



JS Islamic Fund

(Formerly UTP - Islamic Fund)

Annual Report 2010



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In July 2010, the Board of Directors of JS Investments Limited adopted the sustainable growth initiative "JSIL 2010 Onwards ~" proposed by the newly appointed CEO. The revised Vision, Mission, and Statement of Broad Policy Objectives of JS Investments form the bedrock of "JSIL 2010 Onwards ~" and have been framed after a thorough S.W.O.T. Analysis of the Company and assessment of the Macro-economic and Financial Market Trends.

VISION

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

MISSION

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

BROAD POLICY OBJECTIVES

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

ORGANIZATION

Management Company

JS Investments Limited
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
Rashid Mansur	Chief Executive Officer
Suleman Lalani	
Nazar Mohammad Shaikh	
Fayaz Anwar	
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

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

Auditors

M.Yousuf Adil Saleem & Co.
Chartered Accountants
Cavish Court, A-35, Block 7 & 8
KCHSU, Sharea Faisal,
Karachi – 75530, Pakistan

Legal Advisers

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

Transfer Agent

Technology Trade (Private) Limited
241-C, Block 2, P.E.C.H.S, Karachi
Tel: (92-21) 34391316-7
Fax: (92-21) 34391318

Shariah Supervisory Council

Muhammad Taqi Usmani
Sajid-ur-Rahman Siddiqui
Abdullah Najeeb-ul-Haq Siddiqui

JS Islamic Fund

(Formerly UTP - Islamic Fund)

DIRECTORS' REPORT TO THE UNIT HOLDERS

The Board of Directors of JS Investments Limited, the Management Company of JS Islamic Fund (formerly UTP – Islamic Fund) (the Fund), is pleased to present the Annual Report for the year ended June 30, 2010.

Market Review

The equity markets recovered considerably during the Fiscal Year 2010, as the KSE-30 Index surged 26.22% to close the FY10 at 9,556 points. The index rebounded sharply on the back of a lower base and continued economic improvements.

Despite a modest yet fragile economic growth, a major confidence boosting indicator has been the active injections due to foreigners' interest in Pakistan's bourse, as the net Foreign Portfolio Investment (FPI) was recorded at US\$ 556mn for FY10. Improved macroeconomic conditions, coupled with extremely attractive valuations, have been the prime drivers of the equity markets. In contrast, there exists a liquidity conundrum due to the absence of a leveraged product to cash-strapped investors, with consequent impact on average daily trading value of US\$ 84mn.

The local investors, however, still remain jittery while seeking clarity on the modalities of Capital Gains Tax (CGT) and viability of Value Added Tax's implementation. The latter's impact on already soaring inflation rates also remain a cause for concern. Nevertheless, astounding equity valuations – a 38% P/E discount to regional peers and 2010E P/E of 6.9x– packaged with possible reemergence of a keenly-awaited leveraged product are imminent key triggers to attract both foreign and local investors' interest in Fiscal Year 2011.

Review of Fund Performance

The Fund posted a return of 16.31% against a benchmark return of 41.98%, underperforming the benchmark by 25.67%.

The Fund earned net income of Rs. 66.338 million during the year ended June 30, 2010, including unrealized loss on investment of Rs. 49.518 million. The net assets of the Fund increased by 10.43 percent from Rs. 346.371 million to Rs. 382.507 million during the year under review. The net assets value as on June 30, 2010 was Rs. 69.24 per unit compared to beginning net assets value of Rs. 59.53 per unit showing an increase of 16.31 percent.

The Board of Directors of the Management Company, on July 7, 2010, has declared a stock dividend of Rs. 10.90 per unit or 18.31% of the beginning net asset value per unit of Rs. 59.53. An investor holding 100 units as on June 30, 2010 will receive 18.68 units on ex-stock dividend price of Rs. 58.34 per unit. As the above distribution is more than 90% of the realized income for the year, the income of the Fund will not be subject to tax under Clause 99 of Part I of the Second Schedule of Income Tax Ordinance, 2001.

Fund and Asset Manager Rating

The matter of mutual funds performance ratings by a rating agency is presently under discussion between MUFAP, SECP and the country's two rating agencies. Updated Fund rating will be announced by the Management Company once a conclusion is reached on the same.

The asset manager rating for JS Investments Limited is in progress and has not yet been announced by JCR – VIS Credit Rating Co. Limited. The asset manager rating for JS Investments Limited last announced by PACRA was "AM2". The said rating was subsequently withdrawn by PACRA on March 16, 2010 pursuant to JS Investments' decision to discontinue its rating relationship with PACRA with immediate effect.

Future Outlook

Mr. Rashid Mansur was appointed as the new Chief Executive Officer of your Management Company w.e.f April 01, 2010. The incoming CEO carried out a detailed SWOT Analysis of your Management Company and the Funds based on assessment of the prevailing Macroeconomic and Financial Market trends as well as their impact on the mutual fund industry, generally, and on your Management Company, specifically. Based on this, the CEO reviewed and revised the Vision, Mission, and Statement of Broad Policy Objectives of your Management Company to reposition it towards sustainable growth – This initiative has been branded as, "JSIL 2010 Onwards ~".

The CEO also reassessed the Organizational Structure and initiated certain desired changes to enhance the operational efficiency of your Management Company. These include creation of a separate and independent Risk Management, Research and Market Intelligence department; defining and augmenting the role and responsibilities of Investment Committee and Fund Managers.

We believe that a progressive and proactive approach to business will enhance the Brand Visibility of your Management Company and its products, yielding higher returns for all stakeholders. At the same time a strong Prudential Risk Management would play fundamental role in working of your Management Company.

We understand that Pakistan is passing through a challenging time on the economic front, yet we are confident that your Management Company will continue to achieve sustainable growth based on business model that aims to thrive on efficiency, innovation and transparency.

Corporate Governance and Financial Reporting Framework

The Board of Directors of the Management Company states that:

- a. The financial statements, prepared by the Management Company, present fairly the state of affairs of the Fund, the results of its operations, cash flows and movement in net assets of the Fund.
- b. Proper books of accounts of the Fund have been maintained.
- c. Appropriate accounting policies have been consistently applied in preparation of financial statements, and 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 07 of this annual report.
- i. The Directors have signed the "Statement of Ethics and Business Practices".
- j. The Chief Executive, directors and executives and their spouses do not hold any unit in the fund.
- k. No units were traded by the Chief Executive, directors and executives, their spouses and minor children during the financial year ended June 30, 2010.
- 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, 2010 was Rs. 15.978 million.

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.

Auditors

The external auditors of the Fund Messrs M. Yousuf Adil Saleem & Co., Chartered Accountants, have completed their term and therefore, retire from the office. The Audit Committee of the Board of the Management Company has recommended appointment of KPMG Taseer Hadi & Co., Chartered Accountants, as the Fund's auditors for the ensuing year ending June 30, 2011.

Acknowledgment

The Directors expresses 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 unit holders for their confidence in the Management.

Karachi: August 17, 2010

Rashid Mansur
Chief Executive Officer

FUND MANAGER'S REPORT

Investment philosophy

JS Islamic Fund [JSISF] (Formerly UTP Islamic Fund) aims to grow investor's capital in the long term in adherence with principles of Shariah compliance as advised by the Shariah Supervisory Council (SSC) of this fund while ensuring liquidity. The fund investments are limited to those approved by the Shariah Supervisory Council (SSC) and all companies under investment consideration are regularly screened for Shariah compliance.

Key information

Fund type	Open end
Category	Shariah Compliant Equity Fund
Fund launch date	27 December, 2002
Net Assets (PKR mn)	382.51
Management fee	2.00%
Trustee	Central Depository Company of Pakistan Ltd.
Auditor	M. Yousuf Adil Saleem & Co.
Risk profile	High
Listing	Lahore Stock Exchange
Benchmark	KMI-30 Index

Market Review

The equity markets recovered considerably during the Fiscal Year 2010, as the KSE-100 Index surged 36% to close the FY10 at 9721 points. The index rebounded sharply on the back of a lower base and continued economic improvements.

