



JS Large Cap. Fund

Annual Report 2010



CONTENTS

Vision and Mission Statement	02
Organization	03
Director's Report to the Certificate Holders	04
Fund Manager's Report	06
Performance Table / Key Financial Data	07
Review Report to the Certificate Holders on Statement of Compliance with Best Practices of Code of Corporate Governance	08
Statement of Compliance with the Code of Corporate Governance	09
Trustee Report to the Certificate Holders	11
Independent Auditors' Report to the Certificate Holders	12
Statement of Assets & Liabilities	15
Income Statement	16
Statement of Comprehensive Income	17
Cash Flow Statement	18
Statement of Changes in Equity	19
Statement of Movements in Equity and Reserves 'Per Certificate'	20
Distribution Statement	21
Notes to the Financial Statements	22
Pattern of Certificate Holding	43

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, Shahrah -e- Faisal
Karachi-75350.

Legal Adviser

Bawaney & Partner
Room # 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

DIRECTORS' REPORT TO THE CERTIFICATE HOLDERS

The Board of Directors of JS Investments Limited, the Management Company of JS Large Cap. 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 4.65% against a benchmark return of 26.22%, underperforming the benchmark by 21.57%.

The Fund earned net income of Rs. 96.076 million during the year ended June 30, 2010, including unrealized gain on investment of Rs. 21.272 million. During the year the Fund made a provision of Rs. 52.036 million against investment in preference shares of Azgard Nine Limited. The net assets of the Fund increased by 4.65 percent from Rs. 2,057.565 million to Rs. 2,152.917 million during the year under review. The net assets value as on June 30, 2010 was Rs. 6.53 per certificate compared to beginning net assets value of Rs. 6.24 per certificate showing an increase of 4.65 percent.

The Board of Directors of the Management Company, on August 17, 2010, has declared a cash dividend @ 2.1% (Rs. 0.21 per certificate). 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 number of Certificate of the Fund held by the Chief Executive, directors and executives and their spouses as at June 30, 2010 are as follows:

Name	Designation	Certificate Held
Munawar Allam Siddiqui	Chairman	1,000
Suleman Lalani	Executive Director	500
Mrs. Shamsa Suleman	-	500

- k. No certificates 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, retire and being eligible offers themselves for reappointment. The Audit Committee of the Board of the Management Company has recommended reappointment of Messrs M. Yousuf Adil Saleem & Co., Chartered Accountants, as the Fund's auditors for the 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 Certificate holders for their confidence in the Management.

Karachi: August 17, 2010

Rashid Mansur
Chief Executive Officer

JS Large Cap. Fund

FUND MANAGER REPORT

Investment philosophy

The fund invests primarily in equity securities of large market capitalization companies over the PKR 1bn mark. Returns are maximized through a combination of capital appreciation and income. Up to 20% of the fund's assets can be invested in debt securities.

Key information

Fund type	Closed end
Category	Equity Fund
Fund launch date	14 May, 2004
Net Assets (PKR mn)	2,152.92
Management fee	2.00%
Trustee	Central Depository Company of Pakistan Ltd.
Auditor	M. Yousuf Adil Saleem & Co.
Risk profile	High
Listing	KSE, LSE & ISE
Benchmark	KSE30 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	-2.10	4.65	-45.13	-41.13	23.27
Benchmark	3.39	26.22	-33.30	-43.77	n/a
Difference	-5.49	-21.58	-11.83	2.63	n/a

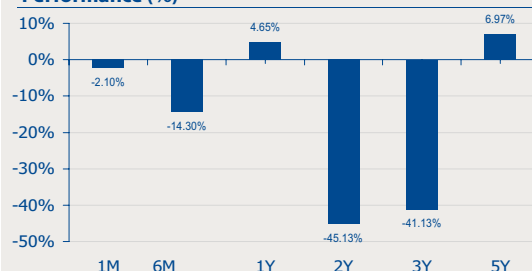
Distribution for the Year Ended June 30, 2009

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

Distribution for the Year Ended June 30, 2010

The Fund has announced the cash dividend @ Rs. 0.21 per certificate of Rs. 10/- each i.e. 2.10% in the meeting held on 17, August 2010.

Performance (%)



Asset allocation (%)

	Jun-10
Cash	2.16
Equity	79.31
Placement with Bks & DFIs	4.58
TFCs / Sukkuks	1.03
T Bills	12.23
Other including receivables	0.69
Total	100.00

Equity sector breakdown (%)

	Jun-10
Oil & Gas	34.26
Banks	8.78
Industrial Transportation	5.64
Fixed Line Telecommunication	5.06
Electricity	5.05
Others	20.52
Total	79.31

Statistical analysis

	Fund	Benchmark
Beta	0.7	1.0
Standard Deviation	24.4%	34.8%
Largest Month Gain	14.7%	25.2%
Largest Month Loss	-30.8%	-45.1%
% Positive Months	56.8%	58.1%

Investment Committee Members

Mr. Rashid Mansur - Chief Executive Officer
 Mr. Suleman Lalani - Executive Director & CFO
 Mr. Syed Rehan Mobin - Fund Manager

Split of Certificates

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

Effects on the NAV after Split

n/a

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 certificates 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

Description	Years						
	2010	2009	2008	2007	2006	2005	2004
Net Assets - Rupees in '000'	2,152,917	2,057,565	3,919,587	3,926,098	3,402,940	3,389,677	3,021,070
Net Income/(loss) - Rupees in '000'	96,076	(1,863,278)	323,107	1,182,261	1,165,911	485,750	21,070
Net assets value per certificate - Rupees	6.53	6.24	11.89	11.91	10.33	10.29	10.07
Earnings per certificate - Rupees	0.29	(5.65)	0.98	3.59	3.54	1.47	0.07
Interim distribution per certificate - Rupees	-	-	1.00	1.00	1.75	1.25	-
Interim distribution date	-	-	11-Feb-08	20-Feb-07	7-Feb-06	18-Feb-05	-
Final Distribution per certificate - Rupees	0.21	-	-	1.00	1.75	-	-
Final distribution date	17-Aug-10	-	-	25-May-07	15-Apr-06	-	-
Per certificate of total Distribution as % of par value	2.10%	-	10.00%	20.00%	35.00%	12.50%	-
Total Distribution - Rupees in '000'	69,205	-	329,550	659,100	1,153,425	411,937	-
Accumulated capital growth - Rupees in '000'	(1,212,320)	(1,239,191)	624,087	630,530	107,369	94,882	21,070
Number of certificates in issue - Number	329,549,911	329,549,911	329,549,911	329,549,911	329,549,911	329,549,911	300,000,000
Average Annual Return							
One Year - in percentage	4%	-91%	8%	30%	34%	14%	1%
Two Year - in percentage	-43%	-41%	19%	32%	24%	8%	N/A
Three Year- in percentage	-26%	-17%	24%	26%	16%	N/A	N/A

Notes:

- JS Large Cap. Fund was launched on May 15, 2004

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

REVIEW REPORT TO THE CERTIFICATE 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 Large Cap. Fund (the Fund) to comply with the respective Listing Regulations of 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 personnel and review of various documents prepared by the management to comply with the Code.

