



Unit Trust Of Pakistan

Annual Report 2010



CONTENTS

Vision and Mission Statement	03
Organization	04
Directors' Report to the Unit Holders	05
Fund Manager's Report	08
Performance Table / Key Financial Data	09
Review Report to the Unit holders on Statement of Compliance with Best Practices of Code of Corporate Governance	10
Statement of Compliance with the Code of Corporate Governance	11
Trustee Report to the Unit Holders	13
Independent Auditors' Report to the Unit Holders	14
Statement of Assets and Liabilities	17
Income Statement	18
Statement of Comprehensive Income	19
Cash Flow Statement	20
Statement of Movement in Unit Holders' Fund	21
Distribution Statement	22
Notes to the Financial Statements	23



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

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants
Progressive Plaza, Beaumont Road
P.O. Box, 15541
Karachi-75530, Pakistan.

Legal Adviser

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

Transfer Agent

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



DIRECTORS' REPORT TO THE UNIT HOLDERS

The Board of Directors of JS Investments Limited, the Management Company of Unit Trust of Pakistan (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 14.05% against a benchmark return of 25.07%, underperforming the benchmark by 11.02%.

The Fund earned net income of Rs. 336.537 million during the year ended June 30, 2010, including unrealized gain on investment of Rs. 21.539 million. During the year the Fund made a provision of Rs. 67.049 million against non-performing investment in commercial paper issue of Azgard Nine Limited. The Fund also had to reverse the accrued mark-up of Rs. 7.951 million on the above commercial paper. The net assets of the Fund declined by 17.86% from Rs. 2,929.235 million to Rs. 2,405.992 million during the year under review. The net assets value as on June 30, 2010 was Rs. 103.40 per unit compared to beginning net assets value of Rs. 90.66 per unit showing an increase of 14.05%.

The Board of Directors of the Management Company, on July 7, 2010, has declared a stock dividend of Rs. 12.30 per unit or 13.57% of the beginning net asset value per unit of Rs. 90.66. An investor holding 100 units as on June 30, 2010 will receive 13.50 units on ex-stock dividend price of Rs. 91.10 per unit. As the above distribution is more than 90% of the realized income for the year, the income of the Fund will not be subject to tax under Clause 99 of Part I of the Second Schedule of Income Tax Ordinance, 2001.

Fund and Asset Manager Rating

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

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

Future Outlook

Mr. Rashid Mansur was appointed as the new Chief Executive Officer of your Management Company w.e.f April 01, 2010. The

Unit Trust of Pakistan

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 09 of this annual report.
- i. The Directors have signed the “Statement of Ethics and Business Practices”.
- j. The number of units of the Fund held by the Chief Executive, directors and executives and their spouses as at June 30, 2010 are as follows:

Name	Designation	Units Held
Suleman Lalani	Executive Director	3,148.23
Bilal Rashid	Assistant Vice President	0.74

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

Name	Designation	Units Acquired	Units Redeemed
Suleman Lalani	Executive Director	3,148.23	Nil
Bilal Rashid	Assistant Vice President		26.46

- 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. Ernst & Young Ford Rhodes Sidat Hyder, 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. Ernst & Young Ford Rhodes Sidat Hyder, 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 unit holders for their confidence in the Management.

Karachi: August 17, 2010

Rashid Mansur
Chief Executive Officer

FUND MANAGER'S REPORT

Investment philosophy

UTP is a balanced fund that aims to preserve and grow investor's capital in the long term while providing a regular stream of current income on an annual basis. The fund operates a diverse portfolio of equity and fixed income investments whereby the equity component is meant to provide the growth in capital while dividends on the equity component along with the fixed income investments help generate the current income.

Key information

Fund type	Open end
Category	Balanced Scheme
Fund launch date	27 October, 1997
Net Assets (PKR mn)	2,405.99
Management fee	2.00%
Trustee	Central Depository Company of Pakistan Ltd.
Auditor	Ernst & Young Ford Rhodes Sidat Hyder
Risk profile	Medium
Listing	Lahore Stock Exchange
Benchmark	50% 6M KIBOR & 50% 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	3Y	7Y	Launch
Fund	-1.72	14.05	-20.15	84.84	501.52
Benchmark	2.26	25.07	-21.70	134.00	360.17
Difference	-3.98	-11.02	1.55	-49.16	141.35

Distribution for the Year Ended June 30, 2009

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

Distribution for the Year Ended June 30, 2010

Stock dividend of Rs. 12.30 per unit has been announced for UTP

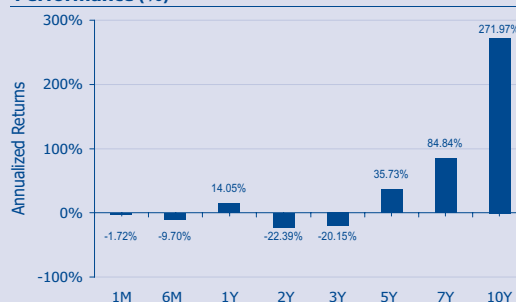
Effects on the NAV after Distribution

NAV per unit as on June 30, 2010

Cum NAV (PKR)	103.40
Ex-NAV (PKR)	91.10

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

Performance (%)



Asset allocation (%)

	Jun-10
Cash	3.89
Equity	52.06
TFCs / Sukkuks	10.73
T Bills	31.07
Other including receivables	2.25
Total	100.00

Equity sector breakdown (%)

	Jun-10
Oil & Gas	18.39
Electricity	7.76
Fixed Line Telecommunication	6.92
Industrial Transportation	6.21
Banks	3.30
Others	9.48
Total	52.06

Statistical analysis

	Fund	Benchmark
Beta	0.5	1.0
Standard Deviation	15.7%	25.2%
Largest Month Gain	14.0%	19.3%
Largest Month Loss	-24.0%	-33.8%
% Positive Months	75.2%	62.1%

Investment Committee Members

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

Split of Units

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.

¹ From June 2010 Syed Rehan Mobin has been appointed as Fund Manager after the resignation of Mr. Kashif Rafi.