Despite a modest –yet fragile– economic growth, a major confidence boosting indicator has been the active injections due to foreigners' interest in Pakistan's bourse, as the net Foreign Portfolio Investment (FPI) was recorded at US\$ 556mn for FY10. Improved macroeconomic conditions, coupled with extremely attractive valuations, have been the prime drivers of the equity markets. In contrast, there exists a liquidity conundrum due to the absence of a leveraged product to cash-strapped investors, with consequent impact on average daily trading value of US\$ 84mn.

The local investors, however, still remain jittery while seeking clarity on the modalities of Capital Gains Tax (CGT) and viability of Value Added Tax's implementation. The latter's trickle down impact on already soaring inflation rates also remain a cause for concern. Nevertheless, astounding equity valuations –a 38% P/E discount to regional peers and 2010E P/E of 6.9x– packaged with possible reemergence of a keenly-awaited leveraged product are imminent key triggers to attract both foreign and local investors' interest in Fiscal Year 2011.

Fund vs Benchmark Comparison

	1M	1Y	2Y	3Y	Launch
Fund	-0.55	16.31	-33.77	-40.20	51.97
Benchmark	1.83	41.98	-9.90	-9.07	n/a
Difference	-2.38	-25.67	-23.87	-31.13	n/a

Distribution for the Year Ended June 30, 2009

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

Distribution for the Year Ended June 30, 2010

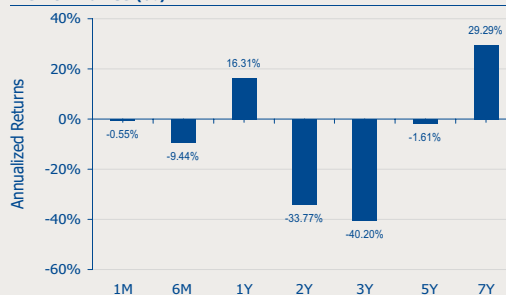
Stock dividend of Rs. 10.90 has been announced for JS Islamic Fund.

Effects on the NAV after Distribution

NAV per unit as on June 30, 2010

Cum NAV (PKR)	69.24
Ex-NAV (PKR)	58.34

Performance (%)



Asset allocation (%)

	Jun-10
Cash	17.70
Equity	81.61
Other including receivables	0.69

Total 100.00

Equity sector breakdown (%)

	Jun-10
Oil & Gas	34.23
Construction & Materials	15.04
Chemicals	13.23
Banks	10.37
Personal Goods	6.70
Others	2.04
Total	81.61

Statistical analysis

	Fund	Benchmark
Beta	0.8	1.0
Standard Deviation	23.0%	28.9%
Largest Month Gain	11.9%	20.2%
Largest Month Loss	-28.7%	-37.1%
% Positive Months	65.9%	58.9%

Investment Committee Members

Mr. Rashid Mansur - Chief Executive Officer
Mr. Suleman Lalani - Executive Director & CFO
Mr. Wasim Jalbani - Fund Manager

Split of Units

Par Value (PKR) Before 500 After 100

Due to Par Value change, existing 1 (one) JS ISF unit was subdivided into 5 (five) JS ISF units.

Effects on the NAV after Split (Dated: 19 Feb 2010)

NAV Befor Split	388.94
NAV After Split	77.79

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.

Disclaimer: This publication is for informational purposes only and nothing herein should be construed as a solicitation, recommendation or an offer to buy or sell any fund. All investments in mutual funds are subject to market risks. The NAV based prices of units and any dividends/returns thereon are dependent on forces and factors affecting the capital markets. These may go up or down based on market conditions. Past performance is not necessarily indicative of future results.

PERFORMANCE TABLE / KEY FINANCIAL DATA

	2010	2009	2008	2007	2006	2005	2004	2003
Net assets - Rupees in '000	382,507	346,371	792,963	916,369	863,984	947,203	641,912	455,281
Total realized income / (loss) - Rupees in '000	110,550	(186,694)	96,080	197,818	344,708	201,367	77,853	47,560
Total unrealized (loss) / gain in portfolio - Rupees in '000	(49,518)	(71,960)	(129,261)	21,601	(95,113)	(125,971)	83,366	30,686
Total expenses - Rupees in '000	16,502	11,360	32,184	37,451	33,737	36,547	26,686	8,100
Net income / (loss) - Rupees in '000	66,338	(270,014)	(65,365)	181,968	215,858	38,849	134,532	70,146
Total expense to net assets ratio (%)	4.31	3.28	4.06	4.09	3.90	3.86	4.16	1.78
Total dividend distribution - Rupees in '000	60,212	-	-	187,262	207,148	74,984	78,783	33,244
Accumulated capital growth - Rupees in '000	(269,321)	(275,447)	(5,433)	59,932	65,226	56,516	92,651	36,902
Outstanding Units								
Units in issue June 30th - Number	5,524,029	5,818,555	7,591,825	6,299,615	5,523,955	7,498,410	4,634,305	4,155,565
Data Per Unit								
Net assets value - Rupees	69.24	59.53	104.45	145.46	156.41	126.32	138.51	109.56
Net income / (loss) - Rupees	12	(46)	(9)	29	39	5	29	17
Stock / cash dividend - Rupees	10.90	-	-	29.73	37.50	10.00	17.00	8.00
Date of announcement of stock / cash dividend	July 7, 2010	July 7, 2009	July 9, 2008	July 7, 2007	July 8, 2006	July 9, 2005	July 12, 2004	July 12, 2003
Dividend as % of NAV at the beginning of the year	18.31	-	-	25.00	32.24	8.22	16.73	8.00
Selling price as at June 30 - Rupees	71.32	61.32	107.58	149.83	161.10	130.15	142.70	112.85
Repurchase price as at June 30 - Rupees	69.24	59.53	104.45	145.46	156.41	126.30	138.50	109.55
Highest issue price during the year - Rupees	85.29	101.81	131.70	150.38	199.65	150.85	150.30	119.15
Lowest issue price during the year - Rupees	62.25	49.70	101.14	115.28	117.90	107.20	112.70	102.95
Highest redemption price during the year - Rupees	82.80	98.85	127.86	146.00	193.83	147.85	147.30	116.76
Lowest redemption price during the year - Rupees	60.44	48.25	98.19	111.92	114.40	105.05	110.45	100.90

- The income distribution have been shown against the year to which they relate although these were declared and distributed subsequently to the year end.

- JS Islamic Fund (formerly UTP - Islamic Fund) was launched on December 2002.

- All previous years' figures have been restated due to change in par value from Rs. 500 to Rs. 100 with effect from February 20, 2010.

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

JS Islamic Fund

(Formerly UTP - Islamic Fund)

REVIEW REPORT TO THE UNIT HOLDERS ON STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF THE 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 JS Investments Limited, the management company of **JS Islamic Fund** (Formerly UTP – Islamic Fund) (the Fund) to comply with the Listing Regulation No. 35 (Chapter XI) of the Lahore Stock Exchange, 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 personnel and review of various documents prepared by the management to comply with the Code.

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

Further, a Sub-Regulation (xiii a) of Listing Regulation No. 35 requires the Company to place before the Board of Directors for their consideration and approval related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price recording proper justification focusing such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the audit committee. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the Board of Directors and placement of such transactions before the audit committee. We have not carried out any procedures to determine whether the related party transactions were under taken at arm's length price or not.

Based on our review, nothing has come to our attention, which causes us to believe that the Statement 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 as applicable to the Fund for the year ended June 30, 2010.

