



JS Growth Fund

Annual Report 2010



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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 continuingly realizing goals of its investors.

MISSION

To build JS Investments into a top ranking Asset Management Company; founded on sound values; powered by refined knowhow; supported by a committed team operating within an accountable framework of social, ethical and corporate responsibility – a strong and reliable institution for its shareholders to own; an efficient service provider and value creator for clients; an exciting and fulfilling work place for employees; and a participant worth reckoning for competitors.

BROAD POLICY OBJECTIVES

- Value creation for clients on a sustainable basis
- Maintain high standards of ethical behaviors and fiduciary responsibility
- Manage Investments with Prudence and with the aim of providing consistent returns better than that of peers
- Take Products and Services to the People; Create awareness on understanding financial goals, risks and rewards
- Professional Excellence – Adapt, Evolve and Continuously Improve
- Maintain highly effective controls through strong compliance and risk management
- A talented, diligent and diverse HR

ORGANIZATION

Management Company

JS Investments Limited
 7th Floor, The Forum, G-20
 Khayaban-e-Jami, Block-9, Clifton
 Karachi-75600
 Tel: (92-21) 111-222-626 Fax: (92-21)35361724
 E-mail:info@jsil.com
 Website: www.jsil.com

Board of Directors

Munawar Alam Siddiqui	Chairman
Rashid Mansur	Chief Executive Officer
Suleman Lalani	
Nazar Mohammad Shaikh	
Fayaz Anwar	
Lt.General (R) Masood Parwaiz	
Sadeq Sayeed	

Audit Committee

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

Chief Financial Officer & Company Secretary

Suleman Lalani

Trustee

MCB Financial Services Limited
 (formerly Muslim Commercial Financial Services Ltd.)
 3rd Floor, Adamjee House
 I.I.Chundrigar Road,
 Karachi.
 Tel: (92-21) 32419770
 Fax: (92-21) 32416371

Auditors

KPMG Taseer Hadi & Co..
 Chartered Accountants
 1st Floor, Shaikh Sultan
 Trust Building No. 2, Beaumont Road
 Karachi.

Legal Adviser

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

Registrar

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

DIRECTORS' REPORT TO THE CERTIFICATE HOLDERS

The Board of Directors of JS Investments Limited, the Management Company of JS Growth Fund (the Fund), is pleased to present the Annual Report for the year ended June 30, 2010.

Market Review

The equity markets recovered considerably during the Fiscal Year 2010, as the KSE-30 Index surged 26.22% to close the FY10 at 9,556 points. The index rebounded sharply on the back of a lower base and continued economic improvements.

Despite a modest yet fragile economic growth, a major confidence boosting indicator has been the active injections due to foreigners' interest in Pakistan's bourse, as the net Foreign Portfolio Investment (FPI) was recorded at US\$ 556mn for FY10. Improved macroeconomic conditions, coupled with extremely attractive valuations, have been the prime drivers of the equity markets. In contrast, there exists a liquidity conundrum due to the absence of a leveraged product to cash-strapped investors, with consequent impact on average daily trading value of US\$ 84mn.

The local investors, however, still remain jittery while seeking clarity on the modalities of Capital Gains Tax (CGT) and viability of Value Added Tax's implementation. The latter's impact on already soaring inflation rates also remain a cause for concern. Nevertheless, astounding equity valuations – a 38% P/E discount to regional peers and 2010E P/E of 6.9x – packaged with possible reemergence of a keenly-awaited leveraged product are imminent key triggers to attract both foreign and local investors' interest in Fiscal Year 2011.

Review of Fund Performance

The Fund posted a return of 6.51% against a benchmark return of 26.22%, underperforming the benchmark by 19.71%.

The Fund earned net income of Rs. 23.551 million during the year ended June 30, 2010, including unrealized loss on investment of Rs. 153.886 million. During the year the Fund made a provision of Rs. 21.548 million against non-performing investment in Term Finance Certificate (TFC) and Rs. 42.649 million against preference share of Azgard Nine Limited. The Fund also had to reverse the accrued mark-up of Rs. 0.906 million on the above TFC. During the year the Fund has paid an interim cash dividend of Re. 0.50 per certificate based on the distributable income as on the date of announcement of dividend. The net assets of the Fund increased by 0.11 percent from Rs. 2,892.372 million to Rs. 2,895.575 million during the year under review. The net assets value per certificate, after adjustment of interim dividend @ Re 0.50 per certificate as on June 30, 2010 was Rs. 9.27 per certificate compared to net assets value of Rs. 9.10 per certificate as on June 30, 2009. Therefore the appreciation in NAV per certificate inclusive of interim dividend comes to 7.36 percent.

Fund and Asset Manager Rating

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

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

Future Outlook

Mr. Rashid Mansur was appointed as the new Chief Executive Officer of your Management Company w.e.f April 01, 2010. The incoming CEO carried out a detailed SWOT Analysis of your Management Company and the Funds based on assessment of the prevailing Macroeconomic and Financial Market trends as well as their impact on the mutual fund industry, generally, and your Management Company, specifically. Based on this, the CEO reviewed and revised the Vision, Mission and Statement of Broad Policy Objectives of your Management Company to reposition it towards sustainable growth – This initiative has been branded as, "JSIL 2010 Onwards".

The CEO also reassessed the Organizational Structure and initiated certain desired changes to enhance the operational efficiency of your Management Company. These include creation of a separate and independent Risk Management, Research and Market Intelligence department, defining and augmenting the role and responsibilities of Investment Committee and Fund Managers.

We believe that a progressive and proactive approach to business will enhance the Brand Visibility of your Management Company and its products, yielding higher returns for all stakeholders. At the same time a strong Prudential Risk Management would play fundamental role in working of your Management Company.

We understand that Pakistan is passing through a challenging time on the economic front, yet we are confident that Your Management Company will continue to achieve sustainable growth based on business model that aims to thrive on efficiency, innovation and transparency.

Corporate Governance and Financial Reporting Framework

The Board of Directors of the Management Company states that:

- a. The financial statements, prepared by the Management Company, present fairly the state of affairs of the Fund, the results of its operations, cash flows and movement in net assets of the Fund.
- b. Proper books of accounts of the Fund have been maintained.
- c. Appropriate accounting policies have been consistently applied in preparation of financial statements, and financial estimates are based on reasonable and prudent judgment.
- d. International Accounting Standards, as applicable in Pakistan, provisions of the Non-Banking Finance Companies (Establishment & Regulation) Rules, 2003, Non-Banking Finance Companies and Notified Entities Regulations, 2008, requirements of the Trust Deed and directives of the Securities and Exchange Commission of Pakistan have been followed in preparation of the financial statements.
- e. The system of internal control is sound in design and has been effectively implemented and monitored.
- f. There are no significant doubts upon the Fund's ability to continue as a going concern.
- g. There has been no material departure from the best practices of the Code of Corporate Governance, as detailed in the listing regulations.
- h. A performance table / key financial data is given on page 07 of this annual report.
- i. The Directors have signed the "Statement of Ethics and Business Practices".
- j. The number of certificate of the Fund held by the Chief Executive, directors and executives and their spouses as at June 30, 2010 are as follows:

Name	Designation	Certificate Held
Nazar Mohammad Shaikh	Director	394
Mrs. Nazar Mohammad Shaikh	-	282
Suleman Lalani	Executive Director	1265

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

Name	Designation	Certificate Acquired	Certificate Sold
Nazar Mohammad Shaikh	Director	NIL	1000

- l. The value of investments of the staff provident fund of JS Investments Limited, as per the audited accounts for the year ended June 30, 2010 was Rs. 15.978 million.