PERFORMANCE TABLE / KEY FINANCIAL DATA

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
(Rupees in million)										
Net assets	2,406	2,929	6,024	4,050	3,516	3,444	3,300	1,669	897	749
Total realized income / (loss)	405	(513)	1,424	670	998	773	517	408	170	111
Total unrealized gain / (loss)	22	(976)	(273)	441	(78)	(325)	155	300	1	(2)
Total expenses	90	86	121	91	95	82	72	33	38	22
Net income	337	(1,572)	1,030	1020	825	366	600	700	133	87
Total expense to net assets ratio (%)	3.75	2.95	2.01	2.25	2.70	2.38	2.18	1.98	4.24	2.94
Total dividend distribution	286	-	738	867	755	429	576	292	125	86
Accumulated capital growth	(618)	(669)	903	611	458	388	451	427	19	11
Outstanding Units										
Number of units in issue - June 30th	23,269,764	32,310,155	39,684,510	21,568,400	18,882,850	21,427,800	19,190,450	11,682,450	8,306,100	7,202,850
Data Per Unit										
Net assets value - Rupees (Ex- Dividend)	91.10	90.66	133.20	147.57	146.23	140.70	141.98	142.90	107.94	104.02
Net income - Rupees	14	(49)	26	47	44	17	31	60	16	12
Stock dividend - Cash / Rupees	12.30	-	18.60	40.21	40.00	20.00	30.00	25.00	15.00	12.00
Date of announcement of stock dividend / cash	July 7, 2010	-	July 9, 2008	July 7, 2007	July 8, 2006	July 9, 2005	July 12, 2004	July 12, 2003	July 20, 2002	July 23, 2001
Dividend as % of NAV at the beginning of the year	13.57	-	12.60	27.50	28.43	14.09	20.99	23.16	14.42	11.32
Highest issue price during the year - Rupees	121.47	132.79	177.55	193.22	224.17	186.94	181.14	167.68	124.68	116.74
Lowest issue price during the year - Rupees	93.38	74.10	135.61	145.60	143.44	138.12	151.26	109.82	104.26	109.04
Highest redemption price during the year - Rupees	117.93	128.92	172.37	187.59	217.64	181.48	178.52	164.56	124.00	114.72
Lowest redemption price during the year - Rupees	90.66	71.94	131.66	141.36	139.24	136.80	148.28	107.66	102.20	107.38

Notes

- Unit Trust of Pakistan was launched on October 27, 1997.
- All previous figures have been restated wherever applicable due to change in par value from Rs. 5,000 to Rs.100 with effect from November 29, 2007.
- Past performance is not necessarily indicative of future performance and that unit prices and investment returns may go down, as well as go up.

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

We have reviewed the Statement of Compliance with the best practices (the statement) contained in the Code of Corporate Governance (the code) prepared by the Board of Directors of the Management Company of Unit Trust of Pakistan (the Fund) to comply with the Listing Regulations of the Lahore Stock Exchanges where the Fund is listed.

The responsibility for compliance with the Code 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 reflects the status of the Management Company's compliance with the provisions of the Code in respect of the Fund and report if it does not. A review is limited primarily to inquiries of the Management Company's personnel and review of various documents prepared by the Management Company to comply with the Code.

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

Further, Sub-Regulations (xiii a) of Listing Regulation 35 of the Lahore Stock Exchanges requires the Management 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 prices 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 does not appropriately reflect the status of the Management Company's compliance, in all material respects, with the best practices contained in the Code in respect of the Fund for the year ended June 30, 2010.

Karachi: August 17, 2010

Ernst & Young Ford Rhodes Sidat Hyder.
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 Lahore Stock Exchange where Unit Trust Of Pakistan (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 Dadabhoj, 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 Securities & Exchange Commission of Pakistan.
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 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.

Unit Trust of Pakistan

13. The financial statements of the Fund have been prepared in accordance with the approved accounting standards as applicable in Pakistan and were duly endorsed by the Chief Executive Officer and Chief Financial Officer before approval of the Board.
14. The directors, Chief Executive Officer and executives do not hold any interest in the units of the Fund other than those disclosed in the Directors' Report.
15. The Management Company has complied with all other corporate and financial reporting requirements of the Code with respect to the Fund.
16. The Board has formed an Audit Committee. It comprises of three non-executive directors.
17. The meetings of the Audit Committee held every quarter prior to approval of interim and annual results of the Fund as required by the Code. The Board has approved terms of reference of the Audit Committee.
18. The Board has set-up an effective internal audit function headed by the Head of Internal Audit and Compliance.
19. The statutory auditors of the Fund have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (ICAP), that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on Code of Ethics as adopted by the ICAP.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services to the Company except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. We confirm that all other material principles contained in the Code have been complied with.

Karachi: August 17, 2010

Rashid Mansur
Chief Executive Officer



TRUSTEE REPORT TO THE UNIT HOLDERS

Report of the Trustee pursuant to regulation 41(h) and clause 9 of schedule v of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

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

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

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

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

Karachi, September 23, 2010

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

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS

We have audited the accompanying financial statements of Unit Trust of Pakistan (the Fund), which comprise the statement of assets and liabilities as at 30 June 2010, and the related statements of income, comprehensive income, distribution, cash flows and movement in unit holders' fund for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

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

Opinion

In our opinion the financial statements give a true and fair view of the state of the Fund's affairs as at 30 June 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, the NBFC Rules and the NBFC Regulations.

Karachi: August 17, 2010

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants
Audit Engagement Partner: Arslan Khalid



FINANCIAL STATEMENTS



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

	Note	2010	2009
-----Rupees-----			
Assets			
Bank balances	7	93,940,087	682,419,371
Receivable against sale of securities		21,945,271	-
Investments	8	2,269,107,008	2,209,908,541
Dividend receivable		15,406,223	2,022,460
Accrued markup / interest	9	13,722,932	47,955,252
Deposits, prepayments and other receivable	10	3,420,242	3,435,312
Total assets		2,417,541,763	2,945,740,936
Liabilities			
Remuneration payable to the Management Company		395,752	4,731,294
Remuneration payable to the Trustee		282,800	318,762
Payable against purchase of securities		390,362	714,505
Payable against redemption of units		-	6,490,848
Accrued and other liabilities	11	10,480,536	4,250,132
Total liabilities		11,549,450	16,505,541
Net assets		2,405,992,313	2,929,235,395
Unit holders' fund		2,405,992,313	2,929,235,395
Number of units in issue		23,269,764	32,310,155
Net asset value per unit		103.40	90.66

The annexed notes from 1 to 24 form an integral part of these financial statements.

