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Vision

To be Industry Leaders in Financial Services

Mission

Pursuit of Professional Excellence

Core Values

■ Shareholder Value ■ Integrity ■ Commitment

ORGANIZATION

Management Company

JS Investments Limited
7th Floor, The Forum, G-20
Khayaban-e-Jami, Block-9, Clifton
Karachi-75600
Tel: (92-21) 111-222-626 Fax: (92-21) 5361724
E-mail: info@jsil.com
Website: www.jsil.com

Board of Directors

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

Audit Committee

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

Chief Financial Officer & Company Secretary

Suleman Lalani

Trustee

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) 4326061

Auditors

Ford Rhodes Sidat Hyder & Co.
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) 4391316-7
Fax: (92-21) 4391318

DIRECTORS' REPORT TO THE UNIT HOLDERS

The Board of Directors of JS Investments Limited, the Management Company of JS Capital Protected Fund III (the Fund), is pleased to present the Annual Report for the period ended June 30, 2008.

1. Review of Fund Performance

The Fund earned a net income of Rs. 81.057 million during the period ended June 30, 2008. Profit on bank balances and term deposits were recorded at Rs. 95.236 million. Income on equity investment including realized and unrealized capital gain/loss was Rs. 4.538 million.

The Board of Directors of the Management Company has declared a distribution of Rs. 5.50 per unit or 5.5 percent on the face value of Rs. 100. The total distribution for the period works out to Rs. 73.285 million. As the above distribution is more than 90% of the realized income for the period, the income of the Fund will not be subject to tax under Clause 99 of the Part I of the Second Schedule of Income Tax Ordinance, 2001.

2. Market Outlook

The SBP continued to maintain its tight monetary stance in order to combat inflationary pressures, particularly in the second half of the current fiscal year. In order to curtail demand pressure, SBP initially increased its policy rate by 50 bps to 10% effective from August 01, 2007. However, to curb aggregate demand pressure further, SBP increased its policy rate by another 50 bps to 10.5% and raised the cash reserve requirement (CRR) by 100 bps effective from February 01, 2008. Despite these measures, inflation continued to climb with overall CPI reaching a record high of 17.2% in April 2008, which was more than double from 6.4% in July 2007. The continuing demand and supply pressures resulted in SBP further raising its policy rate by 150bps and reserve requirements by 100bps effective from May 23, 2008. In maintaining its tight monetary policy SBP has managed to sterilize excess money supply through PIB auctions worth PKR 53.4bn (FY07: PKR 75bn). Furthermore as a result of the discount rate hikes, 6-month KIBOR has gone up by over 400 bps from 10.02% as at July 01, 2007 to 14.19% on June 30, 2008. In contrast to FY07, foreign investment up to May 2008 has declined by 30.2% YoY to USD 3.93bn compared to USD 5.6bn in the same period last year.

Average CFS rates fell during the year to 12% compared to 14% last year, due to the increase of fixed income mutual funds in the market. However CFS rates over June FY08 averaged around 16% reflecting a rising rate environment. Ready market future spreads have also contracted in FY08, averaging 5.8% compared to 7% last year, as arbitrage seekers have competed away the profitability from this source.

3. Fund and Asset Manager Rating

In view of the distinct nature of the Capital Protected Funds the Fund would be assigned a rating after finalization of the rating methodology by the Rating Agency.

The Pakistan Credit Rating Agency has awarded an "AM2+" asset manager rating to JS Investments Limited. The rating denotes the company's very strong capacity to manage the risks inherent in asset management and the asset manager meets very high investment management industry standards and benchmarks.

4. Compliance

The Board of Directors of the Management Company states that:

- a. The financial statements, prepared by the Management Company, present fairly the state of affairs of the Fund, the results of its operations, cash flows and movement in net assets of the Fund.
- b. Proper books of accounts of the Fund have been maintained.
- c. Appropriate accounting policies have been consistently applied in preparation of financial statements, and financial estimates are based on reasonable and prudent judgment.
- d. International Financial Reporting Standards (IFRS), as applicable in Pakistan, provisions of the Non-Banking Finance Companies (Establishment & Regulation) Rules, 2003, Non-Banking Finance Companies and Notified Entities Regulations, 2007, 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 08 of this annual report.
- i. The Directors have signed the "Statement of Ethics and Business Practices".
- j. The Chief Executive, directors and executives and their spouses do not hold any unit in the Fund.
- k. The value of investments of the staff provident fund of JS Investments Limited, as per the audited accounts for the year ended June 30, 2008 was Rs. 23.063 million.

5. Meetings of the Directors

During the year seven 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.

6. Auditors

The external auditors of the Fund Ford Rhodes Sidat Hyder & Co., Chartered Accountants, retire and being eligible offers themselves for reappointment. The Audit Committee of the Board of the Management Company has recommended reappointment of Ford Rhodes Sidat Hyder & Co., Chartered Accountants, as the Fund's auditors for the ensuing year.

7. Acknowledgment

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

Karachi: September 15, 2008

Muhammad Najam Ali
Chief Executive Officer

JS Capital Protected Fund III

FUND MANAGER'S REPORT

Fund Profile

Fund type	Open end - Special Fund
Fund launch date	20 September, 2007
Fund Assets (PKR mn):	1,414
Benchmark 1 (BM1):	n/a
Listing	Lahore Stock Exchange
Trustee	Central Depository Company of Pakistan Ltd.
Auditors	Ford Rhodes Sidat Hyder & Co.
Risk profile	Low risk
Management fee	1.50%
PACRA Rating	n/a

Investment Philosophy

JS CPF III is a low-risk profile, capital protected product that aims to safeguard investor capital by placing a significant percentage of the fund as bank deposit(s), and use the remaining funds to gain exposure into equity markets. The fund operates a portfolio of high return fixed income and money market instruments, as well as equity market investments or any other SECP permissible investment that the management company considers appropriate to maximize total return. The fund during the period achieved its investment objective through its investment strategies. The investment strategy comprised of investment in fundamentally sound securities keeping in view both the market and the underlying economic sentiment in the country. There was no significant change in the state of affairs of the fund during the period.