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

Further Listing Regulations of Karachi, Lahore and Islamabad Stock Exchanges require 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 for using 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 Company'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

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 Stock Exchanges 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 (The Board) 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

JS Large Cap. Fund

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.
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 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 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 TRUSTEE PURSUANT TO REGULATION 41(H) AND CLAUSE 9 OF SCHEDULE V OF THE NON-BANKING FINANCE COMPANIES AND NOTIFIED ENTITIES REGULATIONS, 2008

JS Large Cap. Fund (the Fund), a closed-end scheme was established under a trust deed dated April 06, 2004 executed between JS Investments Limited, as the management company and Central Depository Company of Pakistan Limited, as the trustee.

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; and
- (ii) 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 CERTIFICATE HOLDERS

We have audited the accompanying financial statements of JS Large Cap. 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 changes in equity, distribution statement, statement of movement in equity and reserves 'per certificate' 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 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 Accountants
Audit Engagement Partner: Nadeem Yousuf Adil



FINANCIAL STATEMENTS

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

	Note	Jun 30 2010 Rupees	Jun 30 2009 Rupees
ASSETS			
Investments	3	2,020,220,524	1,640,052,964
Bank balances	4	47,065,540	424,356,011
Security deposits	5	2,700,000	2,700,000
Money market placements		100,000,000	-
Dividend and other receivables	6	12,431,772	8,702,215
Total assets		2,182,417,836	2,075,811,190
LIABILITIES			
Remuneration payable to the management company		479,899	3,308,937
Remuneration payable to the trustee		172,896	168,254
Annual fee payable to Securities and Exchange Commission of Pakistan		2,259,139	2,208,292
Accrued and other liabilities	7	17,427,439	895,846
Unclaimed dividend		9,161,305	11,665,270
Total liabilities		29,500,678	18,246,599
NET ASSETS		2,152,917,158	2,057,564,591

Represented by:

Certificate Holders' Equity

Issued, subscribed and paid-up capital	8	3,295,499,110	3,295,499,110
Unrealised appreciation in value of available-for-sale investments		531,945	1,255,542
Accumulated loss		(1,143,113,897)	(1,239,190,061)
		2,152,917,158	2,057,564,591

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

For JS Investments Limited
(Management Company)

Rashid Mansur
Chief Executive Officer

Munawar Alam Siddiqui
Chairman

JS Large Cap. Fund

INCOME STATEMENT FOR THE YEAR ENDED JUNE 30, 2010

	Note	Jun 30 2010 Rupees	Jun 30 2009 Rupees
Income			
Net gain / (loss) on sale of marketable securities		21,699,670	(925,489,496)
Appreciation / (diminution) on remeasurement of investments at fair value through profit or loss - held-for-trading		21,271,993	(1,032,500,265)
Net gain / (loss) on investments in marketable securities		42,971,663	(1,957,989,761)
Dividend income		88,636,740	87,776,223
Return / Mark-up on:			
- bank balances and term deposits		21,669,264	66,085,900
- term finance certificates / sukuk		6,058,549	1,942,982
- reverse repurchase transactions		6,729,591	-
- government securities		27,755,215	891,782
- money market placements		12,218,561	-
		74,431,180	68,920,664
Amortisation of discount on investments		1,848,214	553,397
		207,887,797	(1,800,739,477)
Expenses			
Remuneration to the management company	9	47,560,855	46,490,360
Remuneration to the trustee	10	2,283,065	2,252,675
Annual fee to Securities and Exchange Commission of Pakistan	11	2,259,139	2,208,292
Amortisation of preliminary and floatation costs		-	5,250,000
Fees and subscription	12	716,946	696,314
Auditors' remuneration	13	529,013	530,000
Legal and professional fees		-	25,000
Securities transactions cost		3,737,111	4,553,319
Printing and stationary		386,614	405,500
Bank charges		242,222	26,811
Provision against Workers' welfare fund	14	1,960,738	-
Provision against Financial Assets	3.2	52,035,930	-
Professional tax charges		100,000	100,000
		111,811,633	62,538,271
Net income / (loss) for the year carried forward to distribution statement		96,076,164	(1,863,277,748)
Earnings / (loss) per certificate - Basic and diluted	16	0.29	(5.65)

The annexed notes from 1 to 25 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, 2010**

	Jun 30 2010 Rupees	Jun 30 2009 Rupees
Net income / (loss) for the year	96,076,164	(1,863,277,748)
<u>Other comprehensive income</u>		
Unrealized (diminution) / appreciation in value of available-for-sale investments	(192,692)	1,255,542
Net realised gain on available-for-sale investments transferred to income	(530,905)	-
	(723,597)	1,255,542
Total comprehensive income / (loss) for the year	95,352,567	(1,862,022,206)

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

For JS Investments Limited
(Management Company)

Rashid Mansur
Chief Executive Officer

Munawar Alam Siddiqui
Chairman

JS Large Cap. Fund

CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2010

	Jun 30 2010 Rupees	Jun 30 2009 Rupees
Cash flows from operating activities		
Net income / (loss) for the year	96,076,164	(1,863,277,748)
Adjustments for:		
Net (gain) / loss on sale of marketable securities	(21,699,670)	925,489,496
(Appreciation) / diminution on remeasurement of investments at fair value through profit or loss - held-for-trading	(21,271,993)	1,032,500,265
Dividend income	(88,636,740)	(87,776,223)
Return on bank balances	(21,669,264)	(66,085,900)
Mark-up on money markets placements	(12,218,561)	-
Mark-up on term finance certificates / sukuk	(6,058,549)	(1,942,982)
Amortisation of discount on investments	(1,848,214)	(553,397)
Amortisation of preliminary and floatation costs	-	5,250,000
	(77,326,827)	(56,396,489)
Decrease / (increase) in current assets		
Security deposits	-	1,000,000
Dividend and other receivables	291,842	(236,842)
Placement with money market	(100,000,000)	-
(Decrease) / increase in liabilities		
Remuneration payable to the management company	(2,829,038)	(3,004,437)
Remuneration payable to the trustee	4,642	(90,136)
Annual fee payable to Securities and Exchange Commission of Pakistan	50,847	(1,823,373)
Accrued and other liabilities	16,531,593	(122,305)
	13,758,044	(5,040,251)
Sale of investments	4,223,620,992	1,209,558,412
Purchase of investments	(4,559,692,272)	(1,140,515,974)
Interest received	42,521,814	66,356,319
Dividend received	82,039,901	101,795,575
Preliminary and floatation costs paid to the management company	-	(6,000,000)
Net cash (used in) / generated from operating activities	(374,786,506)	170,520,750
Cash flows from financing activities		
Dividend paid	(2,503,965)	(1,919,200)
Net cash used in financing activities	(2,503,965)	(1,919,200)
Net (decrease) / increase in cash and cash equivalents during the year	(377,290,471)	168,601,550
Cash and cash equivalents at the beginning of the year	424,356,011	255,754,461
Cash and cash equivalents at the end of the year	47,065,540	424,356,011

