
JS Capital Protected Fund

Quarterly Report for the period
ended March 31, 2010





CONTENTS

Vision and Mission Statement.....	02
Organization.....	03
Directors' Report to the Unit Holders.....	04
Condensed Interim Statement of Assets and Liabilities.....	05
Condensed Interim Income Statement.....	06
Condensed Interim Statement of Comprehensive Income.....	07
Condensed Interim Cash Flow Statement.....	08
Condensed Interim Statement of Movement in Unit holders' Fund.....	09
Condensed Interim Distribution Statement.....	10
Notes to the Condensed Interim Financial Statements.....	11

JS Capital Protected Fund

Vision

To be Industry Leaders in Financial Services

Mission

Pursuit of Professional Excellence

Core Values

- Shareholder Value
- Integrity
- Commitment



JS Capital Protected Fund

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 Rashid Mansur Suleman Lalani Nazar Mohammad Shaikh Fayaz Anwar Lt.General (R) Masood Parwaiz Sadeq Sayeed	Chairman Chief Executive Officer
Audit Committee	Nazar Mohammad Shaikh Munawar Alam Siddiqui Lt. General (R) Masood Parwaiz	Chairman Member 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) 34326061	
Auditor	Ernst & Young Ford Rhodes Sidat Hyder Chartered Accountants	
Legal Adviser	Bowaney & Partners	
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	

JS Capital Protected Fund

DIRECTORS' REPORT TO THE UNIT HOLDERS

The Board of directors of JS Investments Limited has pleasure in presenting to you the un-audited financial statements of JS Capital Protected Fund for the nine months period ended March 31, 2010.

Market Review

The equity market continued to post healthy gains during the quarter under review. The KSE – 30 index appreciated by 5.84% during the quarter from 9,850 points in December 31, 2009 to 10,425 points at the close of the quarter. This shows an aggregate increase of 37.70% during the nine months period ended March 31, 2010. The recent surge in the index can be attributed to restoration of investors' confidence, easing political concerns, improving macroeconomic indicators and attractive yields offering a 42% discount in comparison with regional peers.

The gradual elimination of power subsidies and the recent hike in oil prices have, however, further contributed to the soaring inflation. Therefore, the State Bank of Pakistan (SBP) took a cautious stance and maintained the discount rate at 12.5%. In addition, unexpected delays in the foreign aids, postponement of the IMF tranche, coupled with the costs of war on terror, have adversely affected the government's fiscal deficit target which has been revised to 5.0% – 5.5% from the initial target of 4.9%.

The Moody's reaffirmation of the sovereign rating of B3 with a stable outlook reiterates the considerable improvements on the macroeconomic fronts, with the fiscal deficit as the only prime concern. Moreover, the yields on a Euro Bond issued by the government also declined to a level below 8% due to improved sovereign credit risk, a smooth implementation of IMF program and positive macroeconomic developments. Evidently, an improved economic scenario resulted in the Foreign Portfolio Investment of USD 140.74mn which has been a major triggering factor in pushing up the equity markets in the 3QFY10.

Fund Performance

The Fund earned a net income of Rs. 54.192 million during the period under review compared to net loss of Rs. 63.948 million during the corresponding period of last year. The net assets of the Fund stood at Rs. 621.914 million as on March 31, 2010 compared to Rs. 694.688 million as on June 30, 2009 – a decline of 10.48%. The Fund made an interim distribution of Rs. 8.50 per unit during the period under review. The net assets value per unit as on March 31, 2010 was Rs. 103.16 compared to ex-distribution NAV of Rs. 101.83 on June 30, 2009.

Fund and Asset Manager Rating

The Pakistan Credit Rating Agency (PACRA) has assigned a capital protection rating of "AA-(cp)" [Double A Minus (capital protection)] to the fund. The fund's rating denotes very strong certainty of capital protection.

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 subsequent to JS Investment's decision to discontinue its rating relationship with PACRA with immediate effect.

Acknowledgment

We wish to express our gratitude to 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.

On behalf of the Board

Rashid Mansur
Chief Executive Officer

Karachi: April 24, 2010



JS Capital Protected Fund

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT 31 MARCH 2010

	Note	31 March 2010 ----- Rupees ----- (Un-Audited)	30 June 2009 (Audited)
Assets			
Bank balances	4	616,966,682	78,005,525
Term deposits		-	604,828,177
Investments		-	24,713,817
Deposits and other receivable		5,660,153	111,192
Deferred formation cost		-	612,945
Total asset		622,626,835	708,271,656
Liabilities			
Remuneration payable to the management company		63,878	712,216
Remuneration payable to the trustee		129,665	74,070
Payable against purchase of securities		-	11,038,322
Accrued and other liabilities		519,646	1,759,223
Total liabilities		713,189	13,583,831
Net assets		621,913,646	694,687,825
Unit holders' fund		621,913,646	694,687,825
	(Number).....	
Number of units in issue		6,028,757	6,626,625
Net asset value per unit (Rupees)		103.16	104.83
Contingency	5	-	-

The annexed notes from 1 to 9 form an integral part of these condensed interim financial statements.