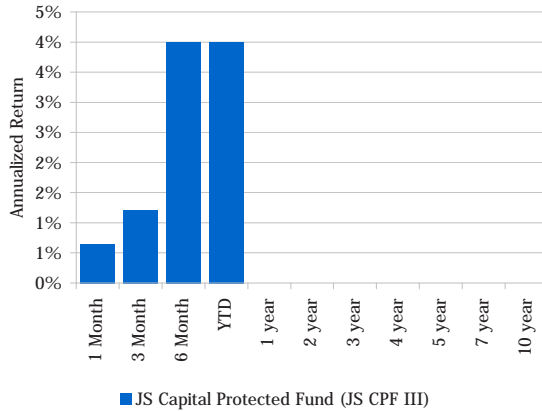
Market Review FY08

During the year under review, the KSE-100 index fell from 13,772 at June 29, 2007 to 12,289.03 on June 30, 2008, down by 10.8%. This was an election year for Pakistan with the new government finally in place. Further, the country is stricken with high inflation and burgeoning fiscal and current account deficits primarily due to the oil price shock and subsequent high global commodity prices. The State Bank, in a policy measure (announced on May 22, 2008), increased the discount rate by 150 basis points mainly to contain inflation and to address the decline in PKR versus USD. In light of these events, the KSE-100 index remained volatile during the period and made a low of 11,162.17 (June 23, 2008) and a high of 15,676.34 (April 18, 2008).

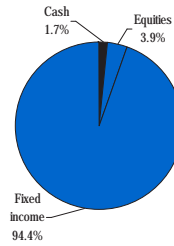
Foreign investors remained active in the local equity market. The Special Convertible Rupee Account (SCRA) balance is released by the State Bank on a daily basis. It is a popular barometer of the amount of foreign interest in the local capital markets. During FY08, SCRA shows that portfolio investment for FY08 was a net outflow of \$233 mn (gross inflow of 4.449bn and gross outflow of \$4.682bn).

Among the best performing sectors during the outgoing fiscal year were Investment Bank/Cos./Securities (up 52.7%), Refineries (up 29.1%) and Insurance (28.8%). On the flip side, among the worst performing sectors were Technology & Communication (down 30.8%), Automobile Assemblers (down 29.5%) and Tobacco (down 29.5%).

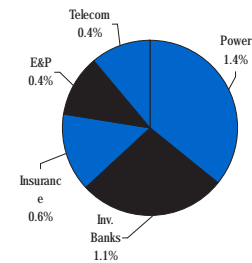
Performance (in percentage)



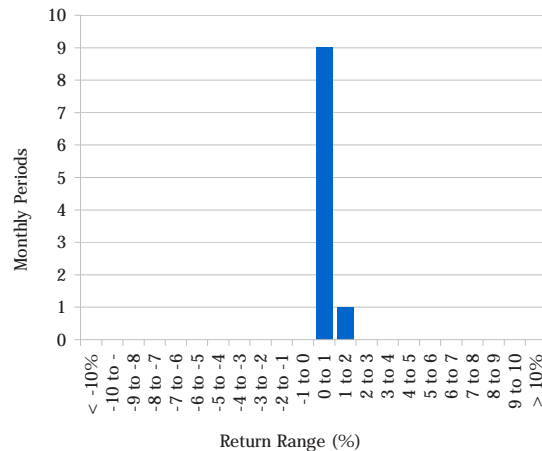
Asset Allocation



Sector Allocation



Distribution of Returns





JS Capital Protected Fund III

Benchmark Analysis	Benchmark 1
Alpha	0.6%
Annualized Alpha	7.4%
Beta	0.0
Correlation	0.4
R-squared	0.2

Statistical Analysis	Fund	BM1
Compound ROR	7.2%	-13.6%
Standard Deviation	1.2%	29.5%
Cumulative Return	6.0%	-11.47%
Cumulative VAMI	1,060	885
Sharpe (10.00%)	-2.1	-0.7
Largest Month Gain	1.0%	10.0%
Largest Month Loss	0.0%	-22.4%
% Positive Months	100.0%	50.0%
% Negative Months	0.0%	50.0%

Split of Certificates

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

** The sum will not match NAV return because of net deductions and incase of open ended funds elements of income.*

Returns on the Investments	% of contribution
Equities*	0.39%
Fixed Income / Bank Deposits*	7.30%
Other*	0.17%
NAV Return (annualized)	8.04%

Distribution for the Year Ended June 30, 2008

The Board of Directors of the Management Company in their meeting held on July 9, 2008 announced distribution of Rs. 5.50 per unit.

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.