The annexed notes from 1 to 25 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 CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2010**

	Issued, subscribed and paid-up certificates	Unappropriated income / accumulated loss	Available-for-sale investments Reserves	Total
 Rupees			
Balance as at July 01, 2008	3,295,499,110	624,087,687	-	3,919,586,797
Total comprehensive income for the year				
Net loss for the year	-	(1,863,277,748)	-	(1,863,277,748)
Other Comprehensive income				
Unrealized gain on remeasurement of available-for-sale investments to fair value -net	-	-	1,255,542	1,255,542
Balance as at June 30, 2009	3,295,499,110	(1,239,190,061)	1,255,542	2,057,564,591
Total comprehensive income for the year				
Net profit for the year	-	96,076,164	-	96,076,164
Other Comprehensive income				
Transferred to income on disposal of available-for-sale investments	-	-	(530,905)	(530,905)
Unrealized loss on remeasurement of available-for-sale investments to fair value -net	-	-	(192,692)	(192,692)
Balance as at June 30, 2010	3,295,499,110	(1,143,113,897)	531,945	2,152,917,158

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

For JS Investments Limited
(Management Company)

Rashid Mansur
Chief Executive Officer

Munwar Alam Siddiqui
Chairman

**STATEMENT OF MOVEMENTS IN EQUITY AND RESERVES 'PER CERTIFICATE'
FOR THE YEAR ENDED JUNE 30, 2010**

	Jun 30 2010 Rupees	Jun 30 2009 Rupees
Net assets per certificate at the beginning of the year	6.2436	11.8938
Net income for the year - per certificate based on number of certificates outstanding during the year		
Net gain / (loss) on sale of marketable securities	0.0659	(2.8157)
Appreciation / (diminution) on remeasurement of investments at fair value through profit or loss - held-for-trading	0.0645	(3.1331)
Net income for the year excluding gain on sale of marketable securities and diminution on remeasurement of investments in held-for-trading securities and financial instruments	0.1611	0.2948
Net income / (loss) for the year - per certificate	0.2915	(5.6540)
Adjustment on disposal of available-for-sale investments	(0.0016)	-
Unrealised (diminution) / appreciation in value of available-for-sale investments	(0.0006)	0.0038
Net assets per certificate at the end of the year	6.5329	6.2436

The annexed notes from 1 to 25 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**

	Jun 30 2010 Rupees	Jun 30 2009 Rupees
Unappropriated (loss) / income brought forward		
Realised (loss) / income	(542,589,428)	722,273,536
Unrealised loss	(696,600,633)	(98,185,849)
	(1,239,190,061)	624,087,687
Net income / (loss) for the year	96,076,164	(1,863,277,748)
Unappropriated loss carried forward	(1,143,113,897)	(1,239,190,061)
Representing:		
Realised loss	(863,232,502)	(542,589,428)
Unrealised loss	(279,881,395)	(696,600,633)
	(1,143,113,897)	(1,239,190,061)

The annexed notes from 1 to 25 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 Large Cap. Fund (the Fund) was established under the Trust Deed executed between JS Investments Limited as a management company and Central Depository Company of Pakistan Limited (CDC) as a Trustee. The Trust Deed was executed on April 06, 2004 and was approved as a closed-end scheme by the Securities and Exchange Commission of Pakistan (SECP) on April 16, 2004 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (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 located at 7th Floor, The Forum, Clifton, Karachi, Pakistan.

The principal activity of the Fund is to make investments primarily in equity securities of large - cap companies, fixed rate corporate debt instruments, government securities and other money market instruments.

The Fund is a closed end fund and its certificates are listed on all stock exchanges of Pakistan.

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.

These financial statements are presented in Pak Rupees, which is the functional and presentation currency of the Fund.

2. 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, Non Banking Finance Companies (Establishment and Regulation) Rules, 2003 and Non-Banking Finance Companies, Notified Entities Regulations, 2008 (NBFC rules and regulations) and Trust deed. In case, the requirements differ, the provisions or directives of the Companies Ordinance, 1984, Non Banking Finance Companies (Establishment and Regulation) Rules, 2003, Non Banking Finance Companies and Notified Entities Regulations, 2008 and Trust deed 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.

IFRS 8 - Operating Segments

January 01, 2009

IFRS 8 replaces IAS 14 and requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. The Company considers itself as a single operating segment company and the Company's performance is evaluated on an overall basis. The adoption of this standard has no impact on the Company's financial statement.

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 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 till 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 statement of changes in equity until the investment is derecognised or determined to be impaired at which time the cumulative gain or loss previously recognised in statement of changes in equity 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.

- Government securities

Government securities not listed on stock exchange and traded in inter bank market shall be valued at an average rate quoted on widely used electronic quotation system and such average rate shall be based on the remaining tenure of the security.

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 Derivatives

Derivative instruments held by the Fund generally comprise future contracts in the capital market. These are initially recognised at cost and are subsequently remeasured at their fair value. The fair value of future contracts is calculated as the net difference between the contract price and the closing price reported on the primary exchange of the future contracts. Derivatives with positive market values (appreciation) are included in other assets and derivatives with negative market values (diminution) are included in other liabilities in the statement of assets and liabilities. The resultant gains or losses are included in the income currently.

Derivative financial instruments entered into by the Fund do not meet the hedging criteria as defined by International Accounting Standard - 39, Recognition and Measurement of Financial Instruments (IAS-39), consequently hedge accounting is not used by the Fund.

2.8 Securities under repurchase / resale agreements

Transaction of purchase under resale (reverse-repo) of marketable and government securities, including the securities purchased under Continuous Funding System, are entered into at contracted rates for specific periods of time. Securities purchase with a corresponding commitment to resell at a specified future date (reverse-repo) are not recognised in the statement of assets and liabilities. Amount paid under these agreement are included in receivable in respect of reverse repurchase transaction / against Continuous Funding System. The difference between purchase and resale price is treated as income from reverse repurchase transaction / Continuous Funding System and accrued over the period of the reverse-repo agreement / Continuous Funding System transaction.