Karachi: August 17, 2010

M. Yousuf Adil Saleem & Co.
Chartered Accountants

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED JUNE 30, 2010

This Statement is being presented in compliance with the Code of Corporate Governance ('the Code') contained in the listing regulations of Lahore Stock Exchange 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 (Management Company) which manages the affairs of the Fund has applied the principles contained in the Code in the following manner:

1. The Management Company encourages representation of independent non-executive directors. Presently, the Board of Directors (Directors) includes five non-executive directors.
2. The directors of the Management Company 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. During the year Mr. Muhammad Najam Ali, CEO, Mr. Ali Raza Siddiqui, Executive Director and Mr. Siraj Ahmed Dadabhoy, Director tendered their resignation and Mr. Rashid Mansur, CEO, Mr. Suleman Lalani, Executive Director and Mr. Fayaz Anwar, Director were appointed to fill the casual vacancies after obtaining prior approval from SECP.
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, 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. The Management Company has established adequate procedures and systems for related party transactions vis-à-vis the pricing method for related party transactions. All the related party transactions are placed before the Audit Committee and the Board of Directors for their review and approval.
10. The Board of Directors is well aware of the requirements of the Code of Corporate Governance However arrangements will also be made shortly for an orientation session.
11. During the year, there was no change of Chief Financial Officer / Company Secretary. His remuneration and terms and conditions of employment have been approved by the Board. The Head of Internal Audit resigned on 11 June 2010 and the Management Company is in the process to fill the said vacancy.
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 units of the Fund other than those disclosed in the Directors' Report.

JS Islamic Fund

(Formerly UTP - Islamic 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 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 and 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 shares of the Company 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 Company 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: August 17, 2010

Rashid Mansur
Chief Executive Officer

REPORT OF THE SHARIAH SUPERVISORY COUNCIL

Shariah Audit Report for the year 2009-2010

The SSC of JS Investments, through its two members, on request of the management made a review of the documents and financial statements for the year 2009-2010.

Overall transactions were found compliant with Shariah principles as explained by the SSC except the following observation:

It was highlighted in the last year's report that

"the Fund deals in shares (buy & sell) which it has some holding. To identify whether the shares sold are the same which are bought the same day or are from the stock the Fund already has, it is now being instructed that the fund should use different brokers for this purpose and also attach CDC statement, unique ID with the sales proceeds."

It is recommended that the above instruction should be strictly followed.

Furthermore, the Fund should use the half-yearly (December) and annual (June) report to screen the shares whether it is Shariah compliant or not.

Justice Muhammad Taqi Usmani
Chairman

Dr. Sajidur Rahman Siddiqi
Member

Abdullah Siddiqi
Member

Karachi: September 9, 2010

INDEPENDENT ASSURANCE PROVIDER'S REPORT ON SHARIAH COMPLIANCE TO UNITHOLDERS

We have performed our independent assurance engagement of JS Islamic Fund (formerly UTP Islamic Fund) (the Fund) to assess the Fund's compliance with Shariah guidelines prescribed by the Shariah Supervisory Council of the Fund for the year ended June 30, 2010.

Management Company's Responsibility

Management Company of the Fund is responsible for the appointment of Shariah Supervisory Council of the Fund and for compliance with the Shariah guidelines prescribed by the Shariah Supervisory Council. This responsibility includes: designing, implementing and maintaining internal control to ensure compliance with Shariah guidelines issued by the Shariah Supervisory Council of the Fund.

Responsibility of independent assurance providers

Our responsibility is to express our conclusion on the compliance based on our independent assurance engagement, performed in accordance with the International Standards on Assurance Engagements (ISAE 3000) 'Assurance engagements other than Audits or Reviews of Historical Financial Information'. This standard requires that we comply with ethical requirements and plan and perform the engagement to obtain reasonable assurance whether the Fund has complied with the guidelines issued by the Shariah Supervisory Council.

The procedures selected depend on our judgement, including the assessment of the risks of material non-compliances with the Shariah guidelines. In making those risk assessments, we have considered internal controls relevant to the entity's compliance with the guidelines in order to design our procedures that are appropriate in the circumstances, for gathering sufficient appropriate evidence to determine that the Fund was not materially non-compliant with the guidelines. Our engagement was not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

Conclusion

In our opinion, the Fund was, in all material respects, in compliance with the Shariah guidelines issued by the Shariah Supervisory Council of the Fund for the year ended June 30, 2010.

Karachi: September 9, 2010

M. Yousuf Adil Saleem & Co.
Chartered Accountants

TRUSTEE REPORT TO THE UNIT 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

The Unit Trust of Pakistan (the Fund), an open-end fund was established under a trust deed dated April 26, 1997, executed between JS Investments Limited, as the Management Company and Muslim Commercial Financial Services (Private) Limited (MCFSL), as the Trustee.

As per deed of change of trustee and amendment of trust deed dated June 11, 2005 MCFSL retired as the trustee and Central Depository Company of Pakistan Limited was appointed as the Trustee of the Fund.

In our opinion, the Management Company has in all material respects managed the Fund during the year ended June 30, 2010 in accordance with the provisions of the following:

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

Karachi: September 23, 2010

Muhammad Hanif Jakhura
Chief Executive Officer
Central Depository Company of Pakistan Limited

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS

We have audited the accompanying financial statements of JS Islamic Fund (formerly UTP Islamic Fund) (the Fund) for the year ended June 30, 2010 which comprises the statement of assets and liabilities, income statement, statement of comprehensive income, statement of movement in unit holders' fund, distribution statement and cash flow statement together with a summary of significant accounting policies and other explanatory notes, for the year then ended, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.

Management's responsibility for the financial statements

JS Investments Limited (the management company) of the Fund is responsible for the preparation and fair presentation of these financial statements in accordance with the requirements of the Trust Deed, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations) and the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the Rules) and 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' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the state of the Fund's affairs as at June 30, 2010, 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 Trust Deed, Non-Banking Finance Companies and Notified Entities Regulations, 2008 and Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003.

Karachi: August 17, 2010

M. Yousuf Adil Saleem & Co.
Chartered Accountant

Engagement Partner
Nadeem Yousuf Adil



FINANCIAL STATEMENTS

**STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2010**

	Note	June 30, 2010 Rupees	June 30, 2009 Rupees
Assets			
Investments	3	317,854,376	269,392,405
Bank balances	4	68,937,204	72,335,459
Dividend and other receivables	5	85,868	8,466,280
Security deposits	6	2,600,000	2,600,000
Total assets		389,477,448	352,794,144
Liabilities			
Remuneration payable to the management company		63,365	568,685
Remuneration payable to the trustee		64,762	57,605
Annual fee payable to the Securities and Exchange Commission of Pakistan		427,520	431,782
Accrued and other liabilities	7	3,588,304	5,353,695
Amount payable on redemption of units		2,814,939	-
Unclaimed dividend		11,533	11,533
Total liabilities		6,970,423	6,423,300
Net assets		382,507,025	346,370,844
Unit holders' funds (as per statement attached)		382,507,025	346,370,844
No. of units			
Number of units in issue	8	5,524,029	5,818,554
Rupees			
Net assets value per unit	8	69.24	59.53

The annexed notes from 1 to 23 form an integral part of these financial statements.

For JS Investments Limited
(Management Company)

Rashid Mansur
Chief Executive Officer

Munawar Alam Siddiqui
Chairman

**INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2010**

	Note	June 30, 2010 Rupees	June 30, 2009 Rupees
Income			
Net gain / (loss) on sale of marketable securities		110,550,333	(274,662,167)
Diminution on remeasurement of investments at fair value through profit or loss - held-for-trading		(49,517,741)	(71,959,905)
		61,032,592	(346,622,072)
Dividend income		14,499,490	16,404,127
Return on:			
- bank balances		6,666,957	12,362,986
- debt securities - SUKUK		167,636	946,851
Amortisation of discount on investments		31,437	210,326
Element of income / (loss) and capital gain / (losses) in prices of units issued less those in units redeemed - net		442,438	59,031,488
		82,840,550	(257,666,294)
Expenses			
Remuneration to the management company	9	9,000,431	8,758,273
Remuneration to the trustee	10	900,040	896,171
Annual fee to Securities and Exchange Commission of Pakistan	11	427,520	431,782
Bank and settlement charges		265,910	50,679
Listing fee		55,000	30,000
Auditors' remuneration	12	492,000	415,000
Securities transaction cost		3,678,914	1,489,294
Provision against Workers' Welfare Fund	13	1,353,840	-
Mutual fund rating fee		100,000	100,000
Legal charges		25,000	-
Printing and stationery		203,549	176,970
		16,502,204	12,348,169
Net income / (loss) for the year carried forward to distribution statement		66,338,346	(270,014,463)

The annexed notes from 1 to 23 form an integral part of these financial statements.