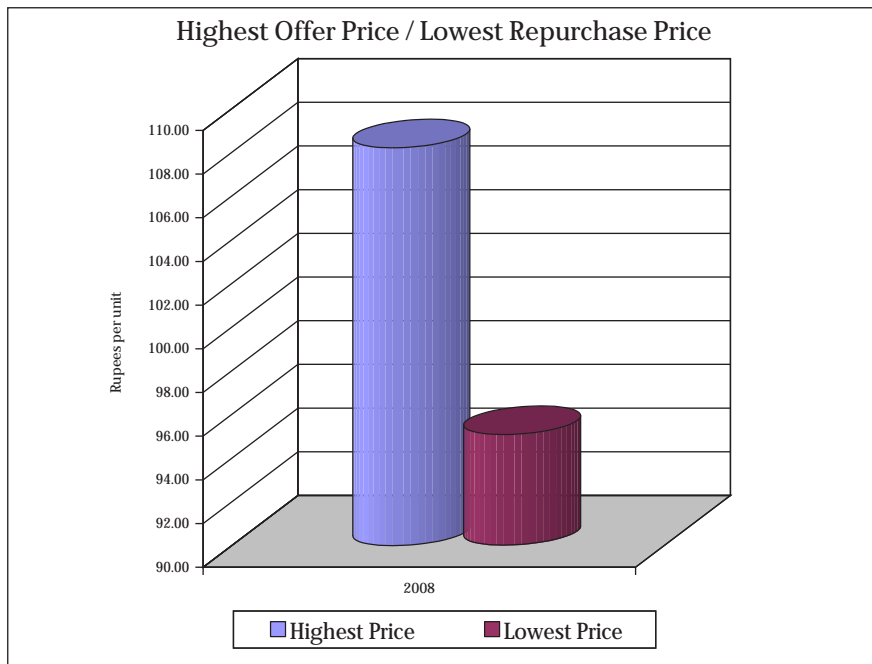
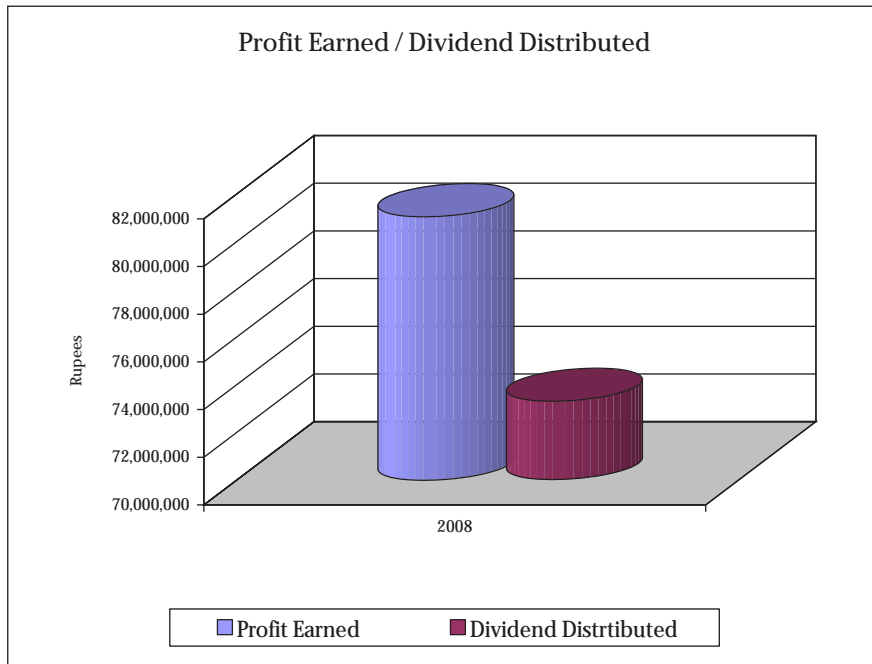
JS Capital Protected Fund III

PERFORMANCE TABLE / KEY FINANCIAL DATA

	2008
Net Assets	1,413,518,587
Net Income	81,057,117
Net assets value per unit	106.08
Earnings per unit	6.08
Net assets value per unit (Ex-Dividend)	100.58
Distribution per unit	5.5
Distribution date	9-Jul-08
Distribution as % of par value	5.50%
Highest offer price per unit	108.21
Lowest offer price per unit	102.09
Highest repurchase price per unit	101.84
Lowest repurchase price per unit	95.08
Number of units in issue	13,324,615

Notes:

- JS Capital Protected Fund III was launched on 20-September-2007
- The performance is not necessarily indicative of future performance and that unit prices and investment returns may go down, as well as 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 JS Capital Protected Fund III (the Fund) to comply with the Listing Regulations of the Lahore Stock Exchange 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 the financial statements, we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We have not carried out any special review of the internal control system to enable us to express an opinion as to whether the Board's statement on internal control covers all controls and the effectiveness of such internal controls.

Based on our review, nothing has come to our attention, which causes us to believe that the Statement of Compliance does not appropriately reflect the 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 period ended June 30, 2008.

Karachi: 15 September 2008

Ford Rhodes Sidat Hyder & Co.
Chartered Accountants

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

This Statement is being presented in compliance with the Code of Corporate Governance ('the Code') contained in Regulation 43 of the Lahore Stock Exchange where the Fund is listed. The purpose of the Code is to establish a framework of good governance, whereby a listed entity is managed in compliance with the best practices of corporate governance.

