
JS Cash Fund
Quarterly Report for the period
ended September 30, 2010





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JS Cash Fund

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 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	MCB Financial Services Ltd. (formerly Muslim Commercial Financial Services Ltd.) 3rd Floor, Adamjee House I.I.Chundrigar Road, Karachi - 74000	
Auditors	Ernst & Young Ford Rhodes Sidat Hyder. Chartered Accountants	
Legal Adviser	Bawaney & 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 Cash 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 Cash Fund for the three months period ended September 30, 2010.

Economic Outlook

The first quarter of the Fiscal Year 2011 witnessed the worst natural catastrophe in the history of the country. The weakened state of economy which had lately shown some signs of recovery, was further driven backwards by the severity of the floods. Consequently, most of the financial projections had to be revisited after incorporating the adverse impacts of the floods. The already stretched budget deficit is expected to widen further in the range of 6%-7% of the GDP, the expected GDP growth rate for the current fiscal year was slashed from 4.5% to 2.5% and the inflation rate is likely to rebound in the vicinity of 14%-16%.

Therefore, to curb the inflationary pressures and aiming to strike a balance between the inflation and growth rate, the State Bank of Pakistan took a vigilant stance and increased the discount rates in the last two monetary policies by 50 bps each from 12.5% to 13.5%.

During the period under review, the 6 months KIBOR averaged 12.70%, an increase of 36bps when compared to last quarter's average of 12.34%.

Fund Performance

The Fund earned a net income of Rs. 28.932 million during the period under review. The net assets of the Fund were Rs. 1,124.204 million as on September 30, 2010 compared to Rs. 1,420.330 million as on June 30, 2010 – a decline of 20.85%. The Fund outperformed its annualized benchmark by 0.73%.

The Board of Directors of the management company has approved an interim dividend of Rs. 2.00 per unit to the unit holders.

Fund and Asset Manager Rating

The JCR – VIS Credit Rating Co. Limited has assigned fund stability rating (FSR) of AA+ (f) (Double A Plus (f)) to JS Cash fund. The fund's rating denotes high degree of Stability in Net Asset Value

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.

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: October 22, 2010



CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

AS AT SEPTEMBER 30, 2010

	Notes	September 30, 2010 -----Rupees----- (Un-audited)	June 30, 2010 (Audited)
ASSETS			
Bank balances		207,842,507	36,444,006
Investments	4	1,056,471,798	1,385,593,951
Deposit, prepayment and receivables	5	128,944	128,015
Deferred formation costs		1,181,678	1,254,482
TOTAL ASSETS		1,265,624,926	1,423,420,454
LIABILITIES			
Remuneration payable to Management Company	6	932,306	139,432
Remuneration payable to Trustee		130,465	144,199
Annual fee payable to Securities and Exchange Commission of Pakistan		421,437	190,360
Accrued and other liabilities	7	139,936,261	2,616,919
TOTAL LIABILITIES		141,420,468	3,090,910
NET ASSETS		1,124,204,457	1,420,329,544
Unit holders' funds		1,124,204,457	1,420,329,544
Number of units in issue		11,145,496	13,862,537
Net assets value per unit		100.87	102.46

The annexed notes from 1 to 11 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 Cash Fund

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE PERIOD ENDED SEPTEMBER 30, 2010

	Note	Rupees
INCOME		
Return on bank balances		3,566,691
Return on Treasury Bills		33,131,622
Net loss on sales of Treasury Bills		(1,069,912)
Unrealised gain on revaluation of held-for-trading securities		24,316
Element of income / (loss) and capital gains / (loss) in prices of units issued less those of units redeemed - net		<u>(3,048,272)</u>
		<u>32,604,445</u>
EXPENSES		
Remuneration of the Management Company.		3,493,249
Remuneration of the Trustee		414,622
Annual fee payable to Securities and Exchange Commission of Pakistan		231,076
Fee and Subscription		49,150
Securities Transaction cost		83,734
Bank & settlement charges		696
Amortization of deferred formation costs		72,805
Reversal of contribution to Worker's Welfare Fund	8	(725,606)
Printing & stationary		20,165
Auditors' remuneration		32,767
		<u>3,672,658</u>
Net income for the period		<u><u>28,931,787</u></u>

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For JS Investments Limited
(Management Company)

Rashid Mansur
Chief Executive Officer

Munawar Alam Siddiqui
Chairman



**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE
INCOME** (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2010

	Rupees
Net income for the period	28,931,787
<u>Other Comprehensive Income For The Period</u>	
Transferred to income statement upon disposal of available-for-sale investments	429,682
Total Comprehensive income for the period	<u><u>29,361,469</u></u>