Meetings of the Directors

During the year six meetings of the Board of Directors were held. The attendance of each director for these meetings is disclosed in the notes to the financial statements.

Auditors

The external auditors of the Fund Messrs. KPMG Taseer Hadi & Co., Chartered Accountants, have completed their term and therefore, retire from the office. The Audit Committee of the Board of the Management Company has recommended appointment of M/s M.Yousuf Adil Saleem & Co, as the Fund's auditors for the year ending June 30, 2011.

Other matters

Auditors have drawn attention to note 24 regarding distributions of Rs.156.252 million made during the year and profit of Rs.23.551 million earned by the Fund during the year.

In respect of above matter, the management has obtained a legal advice which has opined that provisions contained in chapter VIIIA of the Companies Ordinance, 1984 and NBFC regulations would prevail over section 249 of the Companies Ordinance, 1984 (section 249 states that no dividend should be paid by a company otherwise than out of profits of the company). It further states that the Fund suffered loss, a scenario which could not have been reasonably foreseeable, nor was it within the reasonable control of the management company. Moreover, the interim dividend was paid out of the profit of the Fund it had generated till that time. Hence, Such declaration and payment would not be deemed as a violation of section 249 of the Companies Ordinance, 1984.

Acknowledgment

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

Karachi: August 17, 2010

Rashid Mansur
Chief Executive Officer

FUND MANAGER REPORT

Investment philosophy

The main objective of JSGF is to enable the Certificate Holders to participate in a diversified portfolio of high quality equity securities listed on the stock exchanges and to maximize the investment return, by prudent investment management. JSGF seeks to achieve long term growth in the value of the investment that is aimed to out perform the underlying inflation rate in Pakistan as well as most of the other types of investments available.

Key information

Fund type	Closed end
Category	Equity Fund
Fund launch date	06 June, 2006
Net Assets (PKR mn)	2,895.58
Management fee	2.00%
Trustee	MCB Financial Services Ltd
Auditor	KPMG Taseer Hadi & Co.
Risk profile	High
Listing	KSE, LSE & ISE
Benchmark	KSE30 Index

Market Review

The equity markets recovered considerably during the Fiscal Year 2010, as the KSE-100 Index surged 36% to close the FY10 at 9721 points. The index rebounded sharply on the back of a lower base and continued economic improvements.

Despite a modest –yet fragile– economic growth, a major confidence boosting indicator has been the active injections due to foreigners' interest in Pakistan's bourse, as the net Foreign Portfolio Investment (FPI) was recorded at US\$ 556mn for FY10. Improved macroeconomic conditions, coupled with extremely attractive valuations, have been the prime drivers of the equity markets. In contrast, there exists a liquidity conundrum due to the absence of a leveraged product to cash-strapped investors, with consequent impact on average daily trading value of US\$ 84mn.

The local investors, however, still remain jittery while seeking clarity on the modalities of Capital Gains Tax (CGT) and viability of Value Added Tax's implementation. The latter's trickle down impact on already soaring inflation rates also remain a cause for concern. Nevertheless, astounding equity valuations –a 38% P/E discount to regional peers and 2010E P/E of 6.9x– packaged with possible reemergence of a keenly-awaited leveraged product are imminent key triggers to attract both foreign and local investors' interest in Fiscal Year 2011.

Fund vs Benchmark Comparison

	1M	1Y	2Y	3Y	Launch
Fund	-0.54	6.51	-41.40	-44.73	-30.03
Benchmark	3.39	26.22	-33.30	-43.77	-21.54
Difference	-3.93	-19.71	-8.10	-0.96	-8.49

Distribution for the Year Ended June 30, 2009

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

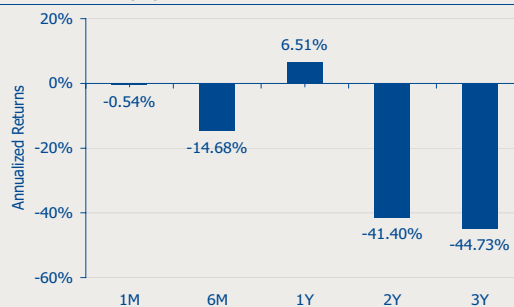
Distribution for the Year Ended June 30, 2010

The Fund has paid cash dividend @ Rs. 0.50 per certificate of Rs. 10/- each i.e. 5% during the year.

Effects on the NAV after Distribution

NAV per Certificate	
Cum NAV (PKR)	11.11
Ex-NAV (PKR)	10.61

Performance (%)



Asset allocation (%)

	Jun-10
Cash	24.95
Equity	73.52
TFCs	0.45
Other including receivables	1.08
Total	100.00

Equity sector breakdown (%)

	Jun-10
Oil & Gas	41.60
Fixed Line Telecommunication	5.46
General Industrials	4.44
Industrial Transportation	3.96
Pharma & Bio Tech	2.96
Others	15.10
Total	73.52

Statistical analysis

	Fund	Benchmark
Beta	0.8	1.0
Standard Deviation	29.4%	36.1%
Largest Month Gain	18.9%	25.2%
Largest Month Loss	-35.2%	-45.1%
% Positive Months	53.1%	55.1%

Investment Committee Members

Mr. Rashid Mansur - Chief Executive Officer
 Mr. Suleman Lalani - Executive Director & CFO
 Dr. Ali Akhtar Ali - Fund Manager

Split of Certificates

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

Effects on the NAV after Split

n/a

Other Disclosures

The Management Company and / or any of its delegates have not received any soft commission from its brokers / dealers by virtue of transactions conducted by the Fund.

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

PERFORMANCE TABLE / KEY FINANCIAL DATA

	year				
	2010	2009	2008	2007	2006
Net assets (Rs in 000)	2,895,575	2,892,372	5,262,225	5,911,986	5,540,272
Net assets value per certificate (Rs.)	9.27	9.10	16.55	18.59	17.42
Paid-up Capital (Rs. in 000)	3,125,045	3,180,045	3,180,045	3,180,045	3,180,045
Net profit / (loss) for the year (Rs in 000)	23,551	(2,281,557)	(419,583)	1,413,178	1,278,324
Earnings / (loss) per certificate (Rs.)	0.08	(7.17)	(1.32)	4.44	4.02
Income Distribution (Rs in 000)	156,252	-	318,004	1,041,465	1,113,016
Accumulated Capital Growth (Rs. in 000)	(926,342)	(793,641)	1,487,916	2,225,504	1,853,790
Average Annual Return (%)					
One Year	1%	-79%	-8%	24%	23%
Two Year	-39%	-43%	8%	23%	N/A
Three Year	-29%	-21%	13%	N/A	N/A
Dividend distribution Per Certificate					
Cash (Rs.)					
Interim	0.50	-	1.00	1.275	3.50
Date of announcement	Feb 26, 2010	-	Apr 24, 2008	Feb 20, 2007	May 12, 2006
2nd Interim	-	-	-	2.00	-
Date of announcement	-	-	-	May 25, 2007	-
Final	-	-	-	-	-

Note: Past performance is not necessarily indicative of future performance and that certificate prices and investments return may go down as well as up.