JS Investments Limited, which manages the affairs of the Fund has applied the principles contained in the Code in the following manner:

1. The Management Company encourages representation of independent non-executive directors and directors representing minority interests on its Board of Directors. Presently, the Board includes five non-executive directors.
2. The directors have confirmed that none of them is serving as a director in more than ten listed companies, including the Management Company.
3. All the resident directors of the Management Company 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. The election of directors of the Management Company was held on December 26, 2007 upon completion of the three years' term of the previous Board. No casual vacancy has arisen subsequent to the election of directors.
5. The Management Company has prepared a "Statement of Ethics and Business Practices", which has been signed by all the directors and employees of the Management Company.
6. The Management Company has developed a vision / mission statement, overall corporate strategy and significant policies of the Fund which have been approved by the Board. A complete record of particulars of significant policies has been maintained.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the Chief Executive Officer and other executive directors, have been taken by the Board.
8. The meetings of the Board were presided over by the Chairman, and in his absence, by a director elected by the Board for this purpose and the Board met at least once in every quarter during the year. Written notices of the meetings of the Board of Directors, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. The Chairman of the Board of Directors has completed the Board Development Series Certificate Program conducted by the Pakistan Institute of Corporate Governance ("PICG"). The Management Company intends to nominate other directors to the above program as and when these are announced by PICG.
10. During the year, there was no change of Chief Financial Officer / Company Secretary, however, the Head of Internal Audit was appointed in the current year. Their remuneration and terms and conditions of employment have been approved by the Board.
11. The Directors' Report has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
12. The financial statements of the Fund were duly endorsed by the Chief Executive Officer and Chief Financial Officer before approval of the Board.
13. The directors, Chief Executive Officer and executives do not hold any interest in the units of the Fund other than those disclosed in the Directors' Report.

JS Capital Protected Fund III

14. The Management Company has complied with all other corporate and financial reporting requirements of the Code with respect to the Fund.
15. The Board has formed an Audit Committee. It comprises of three non-executive directors.
16. The meetings of the Audit Committee are held every quarter prior to approval of interim and annual results of the Fund as required by the Code. The Board has approved terms of reference of the Audit Committee.
17. The Board has set-up an effective internal audit function headed by the Chief Internal Auditor. Prior to his appointment, the internal audit function was performed by a firm of Chartered Accountants.
18. 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 units of the Fund and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on Code of Ethics as adopted by the ICAP.
19. The statutory auditors or the persons associated with them have not been appointed to provide other services to the Fund except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
20. We confirm that all other material principles contained in the Code have been complied with.

Karachi: 15 September 2008

Muhammad Najam Ali
Chief Executive Officer



TRUSTEE REPORT TO THE UNIT HOLDERS

Report of the Trustee pursuant to Regulation 58(f) and Clause 9 of Schedule IV of the Non-Banking Finance Companies and Notified Entities Regulations, 2007

JS Capital Protected Fund III (Fund), an open-end scheme was established under a trust deed dated July 06, 2007 executed between JS Investments Limited, as the management company and Central Depository Company of Pakistan Limited, as the trustee.

In our opinion, the management company has in all material respects managed the Fund during the period from August 09, 2007 to June 30, 2008 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, 2007 and the constitutive documents of the Fund.

Karachi, September 26, 2008

Muhammad Hanif
Chief Executive Officer
Central Depository Company of Pakistan Limited

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS

We have audited the accompanying financial statements of JS Capital Protected Fund III (the Fund), which comprise the statement of assets and liabilities as at 30 June 2008, and the related statements of income, distribution, cash flows and movement in unit holders' fund for the period 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, 2007 (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 2008 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.

Without qualifying our opinion, we draw attention to note 1.3 to the financial statements, which indicates that although the Fund is due to mature in May 2009, these financial statements have been prepared on a going concern basis for the reasons in the above referred note.

Karachi: 15 September 2008

Ford Rhodes Sidat Hyder & Co.
Chartered Accountants



FINANCIAL STATEMENTS



JS Capital Protected Fund III

STATEMENT OF ASSETS AND LIABILITIES AS AT 30 JUNE 2008

	Note	Rupees
Assets		
Bank balances	7	23,493,045
Term deposits	8	1,336,867,560
Investments	9	55,387,966
Dividend receivable		262,500
Deposit and other receivable	10	173,312
Deferred formation cost	11	483,577
Total assets		<u>1,416,667,960</u>
Liabilities		
Remuneration payable to the management company	12	1,708,743
Remuneration payable to the trustee	13	150,305
Accrued and other liabilities	14	1,290,325
Total liabilities		<u>3,149,373</u>
Net assets		<u><u>1,413,518,587</u></u>
Unit holders' fund		<u><u>1,413,518,587</u></u>
Number of units in issue		<u><u>13,324,615</u></u>
Net asset value per unit		<u><u>106.08</u></u>

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

For JS Investments Limited (Formerly JS ABAMCO Limited)
(Management Company)

Muhammad Najam Ali
Chief Executive Officer

Munawar Alam Siddiqui
Chairman

Ali Raza Siddiqui
Executive Director

JS Capital Protected Fund III

INCOME STATEMENT

FOR THE PERIOD FROM 9 AUGUST 2007 TO 30 JUNE 2008

	Note	Rupees
Income		
Return on bank balances and term deposits		95,236,092
Dividend income		500,000
Net gain on sale of investments		5,909,468
Back end load		2,198,451
Element of income / (loss) and capital gain / (loss) included in prices of units sold less those in units redeemed-net		<u>(1,638,841)</u>
		102,205,170
Net unrealized loss on revaluation of investments		<u>(1,371,658)</u>
		100,833,512
Expenses		
Remuneration of the management company	12	15,755,837
Remuneration of the trustee	13	1,665,170
SECP annual fee	14.1	1,065,031
Brokerage and capital value tax		304,525
Listing fee and custodian fee		71,482
Amortization of deferred formation cost		516,423
Bank and settlement charges		10,348
Auditors' remuneration	15	295,000
Printing and stationery		92,579
		19,776,395
Net income for the period		<u><u>81,057,117</u></u>

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

For JS Investments Limited (Formerly JS ABAMCO Limited)
(Management Company)