The annexed notes from 1 to 11 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 Cash Fund

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE PERIOD ENDED SEPTEMBER 30, 2010

	Rupees
Operating activities	
Net income for the period	28,931,787
Adjustments for:	
Element of income / (loss) and capital gains / (loss) in prices of units issued less those of units redeemed - net	3,048,272
Amortization of formation cost	72,805
Unrealised (gain) on revaluation of held-for-trading securities	(24,316)
Net loss on sales of Treasury Bills	1,069,912
Operating profit before working capital changes	<u>33,098,460</u>
Increase in current assets	
Deposit, prepayments and receivables	(929)
Increase/ (decrease) in current liabilities	
Remuneration payable to the Management Company	792,874
Remuneration payable to the trustee	(13,734)
Annual fee payable to Securities and Exchange Commission of Pakistan	231,077
Creditors, accrued and other liabilities	135,205,221
	<u>136,215,438</u>
Sale/Maturity of investments	3,891,674,210
Purchases of investments	<u>(3,563,167,971)</u>
Cash inflow from operating activities	497,819,208
CASH FLOWS FROM FINANCING ACTIVITIES	
Amounts received from issuance of units	76,682,174
Amounts paid on redemption of units	<u>(403,102,881)</u>
Cash outflow from financing activities	<u>(326,420,707)</u>
Net increase in cash and cash equivalents	171,398,501
Cash and Cash equivalents at the beginning of the period	36,444,006
Cash and Cash equivalents at the end of the period	<u><u>207,842,507</u></u>

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For JS Investments Limited
(Management Company)

Rashid Mansur
Chief Executive Officer

Munawar Alam Siddiqui
Chairman



**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT
HOLDERS' FUND (UN-AUDITED)**
FOR THE PERIOD ENDED SEPTEMBER 30, 2010

	Rupees
Net assets at the beginning of the period	1,420,329,544
Issue of 1,270,817 * units	76,682,174
Redemption of 3,987,857 units	(403,102,881)
Element of income / (loss) and capital gains / (loss) in prices of units issued less those of units redeemed - net	3,048,272
Payment of Cash Dividend	(2,114,121)
Total Comprehensive income	29,361,469
Net assets as at the end of the period	<u>1,124,204,457</u>

*This includes 514,507 units distributed as Bonus units during the period

The annexed notes from 1 to 11 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 Cash Fund

CONDENSED INTERIM DISTRIBUTION STATEMENT (UN-AUDITED) FOR THE PERIOD ENDED SEPTEMBER 30, 2010

	Rupees
Undistributed income brought forward	34,505,453
Net income for the period	28,931,787
Final Distribution @ Rs. 2.3 per unit declared on July 07, 2010	(31,883,835)
Interim distribution @Rs. 2.00 per unit declared on September 29, 2010	(21,898,559)
Undistributed income carried forward	<u>9,654,846</u>

The annexed notes from 1 to 11 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



NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE PERIOD ENDED SEPTEMBER 30, 2010

1. LEGAL STATUS AND NATURE OF BUSINESS

JS Cash Fund (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 a Trust Deed, dated October 16, 2009 between JS Investments Limited as its Management Company and MCB Financial Services Limited as its trustee.

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 low and highly liquid short term assets including money market instruments.

The management company of the Fund has obtained license to act as an Asset Management Company under the Rules from SECP. The registered office of the management company is located at 7th Floor, The Forum, Clifton, Karachi, Pakistan.

2. BASIS OF PREPARATION

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.

3. ACCOUNTING POLICIES

The accounting policies adopted for the preparation of these condensed interim financial statements are consistent with those in the preparation of Fund's annual financial statements for the year ended June 30, 2010.

4. INVESTMENTS

	September 30 2010	June 30 2010
	-----Rupees-----	
	Un-audited)	(Audited)
Government Securities		
Available for Sales - Treasury Bills	4.1 -	1,385,593,951
Held for Trading - Treasury Bills	4.2 <u>1,056,471,798</u>	<u>-</u>
	<u>1,056,471,798</u>	<u>1,385,593,951</u>

-----Number of Certificates-----

	Holding at the beginning of the period	Acquired during the period	Matured/Disposed During the period	As of September 30, 2010	Fair Value as on 30-Sep-10	% of Net Assets
4.1 Available for Sales - Treasury Bills (face value of Rs 100,000)						
Three months Treasury Bills	5,750	-	5,750	-	-	-
Six months Treasury Bills	7,427	2,000	9,427	-	-	-
One year Treasury Bills	1,050	1,750	2,800	-	-	-
4.2 Held for Trading - Treasury Bills						
Three months Treasury Bills	-	10,670	7,920	2,750	273,155,750	24.30%
Six months Treasury Bills	-	8,900	4,025	4,875	483,886,948	43.04%
One year Treasury Bills	-	12,900	9,900	3,000	299,429,100	26.63%
					<u>1,056,471,798</u>	<u>93.98%</u>