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

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of Management Company of **JS Growth Fund** ("the Fund") to comply with the listing regulations of the respective Stock Exchanges, where the Fund is listed.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Management Company of the Fund. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code of Corporate Governance and report if it does not. A review is limited primarily to inquiries of the Fund's personnel and review of various documents prepared by the Fund to comply with the Code.

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

Further sub-regulation (xiii-a) of Listing Regulations 35 notified by the stock exchanges in Pakistan requires the Company to place before the Board of Directors for their consideration and approval related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the audit committee. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the board of directors and placement of such transactions before the audit committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention, which causes us to believe that the Statement of Compliance does not appropriately reflect the Fund's compliance, in all material respects, with the best practices contained in the Code of Corporate Governance as applicable to the Company for the year ended 30 June 2010.

Karachi: August 17, 2010

KPMG Taseer Hadi & Co.
Chartered Accountants



STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED JUNE 30, 2010

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

JS Investments Limited (Management Company) which manages the affairs of the Fund has applied the principles contained in the Code in the following manner:

1. The Management Company encourages representation of independent non-executive directors. Presently, the Board of Directors (Directors) includes five non-executive directors.
2. The directors of the Management Company have confirmed that none of them is serving as a director in more than ten listed companies, including the Management Company.
3. All the directors of the Management Company have confirmed that they are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFC or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. During the year Mr. Muhammad Najam Ali, CEO, Mr. Ali Raza Siddiqui, Executive Director and Mr. Siraj Ahmed Dadabhoy, Director tendered their resignation and Mr. Rashid Mansur, CEO, Mr. Suleman Lalani, Executive Director and Mr. Fayaz Anwar, Director were appointed to fill the casual vacancies after obtaining prior approval from SECP.
5. The Management Company has prepared a "Statement of Ethics and Business Practices," which has been signed by all the directors and employees of the Management Company.
6. The Management Company has developed a vision / mission statement, overall corporate strategy and significant policies of the Fund which have been approved by the Board. A complete record of particulars of significant policies has been maintained.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the Chief Executive Officer and other executive directors, have been taken by the Board.
8. The meetings of the Board were presided over by the Chairman, and in his absence, by a director elected by the Board for this purpose and the Board met at least once in every quarter during the year. Written notices of the meetings of the Board, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. The Management Company has established adequate procedures and systems for related party transactions vis-à-vis the pricing method for related party transactions. All the related party transactions are placed before the Audit Committee and the Board of Directors for their review and approval.
10. The Board of Directors is well aware of the requirements of the Code of Corporate Governance. However arrangements will also be made shortly for an orientation session.
11. During the year, there was no change of Chief Financial Officer / Company Secretary. His remuneration and terms and conditions of employment have been approved by the Board. The Head of Internal Audit resigned on 11 June 2010 and the Management Company is in the process to fill the said vacancy.
12. The Directors' Report has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
13. The financial statements of the Fund have been prepared in accordance with the approved accounting standards as applicable in Pakistan and were duly endorsed by the Chief Executive Officer and Chief Financial Officer before approval of the Board.

JS Growth Fund

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

Karachi: August 17, 2010

Rashid Mansur
Chief Executive Officer

REPORT OF THE TRUSTEE TO THE CERTIFICATE HOLDERS

Report of the Trustee Pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

JS Growth Fund, a close-end Scheme established under a Trust Deed executed between JS Investments Limited, as the Management Company and Central Depository Company of Pakistan Limited, as the Trustee. The Scheme was authorized by Securities and Exchange Commission of Pakistan (Commission) on April 05, 2006.

As per the Deed of change of Trustee and amendment of Trust Deed dated February 02, 2008 Central Depository Company of Pakistan Limited retired as the Trustee and MCB Financial Services Limited (formerly: Muslim Commercial Financial Services Limited) was appointed as the Trustee of JS Growth Fund

1. JS Investments Limited, the Management Company of JS Growth Fund has, in all material respects, managed JS Growth Fund during the year ended 30th June, 2010 in accordance with the provisions of the following:
 - (i) the limitations imposed on the investment powers of the Management Company under the Constitutive Documents;
 - (ii) the valuation and pricing of Certificates are carried out in accordance with the requirements of the Trust Deed and the Offering Document;
 - (iv) the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and Non-Banking Finance Companies and Notified Entities Regulations, 2008; and the constitutive documents.

For the purpose of information, the attention of certificate holders is drawn towards note 24 of the financial statements regarding distribution of Rs. 156.252 million made during the year and profit of Rs. 23.551 million earned by the fund during the year.

Khawaja Anwar Hussain
Chief Executive Officer

Karachi: August 20, 2010

MCB Financial Services Limited
(formerly: Muslim Commercial Financial Services Limited)

INDEPENDENT AUDITORS' REPORT TO THE CERTIFICATE HOLDERS

We have audited the accompanying financial statements of JS Growth Fund ("the Fund"), which comprise of the statement of assets and liabilities as at 30 June 2010, and the income statement, statement of comprehensive income, distribution statement, statement of cash flows, statement of changes in equity, statement of movement in equity and reserves per certificate for the year ended 30 June 2010 and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

Management Company of the Fund is responsible for the preparation and fair presentation of these financial statements in accordance with the requirements of the approved accounting standards as applicable in Pakistan. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards as applicable in Pakistan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the state of the Fund's affairs as at 30 June 2010, and of its financial performance, cash flows and transactions for the year ended 30 June 2010 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 Non-Banking Finance Companies (Establishment and Regulation Rules, 2003) and Non-Banking Finance Companies and Notified Entities Regulations, 2008.

We draw attention to note 24 regarding distribution of Rs. 156.252 million made during the year and profit of Rs. 23.551 million earned by the Fund during the year. Brief contents of the legal adviser's opinion obtained in this respect are also given in the above mentioned note.