For JS Investments Limited
(Management Company)

Rashid Mansur
Chief Executive Officer

Munawar Alam Siddiqui
Chairman

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

	Note	2010	2009
-----Rupees-----			
Income			
Markup / interest income on bank balances and investments	12	159,507,349	240,385,534
Dividend income		99,677,649	74,614,159
Net gain / (loss) on investments at fair value through income statement	13	377,758,636	(2,062,674,901)
Net loss on available-for-sale investments	14	(127,618,103)	-
Element of income / (loss) and capital gain / (loss) included in prices of units issued less those in units redeemed - net		(82,478,594)	262,003,560
		426,846,937	(1,485,671,648)
Expenses			
Remuneration of the Management Company	15	61,838,150	71,245,307
Remuneration of the Trustee	16	4,091,967	4,601,681
Annual fee of Securities and Exchange Commission of Pakistan	17	2,625,856	3,323,951
Fee to National Clearing Company of Pakistan Limited		291,261	833,334
Securities transaction cost		13,473,568	5,248,892
Listing fee		40,000	30,000
Legal and professional charges		25,000	151,000
Bank charges		314,884	78,191
Auditors' remuneration	18	540,000	500,000
Printing and stationery		200,914	347,069
Provision for contribution to Workers' Welfare Fund	19	6,868,106	-
		90,309,706	86,359,425
Net income / (loss) for the year		336,537,231	(1,572,031,073)

The annexed notes from 1 to 24 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 30 JUNE 2010**

	2010	2009
	----- Rupees -----	
Net income / (loss) for the year	336,537,231	(1,572,031,073)
Other comprehensive income		
Net unrealised gain / (loss) on revaluation arising during the year	3,118,552	(47,078,466)
Reclassification adjustment for losses included in the income statement upon disposal of investments	41,140,331	-
	44,258,883	(47,078,466)
Total comprehensive income / (loss) for the year	380,796,114	(1,619,109,539)

The annexed notes from 1 to 24 form an integral part of these financial statements.

For JS Investments Limited
(Management Company)

Rashid Mansur
Chief Executive Officer

Munawar Alam Siddiqui
Chairman

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2010**

	2010	2009
	-----Rupees-----	
Cash flows from operating activities		
Net income / (loss) for the year	336,537,231	(1,572,031,073)
Adjustments for:		
Markup / interest income on bank balances and investments	(159,507,349)	(240,385,534)
Dividend income	(99,677,649)	(74,614,159)
Net (gain) / loss on investments at fair value through income statement	(377,758,636)	2,062,674,901
Net loss on available-for-sale investments	127,618,103	-
Provision for contribution to Workers' Welfare Fund	6,868,106	-
Element of income / (loss) and capital gain / (loss) included in prices of units issued less those in units redeemed - net	82,478,594	(262,003,560)
	(83,441,600)	(86,359,425)
(Increase) / decrease in assets		
Receivable against sale of securities	(21,945,271)	14,498,125
Deposits, prepayments and other receivable	15,070	1,848,263
	(21,930,201)	16,346,388
(Decrease) / increase in liabilities		
Remuneration payable to the Management Company	(4,335,542)	(4,926,518)
Remuneration payable to the Trustee	(35,962)	(255,727)
Payable against purchase of securities	(324,143)	714,505
Payable against redemption of units	(6,490,848)	6,012,505
Accrued and other liabilities	(637,702)	(24,647,641)
	(11,824,197)	(23,102,876)
	(117,195,998)	(93,115,913)
Sale / redemption / Maturity of investments	7,897,466,069	2,622,909,564
Purchase of investments	(7,662,265,120)	(1,808,021,608)
Markup / interest income received on bank balances and investments	193,739,669	228,677,860
Dividend received	86,293,886	90,400,449
Net cash inflow from operating activities	398,038,506	1,040,850,352
Cash flows from financing activities		
Proceeds from issue of units	393,611,839	295,786,343
Payments on redemption of units	(1,380,129,629)	(1,509,350,801)
Net cash used in financing activities	(986,517,790)	(1,213,564,458)
Net decrease in cash and cash equivalent	(588,479,284)	(172,714,106)
Cash and cash equivalent at the beginning of the year	682,419,371	855,133,477
Cash and cash equivalent at the end of the year	93,940,087	682,419,371

The annexed notes from 1 to 24 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 MOVEMENT IN UNIT HOLDERS' FUND
FOR THE YEAR ENDED 30 JUNE 2010**

	2010	2009
	-----Rupees-----	
Net assets as at the beginning of the year [Rs. 90.66/- (2009: Rs.151.80/-) per unit]	2,929,235,395	6,023,912,952
Issue of 3,500,356 units* (2009: 8,211,274) units of Rs. 100/- each	393,611,839	295,786,343
Redemption of 12,540,747 units (2009: 15,585,629) units of Rs. 100/- each	(1,380,129,629)	(1,509,350,801)
Element of income / (loss) and capital gain / (loss) included in prices of units issued less those in units redeemed - net	82,478,594	(262,003,560)
Net income / (loss) for the year	336,537,231	(1,572,031,073)
Other comprehensive income / (loss)	44,258,883	(47,078,466)
Total comprehensive income / (loss) for the year	380,796,114	(1,619,109,539)
Net assets as at the end of the year [Rs. 103.40 (2009: Rs.90.66/-) per unit]	2,405,992,313	2,929,235,395

* Including Nil (2009: 5,206,133) units issued as bonus units during the year.

The annexed notes from 1 to 24 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 30 JUNE 2010**

	2010	2009
	-----Rupees-----	
(Accumulated loss) / undistributed income brought forward		
Realised	113,583,205	1,646,790,247
Unrealised	(782,646,017)	(5,690,107)
	(669,062,812)	1,641,100,140
Distribution Nil (2009: Rs.18.60/- per unit)	-	(738,131,879)
Net income / (loss) for the year	336,537,231	(1,572,031,073)
Accumulated loss carried forward		
Realised	(257,403,801)	113,583,205
Unrealised	(75,121,780)	(782,646,017)
	(332,525,581)	(669,062,812)

The annexed notes from 1 to 24 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 30 JUNE 2010

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Unit Trust of Pakistan (the Fund) was established under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) as an open end unit trust scheme. It was constituted under the Trust Deed, dated 26 April 1997 between JS Investments Limited as its Management Company and MCB Financial Services Limited as its Trustee. However, Central Depository Company of Pakistan Limited was appointed as Trustee of the Fund on 11 June 2005 after voluntary resignation of MCB Financial Services Limited.
- 1.2** The Fund offers units for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering them to the Fund. The units are listed on the Lahore Stock Exchange. As per offering document, the Fund shall invest in equity securities as well as debt securities including government securities, commercial papers and various other money market instruments.