JS Cash Fund

	September 30, 2010	June 30, 2010
	-----Rupees-----	
	(Un-audited)	(Audited)
5. DEPOSIT, PREPAYMENTS AND RECEIVABLES		
Prepaid Rating fee	83,904	128,015
Prepaid listing fee	39,945	-
Return on bank balances	5,094	-
	<u>128,944</u>	<u>128,015</u>

6. REMUNERATION PAYABLE TO MANAGEMENT COMPANY

The management company is entitled to a remuneration for services rendered to the Fund under the provisions of Offering Document @ 1.25% per annum based on daily net assets of the Fund. However the mangment company has charged the remuneration @ 1.00% per annum based on daily net assets of the fund with effect from August 16, 2010.

	September 30, 2010	June 30, 2010
	-----Rupees-----	
	(Un-audited)	(Audited)
7. ACCRUED AND OTHER LIABILITIES		
Formation cost payable to management company	-	1,460,096
Sales Load Payable	-	1,980
Capital Gains Tax payable	500,254	-
Listing Fee	4,986	-
Participation fee	-	50,000
Broker Payable	18,834	213,375
Dividend Payable	1,902,709	-
Zakat Payable	386	-
Worker's Welfare Fund	-	725,606
Payable against purchase of Government Securities	137,048,240	-
Auditors' remuneration	160,067	127,300
Other Payable	300,787	38,562
	<u>139,936,261</u>	<u>2,616,919</u>

8. REVERSAL OF CONTRIBUTION TO WORKER'S WELFARE FUND

The Finance Act, 2008 brought an amendment in section 2 (f) of the Workers' Welfare Fund Ordinance, 1971 (the WWF Ordinance) with the intention to make the definition of "Industrial Establishment" applicable to any establishment to which the West Pakistan Shop and Establishment Ordinance, 1969 (1969 Ordinance) applies. As a result of this amendment, the Fund had made provision of Rs. 725,606 for Worker's Welfare Fund being two percent of income of the Fund in the financial statements for the year ended June 30, 2010.

However, the above provision was reversed and further provisioning was discontinued with effect from August 24, 2010 on the basis of a clarification issued by the Ministry of Labour and Manpower that the income of Mutual Funds is exempt from the levy of WWF under the law.

9. TRANSACTIONS WITH RELATED PARTIES

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



JS Cash Fund

	September 30, 2010 Rupees (Un-audited)	
JS Investments Limited - management company		
Remuneration of the management company		3,493,249
Bonus units issued		1,166,000
Redemption of units		923,031
Formation Cost paid		1,460,096
Formation cost charged		72,805
MCB Financial Services Limited - trustee		
Remuneration for the period		414,622
JS Global Capital Limited		
Bonus units issued		2,294,264
Redemption of units		102,885,881
Brokerage commission	9.1	16,634
Pakistan International Container Terminal Limited		
Bonus units issued		16,418,680
Redemption of units		100,000,000
Allianz EFU Health Insurance		
Bonus units issued		799,087
Redemption of units		36,248,918
JSIL Staff Provident Fund		
Issue of units		1,500,000
Bonus units issued		29,892
Key Management Personnel		
Bonus units issued		704,533
	September 30, 2010Rupees.....	June 30, 2010Rupees.....
Balances as at period ended	(Un-audited)	(Audited)
JS Investments Limited - management company		
Remuneration payable	932,306	139,432
Formation cost payable	-	1,460,096
Other cost payable	-	320,000
Sales load payable	-	888
Units held 125,439	12,650,550	40,984,000
MCB Financial Services Limited - trustee		
Remuneration payable	130,465	144,199
Service charges	-	50,000
JS Global Capital Limited		
Units held	-	102,204,489
Brokerage commission	9.1 2,600	15,345
Pakistan International Container Terminal Limited		
Units held 3,404,088	343,302,309	434,024,750
Allianz EFU Health Insurance		
Units held	-	35,597,575
JSIL Staff Provident Fund		
Units held 15,243	1,537,216	-
Key Management Personnel		
Units held 169,125	17,056,243	16,610,144

JS Cash Fund

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

10 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue by the Board of Directors of the Management Company on October 22, 2010.

11 GENERAL

Figures have been rounded off to the nearest rupee.

For JS Investments Limited
(Management Company)

Rashid Mansur
Chief Executive Officer

Munawar Alam Siddiqui
Chairman

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