Karachi: August 17, 2010

KPMG Taseer Hadi & Co.
Chartered Accountants
Amin Pirani



FINANCIAL STATEMENTS

STATEMENT OF ASSETS AND LIABILITIES AS AT 30 JUNE 2010

	Note	2010	2009
		(Rupees)	
ASSETS			
Bank balances	4	738,045,381	704,133,820
Investments	5	2,188,255,126	2,224,506,651
Dividend receivable on held for trading investments		16,086,157	5,885,008
Advances, prepayments and other receivables	6	12,735,807	16,942,509
Security deposits	7	2,700,000	2,700,000
Deferred formation cost	8	297,000	621,000
Total assets		2,958,119,471	2,954,788,988
LIABILITIES			
Balance payable to the Management Company	9	967,877	5,303,814
Remuneration payable to the Trustee	10	216,326	208,673
Annual fee payable to the Securities and Exchange Commission of Pakistan	11	3,155,196	2,954,402
Creditors, accrued and other liabilities	12	46,600,933	45,650,860
Dividend payable		3,306,369	-
Provision for taxation		8,297,426	8,299,344
Total liabilities		62,544,127	62,417,093
NET ASSETS		2,895,575,344	2,892,371,895
Certificate Holders' Fund			
Certificate capital			
Issued, subscribed and paid up certificate capital		3,180,044,630	3,180,044,630
Repurchase of own certificates	14.2	(23,089,917)	-
		3,156,954,713	3,180,044,630
Reserves			
<i>Capital reserves</i>			
Certificate premium reserve	15	306,437,500	306,437,500
Reserve on amalgamation	16	200,000,000	200,000,000
<i>Revenue reserves</i>			
Accumulated loss		(926,341,917)	(793,641,136)
Surplus / (deficit) on revaluation of available-for-sale investments	5.7	158,525,048	(469,099)
		(261,379,369)	(287,672,735)
TOTAL CERTIFICATE HOLDERS' FUND		2,895,575,344	2,892,371,895
NET ASSETS VALUE PER CERTIFICATE		9.27	9.10

The annexed notes 1 to 26 and Annexure I form an integral part of these financial statements.

For JS Investments Limited
(Management Company)

Rashid Mansur
Chief Executive Officer

Munawar Alam Siddiqui
Chairman

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

	Note	2010	2009
		(Rupees)	
Income			
Return on:			
- bank deposits		67,716,869	77,711,404
- investment in debt securities (available-for-sale)		5,162,421	1,147,335
provision against mark-up on term finance certificate		(906,103)	-
		4,256,318	1,147,335
Gain / (loss) on sale of held for trading investments - net		134,222,723	(838,380,658)
Dividend income		117,566,110	155,185,396
Amortisation of discount on available-for-sale investments		1,738,982	417,078
		325,501,002	(603,919,445)
Unrealised loss on remeasurement of held for trading investments - net		(153,886,537)	(996,878,632)
		171,614,465	(1,600,798,077)
Expenses			
Remuneration to the Management Company	9.1	66,425,197	62,197,927
Remuneration to the Trustee	10	2,849,081	2,722,248
Annual fee to Securities and Exchange Commission of Pakistan	11	3,155,197	2,954,402
Impairment loss on held-for-trading investments	5.2	42,649,553	-
Impairment loss on available-for-sale investments	5.4	21,548,037	605,494,165
Securities transactions cost		7,556,433	4,005,990
Auditors' remuneration	18	684,154	705,000
Amortisation of formation cost		324,000	324,000
Workers welfare fund	12.2	480,642	-
Other expenses	19	2,390,720	2,355,060
		148,063,014	680,758,792
Profit / (loss) for the year		23,551,451	(2,281,556,869)
Earnings / (loss) per certificate - basic and diluted	20	0.08	(7.17)

The annexed notes 1 to 26 and Annexure I form an integral part of these financial statements.

For JS Investments Limited
(Management Company)

Rashid Mansur
Chief Executive Officer

Munawar Alam Siddiqui
Chairman

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

	2010	2009
	(Rupees)	
Net income / (loss) for the year	23,551,451	(2,281,556,869)
Other comprehensive income:		
- Unrealized gain / (loss) on remeasurement of available-for-sale investments to fair value - net	158,525,048	(693,790,568)
- Impairment on available for sale investments charged to Income Statement	469,099	605,494,165
	158,994,147	(88,296,403)
Total comprehensive income / (loss) for the year	182,545,598	(2,369,853,272)

The annexed notes 1 to 26 and Annexure I form an integral part of these financial statements.

For JS Investments Limited
(Management Company)

Rashid Mansur
Chief Executive Officer

Munwar Alam Siddiqui
Chairman

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2010**

	2010	2009
	(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income / (loss) for the year	23,551,451	(2,281,556,869)
Adjustments for:		
Capital (gain) / loss on sale of held for trading securities - net	(134,222,723)	840,680,075
Dividend income	(117,566,110)	(155,185,396)
Unrealised loss on remeasurement of held for trading investments - net	153,886,537	996,878,632
Impairment loss on available-for-sale investments	21,548,037	605,494,165
Impairment loss on held-for-trading investments	42,649,553	-
Amortization of discount on available-for-sale investments	(1,738,982)	(417,078)
Amortisation of formation cost	324,000	324,000
	(11,568,237)	6,217,529
<i>Decrease in current assets - receivables</i>	4,206,702	7,024,527
<i>Increase / (decrease) in current liabilities</i>		
Balance payable to the Management Company	(4,335,937)	(4,206,474)
Remuneration payable to the Trustee	7,653	(99,848)
Annual fee payable to the Securities and Exchange Commission of Pakistan	200,794	(2,872,286)
Creditors, accrued and other liabilities	1,058,812	(3,130,640)
	(10,430,213)	2,932,808
Sale of investments	1,719,017,169	957,394,800
Purchase of investments	(1,610,060,919)	(706,766,601)
Dividend received	107,364,961	160,302,888
	216,321,211	410,931,087
Cash generated from operating activities	205,890,998	413,863,895
CASH FLOWS FROM INVESTING ACTIVITIES		
Redemption of available for sale investments	4,167,000	-
Net cash flows from investing activities	4,167,000	-
NET CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(153,056,520)	(46,169,373)
Repurchase of own certificates	(23,089,917)	-
	(176,146,437)	(46,169,373)
Net increase in cash and cash equivalents	33,911,561	367,694,522
Cash and cash equivalents at beginning of the year	704,133,820	336,439,298
Cash and cash equivalents at end of the year	738,045,381	704,133,820

The annexed notes 1 to 26 and Annexure I form an integral part of these financial statements.

For JS Investments Limited
(Management Company)

Rashid Mansur
Chief Executive Officer

Munawar Alam Siddiqui
Chairman

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2010

	Issued, subscribed and paid-up certificate capital	Repurchase of own certificates	Reserves			Total	Surplus / (deficit) on remeasurement of available-for-sale investments	Total
			Certificate premium account	Capital reserve on amalgamation	Accumulated income / (loss)			
Note	(Rupees)							
Balance as at 1 July 2008	3,180,044,630	-	306,437,500	200,000,000	1,487,915,733	1,994,353,233	87,827,304	5,262,225,167
Changes in equity for the year ended 30 June 2009								
Total comprehensive income for the year	-	-	-	-	(2,281,556,869)	(2,281,556,869)	(88,296,403)	(2,369,853,272)
Balance as at 30 June 2009	3,180,044,630	-	306,437,500	200,000,000	(793,641,136)	(287,203,636)	(469,099)	2,892,371,895
Changes in equity for the year ended 30 June 2010								
Total comprehensive income for the year	-	-	-	-	23,551,451	23,551,451	158,994,147	182,545,598
<i>Transactions with owners recorded directly in equity</i>								
Interim dividend @ Rs.0.50 per certificate	-	-	-	-	(156,252,232)	(156,252,232)	-	(156,252,232)
<i>Others</i>								
Repurchase of own certificates	14.2	(23,089,917)	-	-	-	-	-	(23,089,917)
Balance as at 30 June 2010	3,180,044,630	(23,089,917)	306,437,500	200,000,000	(926,341,917)	(419,904,417)	158,525,048	2,895,575,344

The annexed notes 1 to 26 and Annexure I form an integral part of these financial statements.