2. STATEMENT OF COMPLIANCE

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

3. BASIS OF MEASUREMENT

- 3.1** These financial statements have been prepared under the historical cost convention except for investments and derivatives which are valued as stated in notes 4.2 and 4.3 below.
- 3.2** These financial statements are presented in Pakistani Rupees which is the Fund's functional and presentation currency.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- 4.1** The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year except as follows:

The Fund has adopted the following new and amended IFRS and IFRIC interpretations which became effective during the year:

IFRS 2 – Share Based Payment – Amendments regarding Vesting Conditions and Cancellations (Amendment)

IFRS 3 – Business Combinations (Revised)

IFRS 7 – Financial Instruments: Disclosures (Amendments)

IFRS 8 – Operating Segments

IAS 1 - Presentation of Financial Statements (Revised)

IAS 23 - Borrowing Costs (Revised)

IAS 27 - Consolidated and Separate Financial Statement - Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate (Amendments)

IAS 27 - Consolidated and Separate Financial Statements (Amendment)

IAS 32 - Financial Instruments: Presentation and IAS 1 Presentation of Financial Statements - Puttable Financial Instruments and Obligations Arising on Liquidation (Amendments)

IAS 39 – Financial Instruments: Recognition and Measurement – Eligible hedged items (Amendments)

IFRIC 15 – Agreements for the Construction of Real Estate

IFRIC 16 – Hedges of a Net Investment in a Foreign Operation

IFRIC 17 - Distributions of Non-cash Assets to owners

IFRIC 18 – Transfers of Assets from Customers

The adoption of the above standards, amendments and interpretations did not have any effect on the financial statements except for the following:

IAS - 1 "Presentation of Financial Statements (Revised)"

The Fund has adopted IAS - 1 "Presentation of Financial Statements (Revised)" which became effective during the year. The revised standard separates owner and non-owner changes in equity. The statement of changes in equity / unit holders' fund includes only details of transactions with owners, with non-owner changes in equity presented as a single line item in the statement of changes in equity / unit holders' fund. In addition, the standard introduces the statement of comprehensive income which presents all items of recognised income and expense, either in one single statement, or in two linked statements. The Fund has elected to present two statements.

IFRS 7 - "Financial Instruments: Disclosures (Amendments)"

The amended standard requires additional disclosures about fair value measurement and liquidity risk. Fair value measurements related to items recorded at fair value are to be disclosed by source of inputs using a three level fair value hierarchy, by class, for all financial instruments recognised at fair value. In addition, a reconciliation between the beginning and ending balance for level 3 fair value measurement is now required, as well as significant transfers between levels in the fair value hierarchy. The amendments also clarify the requirements for liquidity management. The fair value measurement disclosures are presented in note 21.6 to the financial statements. The liquidity risk disclosures are not significantly impacted by the amendments and are presented in note 21.3 to the financial statements.

4.2 Investments

The investments of the Fund, upon initial recognition, are classified as investment at fair value through income statement or available-for-sale investment, as appropriate.

All investments, are initially measured at fair value plus, in the case of investments not at fair value through income statement, transaction costs that are directly attributable to acquisition.

All regular way purchases / sales of investments are recognised on the trade date, i.e. the date on which the Fund commits to purchase / sell the investment. Regular way purchases / sales of investments require delivery of securities within two days after transaction date as per the stock exchange regulations.

Investments at fair value through income statement

These include held-for-trading investments and such other investments that, upon initial recognition, are designated under this category. Investments are classified as held-for-trading if they are acquired for the purpose of selling in the near term. After initial measurement, such investments are carried at fair value and gains or losses on revaluation are recognised in the income statement.

Available-for-sale

Investments which are not classified in the above category are classified as available-for-sale investments. After initial measurement, such investments are measured at fair value with unrealised gain or loss recognised directly in the statement of comprehensive income until the investment is derecognised or determined to be impaired at which time the cumulative gain or loss previously recognised in the statement of comprehensive income is taken to the income statement.



4.3 Derivatives

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

4.4 Issue and redemption of units

Units are issued at the offer price prevalent on the day in which the units are issued. The offer price represents the net assets value of units at the end of the day plus the allowable sales load. The sales load is payable to the distribution companies and the Management Company as processing fee. Issue of units is recorded on acceptance of application for sale.

Units redeemed are recorded at the redemption price prevalent during the day in which the units are redeemed. The redemption price represents the net asset value per unit at the close of the business day. Redemption of units is recorded on acceptance of application for redemption.

4.5 Revenue recognition

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

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

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

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

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

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

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

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

4.7 Taxation

The Fund is exempt from taxation under clause 99 of the Part I of the 2nd Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90% of its accounting income as reduced by the realised and unrealised capital gain for the year is distributed amongst the Fund's unit holders. The Fund has availed such exemption in the past and intends to continue the same in future periods. Accordingly, no provision is required for current and deferred taxation in these financial statements.

4.8 Financial instruments

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

4.9 Offsetting of financial assets and 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.

4.10 Distribution to unit holders

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

4.11 Net asset value per unit

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

4.12 Cash and cash equivalent

Cash and cash equivalent comprise bank balances and short term deposits.

5. ACCOUNTING ESTIMATES AND JUDGEMENTS

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

Judgements made by management in the application of accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment mainly pertain to classification and valuation of investments as explained in the relevant accounting policies / notes in the financial statements.

6. STANDARDS, INTERPRETATIONS AND AMENDMENTS TO APPROVED ACCOUNTING STANDARDS THAT ARE NOT YET EFFECTIVE

The following revised standards, interpretations and amendments with respect to approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard, interpretation or amendment:

Standard, interpretation or amendment		Effective date (accounting periods beginning on or after)
IAS - 24	Related Party Disclosures (Revised)	01 January 2011
IAS - 32	Financial Instruments: Presentation - Classification of Right Issues (Amendment)	01 February 2010
IFRS - 2	Share based payment - Amendments relating to Group Cash-settled Share-based payment transactions	01 January 2010

Standard, interpretation or amendment	Effective date (accounting periods beginning on or after)
IFRIC - 14 IAS - 19 - The limit on a defined benefit asset, Minimum Funding Requirements and their Interaction (Amendments)	01 January 2011
IFRIC - 19 Extinguishing Financial Liabilities with Equity Instruments	01 July 2010

The Fund expects that the adoption of the above revisions, interpretations and amendments of the standards will not effect the Fund's financial statements in the period of initial application.

In addition to the above, amendments to various accounting standards have also been issued by IASB as a result of its annual improvement project in April 2009. Such improvements are generally effective for accounting periods beginning on or after 1 January 2010. The Fund expects that such improvements to the standards will not have any material impact on the Fund's financial statements in the period of initial application.

	Note	2010	2009
-----Rupees-----			
7. BANK BALANCES			
Current account		5,000	5,000
PLS saving accounts	7.1	93,935,087	382,414,371
Term deposits		-	300,000,000
		<u>93,940,087</u>	<u>682,419,371</u>

7.1 These accounts carry markup rates ranging from 5% to 11.25% (2009: 4% to 12.75%) per annum and include balance of Rs. 0.39 million (2009: 12.13 million) with JS Bank Limited (a related party).