Muhammad Najam Ali
Chief Executive Officer

Munawar Alam Siddiqui
Chairman

Ali Raza Siddiqui
Executive Director

CASH FLOW STATEMENT
FOR THE PERIOD FROM 9 AUGUST 2007 TO 30 JUNE 2008

	Rupees
Cash flows from operating activities	
Net income for the period	81,057,117
Adjustments for:	
Net gain on sale of investments	(5,909,468)
Net unrealized loss on revaluation of investments	1,371,658
Amortization of deferred formation cost	516,423
Return on term deposits	(84,733,458)
Back end load	(2,198,451)
Element of income / (loss) and capital gain / (loss) included in prices of units sold less those in units redeemed-net	1,638,841
	(89,314,455)
(Increase) in assets	
Dividend receivable	(262,500)
Deposit and other receivable	(173,312)
	(435,812)
Increase in liabilities	
Remuneration payable to the management company	1,708,743
Remuneration payable to the trustee	150,305
Accrued and other liabilities	1,290,325
	3,149,373
	(5,543,777)
Sale of investments	167,163,680
Purchase of investments	(218,013,836)
Placements in term deposits	(1,252,134,102)
Formation cost paid	(1,000,000)
Net cash used in operating activities	(1,309,528,035)
Cash flows from financing activities	
Amounts received on issue of units	1,374,790,708
Amounts paid on redemption of units	(41,769,628)
Net cash inflow from financing activities	1,333,021,080
Cash and cash equivalent at the end of the period	23,493,045

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

For JS Investments Limited (Formerly JS ABAMCO Limited)
(Management Company)

Muhammad Najam Ali
Chief Executive Officer

Munawar Alam Siddiqui
Chairman

Ali Raza Siddiqui
Executive Director

JS Capital Protected Fund III

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND FOR THE PERIOD FROM 9 AUGUST 2007 TO 30 JUNE 2008

	Rupees
Issue of 13,746,962 units	1,374,790,708
Redemption of 422,347 units	<u>(41,769,628)</u>
	1,333,021,080
Back end load	(2,198,451)
Element of income / (loss) and capital gain / (loss) included in prices of units sold less those in units redeemed-net	1,638,841
Net income for the period	81,057,117
Net assets as at the end of the period [Rs. 106.08/- per unit]	<u><u>1,413,518,587</u></u>

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

For JS Investments Limited (Formerly JS ABAMCO Limited)
(Management Company)

Muhammad Najam Ali
Chief Executive Officer

Munawar Alam Siddiqui
Chairman

Ali Raza Siddiqui
Executive Director



DISTRIBUTION STATEMENT
FOR THE PERIOD FROM 9 AUGUST 2007 TO 30 JUNE 2008

	Rupees
Net income for the period	81,057,117
Undistributed income carried forward	<u>81,057,117</u>

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

For JS Investments Limited (Formerly JS ABAMCO Limited)
(Management Company)

Muhammad Najam Ali
Chief Executive Officer

Munawar Alam Siddiqui
Chairman

Ali Raza Siddiqui
Executive Director

JS Capital Protected Fund III

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 9 AUGUST 2007 TO 30 JUNE 2008

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 JS Capital Protected Fund III (the Fund) was established under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 as an open-end unit trust scheme. It has been constituted under a Trust Deed, dated 06 July 2007 between JS ABAMCO Limited [now 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 After the initial subscription the public sale of units is 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.
- 1.3 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 18 months and 6 weeks from the last day of Initial Public Offering i.e. 21 September 2007. Accordingly, the Fund shall automatically stand dissolved in May 2009. However, the management considers that the said dissolution of the fund would not result in any adjustment to the carrying values of the assets and liabilities as stated in these financial statements for the reason that such values approximate their fair values. Hence, these financial statements have been prepared on a going concern basis.

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 Non Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non Banking Finance Companies and Notified Entities Regulations, 2007 (the NBFC Regulations) and directives issued by the Securities Exchange Commission of Pakistan (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

These financial statements have been prepared under the historical cost convention except for investments and derivatives which are accounted for as stated in notes 4.1 and 4.2 below.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Investments

The investments of the Fund, upon initial recognition, are classified as investment at fair value through income statement, held-to-maturity investment 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.

Held-to-maturity

Investment securities with fixed maturities and fixed or determinable payments are classified as held-to-maturity investments when management has both the intention and ability to hold to maturity. After initial measurement, such investments are carried at amortised cost less any provision for impairment except for in case of debt securities (listed but not regularly traded on a stock exchange) and government securities, which are carried at fair value in accordance with the requirements of the NBFC Regulations.

Available-for-sale

Investments which are not classified in any of the preceding categories are classified as available-for-sale investments. After initial measurement, such investments are measured at fair value with unrealized gain or loss recognised directly in the unit holders' fund until the investment is derecognised or determined to be impaired at which time the cumulative gain or loss previously recognised in unit holders' fund is taken to the income statement. However, unquoted equity investments are carried at lower of investment price or break up value in accordance with the requirements of the NBFC Regulations.

Fair value of investments is determined as follows:

Listed shares

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

Mutual funds units

These are valued by reference to the net asset values declared by the respective Fund.

Debt securities

Debt securities, listed but not traded regularly on a stock exchange, are valued at the average rate notified by Mutual Fund Association of Pakistan (MUFAP). Previously, these were valued at the average rates quoted by three brokerage houses.

Fair value of unlisted debt securities, other than government securities, is also determined by reference to the average rates notified by MUFAP and where such rates are not so notified, with reference to quotations obtained from the brokerage houses.

Fair value of government securities is determined by reference to the quotations obtained from the PKRV rate sheet on the Reuters page.

4.2 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 gains and losses are included in the income currently.