Transaction of sale under repurchase (repo) of marketable and government securities are entered into at contracted rates for specified period of time. Securities sold with a simultaneous commitment to repurchase at a specific future date (repo) continue to be recognised in the statement of assets and liabilities and are measured in accordance with accounting policies for investment in securities. The counterparty liabilities for amount received under these transactions are recorded as liabilities. The difference between sale and repurchase price treated as borrowing charges and accrued over the period of the repo agreement.

2.9 Preliminary and floatation costs

The Fund has recorded all expenses incurred in connection with the incorporation, registration, establishment and authorisation of the Fund, as preliminary and floatation costs which are amortised over the period of five years in accordance with Trust Deed.

2.10 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.

2.11 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.

2.12 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. 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.

2.13 Impairment of financial assets

A financial asset is assessed at each balance sheet 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.

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.

2.14 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.

2.15 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 government securities, term finance certificates, certificates of investment, on clean placements, term deposits receipts and bank balances are recognised on a time proportion basis.

JS Large Cap. Fund

2.16 Transaction costs

Transaction costs are incurred to acquire financial assets or 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.

2.17 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.

2.18 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 certificate holders.

2.19 Accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates, judgments 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 historical 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 2.11)
- (c) impairment (Note 2.13)

Note	Jun 30 2010 Rupees	Jun 30 2009 Rupees
------	--------------------------	--------------------------

3. INVESTMENTS

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

Quoted ordinary shares	3.1	1,730,899,972	1,544,785,543
Quoted preference shares	3.2	-	52,035,930
Right shares options	3.3	-	-
		1,730,899,972	1,596,821,473

Available-for-sale

Unquoted term finance certificates / Sukuk	3.4	22,435,824	43,231,491
Government securities	3.5	266,884,728	-
		289,320,552	43,231,491
		2,020,220,524	1,640,052,964

3.1 Quoted ordinary shares

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

Sectors / Companies	(Number 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 / rights received during the year	Disposed during the year			
Banks							
Bank Al-Habib Limited	1,418,500	-	283,700	-	1,702,200	53,619,300	2.65
Bank Al-Falah Limited	762,075	-	-	762,075	-	-	-
Bank Islami Pakistan Limited (related party)	7,650,500	-	-	-	7,650,500	24,558,105	1.22
Faysal Bank Limited	-	244,119	-	244,119	-	-	-
Habib Metropolitan Bank Limited	1,559,500	91,722	264,195	-	1,915,417	45,778,466	2.27
MCB Bank Limited	160,000	125,000	-	160,000	125,000	24,273,750	1.20
Meezan Bank Limited	1,585,500	-	-	1,585,500	-	-	-
United Bank of Pakistan	1,034,805	1,960,292	-	2,195,097	800,000	43,368,000	2.15
						191,597,621	9.48
Non-Life Insurance							
Adamjee Insurance Company Limited	8,940	-	894	-	9,834	785,540	0.04
IGI Insurance Limited	65,300	13,060	-	-	78,360	5,453,072	0.27
						6,238,612	0.31
Life Insurance							
EFU Life Assurance Limited (related party)	886,635	-	118,218	-	1,004,853	78,288,097	3.88
Personal Goods							
Azgard Nine Limited (related party)	6,806,783	-	-	6,806,783	-	-	-
Nishat Mills Limited	-	1,386,675	145,980	582,655	950,000	40,964,000	2.03
						40,964,000	2.03
Food Producers							
Al Abbas Sugar Mills Limited (related party)	2,600	-	-	-	2,600	221,000	0.01
Rafhan Maize Products Limited	1,000	-	-	400	600	690,768	0.03
						911,768	0.05
Construction & Materials							
Attock Cement Pakistan Limited	-	215,007	-	50,000	165,007	10,807,959	0.53
D.G.Khan Cement Company Limited	40,000	-	-	40,000	-	-	-
Lucky Cement Limited	-	755,033	-	152,060	602,973	37,468,742	1.85
						48,276,701	2.39
Electricity							
The Hub Power Company Limited	1,890,500	1,559,500	-	-	3,450,000	110,262,000	5.46
Oil and Gas							
Attock Petroleum Limited	677,260	-	-	62,500	614,760	178,126,710	8.82
Attock Refinery Limited	-	645,000	-	145,000	500,000	40,280,000	1.99
Pakistan Oilfields Limited (Note 3.1.1)	1,034,940	607	-	59,940	975,607	210,633,551	10.43
Pakistan Petroleum Limited	347,610	1,022,104	47,522	302,161	1,115,075	205,307,609	10.16
Pakistan State Oil Company Limited	435,900	-	-	-	435,900	113,421,180	5.61
Oil & Gas Development Company Limited	1,518,100	150,000	-	1,668,100	-	-	-
						747,769,050	37.01
Chemicals							
Fauji Fertilizer Company Limited	53,240	522,456	-	56,150	519,546	53,549,606	2.65
Automobile and Parts							
Pak Suzuki Motor Company Limited	1,000,000	-	-	15,000	985,000	78,080,950	3.86
Industrial Transportation							
Pakistan International Container Terminal Limited (related party)	1,355,912	12,500	273,682	-	1,642,094	123,157,050	6.10
General Industries							
Packages Limited	600,100	-	-	-	600,100	71,111,850	3.52
Media							
Eye Television Networks Limited (related party)	1,952,000	-	-	7,000	1,945,000	45,162,900	2.24
Fixed Line Telecommunication							
Pakistan Telecommunication Company Limited	-	6,302,091	-	100,000	6,202,091	110,397,220	5.46
Pharma and Bio tech							
Glaxo Smithkline Pakistan Limited	309,743	-	-	-	309,743	25,132,547	1.24
Financial Services							
Jahangir Siddiqui & Company Limited (related party)	2,321,447	-	-	2,321,447	-	-	-
Total market value of held-for-trading quoted ordinary shares at June 30, 2010						1,730,899,972	85.68
Cost of held-for-trading quoted ordinary shares at June 30, 2010						1,958,745,438	

3.1.1 This includes 200,000 shares amounting to Rs. 43,180,000 pledged with National Clearing Company of Pakistan Limited against exposure calls.

JS Large Cap. Fund

3.2 Quoted preference shares

Sectors / Companies	(Number 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 year	Bonus / rights expired during the year	Disposed during year			
Personal Goods							
Azgard Nine Limited Preference shares (related party) note 3.2.1	6,512,632	-	-	-	6,512,632	52,035,930	-
Less: Provision against financial assets						(52,035,930)	
Market value as at June 30, 2010						-	-
Cost as at June 30, 2010						52,035,930	

3.2.1 These preference shares were to be redeemed in two equal tranches at the end of year 2009 and 2010. However, the company was unable to make redemption as per commitment, therefore, the whole amount has been provided. Furthermore, the market value of these preference shares as at June 30, 2010 is nil.