8. INVESTMENTS

At fair value through income statement

Held-for-trading

Listed shares	8.1	1,258,605,922	1,321,951,504
---------------	-----	---------------	---------------

Designated at fair value through income statement

Listed term finance certificates	8.3	10,383,642	18,914,394
Unlisted term finance certificates	8.4	64,005	130,770,150
		<u>10,447,647</u>	149,684,544
		<u>1,269,053,569</u>	1,471,636,048

Available-for-sale

Listed term finance certificates	8.5	80,744,852	224,973,153
Unlisted term finance certificates	8.6	48,024,927	257,583,879
Commercial papers	8.7	-	49,271,251
Government securities	8.8	751,158,520	89,886,600
Sukuks	8.9	120,125,140	116,557,610
		<u>1,000,053,439</u>	738,272,493

Carrying value of investments as at 30 June 2010

<u>2,269,107,008</u>	<u>2,209,908,541</u>
----------------------	----------------------

Cost of investments as at 30 June 2010

<u>2,343,140,987</u>	<u>3,039,617,018</u>
----------------------	----------------------

Unit Trust of Pakistan

		Number of shares						
Note	At the beginning of the year	Acquired during the year	Bonus / right shares	Disposed during the year	At the end of the year	Carrying value (Rupees)	% of total investments	
8.1 Listed shares								
(Ordinary shares of Rs. 10/- each)								
Oil & Gas								
	Attock Petroleum Limited	114,300	713,904	-	735,983	92,221	26,721,035	1.18
	Oil & Gas Development Company Limited	830,500	3,121,390	-	3,951,890	-	-	-
	Pakistan Oilfields Limited	1,007,900	993,871	-	1,127,087	874,684	188,844,276	8.32
	Pakistan State Oil Company Limited	428,200	1,190,616	-	1,299,554	319,262	83,071,972	3.66
	Pakistan Petroleum Limited	216,870	1,255,056	-	762,809	709,117	130,562,622	5.75
	Shell Pakistan Limited	-	98,323	-	31,454	66,869	15,353,791	0.68
							444,553,696	19.59
Chemicals								
	Engro Corporation Limited	-	1,866,025	-	1,866,025	-	-	-
	Fauji Fertilizer Company Limited	148,170	810,779	-	298,170	660,779	68,106,492	3.00
	I.C.I. Pakistan Limited	-	112,217	-	112,217	-	-	-
							68,106,492	3.00
Construction & Materials								
	D.G. Khan Cement Limited	1,763,200	300,000	-	2,063,200	-	-	-
	Lucky Cement Limited	1,482,300	3,135,767	-	4,234,875	383,192	23,811,550	1.05
							23,811,550	1.05
General Industrials								
	Packages Limited	654,378	-	-	6,320	648,058	76,794,873	3.38
Industrial Transportation								
	Pakistan International Container Terminal Company Limited - related party	1,943,600	-	342,000	283,600	2,002,000	150,150,000	6.62
Personal Goods								
	Azgard Nine Limited - related party	11,386,424	1,334,576	-	12,721,000	-	-	-
8.2	Nishat Mills Limited	1,350,000	2,388,089	620,215	2,958,304	1,400,000	60,368,000	2.66
							60,368,000	2.66
Fixed Line Telecommunication								
	Pakistan Telecommunication Company Limited	-	10,442,268	-	1,038,711	9,403,557	167,383,315	7.38
Electricity								
	Hub Power Company Limited	2,713,000	6,992,767	-	3,834,870	5,870,897	187,633,868	8.27
Banks								
	Bank Al Falah Limited	564,030	1,543,214	-	2,107,244	-	-	-
	Faysal Bank Limited	-	5,000,000	-	5,000,000	-	-	-
	MCB Bank Limited	389,800	2,474,309	34,257	2,487,407	410,959	79,804,128	3.52
	National Bank of Pakistan	114,900	-	-	114,900	-	-	-
	United Bank Limited	1,323,885	1,646,031	-	2,969,916	-	-	-
							79,804,128	3.52
Non Life Insurance								
	EFU General Insurance Limited.- related party	234,100	-	-	234,100	-	-	-
Financial Services								
	Jahangir Siddiqui & Company Limited - related party	2,588,050	1,244,789	-	3,832,839	-	-	-
							1,258,605,922	55.47

Unit Trust of Pakistan

- 8.10** These carry rate of mark-up equal to base rate KIBOR plus 0.75% per annum with a floor of 5% and cap of 10.75%, receivable semi-annually in arrears and will mature in January 2011. These are unsecured with a rating of AA.
- 8.11** These carry rate of mark-up equal to ask rate KIBOR plus 200 basis points, receivable semi-annually in arrears and will mature in November 2010. These are secured by first charge by way of hypothecation over specific leased assets of the issuer with 25% margin. These have a rating of BBB.
- 8.12** These carry rate of mark-up equal to base rate KIBOR plus 1.30% per annum with a cap of 18.70%, receivable semi-annually in arrears and will mature in September 2010. These have a rating of A+ and are unsecured.
- 8.13** These carry rate of mark-up equal to the simple average of six months' KIBOR plus 85 basis points for the first five years and 135 basis points from six to ten years, receivable semi annually in arrears and will mature in February 2018. These are unsecured with a rating of AA.
- 8.14** These carry rate of mark-up equal to base rate KIBOR plus 2.10% with a cap of 17.90% per annum, receivable on a semi annual basis in arrears and will mature in September 2012. These are secured by way of floating charge over current assets and hypothecation over the fixed assets of the issuer. These have a rating of A.
- 8.15** The commercial paper has been classified as non-performing in accordance with the SECP's Circular 1 of 2009 and full provision for impairment has been made against the carrying value of such paper in accordance with the requirements of the above referred circular of SECP (see note 14).
- 8.16** These securities have a maturity period of 3 months to 1 year with a yield of 11.87% to 12.38% per annum.
- 8.17** These carry rate of mark-up equal to the simple average of the last seven days of ask side of three months daily average KIBOR rates plus 200 basis points receivable semi-annually in arrears and will mature in August 2015. These 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. These have a rating of A.

8.18 Detail of non-compliance investment

Name of non-compliant investment	Type of investment	Amount Rupees	% of net assets	% of gross assets
Trust Investment Bank Limited (II)	Term finance certificate	492,892	0.02	0.02

Circular 7 of 2009 of SECP requires that the rating of any debt security in the portfolio of the Fund shall not be lower than A-. However, the rating of the above mentioned debt security is BBB.