4.3 Deferred formation cost

The Fund has recorded all expenses incurred in connection with the incorporation, registration, establishment and authorisation of the Fund, as deferred formation cost which are amortised by the Fund over a period of 18 months in accordance with the Trust Deed. These expenses were paid for by the management company and have been reimbursed to them by the Fund.

4.4 Issue and redemption of units

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

Units redeemed are recorded at the redemption price prevalent 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 less the applicable back end load on the date of redemption application. Redemption of units is recorded on acceptance of application for redemption.

4.5 Revenue recognition

Markup on term deposits is recognised on accrual basis using effective interest method.

Profit on bank balances is recognised on accrual basis.

Gain or loss on sale of securities and derivatives is accounted for in the period in which it arises.

Dividend income is recorded at the time of the closure of share transfer book of the company declaring the dividend. Dividend received on equity securities acquired after the announcement of dividend till the book closure date is accounted for as reduction in the cost of investment.

Back end load is recognised as income upon redemption of units.

4.6 Element of income / (loss) and capital gain / (loss) in prices of units sold 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 sold less those in units redeemed" is created.

The "element of income / (loss) and capital gain / (loss) in prices of units sold 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 sold 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 sold 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 of the Income Tax Ordinance, 2001, subject to the condition that not less than 90% of its accounting income excluding realised and unrealised capital gains for the year is distributed amongst the Fund unit holders. The Fund intends to avail this exemption for current and future periods. Accordingly, no provision is made 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 rights to receive cash flows related to the asset expire. 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 are explained in the relevant accounting policies / notes in the financial statements.

6. ACCOUNTING STANDARDS AND INTERPRETATIONS NOT YET EFFECTIVE

The following revised standards and interpretations with respect to approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standards or interpretations.

JS Capital Protected Fund III

Standard or Interpretation	Effective date (accounting periods beginning on or after)
IAS- 1 Presentation of Financial Statements (Revised)	01 January 2009
IAS- 23 Borrowing Costs (Revised)	01 January 2009
IAS- 27 Consolidated and Separate Financial Statements (Revised)	01 January 2009
IFRS- 3 Business Combinations	01 January 2009
IFRS- 7 Financial Instruments : Disclosures	01 July 2008
IFRS- 8 Operating Segments	01 January 2009
IFRIC- 12 Service Concession Arrangements	01 January 2009
IFRIC- 13 Customer Loyalty Programs	01 July 2008
IFRIC- 14 The Limit on the Defined Benefit Asset, Minimum Funding Requirements and their Interactions	01 January 2008

The Fund expects that adoption of the above standards and interpretation will have no material impact on the Fund's financial statements in the period of initial application other than to the extent of certain changes or enhancements in the presentation and disclosures in the financial statements.

7.	BANK BALANCES	Note	2008 Rupees
	In PLS savings accounts	7.1	<u>23,493,045</u>
	7.1 These accounts carry profit rates ranging from 0.1% to 11% per annum and include balance of Rs. 22.529 million with JS Bank Limited (a related party).		
8.	TERM DEPOSITS		
	Principal amount		1,252,134,102
	Accrued return		<u>84,733,458</u>
		8.1	<u>1,336,867,560</u>
	8.1 Represent term deposits with a commercial bank for a period of eighteen months carrying effective interest rate of 9.69% per annum.		
9.	INVESTMENTS - at fair value through income statement		
	Listed equity securities	9.1	<u>55,387,966</u>

Sectors / Companies	Number of shares			At the end of the period	Market value (Rupees)	% of total investments
	Acquired during the period	Bonus shares received during the period	Disposed during the period			
9.1 Listed equity securities (Ordinary shares have a face value of Rs. 10/- each unless stated otherwise)						
Investment Banks/Companies/Securities						
Jahangir Siddiqui & Company Limited - related party	16,000	17,571	5,000	28,571	15,146,916	27.35
Commercial Banks						
Allied Bank Limited	4,400	-	4,400	-	-	-
Habib Bank Limited	40,000	-	40,000	-	-	-
MCB Bank Limited	25,000	-	25,000	-	-	-
Meezan Bank Limited	60,000	-	60,000	-	-	-
National Bank of Pakistan	120,000	-	120,000	-	-	-
	249,400	-	249,400	-	-	-
Insurance						
Adamjee Insurance Company Limited	30,000	-	-	30,000	8,121,600	14.66
Textile Composite						
Nishat Mills Limited	63,000	-	63,000	-	-	-
Cement						
D.G. Khan Cement Company Limited	100,000	-	100,000	-	-	-
Power Generation and Distribution						
The Hub Power Company Limited	689,500	-	-	689,500	19,719,700	35.60
Oil and Gas Marketing Companies						
Pakistan State Oil Company Limited	55,000	-	55,000	-	-	-
Oil and Gas Exploration Companies						
Pakistan Petroleum Limited	175,000	-	150,000	25,000	6,149,750	11.10
Automobile Parts & Accessories						
Agriautos Industries Limited	17,500	-	17,500	-	-	-
Technology and Communication						
TRG Pakistan Limited	1,000,000	-	-	1,000,000	6,250,000	11.28
Fertilizer						
Engro Chemical Pakistan Limited	75,000	-	75,000	-	-	-
Paper & Board						
Packages Limited	25,000	-	25,000	-	-	-
Market value of investments as at 30 June 2008					<u>55,387,966</u>	<u>100.00</u>
Cost of investments as at 30 June 2008					<u>56,759,624</u>	