For JS Investments Limited
(Management Company)

Rashid Mansur
Chief Executive Officer

Munawar Alam Siddiqui
Chairman

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2009**

	June 30, 2010 Rupees	June 30, 2009 Rupees
Net income / (loss) for the year	66,338,346	(270,014,463)
Other comprehensive income for the year		
Appreciation on remeasurement of available-for-sale investments to fair value - net	-	749,599
Appreciation on remeasurement of available-for-sale investments to fair value transferred to income statement on sale	(749,599)	-
Total comprehensive income / (loss) for the year	65,588,747	(269,264,864)

The annexed notes from 1 to 23 form an integral part of these financial statements.

For JS Investments Limited
(Management Company)

Rashid Mansur
Chief Executive Officer

Munawar Alam Siddiqui
Chairman

CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2010

	June 30, 2010 Rupees	June 30, 2009 Rupees
Cash flows from operating activities		
Net income / (loss) for the year	66,338,346	(270,014,463)
Adjustments for:		
Net (gain) / loss on sale of marketable securities	(110,550,333)	274,662,167
Diminution on remeasurement of investments in held-for-trading securities	49,517,741	71,959,905
Dividend income	(14,499,490)	(16,404,127)
Return on		
- bank balances	(6,666,957)	(12,362,986)
- debt securities - SUKUK	(167,636)	(946,851)
Amortisation of discount on investments	(31,437)	(210,326)
Element of (income) / loss and capital (gain) / losses in prices of units issued less those in units redeemed - net	(442,438)	(59,031,488)
	(16,502,204)	(12,348,169)
Decrease / (increase) in assets		
Other receivables	6,381,862	(6,659,951)
Increase / (decrease) in liabilities		
Remuneration payable to the management company	(505,320)	(754,554)
Remuneration payable to the trustee	7,157	(74,622)
Annual fee payable to Securities and Exchange Commission of Pakistan	(4,262)	(461,521)
Accrued and other liabilities	(1,765,391)	(39,192,410)
Amount payable on redemption of units	2,814,939	(161,724)
	547,123	(40,644,831)
	(9,573,219)	(59,652,951)
Sale of investments	942,026,514	399,789,378
Purchase of investments	(928,338,088)	(266,736,109)
Dividend received	14,904,490	20,619,127
Return on bank balances received	6,592,176	12,570,715
Net cash generated from operating activities	25,611,873	106,590,160
Cash flows from financing activities		
Amounts received on issue of units	69,214,194	19,806,798
Amounts paid on redemption of units	(98,224,322)	(138,102,456)
Net cash used in financing activities	(29,010,128)	(118,295,658)
Net decrease in cash and cash equivalents during the year	(3,398,255)	(11,705,498)
Cash and cash equivalents at beginning of the year	72,335,459	84,040,957
Cash and cash equivalents at end of the year	68,937,204	72,335,459

The annexed notes from 1 to 23 form an integral part of these financial statements.

For JS Investments Limited
(Management Company)

Rashid Mansur
Chief Executive Officer

Munawar Alam Siddiqui
Chairman

**STATEMENT OF MOVEMENTS IN UNIT HOLDERS' FUND
FOR THE YEAR ENDED JUNE 30, 2010**

	June 30, 2010 Rupees	June 30, 2009 Rupees
Net assets at the beginning of the year	346,370,844	792,962,854
Amounts received on issue of * 1,023,113 (2009: 240,970) units	69,214,194	19,806,798
Amounts paid / payable on redemption of * 1,317,638 (2009: 2,014,240) units	(98,224,322)	(138,102,456)
	(29,010,128)	(118,295,658)
Element of (income) / loss and capital (gain) / losses in prices of units issued less those in units redeemed - net	(442,438)	(59,031,488)
Net income / (loss) for the year	66,338,346	(270,014,463)
Appreciation on remeasurement of available-for-sale investments to fair value - net	-	749,599
Appreciation on remeasurement of available-for-sale investments to fair value transferred to income statement on sale	(749,599)	-
Net assets at the end of the year	382,507,025	346,370,844
Net assets value per unit at the beginning of the year	59.53	104.45
Net assets value per unit at the end of the year	69.24	59.53

* The number of units have been restated due to change in par value of units from Rs. 500 to Rs. 100 per unit. The par value was changed with effect from February 20, 2010.

The annexed notes from 1 to 23 form an integral part of these financial statements.

For JS Investments Limited
(Management Company)

Rashid Mansur
Chief Executive Officer

Munawar Alam Siddiqui
Chairman

**DISTRIBUTION STATEMENT
FOR THE YEAR ENDED JUNE 30, 2010**

	June 30, 2010 Rupees	June 30, 2009 Rupees
Undistributed (loss) / income brought forward		
- Realised (loss) / income	(168,539,831)	123,794,874
- Unrealised loss	(106,908,204)	(129,228,446)
	(275,448,035)	(5,433,572)
Net income / (loss) for the year	66,338,346	(270,014,463)
Undistributed loss carried forward	(209,109,689)	(275,448,035)
Representing:		
- Realised loss	(93,810,659)	(168,539,831)
- Unrealised loss	(115,299,030)	(106,908,204)
	(209,109,689)	(275,448,035)

The annexed notes from 1 to 23 form an integral part of these financial statements.

For JS Investments Limited
(Management Company)

Rashid Mansur
Chief Executive Officer

Munawar Alam Siddiqui
Chairman

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

1. LEGAL STATUS AND NATURE OF BUSINESS

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

The management company of the Fund has obtained license to act as an Asset Management Company under the Rules from SECP. The registered office of the management company is situated at 7th Floor, The Forum, G-20, Khayaban-e-Jami, Block 9, Clifton, Karachi

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

As per supplemental Trust Deed dated January 28, 2010 approved by Securities and Exchange Commission of Pakistan following significant changes have been made:

- the name of the fund has been changed from UTP Islamic Fund to JS Islamic Fund.
- face value of the units issued by the fund has been changed from Rs. 500 per unit to Rs. 100 per unit effective from February 20, 2010.

The Fund is an open ended mutual fund and is listed on Lahore Stock Exchange. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund.

Title to the assets of the fund are held in the name of Central Depository Company of Pakistan Limited as a trustee of the fund.

The financial statements are presented in Pak Rupees, which is the Fund's functional and presentation currency.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 Standard effective and adopted in current year

IAS 1 - Presentation of financial statements (Revised)

January 01, 2009

IAS 1 (revised), 'Presentation of financial statements'. The revised standard prohibits the presentation of items of income and expenses (that is, 'non-owner changes in equity') in the statement of changes in equity. It requires non-owner changes in equity to be presented separately from owner changes in equity. All non-owner changes in equity are required to be shown in a performance statement, but entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income). The Fund has applied IAS 1 (revised) from July 1, 2009, and has elected to present two statements (the income statement and statement of comprehensive income).

Improving Disclosures about Financial Instruments (Amendments to IFRS 7 Financial Instruments: Disclosures)

January 01, 2009

The amendments to IFRS 7 expand the disclosures required in respect of fair value measurements and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy. The Company has elected not to provide comparative information for these expanded disclosures in the current year in accordance with the transitional reliefs offered in these amendments.