	Note	2010	2009
		-----Rupees-----	
9. ACCURED MARKUP / INTEREST			
Bank balances	9.1	9,020	1,783,316
Term finance certificates		6,484,263	37,362,281
Sukuks	9.2	7,229,649	8,809,655
		<u>13,722,932</u>	<u>47,955,252</u>

9.1 Includes Rs. 9,020/- (2009: Rs. 149,744/-) due from JS Bank Limited (a related party).

9.2 Represents amount due from Agritech Limited (a related party).

10. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLE

Security deposit with Central Depository Company of Pakistan Limited	100,000	100,000
Security deposit with National Clearing Company of Pakistan Limited	2,500,000	2,500,000
Prepaid annual listing fee	-	15,070
Income tax recoverable	820,242	820,242
	<u>3,420,242</u>	<u>3,435,312</u>



Unit Trust of Pakistan

	Note	2010	2009
		-----Rupees-----	
11. ACCRUED AND OTHER LIABILITIES			
SECP annual fee payable	17	2,625,856	3,323,951
Sales load payable	11.1	8,736	6,253
Accrued expenses	11.2	874,231	816,321
Unclaimed dividend		103,607	103,607
Provision for contribution to Workers' Welfare Fund	19	6,868,106	-
		<u>10,480,536</u>	<u>4,250,132</u>
11.1	Includes Rs. 3,060/- (2009: Rs. 2,260/-) payable to the Management Company.		
11.2	Includes settlement charges of Rs. 5,010/- (2009: Rs. 15,503/-) payable to Central Depository Company of Pakistan Limited.		
12. MARKUP / INTEREST INCOME ON BANK BALANCES AND INVESTMENTS			
Bank balances and term deposits		33,777,516	106,266,248
Term finance certificates		65,842,391	104,491,873
Commercial papers		2,978,841	13,921,395
Government securities		30,772,357	11,715,388
Sukuks		21,639,675	3,990,630
Reverse repurchase agreement		4,496,569	-
		<u>159,507,349</u>	<u>240,385,534</u>
13. NET GAIN / (LOSS) ON INVESTMENTS AT FAIR VALUE THROUGH INCOME STATEMENT			
Held-for-trading			
Net gain / (loss) on sale of investments		342,297,083	(1,091,203,003)
Net unrealised gain / (loss) on revaluation of investments		21,085,901	(956,989,508)
		<u>363,382,984</u>	<u>(2,048,192,511)</u>
Designated at fair value through income statement			
Net gain on sale of investments		13,922,734	4,508,096
Net unrealised gain / (loss) on revaluation of investments		452,918	(18,990,486)
		<u>14,375,652</u>	<u>(14,482,390)</u>
		<u>377,758,636</u>	<u>(2,062,674,901)</u>
14. NET LOSS ON AVAILABLE-FOR-SALE INVESTMENTS			
Net loss on sale of investments		(60,568,693)	-
Impairment of commercial paper	8.15	(67,049,410)	-
		<u>(127,618,103)</u>	<u>-</u>
15. REMUNERATION OF THE MANAGEMENT COMPANY			
According to the provisions of the Trust Deed of the Fund, the Management Company has charged its remuneration at the rate of 2% (2009: 2%) per annum of the net assets of the Fund computed on a daily basis.			
16. REMUNERATION OF THE TRUSTEE			
According to the provisions of the Trust Deed of the Fund, the Trustee is entitled to monthly remuneration for services rendered to the Fund as follows:			
On net assets:			
-	up to Rs.1 billion	Maximum of 0.2% per annum of the net assets of the Fund computed on a daily basis or Rs. 0.7 million whichever is higher.	
-	exceeding Rs.1 billion	Rs. 2 million plus 0.1% per annum of the net assets of the Fund computed on a daily basis exceeding Rs.1 billion.	
17. ANNUAL FEE OF SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN			
Represents annual fee of SECP in accordance with the NBFC Regulations, whereby the Fund is required to pay SECP at the rate of 0.085% (2009: 0.085%) per annum of the net assets of the Fund computed on a daily basis.			
18. AUDITORS' REMUNERATION			
Annual fee		275,000	275,000
Other services		195,000	165,000
Out of pocket expenses		70,000	60,000
		<u>540,000</u>	<u>500,000</u>

Unit Trust of Pakistan

19. PROVISION FOR CONTRIBUTION TO WORKERS' WELFARE FUND

The Finance Act, 2008 introduced an amendment to the Workers Welfare Fund (WWF) Ordinance, 1971, whereby the definition of "industrial establishment" was amended to include therein any establishment to which the West Pakistan Shops and Establishment Ordinance, 1969 applies. As a result of this amendment, the WWF Ordinance apparently has become applicable to all Collective Investment Schemes (CIS) whose income exceeds Rs. 0.5 million in a tax year, thus rendering them liable to pay contribution to WWF at the rate of 2% of the accounting income or declared income, whichever is higher. The Mutual Fund Association of Pakistan (MUFAP) had filed a constitutional petition in the High Court of Sindh (the Court) challenging the applicability of WWF to the CIS, which was dismissed by the Court vide its order dated 25 May 2010 on the main ground that the MUFAP (petitioner) cannot be held to be entitled to maintain a petition in respect of its member as MUFAP is not the aggrieved party in respect of its members. Subsequently, Central Depository Company of Pakistan Limited (CDC) on behalf of certain CIS under its trusteeship along with few investors has filed constitution petition in this regard before the Court on the same matter which is pending adjudication. However, without prejudice to the above, the Management Company, as a matter of abundant caution, has made a provision for WWF in the financial statements for the current year amounting to Rs. 6,868,106/-.