JS Capital Protected Fund III

		2008
		Rupees
10.	DEPOSIT AND OTHER RECEIVABLE	
	Security deposit with Central Depository Company of Pakistan Limited	100,000
	Accrued profit on bank balances	73,312
		<u>173,312</u>
11.	DEFERRED FORMATION COST	
	Deferred formation cost	1,000,000
	Amortization of formation cost	(516,423)
		<u>483,577</u>
12.	REMUNERATION PAYABLE TO THE MANAGEMENT COMPANY	
	According to the provisions of the Trust Deed of the Fund, the management company shall charge remuneration at the rate of 1.5% per annum based on the daily net assets of the Fund. Accordingly, the management company has charged remuneration at such rate during the period.	
13.	REMUNERATION PAYABLE TO THE TRUSTEE	
	The trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of trust deed as follows:	
	<i>From 09 August 2007 to 27 February 2008</i>	
	On net assets:	
	- up to Rs.1 billion	Maximum of 0.2% per annum of the daily net assets of the Fund or Rs.0.7 million whichever is higher.
	- exceeding Rs.1 billion	Rs.2 million plus 0.1% per annum of the daily net assets of the Fund exceeding Rs.1 billion.
	<i>From 28 February 2008 to 30 June 2008</i>	
	- Maximum of 0.13% per annum of the daily net assets of the Fund or Rs.0.7 million whichever is higher.	
14.	ACCRUED AND OTHER LIABILITIES	Note 2008
		Rupees
	SECP annual fee payable	14.1 1,065,031
	Accrued expenses	225,294
		<u>1,290,325</u>
14.1	Represents annual fee payable to SECP in accordance with the NBFC Regulations whereby the Fund is required to pay SECP an amount equal to one tenth of 1% of the average annual net assets of the Fund.	
15.	AUDITORS' REMUNERATION	For the period from 09 August 2007 to 30 June 2008 Rupees
	Annual audit fee	100,000
	Other services	175,000
	Out of pocket expenses	20,000
		<u>295,000</u>

16. TAXATION

No provision for taxation has been made in the financial statements in view of the exemption under clause 99 of the Part I of the 2nd Schedule of the Income Tax Ordinance, 2001.

For the
period from
09 August 2007
to 30 June
2008
Rupees

17. TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

JS Investments Limited (management company)

Issue of units	23,500,000
Redemption of units	22,963,365
Remuneration of the management company	15,755,837
Sales load	517,515
Formation cost paid	1,000,000
Outstanding 5,261 units	558,109

Central Depository Company of Pakistan Limited (trustee)

Remuneration of the trustee	1,665,170
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JS Bank Limited (group company)

Profit earned on bank balances	1,355,454
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JS Global Capital Limited (group company)

Brokerage fee	29,889
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17.1 The transactions with related parties / connected persons are in the normal course of business at contracted rates and term determined in accordance with market rates.

17.2 The outstanding balance of related parties / connected persons are included in the respective notes to the financial statements.

18. FINANCIAL RISK MANAGEMENT POLICIES

18.1 Market risk

Market 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 volatility in share prices results in volatility in the net asset value based price of the Fund. 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. The management company manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee and regulations laid down by the SECP.

18.2 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 at the balance sheet date, the Fund is exposed to such risk in respect of bank balances and term deposits. The effective interest rates and other significant terms relating thereto as disclosed in notes 7 and 8 to the financial statements respectively.

JS Capital Protected Fund III

18.3 Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments and obligations. The management company manages liquidity risk by following internal guidelines of the Investment Committee and by investing in highly liquid financial assets.

18.4 Credit risk

Credit risk arises from the inability of the issuers of the instruments to fulfill their obligations. The Fund is exposed to credit risk on assets amounting to Rs.1,360,796,417/- as of the statement of assets and liabilities date. The Fund's policy is to enter into financial contracts in accordance with the internal risk management policies and investment guidelines approved by the Investment Committee.

Concentration of credit risk exists when changes in economic or industry factors affect the group of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund is exposed to concentration of credit risk in respect of term deposits amounting to Rs.1,336,867,560/- as of the balance sheet date.

18.5 Capital management

The Fund's objective when managing unit holders' funds is to protect 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 capital structure depends on the issuance and redemption of units. After the initial subscription the public sale of units is 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.

19. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

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

20. SUBSEQUENT EVENT - DISTRIBUTION TO UNIT HOLDERS

The Board of Directors of the management company in their meeting held on 09 July 2008 has approved distribution to unit holders at the rate of Rs. 5.50/- per unit.

21. SUPPLEMENTARY NON FINANCIAL INFORMATION

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

22. GENERAL

22.1 Being the first financial statements of the Fund, there are no comparative figures to report.

22.2 Figures have been rounded off to the nearest Rupee.

23. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the management company on September 15, 2008.

For JS Investments Limited (Formerly JS ABAMCO Limited)
(Management Company)

Muhammad Najam Ali
Chief Executive Officer

Munawar Alam Siddiqui
Chairman

Ali Raza Siddiqui
Executive Director

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

(i) UNIT HOLDING PATTERN OF THE FUND

Category	Number of unit holders	Number of units held	Amount in Rupees	% of total
Individuals	485	10,748,548	1,074,854,800	80.66%
Associated company	1	5,261	526,100	0.04%
Insurance companies	1	19,608	1,960,800	0.15%
Bank	1	100,000	10,000,000	0.75%
Retirement funds	23	1,891,982	189,198,200	14.20%
Others	8	559,216	55,921,600	4.20%
	519	13,324,615	1,332,461,500	100.00%

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

Name of broker	Percentage of commission paid
Fortune Securities Limited	17%
Standard Capital Securities (Private) Limited	14%
Live Securities (Private) Limited	11%
Global Securities Pakistan Limited	11%
AAG Securities (Private) Limited	10%
Al Habib Capital Markets (Private) Limited	9%
Investment Manager Securities (Private) Limited	8%
JS Global Capital Limited	7%
Aziz Fida Hussain & Company Limited	5%
Invest Capital Securities (Private) Limited	2%