2.3 New accounting standards and IFRS interpretations that are not yet effective

The following International Financial Reporting Standards and Interpretations as notified by the Securities and Exchange Commission of Pakistan are only effective for accounting periods, beginning on or after the date mentioned against each of them :

IFRS 9 - Financial Instruments	Effective from accounting period beginning on or after January 01, 2013
Amendments to IFRS 2 - Share based Payment	Effective from accounting period beginning on or after January 01, 2010
Amendments to IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations	Effective from accounting period beginning on or after January 01, 2010
Amendments to IAS 7 - Statement of Cash Flows	Effective from accounting period beginning on or after January 01, 2010
Amendments to IAS 17 - Leases	Effective from accounting period beginning on or after January 01, 2010
Amendments to IAS 24 - Related Party Disclosures	Effective from accounting period beginning on or after January 01, 2010

2.4 Basis of preparation

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

The principal accounting policies adopted are set out below:

2.5 Cash and cash equivalents

Cash and cash equivalents comprise of bank balances. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash.

2.6 Investments

All investments are initially recognised at cost being the fair value of the consideration given including transaction cost associated with investment excluding that pertaining to held-for-trading securities which are charged to income statement.

The management of the Fund determines the appropriate classification of its investments at the time of purchase and classifies these investments as held-for-trading, held-to-maturity or available-for-sale.

Investments at fair value through profit or loss - held-for-trading

An investment that is acquired principally for the purpose of generating profit from short-term fluctuations in prices is classified as "fair value through profit or loss held-for-trading". Subsequent to initial recognition these are re-measured at fair value with reference to quoted market price and the resultant gain or loss on remeasurement of value of investment is recognised in the income statement.

Held-to-maturity

These are securities with fixed or determinable payments and fixed maturity that the Fund has the positive intent and ability to hold to maturity and are subsequently measured at amortised cost, less any impairment loss recognised to reflect irrecoverable amounts.

Available-for-sale

Other investments are classified as "available-for-sale". Subsequent to initial recognition, these are remeasured at fair value with reference to quoted rates and the resultant gain or loss is recognised directly in unit holders' fund until the investment is derecognised or determined to be impaired at which time the cumulative gain or loss previously recognised in unit holders' fund is taken to the income statement.

- Debt securities

A debt security whether traded or not shall be valued at the rate, notified by the Mutual Funds Association of Pakistan (MUFAP) based on the methodology prescribed by the SECP.

All regular purchases / sales of investments are recognised on the trade date i.e. the date that the Fund commits to purchase / sell the investments. Purchases / sales of investments require delivery of securities within the time frame established by the regulations. i.e. T+2.

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

2.7 Payables and accruals

Payables and accruals are carried at cost which is the fair value of consideration to be paid in the future for the services received whether billed or not to the Fund.

2.8 Provisions

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

2.9 Financial instruments

Financial assets and financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the Fund loses control of the contractual rights that comprises that financial assets. Financial liabilities are derecognised when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on derecognition of the financial assets and financial liabilities is taken to income currently.

At the time of initial recognition, all financial assets and financial liabilities are measured at fair value. All the financial assets and financial liabilities are recognised at the time when the Fund becomes a party to the contract. The particular recognition method adopted for measurement of financial assets and financial liabilities investments subsequent to initial recognition is disclosed in the individual policy statement associated with each item.

2.10 Impairment of financial assets

An assessment is made at each statement of assets and liabilities date to determine whether there is objective evidence that a specific financial asset may be impaired. If any such evidence exists, impairment loss is recognised in the income statement. For available-for-sale equity investments reversal of impairment losses are recorded as increases in cumulative changes in fair value through unit holders' fund. In addition, a provision is made to cover impairment for specific groups of assets where there is a measurable decrease in estimated future cash flows.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of estimated cash flows discounted at the original effective interest rate. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. All impairment losses are recognised in the income statement.

Impairment losses recognised in profit or loss for an investment in an equity instrument classified as available for sale shall not be reversed through profit or loss. If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss shall be reversed, with the amount of the reversal recognised in profit or loss.

2.11 Offsetting of financial assets and financial liabilities

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

2.12 Issue and redemption of units

Units are issued at the offer price determined at the close of business when funds in respect of issue of units are realised. The offer price represents the net asset value of units at the close of the business day plus the allowable sales load. The sales load is payable to the distribution company and the management company as processing fee. Issue of units is recorded upon realisation of related funds.

Units redeemed are recorded at the redemption price prevalent at the end of the day in which the units are redeemed. The redemption price represents the net assets value at the end of the business day. Redemption of units is recorded on acceptance of application for redemption.

2.13 Element of income / (loss) and capital gain / (losses) in prices of units issued less those in units redeemed - net

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

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

The "element of income / (loss) and capital gains / (losses) in prices of units issued less those in units redeemed - net" during an accounting period is transferred to the income statement.

2.14 Revenue recognition

Gain or loss on sale of marketable securities is accounted for in the income statement in the year in which it arises.

Dividend income is recognised when the right to receive the dividend is established.

Mark-up / return on Sukuk bonds and bank balances is recognised on a time proportion basis.

2.15 Transactions costs

Transaction costs are incurred to acquire financial assets and financial liabilities at fair value through profit or loss. They include the bid-ask spread, fees and commissions paid to agents, advisers, brokers and dealers.

2.16 Dividend and distributions

Cash dividend and distribution of bonus units is recognised upon declaration and approval by the Board of Directors of the management company.

2.17 Zakat

Units held by resident Pakistani unit holders shall be subject to Zakat at 2.5% of the par value of units or the redemption amount whichever is lower, under Zakat and Ushr Ordinance, 1980 (XVII of 1980), except those exempted under the said Ordinance. Zakat is deducted at source from the dividend amount or from the redemption payment.

2.18 Taxation

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

2.19 Accounting estimates and judgements

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates, judgements and assumptions that affect the reported amounts of assets and liabilities and income and expenses. It also requires management to exercise its judgment in the process of applying the Fund's accounting policies. Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In the process of applying the Fund's accounting policies, management has made the following estimates and judgments which are significant to the financial statements.

- (a) classification of investments (Note 2.6)
- (b) provisions (Note 2.8)

JS Islamic Fund
(Formerly UTP - Islamic Fund)

	Note	June 30, 2010 Rupees	June 30, 2009 Rupees
3. INVESTMENTS			
Investments at fair value through profit or loss - held-for-trading			
Quoted equity securities	3.1	317,854,376	246,977,480
Right share options	3.2	-	-
Available-for-sale			
Unquoted debt securities	3.3	-	22,414,925
		317,854,376	269,392,405