For JS Investments Limited
(Management Company)

Rashid Mansur
Chief Executive Officer

Munawar Alam Siddiqui
Chairman

JS Capital Protected Fund

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE PERIOD ENDED 31 MARCH 2010

	Period ended		Quarter ended	
	31 March 2010	31 March 2009	31 March 2010	31 March 2009
	----- Rupees -----		----- Rupees -----	
Income				
Return on bank balances and term deposits	45,699,553	70,537,796	15,425,167	19,675,220
Dividend income	2,615,000	2,676,960	1,700,000	-
Back end load	3,980,526	16,374,568	-	8,799,444
Net gain/ (loss) on investments of fair value through income statement (held for trading)				
-Net gain / (loss) on sale of investments	17,411,853	(62,517,668)	2,133,480	(57,779,560)
-Net unrealised (loss) / gain on revaluation of investments	-	(69,221,750)	(2,903,749)	46,565,710
	<u>17,411,853</u>	<u>(131,739,418)</u>	<u>(770,269)</u>	<u>(11,213,850)</u>
	69,706,932	(42,150,094)	16,354,898	17,260,814
Element of income / (loss) and capital gain / (loss) included in prices of units sold less those in units redeemed-net	<u>(5,718,146)</u>	<u>3,953,374</u>	<u>886,486</u>	<u>1,885,220</u>
	63,988,786	(38,196,720)	17,241,384	19,146,034
Expenses				
Remuneration of the management company	5,910,764	8,614,221	1,897,350	2,289,977
Remuneration of the trustee	614,718	902,725	197,323	238,157
Annual fee of Securities & Exchange Commission of Pakistan	354,645	621,947	113,840	137,399
Amortization of formation cost	612,945	599,972	135,034	233,761
Securities transaction costs	395,625	288,501	110,896	28,211
Listing and custodian fee	30,233	32,280	10,751	8,631
Bank charges on early redemption of term deposits	1,592,174	14,314,959	-	5,543,420
Bank and settlement charges	6,823	10,603	3,641	6,941
Auditors' remuneration	203,312	228,902	-	51,402
Printing, Stationery & Postage	75,699	74,657	23,289	24,657
Legal and professional expenses	-	63,000	-	-
	<u>9,796,938</u>	<u>25,751,767</u>	<u>2,492,124</u>	<u>8,562,556</u>
Net income / (loss) for the period	<u>54,191,848</u>	<u>(63,948,487)</u>	<u>14,749,260</u>	<u>10,583,478</u>

The annexed notes from 1 to 9 form an integral part of these condensed interim financial statements.

For JS Investments Limited
(Management Company)

Rashid Mansur
Chief Executive Officer

Munawar Alam Siddiqui
Chairman



JS Capital Protected Fund

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE PERIOD ENDED 31 MARCH 2010

	Period ended		Quarter ended	
	31 March 2010	31 March 2009	31 March 2010	31 March 2009
	----- Rupees -----		----- Rupees -----	
Net income / (loss) for the period	54,191,848	(63,948,487)	14,749,260	10,583,478
Other comprehensive income for the period	-	-	-	-
Total comprehensive income / (loss) for the period	<u>54,191,848</u>	<u>(63,948,487)</u>	<u>14,749,260</u>	<u>10,583,478</u>

The annexed notes from 1 to 9 form an integral part of these condensed interim financial statements.

For JS Investments Limited
(Management Company)

Rashid Mansur
Chief Executive Officer

Munawar Alam Siddiqui
Chairman

JS Capital Protected Fund

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE PERIOD ENDED 31 MARCH 2010