(iii) THE MEMBERS OF THE INVESTMENT COMMITTEE

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

Mr. Muhammad Najam Ali
Mr. Ali Raza Siddiqui
Syed Ather Ahmed
Mr. Saad Hashmey
Mr. Ata Rahman

MR. MUHAMMAD NAJAM ALI

Mr. Najam joined the management company as Chief Executive Officer in 2004. Prior to his appointment, he was the Executive Director and Head of the Non-Banking Finance Companies Department SECP, where he was involved in regulation, monitoring and enforcement for mutual funds, leasing, housing finance, investment banking, venture capital and discounting companies. Prior to his appointment in the SECP, he served as Chief Executive Officer of the Central Depository Company (CDC) for 7 years. While at CDC, he also led the development of the National Clearing and Settlement System, which is the clearing system in Pakistan for securities transactions. His other assignments included his engagement as the Group Financial Controller and Head of Operations in addition to the Head of Money and Capital Markets at Fidelity Investment Bank. He has also worked with Robson Rhodes, a member firm of the RSM Group in the UK.

Mr. Najam holds a Bachelors degree in Economics from the University of Michigan - USA. He is also a qualified Chartered Accountant and holds memberships of the Institute of Chartered Accountants in England and Wales and the Institute of Chartered Accountants of Ontario, Canada.

He serves on the Boards of Directors of Pakistan Oilfields Limited and has also previously served as a Director of the National Clearing Company of Pakistan Limited and the Karachi Stock Exchange (Guarantee) Limited.

MR. ALI RAZA SIDDIQUI

Mr. Siddiqui joined the management company as an Executive Director in 2005. Previously, he was Assistant Vice President at AIM Investments in Houston - USA, a wholly-owned subsidiary of AMVESCAP plc.

JS Capital Protected Fund III

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

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

SYED ATHER AHMED

Mr. Ahmed joined the management company in May 2007 and is presently looking after Sales, Business & Product Development, Marketing and Investment Finance activities. Prior to his appointment, he was associated with Standard Chartered Bank for almost 11 years. His last assignment with Standard Chartered was in the capacity of Director & Head of Transaction Banking Pakistan.

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

MR. SAAD HASHMEY

Mr. Hashmey is the Head of Research and joined the management company in June 2007. He earned his BS (Economics) from London School of Economics and MBA from Washington University. Prior to his appointment, he was associated with Capital One Equities Ltd. as a Chief Executive Officer. His rich exposure also includes his associations abroad with Deutsche Bank (NY-USA), Friedman, Billings, Ramsey Group, Inc. (Washington-USA), Robert W. Baird & Co. Inc. (Washington-USA) in different research oriented positions. Mr Saad Hashemy's profile further includes his experience with local concerns like Capital One Equities Limited both as a CEO and as Head of research and with Taurus Securities (Private) Limited as Senior Equity Analyst.

MR. ATA RAHMAN

Mr. Rahman is the Head of Business Planning & Development. He has a Bachelor's in Business Administration from the National University of Singapore with concentration in Finance and Marketing. Mr. Rahman joined the management company in March, 2006. Prior to this, he was working in the Equity Research department of Credit Suisse Singapore, working in the commercial banks and conglomerate sector. He has also worked for the Securities lending and Prime brokerage desks at Credit Suisse Singapore.

(iv) PARTICULARS OF THE FUND MANAGER AND FUNDS MANAGED BY SAME FUND MANAGER

MR FARRUKH KARIM KHAN

Mr. Farrukh earned his Bsc Honors (Economics) from Lahore University of Management Sciences in 2005. He worked as a research analyst in MCB Bank's Treasury and FX Group for one year, after which he joined the management company's research team in August 2006 as an economist and equity analyst. After spending eighteen months in the research department, he has been made a fund manager in February 2008. He also cleared his CFA Level 1 in January 2008.

Presently Mr. Farrukh is also looking after two other funds namely, JS Capital Protected Fund II and UTP- Large Cap. Fund .

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

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

Name of Directors	Meetings attended	Meetings held on						
		07	18	24	05	11	27	24
		July 2007	August 2007	October 2007	January 2008	February 2008	March 2008	April 2008
Mr. Muhammad Najam Ali	7	1	1	1	1	1	1	1
Mr. Munawar Alam Siddiqui	7	1	1	1	1	1	1	1
Mr. Ali Raza Siddiqui	6	-	1	1	1	1	1	1
Mr. Nazar Mohammad Shaikh	6	1	-	1	1	1	1	1
Mr. Sher Afgan Zuhair Siddiqui	2	-	1	-	-	-	-	-
Mr. Sadeq Sayeed	3	-	-	1	1	1	-	-
Mr. Siraj A. Dadabhoy	2	-	-	-	-	1	-	1
Lt. General (Retd.) Masood Parwaiz	7	1	1	1	1	1	1	1
		<u>4</u>	<u>5</u>	<u>7</u>	<u>6</u>	<u>7</u>	<u>5</u>	<u>6</u>

(vi) RATING OF THE FUND AND THE MANAGEMENT COMPANY

The Pakistan Credit Rating Agency has awarded an "AM2+" asset manager rating to the management company.

The Fund has not completed 12 months of its performance, as at 30 June 2008, to become eligible for credit rating.

**For JS Investments Limited (Formerly JS ABAMCO Limited)
(Management Company)**

Muhammad Najam Ali
Chief Executive Officer

Munawar Alam Siddiqui
Chairman

Ali Raza Siddiqui
Executive Director