	No. of shares / certificates				Holdings at the end of the year	Carrying / market value (Rupees)	% of Total investments
	Holdings at the beginning of the year	Acquired during the year	Bonus shares received during the year	Disposed during the year			
3.1 Quoted equity securities *							
* Fully paid ordinary shares / certificates have a face value of Rs. 10/- each unless stated otherwise.							
Sectors / Companies							
Oil & Gas							
Attock Refinery Limited	-	300,000	-	-	300,000	24,168,000	7.60
Oil & Gas Development Company Limited	202,500	683,035	-	885,535	-	-	-
Pakistan Oilfields Limited	235,000	505,010	-	590,010	150,000	32,385,000	10.19
Pakistan Petroleum Limited - note 3.1.1	-	295,404	-	65,404	230,000	42,347,600	13.32
Pakistan State Oil Company Limited - note 3.1.2	160,000	339,100	-	366,750	132,350	34,437,470	10.84
						133,338,070	41.95
Chemicals							
Fauji Fertilizer Company Limited	-	1,206,000	-	706,000	500,000	51,535,000	16.21
ICI Pakistan Limited	250,100	93,021	-	343,121	-	-	-
						51,535,000	16.21
Construction and Materials							
Attock Cement Pakistan Limited	-	630,700	-	130,700	500,000	32,750,000	10.31
Lucky Cement Limited	650,000	715,753	-	950,000	415,753	25,834,891	8.13
						58,584,891	18.44
Automobile & Parts							
Agriauto Industries Limited (face value Rs. 5 per share)	20,320	-	-	20,320	-	-	-
Baluchistan Wheels Limited	146,300	-	-	146,300	-	-	-
Honda Atlas Cars (Pakistan) Limited	450,000	-	-	450,000	-	-	-
Pak Suzuki Motor Company Limited	-	220,102	-	120,102	100,000	7,927,000	2.49
						7,927,000	2.49
Personal Goods							
Nishat Mills Limited	899,250	4,458,800	-	4,753,050	605,000	26,087,600	8.21
Media							
Eye Television Network Limited (Related party)	60,000	46,500	-	106,500	-	-	-
Fixed line Telecommunication							
Pakistan Telecommunication Company Limited	-	3,975,706	-	3,975,706	-	-	-
Electricity							
The Hub Power Company Limited	361,500	270,000	-	631,500	-	-	-
Banks							
Bank Islami Pakistan Limited (related party)	5,242,000	-	-	-	5,242,000	16,826,820	5.29
Meezan Bank Limited	-	1,800,745	74,800	256,645	1,618,900	23,554,995	7.41
						40,381,815	12.70
Market value as at June 30, 2010						317,854,376	100.00
Cost as at June 30, 2010						433,153,406	

3.1.1 This includes 40,000 shares amounting to Rs. 7,364,800 pledged with National Clearing Company of Pakistan Limited against exposure calls.

3.1.2 This includes 80,000 shares amounting to Rs. 20,816,000 pledged with National Clearing Company of Pakistan Limited against exposure calls.

	No. of shares options				Holdings at the end of the year	Carrying / market value (Rupees)	% of Total investments
	Holdings at the beginning of the year	Acquired during the year	Right received during the year	Disposed during the year			
3.2 Right share options							
Sectors/Companies							
Personal Goods							
Nishat Mills Limited	-	95,000	180,000	275,000	-	-	-
	No. of units				Holdings at the end of the year	Carrying / market value (Rupees)	% of Total Investments
Holdings at the beginning of the year	Acquired during the year	Disposed during the year					
3.3 Unquoted debt securities							
Agritech Limited (formerly Pak American Fertilizers Limited)							
- Sukuk (Related party)		5,000	-	5,000	-	-	-
Cost as at June 30, 2010						-	
					Note	June 30, 2010 Rupees	June 30, 2009 Rupees
4. BANK BALANCES							
On savings accounts				4.1	65,828,910	70,015,808	
On current accounts					3,108,294	2,319,651	
					68,937,204	72,335,459	
4.1	In savings accounts, the Fund earned return at rates ranging from 5% to 11% (2009: 2.5% to 12.00%) per annum.						
5. DIVIDEND AND OTHER RECEIVABLES							
Receivable against sale of marketable securities						-	6,366,862
Dividend						-	405,000
Return on bank deposits				4.1	79,271		4,490
Profit receivable on debt securities						-	1,668,331
Prepaid listing fee						-	15,000
Advance tax					6,597		6,597
					85,868		8,466,280
6. SECURITY DEPOSITS							
- Central Depository Company of Pakistan Limited						100,000	100,000
- National Clearing Company of Pakistan Limited						2,500,000	2,500,000
						2,600,000	2,600,000

		June 30, 2010 Rupees	June 30, 2009 Rupees
7. ACCRUED AND OTHER LIABILITIES			
Payable against purchase of marketable securities		54,549	3,751,823
Sales load	7.1	-	5,828
Settlement charges		-	1,000
Auditors' remuneration		343,000	290,000
Zakat		38,250	30,056
Workers' Welfare Fund		1,353,840	-
Others		1,798,665	1,274,988
		3,588,304	5,353,695

7.1 This includes Rs. Nil (2009: Rs. 2,622) payable to management company for acting as distribution company for the Fund.

8. NET ASSETS VALUE PER UNIT

During the current year the face value of the units was changed from Rs. 500 to Rs. 100 with effect from February 20, 2010, on which date every one unit of par value Rs. 500 each held by the unit holders as on February 19, 2010 was subdivided into five units of par value Rs. 100 each. Accordingly, the number of units in issue and the net assets value per unit as of June 30, 2009 have been adjusted for the above change. Previously as of June 30, 2009 these were reported as 1,163,711 units in issue with Rs. 297.64 net assets value per unit.

9. REMUNERATION TO THE MANAGEMENT COMPANY

Under the provisions of the Regulations and the Rules, the management company is entitled to a remuneration for services rendered to the Fund, upto a maximum of 3% per annum based on the daily net assets of the Fund during the first five years of the Fund's existence, and thereafter, of an amount equal to 2% of such assets of the Fund. Management company charged remuneration at the rate of 2% per annum based on the daily net assets of the Fund during the year ended June 30, 2010.

10. REMUNERATION TO THE TRUSTEE

Central Depository Company of Pakistan Limited (the Trustee) is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the trust deed, the Regulations and the Rules as follows:

- up to rupees one billion maximum of 0.2% per annum of the daily net assets of the Fund or 0.7 million, whichever is higher.
- exceeding rupees one billion Rs. 2 million plus 0.1% per annum of the daily net assets of the Fund exceeding rupees one billion.

11. ANNUAL FEE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

This represents annual fee of one tenth of one percent of average annual net assets till November 20, 2008, thereafter at 0.095% of average annual net assets.

12. AUDITORS' REMUNERATION

Annual audit fee	200,000	200,000
Fee for review of half yearly financial statements	110,000	110,000
Other certifications	115,000	90,000
Out of pocket expenses	67,000	15,000
	492,000	415,000

13. PROVISION AGAINST WORKERS' WELFARE FUND

The Workers' Welfare Ordinance, 1971 was amended vide Finance Act, 2008, by virtue of which, the Fund is also liable to pay Workers' Welfare Fund @ 2% of the accounting profit or declared income as per income tax return, which ever is higher. Since the petition filed by MUFAP has been dismissed by the High Court of Sindh, the Fund has made a provision of Workers' Welfare Fund in these financial statements for the current year.

14. TAXATION

Fund is exempt from tax under clause 99 of part 1 of Second Schedule of the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of its accounting income for the year, as reduced by the capital gains whether realised or unrealised, is distributed among its unit holders.

	June 30, 2010 Rupees	June 30, 2009 Rupees
15. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES		
15.1 Detail of balances with related parties as at year end		
JS Investments Limited (management company)		
Remuneration payable	63,365	568,685
Sales load payable	-	2,622
Other cost payable	-	7,920
Central Depository Company of Pakistan Limited (trustee)		
Remuneration payable	64,762	57,605
Settlement charges payable	3,000	1,000
Pakistan International Container Terminal Limited		
Units held - Nil (2009: 61,423.2390) units	-	3,656,444
EFU Life Assurance Limited		
Units held - 246,164.3945 (2009: 204,633.3960) units	17,044,423	12,181,556
JS Fund of Funds		
Units held - 535,790.2591 (2009: Nil) units	37,098,118	-
JS Bank Limited		
Bank balance	1,538,762	1,150,647
Agritech Limited (formerly Pak American Fertilizers Limited)		
Investment in Sukuk	-	22,414,925
Profit receivable	-	1,668,331

JS Islamic Fund
(Formerly UTP - Islamic Fund)

	Note	June 30, 2010 Rupees	June 30, 2009 Rupees
15.2	Detail of transactions with related parties during the year		
	JS Investments Limited (management company)		
	Remuneration to the management company	9,000,431	8,758,273
	Sales load	7,535	44,029
	Other cost	83,120	-
	Central Depository Company of Pakistan Limited (trustee)		
	Remuneration	900,040	896,171
	Settlement charges	64,963	30,775
	JS Global Capital Limited		
	Brokerage fee	15.2.1 984,062	284,159
	JS Fund of Funds		
	Issue of units - 616,336.3620 (2009: Nil) units	39,062,416	-
	Redemption - 80,546.1029 (2009: 93,753.5730) units	5,994,200	7,013,330
	Eye Television Network Limited		
	Dividend income	-	2,500
	EFU Life Assurance Limited		
	Issue of unit - 41,530.9985 (2009: Nil) units	2,500,000	-
	Agritech Limited (formerly Pak American Fertilizers Limited)		
	Return on sukuk	167,636	946,851

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

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

16. NON SHARIAH COMPLIANT INCOME

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

During the current year the non shariah compliant income amounting to Rs. 405,680 (2009: 214,434) had been deducted from the dividend income of the Fund. This prohibited income will be distributed for charity with the approval of Shariah Supervisory Council.