For JS Investments Limited
(Management Company)

Rashid Mansur
Chief Executive Officer

Munwar Alam Siddiqui
Chairman

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

	2010	2009
	(Rupees)	
Undistributed income at beginning of the year (realised)	559,627,588	1,631,959,657
Accumulated loss at beginning of the year (unrealised)	<u>(1,353,268,724)</u>	<u>(144,043,924)</u>
	(793,641,136)	1,487,915,733
Net income / (loss) for the year	23,551,451	(2,281,556,869)
Interim dividend @ Re.0.50 per certificate (2009:Nil)	(156,252,232)	-
Deficit at end of the year	<u><u>(926,341,917)</u></u>	<u><u>(793,641,136)</u></u>
Undistributed (loss) / income at end of the year (realised)	(707,640,887)	559,627,588
Accumulated loss at end of the year (unrealised)	(218,701,030)	(1,353,268,724)
	<u><u>(926,341,917)</u></u>	<u><u>(793,641,136)</u></u>

The annexed notes 1 to 26 and Annexure I form an integral part of these financial statements.

For JS Investments Limited
(Management Company)

Rashid Mansur
Chief Executive Officer

Munawar Alam Siddiqui
Chairman

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

	2010	2009
Net assets per certificate at beginning of the year	9.10	16.55
Capital gain / (loss) on trading in held for trading investments - net	0.43	(2.64)
Unrealised loss on held for trading investments - net	(0.49)	(3.13)
Net income / loss for the year excluding capital gain / loss and unrealised loss on held for trading investments	0.14	(1.40)
Net income / (loss) for the year - per certificate	0.08	(7.17)
Surplus / (deficit) on remeasurement of available-for-sale investments per certificate	0.49	(0.28)
Discount on repurchase of own certificates	0.10	-
Dividend per certificate	(0.50)	-
Net assets per certificate at end of the year	<u>9.27</u>	<u>9.10</u>

The annexed notes 1 to 26 and Annexure I form an integral part of these financial statements.

For JS Investments Limited
(Management Company)

Rashid Mansur
Chief Executive Officer

Munawar Alam Siddiqui
Chairman

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** JS Growth Fund (the Fund), a closed-end scheme, was constituted under Trust Deed entered into between JS Investments Limited as Management Company, a listed public limited company incorporated under the Companies Ordinance, 1984 and Central Depository Company of Pakistan Limited (CDC) as a Trustee with the approval of the Securities and Exchange Commission of Pakistan (SECP) through their letter dated 5 April 2006. Thereafter, MCB Financial Services Limited (formerly Muslim Commercial Financial Services Limited) was appointed as trustee of the Fund with effect from 2 February 2008. The Fund is governed under Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (NBFC Rules) and Non-Banking Finance Companies and Notified Entities Regulations, 2008 issued by the Securities and Exchange Commission of Pakistan (SECP). The Fund has been approved as notified entity by the Securities and Exchange Commission of Pakistan (SECP) on 22 January 2009. The Fund's certificates are listed on all the stock exchanges of Pakistan.
- 1.2** The major objective of the Fund is to enable certificate holders to participate in a diversified portfolio by prudent investment management (investment return being of a combination of capital appreciation and income).
- 1.3** The Fund was formed as a result of the amalgamation of ABAMCO Capital Fund (ACF), ABAMCO Stock Market Fund (ASMF) and ABAMCO Growth Fund (AGF) herein after referred to as the amalgamating funds. The Board of Directors of JS Investments Limited in their meeting held on 30 March 2005, approved the merger of ABAMCO Capital Fund, ABAMCO Stock Market Fund and ABAMCO Growth Fund into a new Fund titled as UTP-Growth Fund (now JS Growth Fund), under a scheme of arrangement for amalgamation ("the scheme"). The scheme was also approved by the certificate holders of respective amalgamating funds in their separate extra ordinary general meetings held on 2 February 2006 and by the Securities and Exchange Commission of Pakistan vide letter dated 5 April 2006. The amalgamation, as per the above referred "scheme", was effective as of 31 December 2005.
- 1.4** ABAMCO Capital Fund, a closed end scheme was formed as a result of the merger of 1st, 3rd, 8th, 11th, 12th, 15th, 19th and 20th ICP Mutual Funds. ABAMCO Stock Market Fund, also a closed end scheme, was formed as a result of the merger of 21st, 23rd and 25th ICP Mutual Funds. ABAMCO Growth Fund (a closed end fund) was formerly the 4th ICP Mutual Fund. The management rights of the above three funds were transferred from Investment Corporation of Pakistan to JS Investments Limited under a management right of transfer agreement executed on 11 October 2002 between JS Investments Limited and the Privatization Commission of the Government of Pakistan.
- 1.5** The registered office of JS Investments Limited is situated at 7th floor, The Forum, G-20 Khayaban- e-Jami, Block-9, Clifton Karachi, Pakistan.
- 1.6** Title to the assets of the fund are held in the name of MCB Financial Services Limited as a trustee of the Fund.
- 1.7** During the year, the Fund repurchased its own 5.5 million certificates from the secondary market. Details of this repurchase is given in note 14 to these financial statements.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements of the fund as at and for the year ended 30 June 2010 have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984, requirements of Trust Deed, Non Banking Finance Companies (Establishment and Regulation) Rules, 2003 and Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC rules and regulations). In case, the requirements differ, the provisions or directives of the Companies Ordinance, 1984, the requirements of the Trust Deed and Non Banking Finance Companies (Establishment and Regulation) Rules, 2003, Non Banking Finance Companies and Notified Entities Regulations, 2008 shall prevail.



2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except that investments are measured at fair value.

2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupees, which is the fund's functional currency. All financial information presented in Pakistan Rupees has been rounded to the nearest rupee.

2.4 Use of estimates and judgments

The preparation of the financial statements in conformity with approved accounting standards, as applicable in Pakistan requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described as follows:

Investment stated at fair value

Management has determined fair value of certain investments by using quotation from active market. Fair value estimates are made at a specific point in time, based on market conditions and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matter of judgment (e.g. valuation, interest rates, etc.) and therefore, cannot be determined with precision.

Impairment of investment

The Fund determines that investments are impaired in accordance with the provisioning guidelines prescribed by the Securities and Exchange Commission of Pakistan and the provisioning criteria approved by the Board of Directors of the Management Company (Refer note no. 3.10). Actual results may differ and the difference could be material.

Other assets

Judgment is involved in assessing the realisability of the assets balances.

Workers welfare fund liability

For details please refer note 12.2 to these financial statements.

