,000</u>



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