	2010	2009
	-----Rupees-----	
20. TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS		
Related parties / connected persons include JS Investments Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, Jahangir Siddiqui and Company Limited being the holding company of the Management Company, associates of the Management Company an its holding company other funds being managed by the Management Company and Key Management Personnel.		
JS Investments Limited		
Remuneration of the Management Company	61,838,150	71,245,307
Sales load	263,446	332,112
Other cost incurred and reimbursement	56,956	-
Central Depository Company of Pakistan Limited		
Remuneration of the Trustee	4,091,967	4,601,681
Settlement charges	187,186	115,448
JS Global Capital Limited		
Brokerage commission	3,009,236	1,415,450
JS Bank Limited		
Return on bank balances and term deposits	4,821,278	33,457,523
JS Fund of Funds		
Issue of units	31,472,573	65,000,000
Redemption of units	26,055,506	90,793,524
Bonus	-	14,333,879
Outstanding 782,176 (2009: 720,976) units	80,877,012	65,363,576
JS Aggressive Income Fund		
Redemption of units	-	102,369,575
Bonus	-	4,781,919
JS Income Fund		
Redemption of units	-	488,442,793
Bonus	-	23,178,976
JS Value Fund Limited		
Dividend received	-	5,759,199
Jahangir Siddiqui & Company Limited		
Dividend income	1,888,050	-
Silk Bank Limited		
Sale of government securities	-	25,127,375
Return on bank balances	104	-
Pakistan International Container Terminal Limited		
Dividend income	17,971,225	5,830,800
Outstanding 5,633 (2009: 5,633) units	582,459	510,693
Azgard Nine Limited		
Purchase of commercial paper	67,049,410	45,768,025
Commercial paper matured	-	100,000,000
Impairment of commercial paper	67,049,410	-
Interest income	2,978,841	7,349,811

	2010	2009
	-----Rupees-----	
EFU Life Assurance Limited		
Outstanding 243,069 (2009: 243,069) units	25,133,382	22,036,652
Agritech Limited		
Purchase of commercial paper	-	53,455,740
Commercial paper matured	-	60,000,000
Interest income	37,898,348	6,544,260
Key Management Personnel		
Issue of units	301,380	-
Redemption of units	2,934	992,175
Bonus	-	156,790
Outstanding 3,149 (2009: Nil) units	325,604	-

20.1 The transactions with related parties / connected persons are in the normal course of business at contracted rates.

20.2 The outstanding balances due to / from related parties / connected persons are included in the respective notes to the financial statements.

21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

21.2 Market risk

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

(i) Interest rate risk

Interest rate risk is the risk that the value of the financial instrument will fluctuate due to changes in the market interest rates. As of 30 June 2010, the Fund is exposed to such risk in respect of bank balances, investment in debt and Government securities. The bank balances are subject to interest rates as declared by the respective bank on periodic basis. Debt securities are subject to floating interest rates other than Government securities which are subject to fixed interest rates. The sensitivity of the income / (loss) for the year is the effect of the assumed changes in interest rates on:

- The net interest income for one year, based on the floating rate financial assets held at the year end; and
- Changes in fair value of investments for the year, based on revaluing fixed rate financial assets at the year end.

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

	Effect on income		Effect on other comprehensive income	
	2010	2009	2010	2009
	-----Rupees-----			
Change in basis point				
+ 100	3,532,777	11,312,136	(4,641,368)	(734,614)
- 100	(3,532,777)	(11,312,136)	4,712,618	762,127

In practice, the actual results may differ from the sensitivity analysis shown above.

(ii) Foreign currency risk

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

Unit Trust of Pakistan

(iii) Equity price risk

Equity price risk is the risk of volatility in share prices resulting from their dependence on market sentiments, speculative activities, supply and demand for shares and liquidity in the market. The value of investments may fluctuate due to change in business cycles affecting the business of the company in which the investment is made, change in business circumstances of the company, its business sector, industry and / or the economy in general. Management of the Fund estimates that a 10% increase in the overall equity prices in the market with all other factors remaining constant would increase the Fund's income by Rs.125,860,592/- and a 10% decrease would result in a decrease in the Fund's income by the same amount. However, in practice, the actual results may differ from the sensitivity analysis.

The Management Company manages the above market risks through diversification of investment portfolio and placing limits on individual and aggregate exposures in accordance with the internal risk management policies and regulations laid down by the SECP.

21.3 Liquidity risk

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

The table below summaries the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity date. However, for equity securities at fair value through income statement, the period in which those assets are assumed to mature is taken as the expected date on which these assets will be realised.

2010	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
----- Rupees -----						
Assets						
Bank balances	93,940,087	-	-	-	-	93,940,087
Receivable against sale of securities	21,945,271	-	-	-	-	21,945,271
Investments	-	132,226,905	1,887,985,184	48,024,928	200,869,991	2,269,107,008
Dividend receivable	15,406,223	-	-	-	-	15,406,223
Accrued markup / interest	483,222	13,230,555	9,155	-	-	13,722,932
Deposits, prepayments and other receivable	-	-	-	820,242	2,600,000	3,420,242
	131,774,803	145,457,460	1,887,994,339	48,845,170	203,469,991	2,417,541,763
Liabilities						
Remuneration payable to the Management Company	395,752	-	-	-	-	395,752
Remuneration payable to the Trustee	282,800	-	-	-	-	282,800
Payable against purchase of securities	390,362	-	-	-	-	390,362
Payable against redemption of units	-	-	-	-	-	-
Accrued and other liabilities	-	3,612,430	6,868,106	-	-	10,480,536
	(1,068,914)	(3,612,430)	(6,868,106)	-	-	(11,549,450)
Net assets	130,705,889	141,845,030	1,881,126,233	48,845,170	203,469,991	2,405,992,313
2009	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
----- Rupees -----						
Assets						
Bank balances	682,419,371	-	-	-	-	682,419,371
Investments	-	53,434,584	1,411,838,104	238,496,675	506,139,178	2,209,908,541
Dividend receivable	1,443,250	579,210	-	-	-	2,022,460
Accrued markup / interest	15,038,190	11,401,404	21,515,658	-	-	47,955,252
Deposits, prepayments and other receivable	820,242	-	15,070	-	2,600,000	3,435,312
	699,721,053	65,415,198	1,433,368,832	238,496,675	508,739,178	2,945,740,936
Liabilities						
Remuneration payable to the Management Company	4,731,294	-	-	-	-	4,731,294
Remuneration payable to the Trustee	318,762	-	-	-	-	318,762
Payable against purchase of securities	714,505	-	-	-	-	714,505
Payable against redemption of units	6,490,848	-	-	-	-	6,490,848
Accrued and other liabilities	160,329	3,676,201	413,602	-	-	4,250,132
	(12,415,738)	(3,676,201)	(413,602)	-	-	(16,505,541)
Net assets	687,305,315	61,738,997	1,432,955,230	238,496,675	508,739,178	2,929,235,395

21.4 Credit risk

- (i) Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss for the Fund by failing to discharge its obligation. The Fund's policy is to enter into financial contracts with reputable counter parties in accordance with the internal guidelines, offering document and regulatory requirements. The table below analyses the Fund's maximum exposure to credit risk:

	2010	2009
	-----Rupees-----	
Bank balances	93,940,087	682,419,371
Receivable against sale of securities	21,945,271	-
Investments in debt securities	259,342,566	798,070,437
Dividend receivable	15,406,223	2,022,460
Accrued markup / interest	13,722,932	47,955,252
Deposits, prepayments and other receivable	2,600,000	2,600,000
	406,957,079	1,533,067,520

- (ii) Concentration of credit risk exists when changes in economic or industry factors affect the group of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The table below analyses the Fund's concentration of credit risk by industrial distribution:

	% of debt instruments	
	2010	2009
Chemicals	46	46
Commercial banks	35	25
Financial services	-	1
Transport	19	6
Personal goods	-	6
Fixed line communication	-	16
	100	100

(iii) Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings or to historical information about counterparty default rates:

Rating	% of debt instruments	
	2010	2009
AA	35	39
AA-	-	48
A+	-	1
A	65	6
BBB	-	-
Others	-	6
	100	100

21.5 Fair value of financial instruments

The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties. The following methods are used to estimate the fair values of financial assets:

Listed shares

These are valued on the basis of closing market prices quoted on the respective stock exchange.