2.5 Changes in accounting policies

a) Presentation of financial statements

The Fund has adopted IAS - 1 "Presentation of Financial Statements (Revised)" which became effective during the year. The revised standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with non-owners changes in equity presented as a single line item in the statement of changes in equity. 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.

Comparative segment information has been re-presented in conformity with the above revised IAS. The change in accounting policy only impacts presentation and disclosure aspects.

b) Operating segments

Effective annual period beginning 1 January 2009, International Financial Reporting Standard (IFRS) 8 dealing with Operating Segment also became applicable. Under this IFRS, the Fund determines and presents operating segments based on the information that internally is provided to the Investment Committee, which is the Fund's chief operating decision maker. The application of this standard has resulted in certain increased disclosures only as disclosed in note 22 to these financial statements.

Comparative segment information has been re-presented in conformity with the above revised IAS / IFRS.

2.6 Other accounting developments

Disclosures pertaining to fair values for financial instruments.

The Fund has applied Improving Disclosures about Financial Instruments (Amendments to IFRS 7), issued in March 2009, that require enhanced disclosures about fair value measurements and liquidity risk in respect of financial instruments.

The amendments require that fair value measurement disclosures use a three-level fair value hierarchy that reflects the significance of the inputs used in measuring fair values of financial instruments. Specific disclosures are required when fair value measurements are categorised as Level 3 (significant unobservable inputs) in the fair value hierarchy. The amendments require that any significant transfers between Level 1 and Level 2 of the fair value hierarchy be disclosed separately, distinguishing between transfers into and out of each level. Furthermore, changes in valuation techniques from one period to another, including the reasons therefore, are required to be disclosed for each class of financial instruments.

Revised disclosures in respect of fair values of financial instruments are included in note 23.6.

2.7 Standards, interpretations and amendments effective for annual reporting periods beginning after 1 July 2009

The following standards, interpretations and amendments of approved accounting standards are effective for accounting periods beginning on or after 1 January 2010. However, these are not relevant to the Fund except in few cases these may require additional disclosures:

<i>Improvements to IFRSs 2009</i>	Effective date
- Amendments to IFRS 5 Non-current Assets Held for Sale and Discontinued Operations	1 January 2010
- Amendments to IFRS 8 Operating Segments	1 January 2010
- Amendments to IAS 1 Presentation of Financial Statements	1 January 2010
- Amendments to IAS 7 Statement of Cash Flows	1 January 2010
- Amendments to IAS 17 Leases	1 January 2010
- Amendments to IAS 36 Impairment of Assets	1 January 2010
- Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards – Additional Exemptions for First-time Adopters	1 January 2010
- Amendments to IFRS 2 Share-based Payment – Group Cash-settled Share-based Payment Transactions	1 January 2010
- Amendment to IAS 32 Financial Instruments: Presentation – Classification of Rights Issues	1 January 2010

- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments	1 July 2010
- Amendment to IFRS 1 First-time Adoption of International Financial Reporting	
Standards – Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters	1 July 2010
<i>Improvements to IFRSs 2010</i>	Effective date
- Amendments to IFRS 3 Business Combinations	1 July 2010
- Amendments to IAS 27 Consolidated and Separate Financial Statements	1 July 2010
- IAS 24 Related Party Disclosures (revised 2009) These amendments will result in increase in disclosures in the Fund's financial statements	1 January 2011
- Amendments to IFRIC 14 IAS 19 – The Limit on a Defined Benefit Assets, Minimum Funding Requirements and their Interaction	1 January 2011
- Amendments to IFRS 1 First-time Adoption of IFRSs	1 January 2011
- Amendments to IFRS 7 Financial Instruments: Disclosures	1 January 2011
- Amendments to IAS 1 Presentation of Financial Statements	1 January 2011
- Amendments to IAS 34 Interim Financial Reporting	1 January 2011
- Amendments to IFRIC 13 Customer Loyalty Programmes	1 January 2011

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements. There have been no changes in accounting policies except for the change mentioned in note 2.5.

3.1 Investments

3.1.1 All investments are initially recognized at cost, being the fair value of the consideration given including the transaction cost associated with the investment, except in case of held for trading investments, in which case the transaction costs are charged off to the profit and loss account.

3.1.2 The Fund classifies its investments in the following categories:

Financial asset at fair value through profit or loss

This category has two sub-categories, namely; financial instruments held for trading, and those designated at fair value through profit or loss upon initial recognition.

Investments which are acquired principally for the purposes of generating profit from short term fluctuation in price or are part of the portfolio in which there is recent actual pattern of short term profit taking are classified as held for trading.

Investments designated at fair value through profit or loss upon initial recognition include those group of financial assets which are managed and their performance evaluated on a fair value basis, in accordance with the documented risk management / investment strategy.

After initial recognition, the investments in listed equity instruments are remeasured at fair value determined with reference to Stock Exchange quoted market prices at the close of period end.

Gains or losses on investments on remeasurement of these investments are recognized in income.

Available-for-sale

Investments which do not fall under the above categories are classified as available-for-sale. After initial recognition, investments classified as available-for-sale are remeasured at fair value, determined with reference to the year-end quoted rates. Gains or losses on remeasurement of these investments are recognized directly in the certificate holders' funds until the investment is sold, collected or otherwise disposed-off, or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in certificate holders' funds is included in income.

3.1.3 Basis of valuation of Term Finance Certificates

Investments in term finance certificates have been valued on the basis of period end rates quoted period end by the Mutual Fund Association of Pakistan.

Provision against non performing debt securities is made in accordance with the provisioning criteria prescribed by the Securities and Exchange Commission of Pakistan and the Fund's provisioning criteria more fully discussed in note 3.10 to these financial statements.

3.1.4 All regular way of purchases and sales of investments are recognized on the trade date i.e. the date the Fund commits to purchase / sell the investments. Regular way of purchase and sale of investments require delivery of securities within two days after the transaction, as required by the Stock Exchange Regulations.

3.2 Derivative Financial Instruments

Derivatives financial instruments held by the Fund generally comprise of futures contracts in the capital market. These are initially recognized at cost and are subsequently remeasured at their fair value. The fair value of futures contracts is calculated as being the net difference between the contract price and the closing price reported on the primary exchange of the futures contract. Derivatives with positive market values (unrealized gains) are included in other assets and derivatives with negative market values (unrealized losses) are included in other liabilities in the balance sheet. The resultant gains and losses are included in the income currently.

3.3 Securities under repurchase agreements

Transactions of purchase under resale (reverse-repo) of marketable and government securities are entered into at contracted rates for specified periods of time. Securities purchased with a corresponding commitment to resell at a specified future date (reverse repos) are not recognized in the statement of assets and liabilities. Amounts paid under these agreements are included in receivable in respect of reverse repurchase transactions. The difference between purchase and resale price is treated as income from reverse repurchase transactions and accrued over the life of the reverse-repo agreement.

3.4 Revenue recognition

Gains or loss on sale of marketable and government securities is recognised in the year in which the transaction takes place.

Dividend income is recorded at the time of the closure of share / certificate transfer book of the company / fund declaring the dividend.

Return on government securities, term finance certificates and the bank balances is recognized at effective profit rate on a time proportion basis.