3.3 Right Shares Options

Sectors / Companies	Number of letter of rights				Carrying / market value (Rupees)	% of total investments
	Holdings at the beginning of the year	Acquired during the year	Disposed / expired / subscribed during the year	Holdings at the end of the year		
Personal Goods						
Nishat Mills Limited (letter of rights)	-	145,980	145,980	-	-	-

3.4 Unquoted term finance certificates / Sukuk

*Debt Securities- face value of Rs. 5,000/- each unless stated otherwise.

Sectors / Companies	Number of Certificates				Carrying / market value (Rupees)	% of total investments
	Holdings at the beginning of the year	Acquired during the year	Disposed during the year	Holdings at the end of the year		
AgriTech Limited (formerly Pak-American Fertilizers Limited) (related party)						
-Sukuk	3.4.1	4,800	-	4,800	22,435,824	1.11
-TFC		5,000	-	5,000	-	-
Market value of Sukuk as at June 30, 2010					22,435,824	1.11
Cost of Sukuk as at June 30, 2010					20,602,500	

3.4.1 These sukuk certificates carry a mark-up equal to the simple average of six months offered rate of KIBOR rates plus 200 basis points receivable semi-annually in arrears and will mature in August 2015. These sukuk certificates are secured by hypothecation charge over the entire legal ownership and the beneficial interest of the issuer from time to time in and to all present and future fixed assets (excluding land and building) of the issuer in favour of the Trustee for the benefit of certificate holders. These sukuk certificates have a credit rating of A.

3.5 Government Securities

- Government Securities --face value of Rs. 100,000/- each unless stated otherwise

		Holdings at the beginning of the year	Acquired during the year	Disposed during the year	Holdings at the end of the year	Carrying / market value (Rupees)	% of total investments
T-Bill 12 Months	3.5.1	-	17,600	15,155	2,445	218,914,928	10.84
T-Bill 6 Months	3.5.1	-	7,350	6,850	500	47,969,800	2.37
T-Bill 3 Months		-	11,750	11,750	-	-	-
PIBs							
3 years PIBs		-	500	500	-	-	-
10 years PIBs		-	1,000	1,000	-	-	-
Market value of government securities - as at June 30, 2010						266,884,728	13.21
Cost of government securities - as at June 30, 2010						267,132,119	

3.5.1 These are unsecured and carry a yield between 12.12 to 12.38 per annum at a maturity within one year.

	Note	Jun 30 2010 Rupees	Jun 30 2009 Rupees
4. BANK BALANCES			
- In current accounts		-	3,150
- In savings accounts	4.1	47,065,540	424,352,861
		47,065,540	424,356,011

4.1 This includes balance of Rs. 8.818 million (2009: Rs. 11.340 million) with JS Bank Limited (related party) that carries mark-up of 9% per annum (2009: 11% per annum). Other savings accounts of the Fund earned mark-up at rates ranging from 5% to 11.25% (2009: 5% to 12.75%) per annum.

5. SECURITY DEPOSITS

Central Depository Company of Pakistan Limited	200,000	200,000
National Clearing Company of Pakistan Limited	2,500,000	2,500,000
	2,700,000	2,700,000

6. DIVIDEND AND OTHER RECEIVABLES

Dividend receivable	10,153,659	3,556,820
Receivable against sale of marketable securities	-	291,842
Return / markup on bank balances and money market placements	101,604	435,214
Mark-up on sukuk	1,360,456	3,602,286
Advance tax	816,053	816,053
	12,431,772	8,702,215

JS Large Cap. Fund

7. ACCRUED AND OTHER LIABILITIES

	Jun 30 2010 Rupees	Jun 30 2009 Rupees
Payable against purchase of marketable securities	14,708,638	269,124
Custodian fee payable	25,000	29,847
Worker's welfare fund	1,960,738	-
Auditors' remuneration	385,000	399,237
Accrued expenses	348,063	197,638
	17,427,439	895,846

8. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2010		2009	2010		2009
Number of certificates			Rupees		Rupees
329,549,911		329,549,911	3,295,499,110		3,295,499,110
Certificates of Rs. 10/- each fully paid in cash					
2010		2009			
No. of Certificates	Percentage of holdings	No. of Certificates	Percentage of holdings		

8.1 Certificates of the Fund held by related parties as at June 30, 2010

JS Investments Limited	65,810,000	19.97	65,810,000	19.97
Jahangir Siddiqui & Company Limited	-	-	15,844,000	4.81
JS Bank Limited	24,205,790	7.35	24,205,790	7.35
CDC - Trustee JS Fund of Funds	19,270,008	5.85	19,086,500	5.79
EFU Life Assurance Limited	6,297,572	1.91	6,297,092	1.91
EFU General Insurance Limited	5,697,092	1.73	5,697,092	1.73
Pakistan International Container Terminal limited	243,500	0.07	243,500	0.07
JSIL- Staff Provident Fund	50,000	0.02	50,000	0.02
Silk Bank Limited	5,226,395	1.59	5,224,895	1.59
Munawar Alam Siddiqui	1,000	-	1,000	-
Suleman Lalani	500	-		
	126,801,857	38.49	142,459,869	43.24

9. REMUNERATION TO THE MANAGEMENT COMPANY

Under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations 2008, the management company is entitled to a remuneration for services rendered to the Fund upto a maximum of 3% per annum based on the average monthly net assets of the Fund during the first five years of Fund's existence, and thereafter, of an amount equal to 2% of such assets of the Fund. The management company has charged its remuneration for the current year at the rate of 2% of average net assets value.

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 as follows:

- upto rupees two billion Rs. 2,075,000
- exceeding rupees two billion Rs. 2,075,000 plus 0.06% per annum of the daily net assets of the Fund exceeding rupees two billion.

11. ANNUAL FEE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

This represents annual fee of 0.095% of average monthly net assets, calculated on monthly basis, under Regulation 62 of the NBFC Regulations.

Jun 30 2010 Rupees	Jun 30 2009 Rupees
-----------------------------------	--------------------------

12. FEES AND SUBSCRIPTION

Custodian fee	401,946	456,314
Annual listing fee - stock exchanges	215,000	140,000
Mutual Fund Association of Pakistan	100,000	100,000
	716,946	696,314

13. AUDITORS' REMUNERATION

Annual audit fee	300,000	300,000
Fee for review of half yearly financial statements	150,000	150,000
Other certifications	40,000	40,000
Out of pocket expenses	39,013	40,000
	529,013	530,000

14. 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, whichever 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.

15. 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 certificate holders.