	Period ended	
	31 March 2010	31 March 2009
	----- Rupees -----	
Cash flows from operating activities		
Net income / (loss) for the period	54,191,848	(63,948,487)
Adjustments for:		
Net (gain) / loss on sale of investments	(17,411,853)	131,739,418
Dividend income	(2,615,000)	(2,676,960)
Amortization of formation cost	612,945	599,972
Back end load	(3,980,526)	(16,374,568)
Element of income / (loss) and capital gain / (loss) included in prices of units sold less those in units redeemed-net	5,718,146	(3,953,374)
Increase in current assets	(17,676,288)	109,334,488
Deposits and other receivables	(4,548,961)	(369,680)
Increase / (decrease) in current liabilities		
Remuneration payable to the management company	(648,338)	(455,917)
Remuneration payable to the trustee	55,595	(48,988)
Payable against purchase of securities	(11,038,322)	-
Accrued and other liabilities	(1,239,577)	(4,040)
	(12,870,642)	(508,945)
	19,095,957	44,507,376
Sale of investments	147,666,073	79,879,554
Purchase of investments	(105,540,403)	(45,075,000)
Dividend received	1,615,000	2,676,960
Maturity / Partial redemption of term deposits	604,828,177	364,056,214
Net cash generated in operating activities	667,664,804	446,045,104
Cash flows from financing activities		
Amounts paid on redemption of units	(128,703,647)	(392,989,634)
Net increase in cash and cash equivalent	538,961,157	53,055,470
Cash and cash equivalent at the beginning of the period	78,005,525	341,320
Cash and cash equivalent at the end of the period	616,966,682	53,396,790

The annexed notes from 1 to 9 form an integral part of these condensed interim financial statements.

For JS Investments Limited
(Management Company)

Rashid Mansur
Chief Executive Officer

Munawar Alam Siddiqui
Chairman



JS Capital Protected Fund

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE PERIOD ENDED 31 MARCH 2010

	Period ended	
	31 March 2010	31 March 2009
	----- Rupees -----	
Net assets as at the beginning of the period	694,687,825	1,198,914,374
Issue of 659,355 (2009: 777,402) bonus units	-	-
Redemption of 1,257,223 (2009: 4,077,125) units	(128,703,647)	(392,989,634)
	(128,703,647)	(392,989,634)
Back end load	(3,980,526)	(16,374,568)
Element of (income) / loss and capital (gain) / loss included in prices of units sold less those in units redeemed - net	5,718,146	(3,953,374)
Net income / (loss) for the period	54,191,848	(63,948,487)
Other comprehensive income for the period	-	-
Total comprehensive income / (loss) for the period	54,191,848	(63,948,487)
Net assets as at the end of the period	<u>621,913,646</u>	<u>721,648,311</u>

The annexed notes from 1 to 9 form an integral part of these condensed interim financial statements.

For JS Investments Limited
(Management Company)

Rashid Mansur
Chief Executive Officer

Munawar Alam Siddiqui
Chairman

JS Capital Protected Fund

CONDENSED INTERIM DISTRIBUTION STATEMENT (UN-AUDITED) FOR THE PERIOD ENDED 31 MARCH 2010

	Period ended	
	31 March 2010	31 March 2009
	----- Rupees -----	
Undistributed income brought forward	32,025,372	158,399,716
Distribution at the rate of Rs.3/- (2009: Rs 8.01/-) per unit, declared on 07 July 2009	(19,879,874)	(83,345,224)
Distribution at the rate of Rs.8.50/- per unit declared on 19 February 2010	(47,299,335)	-
	(67,179,209)	(83,345,224)
Net income / (loss) for the period	54,191,848	(63,948,487)
Undistributed income carried forward	<u>19,038,011</u>	<u>11,106,005</u>

The annexed notes from 1 to 9 form an integral part of these condensed interim financial statements.

For JS Investments Limited
(Management Company)

Rashid Mansur
Chief Executive Officer

Munawar Alam Siddiqui
Chairman



JS Capital Protected Fund

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE PERIOD ENDED 31 MARCH 2010

1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 JS Capital Protected Fund (the Fund) was established under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 as an open-end unit trust scheme. It was constituted under a Trust Deed, dated 27 November 2006 between JS Investments Limited as the management company, a company incorporated under the Companies Ordinance, 1984 and the Central Depository Company of Pakistan Limited as the trustee, also incorporated under the Companies Ordinance, 1984.

1.2 The Fund aims at protecting investors' capital by placing a significant percentage of the Fund as bank deposit(s) or in other fixed income instruments, and uses the remaining funds for investments into equity markets or any other permissible investment instruments. The duration of the Fund is three years and six weeks from the last day of Initial Public offering i.e. 22 February 2007. Accordingly, the Fund shall automatically stand dissolved in April 2010. However, the management believes that the said dissolution of the Fund does not require any adjustment in these condensed interim financial statements for the reason that the carrying value of asset and liabilities approximate the respective realizable / settlement amount.

1.3 After the initial subscription the public sale of units has been discontinued. The sale of additional units if allowed during the tenure of the Fund will be at the discretion of the management company. The units can also be redeemed by surrendering them to the Fund subject to back end load as per the offering document. The units are listed on the Lahore Stock Exchange.