3.5 Taxation

The Fund is exempt from taxation under clause 99 of Part 1 of the 2nd Schedule of the Income Tax Ordinance, 2001, subject to the condition that not less than 90% of its accounting income excluding realized and unrealised capital gains for the year is distributed amongst the certificate holders.

3.6 Provisions

Provisions are recognised when the Fund has a legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

3.7 Deferred formation cost

These represent costs incurred in connection with the formation of the Fund and are being amortised over the period of five years commencing from 06 June 2006 in accordance with the Trust Deed approved by the Securities and Exchange Commission of Pakistan.

3.8 Financial instruments

All the financial assets and financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. Any gain or loss on derecognition of the financial assets and financial liabilities is taken to income directly.

3.9 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount reported in the statement of assets and liabilities only when there is a legally enforceable right to set off the recognized amount and the Fund intends to either settle on a net basis, or to realize the asset and settle the liability simultaneously.

3.10 Impairment

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial assets is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of the asset.

Investments are impaired when there has been a significant or prolonged decline in the fair value below its cost. The determination of what is significant or prolonged requires judgment. In addition the impairment may be appropriate when there is an evidence of deterioration in the financial health of the invested industry and sector performance, changes in technology and operational financial cash flows.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. All impairment losses are recognised in income statement.

In respect of debt securities (currently comprising of term finance certificate), provision for impairment is determined in accordance with the provisioning criteria for non performing debt securities specified by the Securities and Exchange Commission of Pakistan (SECP) vide SRO circular no. 1 of 2009 dated 6 January 2009, circular no. 3 of 2010 dated 20 January 2010 and the provisioning criteria / policy for non performing exposure approved by the Board of Directors of the management company in accordance with the requirements of SECP vide SRO circular no. 13 of 2009 dated 4 May 2009. Amount of impairment is the higher of the amount determined with the above provisioning criterias.

The Fund's policy for provision against impaired debt securities essentially is the same as prescribed by the Securities and Exchange Commission of Pakistan (SECP). However in respect of the Pre-IPO investments and the advances (if any), it shall follow the time bands prescribed by the SECP for provision against impaired debt securities and the investment committee shall also consider additional provision keeping in view the information available of the borrower relating the financial statements, periodic announcements, etc. Full provision shall not be made against the entire balance of any of the instalment in arrears (unless required as above).

3.11 Cash and cash equivalents

Cash and cash equivalents comprise of bank balances including term deposits with banks (that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value).

3.12 Other assets

Other assets are stated at cost less impairment losses, if any.

3.13 Dividend distribution and appropriation

Dividend distributions and appropriation are recorded in the period in which distributions are approved.

3.14 Operating segments

The Fund determines and presents operating segment based on the information that is internally provided to the Investment Committee (Fund's chief decision maker). However the Fund is considered to be a single reportable segment entity, as such entity wide disclosures as required under International Financial Reporting Standard 8 (Operating Segment) has been made in the financial statements.

The Fund operates in Pakistan only and all of the revenue is generated from investments, etc within Pakistan.

3.15 Repurchased certificates

As mentioned in notes 1.7 and 14.2, the Fund during the period repurchased 5.5 million of its own certificates. Such repurchased certificates are classified as treasury certificates and the consideration paid is recognised as a deduction from the Fund's total equity. As required under circular 14 of 2009 dated 4 May 2009, for accounting purposes, the investment made by the Fund in its own certificates is treated as a contra account to the certificate holders fund (capital).

3.16 Net assets value per certificate

The net assets value per certificate disclosed in the Statement of Assets and Liabilities and Statement of Movement in Equity and Reserves Per Certificate is calculated by dividing the net assets of the Fund by the number of certificates in issue at the year-end.

3.17 Earnings per certificate

The Fund presents basic and diluted earnings per certificate (EPC) data. Basic EPC is calculated by dividing the profit or loss attributable to certificate holders of the Fund by the weighted average number of certificates outstanding during the period, adjusted for own certificates held. Diluted EPC is determined by adjusting the profit or loss attributable to certificate holders and the weighted average number of certificates outstanding, adjusted for own certificates held, for the effects of all dilutive potential certificates.

4. BANK BALANCES - local currency

		2010 (Rupees)	2009
Balances with banks in:			
- profit and loss sharing accounts	4.1	735,037,119	401,124,280
- in term deposits		-	300,000,000
- current accounts		3,008,262	3,009,540
		738,045,381	704,133,820

4.1 The profit and loss sharing accounts carry profit rates ranging from 5% to 11.5% (30 June 2009: 5% to 19%) per annum. This includes Rs. 37,108,853 (30 June 2009: Rs. 28,367,397) with a related party on which return is earned at 7% to 9% (30 June 2009 :8.5% to 11.75 %) per annum.

5. INVESTMENTS

***At fair value through Profit and Loss -
Held for trading***

Listed equity securities (ordinary shares)	5.1	1,288,836,690	1,437,934,057
Listed preference shares	5.2	-	22,172,250

Available-for-sale

Listed equity securities	5.3	886,105,636	727,580,588
Listed debt securities	5.4	13,312,800	36,819,756
		2,188,255,126	2,224,506,651