16. EARNINGS / (LOSS) PER CERTIFICATE - BASIC AND DILUTED

	Jun 30 2010 Rupees	Jun 30 2009 Rupees
Net income / (loss) for the year	96,076,164	(1,863,277,748)
	Number of certificates	
Weighted average number of certificates outstanding during the year	329,549,911	329,549,911
	Rupees	
Earnings / (loss) per certificate - basic and diluted	0.29	(5.65)

JS Large Cap. Fund

17. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Transactions with related parties are carried out in the normal course of business, at contracted rates and terms determined in accordance with market rates.

	Note	Jun 30 2010 Rupees	Jun 30 2009 Rupees
17.1	Details of transactions with related parties during the period are as follows:		
JS Investments Limited			
Management company's remuneration		47,560,855	46,490,360
Repayment of preliminary and floatation cost		-	6,000,000
Other cost incurred		11,860	-
Jahangir Siddiqui & Company Limited			
Dividend Income		2,221,447	-
JS Global Capital Limited			
Brokerage fee	17.2	997,224	1,129,704
JS Bank Limited			
Return on bank balances		2,107,743	15,829,847
Central Depository Company of Pakistan Limited (Trustee)			
Annual, Transaction, Custodian, CDS connection fee		334,446	456,314
Remuneration to trustee		2,283,065	2,252,675
EFU Life Assurance Limited			
Dividend Income		4,876,493	3,799,958
Azgard Nine Limited Preference Shares			
Dividend Income		5,828,806	5,828,806
Al Abbas Sugar Mills Limited			
Dividend Income		10,400	3,900
Eye Television Networks Limited			
Dividend Income		3,792,750	196,625
Pakistan International Container Terminal Limited			
Dividend Income		2,033,868	4,141,236
Silk Bank Limited			
PIBs Sold		-	25,127,375
Agritech Limited (formerly Pak - American Fertilizers Limited)			
Income on PPTFC		2,611,915	1,088,045
Income on Sukuk		3,446,634	854,937

	Jun 30 2010 Rupees	Jun 30 2009 Rupees
Balances as at year end:		
JS Bank Limited		
Bank balance	8,818,181	11,340,578
Profit Receivable	-	61,340
Outstanding 24,205,790 (2009: 24,205,790) certificates	242,057,900	242,057,900
JS Investments Limited		
Outstanding 65,810,000 (2009: 65,810,000) certificates	658,100,000	658,100,000
Remuneration payable to management company	479,899	3,308,937
JSIL - Staff Provident Fund		
Outstanding 50,000 (2009: 50,000) certificates	500,000	500,000
Central Depository Company of Pakistan Limited (Trustee)		
Annual, Transaction, Custodian, CDS connection fee payable	25,000	24,995
Remuneration payable to trustee	172,896	168,254
Jahangir Siddiqui & Company Limited		
Outstanding Nil (2009: 15,844,000) certificates	-	158,440,000
JS Fund of Funds		
Outstanding 19,270,008 (2009: 19,086,500) certificates	192,700,080	190,865,000
EFU Life Assurance Limited		
Outstanding 6,297,572 (2009: 6,297,092) certificates	62,975,720	62,970,920
EFU General Assurance Limited		
Outstanding 5,697,092 (2009: 5,697,092) certificates	56,970,920	56,970,920
Silk Bank Limited		
Outstanding 5,226,395 (2009: 5,224,895) certificates	52,263,950	52,248,950
Pakistan International Container Terminal Limited		
Outstanding 243,500 (2009: 243,500) certificates	2,435,000	2,435,000
Key Management Personnel		
Outstanding 1,500 (2009: 1,000) certificates	15,000	10,000
Agritech Limited (formerly Pak - American Fertilizers Limited)		
Income receivable on PPTFC	-	2,001,133
Income receivable on SUKUK	1,360,456	1,601,153

17.2 This represents the amount of brokerage paid to the related party and not the purchase or sale value of securities transacted through them as the ultimate counter-parties in respect of purchase and sales are not related.

18. 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 Funds 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;

18.1 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, interest 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 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 Company's equity investments are publicly traded on stock exchange. The Company'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, fair value of equity securities exposed to price risk were as follow:

	2010	2009
Rupees.....	
Equity investments -Held-for-trading	<u>1,730,899,972</u>	<u>1,596,821,473</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 173 million (2009:Rs. 159 million) as a result of gain / loss.

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

	2010	2009
Rupees.....	
Available-for-sale	<u>289,320,552</u>	<u>43,231,439</u>

In case of 10% increase / decrease in fair value on June 30, 2010, statement of comprehensive income for the year would be affected by Rs.28.93 million (2009:Rs. 4.32 million) as a result of gains / losses. •

ii. Yield / interest rate risk

Yield risk is the risk of decline in earnings due to adverse movement of the yield curve. Interest / mark-up rate risk is the risk that the value of the financial instruments will fluctuate due to changes in the market interest rates. Sensitivity to interest / mark-up rate risk arises from mismatches or gaps in the amounts of interest / 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 interest rate sensitivity on periodic bases. The Fund holds a limited amount of floating rate debt, that expose the Fund to cash flow interest rate risk.

The interest rate profile of the Fund is as follows:

	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
At June 30, 2010				
----- Rupees -----				
Held-for-trading equity	-	-	1,730,899,972	1,730,899,972
Unquoted debt securities	22,435,824	-	-	22,435,824
Government Securities	-	266,884,728	-	266,884,728
Money market placements	-	100,000,000	-	100,000,000
Bank balances	47,065,540	-	-	47,065,540
Security deposits	-	-	2,700,000	2,700,000
Dividend and other receivables	-	-	12,431,772	12,431,772
	69,501,364	366,884,728	1,746,031,744	2,182,417,836
<hr/>				
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
At June 30, 2009				
----- Rupees -----				
Held-for-trading equity securities	-	-	1,596,821,473	1,596,821,473
Unquoted debt securities	43,231,491	-	-	43,231,491
Bank balances	424,352,861	-	3,150	424,356,011
Security deposits	-	-	2,700,000	2,700,000
Dividend and other receivables	-	-	8,702,215	8,702,215
	467,584,352	-	1,608,226,838	2,075,811,190

Interest rate sensitivity

The sensitivity analysis demonstrates the sensitivity of the Fund's income and equity for the year to a reasonably possible change in interest 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 interest rates on the net interest 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 remains constant, the Fund's income would increase / (decrease) as follows:

JS Large Cap. Fund

	Change in rate	Total Effect on Income
	Rupees	
June 30, 2010	+100 bps	695,014
	-100 bps	(695,014)
June 30, 2009	+100 bps	4,675,875
	-100 bps	(4,675,875)

The Fund also hold fixed interest rate financial assets which may be subject to change in fair value as a result of change in interest rate. However, all the fixed interest rate financial assets of the Company are short term and therefore their carrying value approximates the fair value. Accordingly, there would not material impact on income.