2. BASIS OF PREPARATION

2.1 These condensed interim financial statements are un-audited and have been prepared in accordance with requirements of the International Accounting Standard, 34 "Interim Financial Reporting" as applicable in Pakistan, Trust Deed, the NBFC Rules, the Non-Banking Finance Companies and Notified Entities Regulations, 2008, and in compliance with the Listing Regulations of the Lahore Stock Exchange.

2.2 These condensed interim financial statements do not include all the information and disclosures required in the annual statements and should be read in conjunction with the financial statements of the Fund for the year ended 30 June 2009.

3. ACCOUNTING POLICIES

The accounting policies adopted for the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the Fund's annual financial statements for the year ended 30 June 2009 except for the following:

The Fund has adopted IAS - 1 "Presentation of Financial Statements (Revised)" which became effective during the period. 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.

JS Capital Protected Fund

	31 March 2010	30 June 2009
	----- Rupees -----	
	(Un-Audited)	(Audited)
4. BANK BALANCES		
PLS saving accounts	116,966,682	78,005,525
Term Deposit	500,000,000	-
	<u>616,966,682</u>	<u>78,005,525</u>
5. CONTINGENCY		

Through Finance Act, 2008 an amendment was made in section 2(f) of the Workers' Welfare Fund Ordinance, 1971 (the WWF Ordinance), whereby the definition of 'Industrial Establishment' has been made applicable to any establishment to which West Pakistan Shops and Establishment Ordinance, 1969 applies. The management, based on a legal advice, is of a firm view that Collective Investment Schemes are not establishments and therefore, the WWF Ordinance is not applicable to such schemes and hence, no provision on account of WWF contribution is required in these condensed interim financial statements. However, in an unlikely event, if the Collective Investment Schemes are considered as industrial establishments, the impact on the net asset value will be Rs. 1.084 million as of 31 March 2010.

Further, Mutual Funds Association of Pakistan, of which the management company is also a member, has filed a constitutional petition in the High Court of Sindh praying it to declare that the Collective Investment Schemes are not establishments and as a result are not liable to pay contribution to the WWF. The legal proceedings in respect of the aforementioned petition are currently in progress.

	Period ended	
	31 March 2010	31 March 2009
	----- Rupees -----	
	(Un-Audited)	(Un-Audited)
6. TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS		
<u>Transactions for the period</u>		
JS Investment Limited (management company)		
Remuneration	5,910,764	8,614,221
Bonus units	1,176,554	1,185,478
Redemption	-	2,748,531
Other cost incurred and reimbursement	18,677	-
Central Depository Company Limited (trustee)		
Remuneration	614,718	902,725
Settlement charges	12,773	13,615
JS Global Capital Limited (group company) (Note- 6.1)		
Brokerage Commission paid	96,957	182,148
JS Bank Limited (group company)		
Return on bank balances	272,897	1,929,634
EFU Life Assurance Ltd. (group company)		
Bonus units	659,782	418,492
EFU General Insurance Ltd. (group company)		
Bonus units	1,319,564	836,984
Pakistan International Container Terminal Ltd. (group company)		
Dividend Income	-	2,676,960



JS Capital Protected Fund

Balance as at period / year ended	31 March	30 June
	2010	2009
	Rupees	
	(Un-Audited)	(Audited)
JS Investments Limited (management company)		
Remuneration payable	63,878	712,216
Outstanding 144,992.2543 (2009: 130,000) units	14,957,401	13,628,264
Other cost payable	11,720	-
JS Bank Limited (related party)		
Bank Balance	193,931	428,490
Central Depository Company of Pakistan Limited (trustee)		
Remuneration payable	129,665	74,070
Settlement charges payable	2,374	500
EFU Life Assurance Ltd. (group company)		
Outstanding 62,625.1212 (2009: 56,149.6598) units	6,460,407	5,886,326
EFU General Insurance Ltd. (group company)		
Outstanding 125,250.2426 (2009: 112,299.3197) units	12,920,815	11,772,652

6.1 The amount disclosed represents the amount of brokerage paid to the related party and not the purchase or sale of securities transacted through them. The purchase and sale value have not been treated as transactions with related party as ultimate counter parties are not known.

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

7. SUBSEQUENT EVENT - DISSOLUTION OF THE FUND

According to clause 36 of the Trust Deed, the Fund has been dissolved after the completion of its minimum period. Accordingly, all units have been redeemed and the redemption proceeds have been paid to the unit holders on April 21, 2010.

8. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the management company on April 24, 2010.

9. GENERAL

9.1 The corresponding figures have been re-arranged wherever necessary

9.2 Figures have been rounded off to the nearest Rupee.

For JS Investments Limited
(Management Company)

Rashid Mansur
Chief Executive Officer

Munawar Alam Siddiqui
Chairman

BOOK POST
PRINTED MATTER



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 3536 1724
E-mail: info@jsil.com
Website: www.jsil.com