Debt securities

These are valued at the rates notified by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the SECP's Circular 1 of 2009. The said circular prescribes a valuation methodology which in case of currently traded securities, is based on weighted average prices during the 15 days preceding the valuation date and in case of thinly or non-traded securities, on the basis of discount coupon method which takes into consideration credit risk and maturities of the instruments.

Unit Trust of Pakistan

Government securities

These are valued by reference to the quotations obtained from the PKRV rate sheet on the Reuters page.

The fair value of other financial assets and liabilities of the Fund appropriate their carrying amount due to short term maturities of these instruments.

21.6 Fair value hierarchy

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

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

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

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

As at 30 June 2010, the Fund held the following financial instruments measured at fair value:

2010	Level 1	Level 2	Level 3
	-----Rupees----- (Note 21.7)		
At fair value through income statement	1,258,605,922	10,447,647	-
Available-for-sale	-	1,000,053,439	-
	<u>1,258,605,922</u>	<u>1,010,501,086</u>	<u>-</u>

21.7 The reconciliation from beginning to ending balance for assets measured fair value using level 3 valuation technique is given below:

Opening balance	-
Acquired during the year	67,049,410
Provision against non-performing securities	67,049,410
Closing balance	<u>-</u>

21.8 Capital management

The Fund's objective when managing unit holder's funds is to safeguard the Fund's ability to continue as a going concern so that it can continue to provide optimum returns to its unit holders and to ensure reasonable safety of capital. The Fund manages its investment portfolio and other assets by monitoring return on net assets and makes adjustments to it in the light of changes in market's conditions. The capital structure depends on the issuance and redemption of units.

22. SUBSEQUENT EVENT-DISTRIBUTION TO THE UNIT HOLDERS

The Board of Directors of the Management Company on 7 July 2010 has approved distribution to unit holders at the rate of Rs. 12.30 (2009: Nil) per unit.

23. SUPPLEMENTARY NON FINANCIAL INFORMATION

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

24. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on August 17, 2010.

For JS Investments Limited
(Management Company)

Rashid Mansur
Chief Executive Officer

Munawar Alam Siddiqui
Chairman

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

ANNEXURE I

(i) UNIT HOLDING PATTERN OF THE FUND

Category	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	696	3,541,546	354,154,600	15.22
Associated companies / director	4	1,034,027	103,402,700	4.44
Insurance companies	1	1,916,259	191,625,900	8.23
Banks / DFI's	2	2,957,759	295,775,900	12.71
Retirement funds	100	9,806,417	980,641,700	42.14
Public limited companies	2	391,182	39,118,200	1.68
Others	28	3,622,574	362,257,400	15.58
2010	833	23,269,764	2,326,976,400	100

Category	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	905	4,616,406	461,640,600	14.29
Associated company/ director	4	979,966	97,996,600	3.03
Insurance companies	4	2,007,655	200,765,500	6.21
Banks / DFI's	2	4,007,759	400,775,900	12.40
Retirement funds	147	15,595,230	1,559,523,000	48.27
Public limited companies	2	391,182	39,118,200	1.21
Others	31	4,711,957	471,195,700	14.58
2009	1,095	32,310,155	3,231,015,500	100

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

Name of broker	% of commission
2010	
JS Global Capital Limited	23
Crosby Securities (Private) Limited	18
Invisor Securities (Private) Limited	7
KASB Securities Limited	7
Fortune Securities Limited	5
BMA Capital Management Limited	5
Arif Habib Limited	5
Investment Managers Securities (Private) Limited	5
NEXT Capital Limited	4
Invest and Finance Securities (Private) Limited	3
2009	
JS Global Capital Limited	27
Crosby Securities (Private) Limited	19
Investment Managers Securities (Private) Limited	9
Invisor Securities (Private) Limited	6
KASB Securities Limited	6
BMA Capital Management Limited	6
Fortune Securities Limited	4
Arif Habib Limited	4
Aziz Fidahusein & Company (Private) Limited	4
WE Financial Services Limited	3

(iii) THE MEMBERS OF THE INVESTMENT COMMITTEE

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

Mr. Rashid Mansur
Mr. Suleman Lalani
Syed Rehan Mobin

MR. RASHID MANSUR - CHIEF EXECUTIVE OFFICER

Mr. Rashid Mansur joined the Management Company on 01 April 2010 as Chief Executive Officer. Prior to joining, he was President and CEO of Escort 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 and Law of International Banking and International Finance & Investment.

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

During his tenure as Chairman and CEO of The Board of Investment and Trade, Government of Punjab and as Secretary General of Turkish-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 - EXECUTIVE DIRECTOR

Mr. Lalani joined the Management Company 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 the Management Company, Mr. Lalani has also served as CFO and Company Secretary of a regulated microfinance institution for the three years. Earlier he worked as Chief Operating Officer for Jahangir Siddiqui Investment Bank Limited and as a Vice President - Finance and Legal with the Jahangir Siddiqui & Company Limited.

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 Director of Al-Abbas Sugar Mills Limited.

SYED REHAN MOBIN - FUND MANAGER

Mr. Mobin joined the Management Company in July 2007. He brings with him 9 years of highly specialized experience in the field of Debt and Equity Markets. Currently, he is also 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	Meetings attended	Meetings held on					
		07 July 2009	21 Aug 2009	29 Aug 2009	23 Oct 2009	26 Feb 2010	24 Apr 2010
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	1	-	-	-	-	-	1
		5	6	6	5	5	6

(v) RATING OF THE FUND AND THE MANAGEMENT COMPANY

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

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

For JS Investments Limited
(Management Company)

Rashid Mansur
Chief Executive Officer

Munawar Alam Siddiqui
Chairman



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