17. FINANCIAL RISK MANAGEMENT POLICIES

Financial risk factors

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

The Fund's overall risk management program seeks to maximize the returns derived for the level of risk to which Fund is exposed and seeks to minimize potential adverse effects on the Fund's financial performance.

The management risk carried out by the Fund manager, who has been given discretionary authority to manage the distribution of the assets to achieve the Fund's investment objectives. Compliance with target asset allocations and the composition of the portfolio is monitored by the Investment Committee.

The Fund uses different methods to measure and manage the various types of risks to which it is exposed, these are summarised below;

17.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: price risk, mark-up rate risk and currency risk.

i. Price risk

Price risk is the risk that the value of a financial instrument may fluctuate as a result of changes in market prices. This risk arises from the investments held by the Fund for which prices are uncertain in future. The management company manages its price risk by monitoring exposure on marketable securities by following the internal guidelines of the Investment Committee and the Regulations laid down by the SECP.

The majority of the Fund's equity investments are publicly traded on stock exchange. The Fund's policy requires that the overall market position is monitored on a daily basis by the Fund Manager and is reviewed periodically by the Investment Committee. Compliance with the Fund's investment policies are reported to the management company on regular basis.

As at June 30, 2010, the fair value of equity securities exposed to price risk were as follow:

	<u>2010</u> Rupees	<u>2009</u> Rupees
Investments at fair value through profit or loss - held-for-trading	<u>317,854,376</u>	<u>246,977,480</u>

In case of 10% increase / decrease in fair value of equity securities on June 30, 2010, income / (loss) for the year would be affected by Rs. 31.78 million (2009: 24.69 million) as a result of gain / (loss).

ii. Yield / Mark-up rate risk

Yield risk is the risk of decline in earnings due to adverse movement of the yield curve. Mark-up rate risk is the risk that the value of the financial instruments will fluctuate due to changes in the market mark-up rates. Sensitivity to yield / mark-up rate risk arises from mismatches or gaps in the amounts of yield / mark-up based on assets and liabilities that mature or reprice in a given period. The management company through investment committee monitors the Fund's overall mark-up rate sensitivity on periodic basis. The Fund holds a limited amount of floating rate debt, that expose the Fund to cash flow mark-up rate risk.

JS Islamic Fund
(Formerly UTP - Islamic Fund)

As at June 30, 2010	Floating / mark-up rate	Fixed / mark-up rate	Non mark-up bearing	Total
 Rupees			
Investments at fair value through profit or loss - held-for-trading	-	-	317,854,376	317,854,376
Sukuk bonds	-	-	-	-
Bank balances	65,828,910	-	3,108,294	68,937,204
Dividend and other receivables	-	-	85,868	85,868
Security deposits	-	-	2,600,000	2,600,000
	65,828,910	-	323,648,538	389,477,448
As at June 30, 2009				
Investments at fair value through profit or loss - held-for-trading	-	-	246,977,480	246,977,480
Sukuk bonds	22,414,925	-	-	22,414,925
Bank balances	70,015,808	-	2,319,651	72,335,459
Dividend and other receivables	-	-	8,466,280	8,466,280
Security deposits	-	-	2,600,000	2,600,000
	92,430,733	-	260,363,411	352,794,144

Yield / Mark-up rate sensitivity

The sensitivity analysis demonstrates the sensitivity of the Fund's income and equity for the year to a reasonably possible change in mark-up rates, with all other variables held constant.

The sensitivity of the Fund's income for the year is the effect of the assumed change in mark-up rates on the net income for the year, based on the floating rate financial assets held at the statement of assets and liabilities date.

If the interest rate would have been higher or lower by 100 basis points and all the other variables remain constant, the Fund's income would increase / decrease as follows:

	Change in rate	Total Effect on Income
June 30, 2010	+100 bps	658,289
	-100 bps	(658,289)
June 30, 2009	+100 bps	924,307
	-100 bps	(924,307)

Management is of the view that the above sensitivity analysis are not representative of the year as a whole, since the level of exposure changes frequently as part of the mark-up rate risk management process used to meet the Fund's objectives.

iii. Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund, at present, is not exposed to currency risk as its operations are geographically restricted to Pakistan and all transactions are carried out in Pak Rupees.

17.2 Credit risk

Credit risk arises from the inability of the issuers of the instruments or counter parties, in case of reverse repurchase transactions or other arrangements, to fulfil their obligations. The risk is generally limited to principal amounts and accrued mark-up thereon, if any. The Fund's policy is to enter into financial contracts in accordance with the investment guidelines approved by the Investment Committee.

In summary, compared to the maximum amount included in statement of assets and liabilities, the maximum exposure to credit risk as at June 30, 2010 is as follows;

	June 30, 2010		June 30, 2009	
	Statement of assets and liabilities	Maximum Exposure	Statement of assets and liabilities	Maximum Exposure
 Rupees			
Investments	317,854,376	-	269,392,405	22,414,925
Bank balances	68,937,204	68,937,204	72,335,459	72,335,459
Dividends and other receivables	85,868	79,271	8,466,280	8,444,683
Security deposits	2,600,000	2,600,000	2,600,000	2,600,000
	389,477,448	71,616,475	352,794,144	105,795,067

As per management view the credit risk arising on the investments is accounted as follows;

Where the investment committee makes an investment decision, the credit worthiness of the issuer is taken into account along with the financial background, past experience and other factors so as to minimise the risk of default.

Investment transactions are carried out with a large number of brokers, whose credit worthiness is taken into account and monitored by the investment committee as per the NBFC and Notified Entities Regulations, 2008, 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 allows investment in debt securities of only those entities with credit rating approved by external credit rating agencies.

Cash is held only with reputable banks with high quality credit ratings assigned by approved credit rating agencies.

None of the Fund's financial assets are past due or impaired.

17.3 Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in raising funds to meet commitments associated with financial liabilities which stood at Rs. 6,970,423 as at June 30, 2010. The Fund is exposed to cash redemptions of its redeemable units on a regular basis. Units are redeemable at the unit holder's option based on the Fund's net assets value per unit at the time of redemption calculated in accordance with the Fund constitutive documents.

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 most of the assets of the Fund are readily disposable on the stock exchanges.

The following are the contractual maturities of financial liabilities:

	Less than 1 month	Between 1 and 12 months	More than 1 year	Total
.....Rupees.....				
As at June 30, 2010				
Remuneration payable to the management company	63,365	-	-	63,365
Remuneration payable to the trustee	64,762	-	-	64,762
Annual fee payable to Securities and Exchange Commission of Pakistan	-	427,520	-	427,520
Accrued and other liabilities	446,681	3,141,623	-	3,588,304
Amount payable on redemption of units	2,814,939	-	-	2,814,939
Unclaimed dividend	11,533	-	-	11,533
	3,401,280	3,569,143	-	6,970,423
As at June 30, 2009				
Remuneration payable to the management company	568,685	-	-	568,685
Remuneration payable to the trustee	57,605	-	-	57,605
Annual fee payable to the Securities and Exchange Commission of Pakistan	-	431,782	-	431,782
Accrued and other liabilities	5,353,695	-	-	5,353,695
Unclaimed dividend	11,533	-	-	11,533
	5,991,518	431,782	-	6,423,300

18. 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.