Management is of the view that the above sensitivity analyses is not representative of the year as a whole, since the level of exposure changes frequently as part of the interest rate risk management process used to meet the Company'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.

18.2 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 fulfill their obligations. 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.

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

	June 30, 2010		June 30, 2009	
	Statement of assets and liabilities	Maximum Exposure	Statement of assets and liabilities	Maximum Exposure
	----- Rupees -----		----- Rupees -----	
Investments	2,020,220,524	22,435,824	1,640,052,964	43,231,491
Money market placements	100,000,000	100,000,000	-	-
Bank balances	47,065,540	47,065,540	424,356,011	424,356,011
Security deposits	2,700,000	2,700,000	2,700,000	2,700,000
Dividend and other receivables	12,431,772	12,431,772	8,702,215	7,886,162
	2,182,417,836	184,633,136	2,075,811,190	478,173,664

As per management view the credit risk arising on the investments is addressed 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 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 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. The Investment Committee trade only in securities of 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.

Information relating to the Fund's financial asset that is impaired is given in Note 3.2.1.

18.3 Liquidity risk

Liquidity risk is the risk that a Fund will encounter difficulty in raising funds to meet commitments associated with financial liabilities stood at Rs. 29,500,678 (2009: Rs 18,246,599) as at June 30, 2010. 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.

Following are the contractual maturities of the 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	479,899	-	-	479,899
Remuneration payable to the trustee	172,896	-	-	172,896
Annual fee payable to Securities and Exchange Commission of Pakistan	-	2,259,139	-	2,259,139
Accrued and other liabilities	15,466,701	1,960,738	-	17,427,439
Unclaimed dividend	9,161,305	-	-	9,161,305
	25,280,801	4,219,877	-	29,500,678
As at June 30, 2009				
Remuneration payable to the management company	3,308,937	-	-	3,308,937
Remuneration payable to the trustee	168,254	-	-	168,254
Annual fee payable to Securities and Exchange Commission of Pakistan	-	2,208,292	-	2,208,292
Accrued and other liabilities	895,846	-	-	895,846
Unclaimed dividend	11,665,270	-	-	11,665,270
	16,038,307	2,208,292	-	18,246,599

19. 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 balance sheet 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.....		
Financial assets at fair value through profit or loss - held-for-trading			
Listed ordinary shares	1,730,899,972	-	-
Available-for-sale			
Quoted debt securities	-	289,320,552	-
Total	<u>1,730,899,972</u>	<u>289,320,552</u>	<u>-</u>

There were no transfers between Level 1 and 2 in the period.

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

20. CAPITAL MANAGEMENT

JS Large Cap. Fund is a closed end fund. The Fund's objectives when managing capital are to safeguard its ability to continue as a going concern so that it can continue to provide returns for certificate holders and to maintain a strong capital base to meet unexpected losses or opportunities. In accordance with the Regulations the Fund is required to distribute at least ninety percent of its income from sources other than capital gains as reduced by such expenses as are chargeable to the Fund.

21. CONVERSION OF CLOSED END FUND TO OPEN END SCHEME

The certificate holders of the Fund in their meeting held on September 25, 2009 approved a special resolution for the conversion of the Fund into an open-end Scheme. The Securities and Exchange Commission of Pakistan has given its no objection on conversion of the fund into an open end Scheme subject to the following conditions which were subsequently approved by the Board of Directors.

Back end load to be charged to the existing unit holders on redemption of units of JS Large Cap. Fund shall become part of the Fund's Property and shall not be paid to the Management Company of the Fund.

Back-end load shall be charged for a maximum period of the three years from the date of conversion of the Fund as follows;

	<u>Back-end Load</u>
Redemption within one year of conversion into open end fund	20% of Net Asset Value per unit
Redemption after one year but within two years of conversion into open end fund	18% of Net Asset Value per unit
Redemption after two years but within three years of conversion into open end fund	16% of Net Asset Value per unit

Back-end load, shall be charged on uniform basis to all unit holders without any discrimination; and

Necessary amendments, with prior approval of the Commission, shall be made in the constitutive documents of the Fund before conversion.

22. NON-ADJUSTING EVENT AFTER BALANCE SHEET DATE

The Board of Directors of the management company have approved a distribution of Re. 0.21 per certificate for the year ended June 30, 2010, amounting to Rs. 69.205 million in their meeting held on August 17, 2010. These financial statements do not include the effect of the above distribution that will be accounted for subsequent to the year end.

23. OTHER SUPPLEMENTARY INFORMATION

The information regarding certificate 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.

24. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by Board of Directors of JS Investments Limited on August 17, 2010.

25. 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 CLAUSE 6(D),(F),(G), (H), (I), and (J)
OF THE FIFTH SCHEDULE TO THE NBFC REGULATIONS**

(I) CERTIFICATE HOLDING PATTERN OF FUND

Category	2010			2009		
	No. of Certificate holders	Number of Certificates held	% of total	No. of Certificate holders	Number of Certificates held	% of total
Individuals	2,050	24,739,099	7.51	2,276	27,099,554	8.22
Associated Companies/Directors	10	126,801,857	38.48	10	142,459,869	43.14
Insurance Companies	8	12,492,975	3.79	8	12,492,975	3.79
Banks/DFIs	10	78,609,782	23.85	11	73,288,496	22.24
NBFCs	10	18,789,435	5.70	11	13,815,628	4.19
Retirement Funds	31	5,810,922	1.76	28	5,297,000	1.62
Public Limited Companies	8	422,722	0.13	18	14,710,162	4.55
Others	43	61,883,119	18.78	39	40,386,227	12.25
	2,170	329,549,911	100.00	2,401	329,549,911	100.00

(II) TRANSACTIONS WITH TOP 10 BROKERS

Name of Brokers	2010 Percentage of commission/ Brokerage
JS Global Capital Limited	27
Crossby Securities Pakistan (Pvt.) Limited	19
Next Capital Limited	8
Invisor Securities (Pvt.) Limited	6
Global Securities Pakistan Limited	5
Invest Managers Securities (Pvt) Limited.	4
Invest Capital and Securities (Pvt) Limited	4
IGI Financials Services Limited	4
KASB Securities Limited	4
Arif Habib Securities Limited	3
	2009 Percentage of commission/ Brokerage
JS Global Capital Limited	25
Crossby Securities Pakistan (Pvt.) Limited	18
Arif Habib Securities Limited	11
Fortune Securities Limited	7
Invisor Securities (Pvt.) Limited	6
KASB Securities Limited	5
WE Financials Services Limited	5
Invest Managers Securities (Pvt.) Limited	4
BMA Capital Management Limited	4
Elixir Securities Pakistan (Pvt.) Limited	3

(III) DETAILS OF MEMBERS OF INVESTMENT COMMITTEE

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

Mr. Rashid Mansur
Mr. Suleman Lalani
Syed Rehan Mobin - Fund Manager

MR. RASHID MANSUR – CHIEF EXECUTIVE OFFICER

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 & Investments'.