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

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

Fair value hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1	Level 2	Level 3
Rupees		
Investments at fair value through profit or loss - held-for-trading			
Quoted equity securities	317,854,376	-	-
	317,854,376	-	-

19. UNIT HOLDERS' FUND MANAGEMENT

Redeemable units are represented as capital of the Fund. Unit holders are entitled to dividends and to payments of proportionate share based on the Fund's net assets value per unit on the redemption date.

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

JS Islamic Fund (formerly UTP - Islamic Fund) is an open end fund. The Fund's objectives when managing unit holder's fund is to safeguard its ability to continue as a going concern so that it can continue to provide returns for unit holders and to maintain a strong capital base to meet unexpected losses or opportunities.

20. NON-ADJUSTING EVENT AFTER BALANCE SHEET DATE

The Board of Directors of the management company have approved a stock dividend of Rs. 10.90 per unit for the year ended June 30, 2010, amounting to Rs. 60.21 million on July 07, 2010. These financial statements do not include the effect of the above distribution that will be accounted for subsequent to the year end.

21. OTHER SUPPLEMENTARY INFORMATION

The information regarding unit holding pattern of the Fund, transactions with top ten brokers, details of the members of the Investment Committee, particulars of the Fund Manager, details of meetings of the Board of Directors of the management company and the Fund and asset manager rating have been disclosed in Annexure I to the financial statements.

22. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of management company on August 17, 2010

23. GENERAL

Figures have been rounded off to the nearest Rupee.

For JS Investments Limited
(Management Company)

Rashid Mansur
Chief Executive Officer

Munawar Alam Siddiqui
Chairman

**OTHER SUPPLEMENTARY INFORMATION
AS REQUIRED UNDER CLAUSES 6(D), (F), (G), (H), (I) AND (J)
OF THE FIFTH SCHEDULE TO THE NBFC REGULATIONS**

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

Category	2010			2009		
	Number of unit holders	Number of units held	% of total	Number of unit holders	Number of units held	% of total
Individuals	605	1,242,151	22.49	701	317,254	27.26
Associated Companies / Directors	2	781,955	14.16	1	40,927	3.52
Banks / DFIs	2	1,124,133	20.35	1	159,061	13.67
NBFCs	-	-	-	1	30,290	2.60
Retirement Funds	44	2,312,288	41.86	61	571,931	49.15
Public Limited Companies	1	9	0.00	1	2	0.00
Others	8	63,493	1.15	10	44,246	3.80
	662	5,524,029	100.00	776	1,163,711	100.00

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

Name of broker	2010 Percentage of commission paid
JS Global Capital Limited	28.66
Crosby Securities Limited	25.38
Fortune Securities (Pvt) Limited	7.34
KASB Securities Limited	5.25
We Financial Services (Pvt) Limited	5.23
BMA Capital Management Limited	4.57
Investment Managers Securities (Pvt) Limited	3.53
Invisor Securities (Pvt) Limited	2.78
Arif Habib Securities Limited	2.43
Elixir Securities (Pvt) Limited	2.34
Name of Brokers	2009 Percentage of commission paid
Crosby Securities Limited	26.60
JS Global Capital Limited	18.95
Investment Managers Securities (Pvt) Limited	9.82
Arif Habib Securities Limited	8.64
Al Habib Securities Limited	4.94
Fortune Securities (Pvt) Limited	4.77
KASB Securities Limited	4.46
BMA Capital Management Limited	4.42
Invisor Securities (Pvt) Limited	4.34
Aziz Fida Hussain Limited	3.79

(iii) THE MEMBERS OF THE INVESTMENT COMMITTEE

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

Mr. Rashid Mansur
Mr. Suleman Lalani
Mr. Wasim Jalbani - Fund Manager

MR. RASHID MANSUR

Mr. Rashid Mansur joined JS Investments Limited on April 1, 2010 as Chief Executive Officer. Prior to joining JSIL he was President and CEO of Escorts Investment Bank Limited and also served as the Chairman of the 'Investment Banks Association of Pakistan'. He is a qualified Associate of the Chartered Institute of Bankers London with specialization in 'International Banking Operations', 'Practice & Law of International Banking' and 'International Finance & Investment'.

He is a Fellow of the Institute of Bankers in Pakistan with over 26 years of Domestic and International Banking experience. He started his career with Habib Bank Limited in 1974 and served for 18 years on various management positions including 10 years in Turkey. In Pakistan, he has held various Board-level positions in both Private and Public Sector, such as President and CEO, 'Fidelity Investment Bank Limited', CEO 'Fidelity Leasing Modaraba', Director 'Security General Insurance Company Limited' and Chairman and CEO 'Board of Investment and Trade Punjab'.

During his tenure as Chairman and CEO of 'The Board of Investment and Trade', Government of Punjab and as Secretary General of Turkey 'Pakistan Business Council (Lahore Chapter)', he is credited with hosting and organizing various investment conferences abroad and rendered valuable services for the promotion of economic relations between Turkey and Pakistan.

Besides English and Urdu, he speaks French and Turkish fluently.

MR. SULEMAN LALANI

Mr. Lalani joined JSIL as CFO and Company Secretary in January 2005. He is a fellow member of the Institute of Chartered Accountants of Pakistan and has 18 years of experience in the financial services sector. Prior to joining JSIL, Mr. Lalani has also served as CFO and Company Secretary of a regulated microfinance institution for three years. Earlier he worked as Chief Operating Officer for Jahangir Siddiqui Investment Bank Limited and as Vice President - Finance & Legal with JSCL.

Mr. Lalani has also passed the Board Development Certificate Program conducted by Pakistan Institute of Corporate Governance. He is serving as a member of the Board of Directors of AI - Abbas Sugar Mills Limited.

MR. WASIM JALBANI - 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 has been associated with JS Group in various capacities for almost 15 years. Currently, he is looking after the JS Value Fund Limited and JS Islamic Fund (formerly UTP Islamic Fund).

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

Following is the analysis of the attendance in the meetings of the Board of Directors of the management company during the year:

Name of Directors	Meetings Attended	Meetings held on					
		07-Jul-09	21-Aug-09	29-Aug-09	23-Oct-09	26-Feb-10	24-Apr-10
Mr. Munwar Alam Siddiqui	6	1	1	1	1	1	1
Mr. Rashid Mansur-Incoming CEO	1	-	-	-	-	-	1
Mr. Suleman Lalani- Incoming Executive Director	1	-	-	-	-	-	1
Mr. Muhammad Najam Ali-Out going CEO	5	1	1	1	1	1	-
Mr. Ali Raza Siddiqui- Out going director	5	1	1	1	1	1	-
Mr. Nazar Mohammad Shaikh	6	1	1	1	1	1	1
Lt. General (Retd.) Masood Parwaiz	6	1	1	1	1	1	1
Mr. Sadeq Sayeed	2	-	1	1	-	-	-
Mr. Fayaz Anwar-Incoming Director	1	-	-	-	-	-	1
Mr. Siraj Ahmed Dadabhoy-Out going Director	-	-	-	-	-	-	-
Members attended		5	6	6	5	5	6

(v) RATING OF THE FUND AND THE MANAGEMENT COMPANY

The matter of mutual funds performance ratings by a rating agency is presently under discussion between MUFAP, SECP and the country's two rating agencies. Updated fund rating will be announced by the Management Company once a conclusion is reached on the same.

The asset manager rating for JS Investments Limited is in progress and has not yet been announced by JCR – VIS Credit Rating Co. Limited. The asset manager rating for JS Investments Limited last announced by PACRA was "AM2". The said rating was subsequently withdrawn by PACRA on March 16, 2010 pursuant to JS Investment's decision to discontinue its rating relationship with PACRA with immediate effect.



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