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 Al – Abbas Sugar Mills Limited.

SYED REHAN MOBIN -FUND MANAGER

Mr. Mobin joined JS Investments Limited in July 2007. He brings with him 9 years of highly specialized experience in the field of Debt and Equity Markets. Currently, he is looking after the JS Large Cap. Fund, JS Aggressive Income Fund, JS-Principal Secure Fund-I, JS Income Fund and Unit Trust of Pakistan.

He is an MBA with majors in Finance. He has extensive exposure of Fixed Income and Equity Portfolio Management, Research and Risk Management. In his last assignment, he worked as Head of Fixed Income Funds at National Asset Management Company Limited. Prior to that, he was engaged in wealth management consultancy for high net-worth individual clients. He successfully structured and managed Fixed Income Hedge Portfolio worth PKR 2,500 million and an Equity Portfolio worth PKR 200 million. He started his professional career with Khadim Ali Shah Bukhari & Company Limited, where he managed Fixed Income and Money Market Department.

(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	Meeting attended	Meetings held on					
		7-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	-	-	-	-	-	-	-
		5	6	6	5	5	6

(V) 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 Investment's decision to discontinue its rating relationship with PACRA with immediate effect.



PATTERN OF CERTIFICATE HOLDING
As at June 30, 2010

No. of Certificate Holders	Certificate Holding		Total Certificates Held
	From	To	
34	1	100	403
659	101	500	326,874
341	501	1000	340,156
519	1001	5000	1,632,348
211	5001	10000	1,835,631
68	10001	15000	876,880
64	15001	20000	1,223,503
36	20001	25000	847,570
22	25001	30000	637,648
10	30001	35000	334,400
20	35001	40000	768,346
11	40001	45000	474,000
30	45001	50000	1,484,356
8	50001	55000	421,610
11	55001	60000	649,975
2	60001	65000	126,500
3	65001	70000	202,000
4	70001	75000	293,485
4	75001	80000	316,500
1	80001	85000	85,000
2	85001	90000	177,000
2	90001	95000	188,000
24	95001	100000	2,395,500
2	100001	105000	203,700
2	115001	120000	240,000
2	120001	125000	248,000
1	125001	130000	130,000
4	130001	135000	532,765
2	135001	140000	273,203
1	140001	145000	142,000
1	145001	150000	146,500
1	150001	155000	154,000
2	155001	160000	319,500
1	165001	170000	168,500
1	175001	180000	179,000
1	180001	185000	183,600
4	195001	200000	800,000
3	200001	205000	612,904
1	205001	210000	210,000
1	210001	215000	213,000
1	215001	220000	220,000
2	240001	245000	486,500
1	245001	250000	250,000
1	255001	260000	260,000
2	295001	300000	600,000
1	300001	305000	302,500

PATTERN OF CERTIFICATE HOLDING
As at June 30, 2010

No. of Certificate Holders	Certificate Holding		Total Certificates Held
	From	To	
1	345001	350000	347,601
1	350001	355000	354,999
1	385001	390000	387,000
1	395001	400000	400,000
1	410001	415000	410,500
1	445001	450000	450,000
1	465001	470000	468,500
1	470001	475000	471,841
1	495001	500000	500,000
1	580001	585000	583,500
1	630001	635000	630,050
1	825001	830000	828,019
1	920001	925000	923,197
1	945001	950000	948,890
1	965001	970000	966,500
4	995001	1000000	4,000,000
1	1365001	1370000	1,369,104
1	1375001	1380000	1,377,000
1	1385001	1390000	1,389,697
1	1795001	1800000	1,796,500
2	2495001	2500000	5,000,000
1	2820001	2825000	2,820,500
1	2990001	2995000	2,992,900
1	3370001	3375000	3,371,500
1	3995001	4000000	4,000,000
1	4375001	4380000	4,379,926
1	5225001	5230000	5,226,395
1	5695001	5700000	5,697,092
1	5925001	5930000	5,928,500
1	6295001	6300000	6,297,572
1	6790001	6795000	6,794,401
1	8155001	8160000	8,157,597
1	9450001	9455000	9,454,125
1	11230001	11235000	11,231,000
1	11385001	11390000	11,385,092
1	15175001	15180000	15,177,076
1	19270001	19275000	19,270,008
1	20290001	20295000	20,292,959
1	21390001	21395000	21,391,312
1	24205001	24210000	24,205,790
1	29545001	29550000	29,549,911
1	65805001	65810000	65,810,000
2170			329,549,911

**DETAILS OF CERTIFICATE HOLDING
AS ON JUNE 30, 2010**

CATEGORY	NO. OF CERTIFICATE HOLDERS	AMOUNT IN RUPEES	% OF TOTAL
Individuals	2,052	247,405,990	7.51
Investment Companies	37	799,413,620	24.26
Insurance Companies	10	244,876,390	7.43
Joint Stock Companies	11	48,899,240	1.48
Financial Institutions	12	1,080,419,670	32.78
Modaraba & Mutual Funds	5	274,958,090	8.34
Foreign Investors	9	534,891,880	16.23
Others	34	64,634,230	1.96
Total	2,170	3,295,499,110	100.00

Disclosure to Pattern of Certificate Holding

	%	No. of Certificates Held
1. Associated Companies, Undertakings and Related Parties:		
JS Investments Limited	19.97	65,810,000
JS Bank Limited	7.35	24,205,790
CDC - Trustee JS Fund of Funds	5.85	19,270,008
EFU Life Assurance Ltd.	1.91	6,297,572
EFU General Assurance Limited	1.73	5,697,092
Pakistan International Container Terminal Limited	0.07	243,500
JSIL - Staff Provident Fund	0.02	50,000
Silk Bank Limited	1.59	5,226,395
	<u>38.48</u>	<u>126,800,357</u>
2. NIT & ICP	<u>0.42</u>	<u>1,369,104</u>
3. Directors, CEO and their spouse and minor children:		
Mr. Munawar Alam Siddiqui	-	1,000
Mr. Suleman Lalani	-	500
Mrs. Shamsa Suleman	-	500
	<u>-</u>	<u>2,000</u>
4. Banks, DFIs, NBFCs, Insurance Companies Modaraba and Mutual Funds	<u>30.14</u>	<u>99,328,558</u>



JS Investments Limited

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

Phone: +92 21 111 222 626
Fax: +92 21 353 617 24
E-mail: info@jsil.com
Website: www.jsil.com