5.1 Held for trading (listed equity securities)

Sectors / companies (Ordinary shares have a face value of Rs 10 each unless stated otherwise)	Holding at beginning of the year (1 July 2009)	Acquired during the year	Bonus / right shares received during the year	Disposed during the year	Holding at end of the year 30 June 2010	Market value (carrying value) 30 June 2010	% of total investments
	(Number of shares)					(Rupees)	
Oil and Gas							
Mari Gas Company Limited	100,000	30,000	100,000	-	230,000	29,757,400	1.36
Oil and Gas Development Company Limited	1,469,300	550,000	-	2,019,300	-	-	-
Pakistan Petroleum Limited*	567,500	1,587,550	91,500	1,323,550	923,000	169,942,760	7.77
Pakistan Oilfields Limited**	1,000,000	1,174,124	-	1,558,514	615,610	132,910,199	6.07
Shell Pakistan Limited	-	51,000	-	-	51,000	11,710,110	0.53
						344,320,469	15.73
Chemicals							
Descon Oxychem Limited	212,076	-	-	-	212,076	967,067	0.04
Engro Corporation Limited	-	100,000	-	100,000	-	-	-
Engro Polymer and Chemicals Limited	-	1,726,889	474,894	-	2,201,783	22,105,901	1.01
Fauji Fertilizer Company Limited	143,000	625,000	-	475,000	293,000	30,199,510	1.38
I.C.I. Pakistan Limited	-	222,078	-	84,847	137,231	16,270,107	0.74
						69,542,585	3.17
Construction and Materials							
Lucky Cement Limited	1,100,000	695,828	-	990,828	805,000	50,022,700	2.29
General Industrials							
Packages Limited	1,108,696	-	-	-	1,108,696	131,380,476	6.00
Industrial Transportation							
Pakistan International Container Terminal Limited (related party)	1,288,716	11,300	260,003	-	1,560,019	117,001,425	5.35
Automobile and Parts							
Honda Atlas Cars (Pakistan) Limited	1,164,000	-	-	1,164,000	-	-	-
Pak Suzuki Motor Company Limited	230,800	-	-	230,800	-	-	-
Food Producers							
Rafhan Maize Products Limited	100	-	-	2	98	112,825	0.01
Shahtaj Sugar Mills Limited	647,886	-	-	-	647,886	42,248,646	1.93
						42,361,471	1.94
Personnel Goods							
Azgard Nine Limited (related party)	4,234,177	3,766,942	-	8,001,119	-	-	-
Nishat Mills Limited	750,000	2,359,783	-	1,690,218	1,419,565	61,211,643	2.80
						61,211,643	2.80
Pharma and Bio Tech							
GlaxoSmithKline Pakistan Limited	606,947	-	-	-	606,947	49,247,680	2.25
Wyeth Pakistan Limited	36,620	-	-	-	36,620	38,422,070	1.76
						87,669,750	4.01
Media							
Eye Television Network Limited (related party)	-	2,007,035	-	-	2,007,035	46,603,353	2.13
Fixed Line Telecommunication							
Pakistan Telecommunication Limited	-	11,503,241	-	2,425,437	9,077,804	161,584,911	7.38
Electricity							
The Hub Power Company Limited	5,550,000	850,000	-	4,400,000	2,000,000	63,920,000	2.92
Banks							
National Bank of Pakistan	80,000	-	-	80,000	-	-	-
United Bank Limited	1,270,000	653,147	-	1,923,147	-	-	-
Bank Islami Pakistan Limited (related party)	5,927,625	1,357,892	-	-	7,285,517	23,386,510	1.07
Faysal Bank Limited	-	210,000	-	210,000	-	-	-
Bank Alfalah Limited	1,692,925	4,397,215	-	1,692,925	4,397,215	41,597,654	1.90
MCB Bank Limited	237,500	135,000	-	372,500	-	-	-
						64,984,164	2.97
Non Life Insurance							
IGI Insurance Limited	266,614	-	53,322	-	319,936	22,264,346	1.02
Life Insurance							
EFU Life Assurance Limited (related Party)	188,169	39,550	30,362	-	258,081	20,107,090	0.92
Financial Services							
Jahangir Siddiqui and Company Limited - (related party)	2,102,544	-	-	2,102,544	-	-	-
Orix Leasing Pakistan Limited	1,120,900	-	-	-	1,120,900	5,862,307	0.27
						5,862,307	0.27
						1,288,836,690	58.90
Cost of held for trading investments (listed equity securities) as at 30 June 2010						1,464,888,167	

* This includes 75,000 shares pledged with National Clearing Company of Pakistan Limited against exposure calls.

** This includes 200,000 shares pledged with National Clearing Company of Pakistan Limited against exposure calls.

5.2 Held for trading (listed preference shares)

Personnel Goods							
Azgard Nine Limited (related party)	2,775,000	2,255,000	-	-	5,030,000	42,649,553	
Less: Provision against preference shares of Azgard Nine Limited (no rates are now available being non-traded)						(42,649,553)	
Cost of held for trading investments (listed preference shares) as at 30 June 2010						42,649,553	

5.3 Available-for-sale (listed equity securities)

Oil and Gas							
Pakistan State Oil Company Limited (refer note 5.5)	3,405,479	-	-	-	3,405,479	886,105,636	40.49
Cost of available-for-sale investments (listed equity securities) as at 30 June 2010						727,580,588	

5.4 Available-for-sale (listed debt securities)

Term Finance Certificates (face value of Rs 5,000/- each)							
Personnel Goods							
Azgard Nine Limited (related party) (refer note 5.6)	10,000	-	-	-	10,000	34,860,837	
Less: Provision held (made during the year)						(21,548,037)	
						13,312,800	0.61
Cost of available-for-sale investments (listed debt securities) as at 30 June 2010						28,537,776	



5.5 Shares of Pakistan State Oil Company Limited were frozen / blocked by an order of the Government of Pakistan (GoP) as the same form part of the strategic shareholding under the control of GoP. As a result, the Fund was restricted from selling, transferring, encumbering or otherwise disposing off or dealing with interest in the said shares, including any future bonus / right shares in respect thereof. In respect of the said shares pertaining to all the ICP Mutual Funds Lot A acquired by JS Investments Limited (JSIL - Management Company) an agreement was executed on 27 December 2002 between JS Investments Limited and GoP, whereby JS Investments Limited had authorized GoP to act on its behalf in respect of sale of the said shares for the purpose of facilitating the privatization of Pakistan State Oil Company Limited. The said agreement was extended from time to time and was last extended up to 30 June 2008. JSIL did not extend the said agreement after June 30, 2008 and based on the legal counsel's advice, the management had held that the agreement having expired, is of no effect. This fact was also mentioned by JSIL's legal counsel in their reply to Messrs J.P.Morgan Pakistan Limited's request on behalf of PSO for further extension of the agreement. Currently J.P.Morgan Pakistan Limited (advisor to the Privatisation Commission) has informed JSIL that the Privatization Commission is in the process of securing availability of 3,405,479 shares of PSO with other Government owned entities and instruction would be issued to the PSO management to unfreeze the shares held by the Fund in due course.

5.6 These term finance certificates carry a rate of mark-up equal to the simple average six months KIBOR plus 240 basis points per annum without any floor and cap receivable semi-annually in arrears and will mature in September 2012. These term finance certificates are secured by first pari pasu charge on the present and future fixed assets of the company (excluding land and building) with 25% margin in favour of the Trustee and memorandum for creation of mortgage through deposits of title deeds on lands building in favour of the trustee of the issue.

These term finance certificates (TFCs) have been classified as non performing by MUFAP on 18 May 2010. On 20 March 2010 (redemption date) the issuer of TFCs had defaulted in its payments of redemption of principal and profit amount of Rs. 4.167 million and Rs. 2.795 million respectively. As per circular no. 1 of 2009 dated 6 January 2009 issued by SECP, the security was to be classified as non performing on 4 April 2010 (after 15 days from the date of default) but the issuer paid the profit amount and requested MUFAP to allow a grace period of 60 days for the payment of principal amount due on 20 March 2010 before classifying it as non performing. However, on expiry of 60 days grace period i.e. 18 May 2010 the issuer was unable to make the payment of principal amount and was classified as non performing debt security by the MUFAP.

The Fund has made a provision of Rs. 21.548 million against the principal amount in accordance with the requirements of Circular 1 of 2009 dated 6 January 2009 issued by SECP and provisioning policy of the Fund approved by the Board of Directors of the Management Company. Further accrued mark-up amounting to Rs. 0.906 million has been reversed and accrual of further mark-up has been suspended.

5.7 Details of movement in surplus / (deficit) on revaluation of available-for-sale investments are as follows:

	2010	2009
	(Rupees)	
Equity securities	158,525,048	-
Term finance certificates	-	(469,099)
	<u>158,525,048</u>	<u>(469,099)</u>

6. ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES

	2010	2009
	(Rupees)	
Receivable against sale of marketable securities	-	2,327,360
Advance tax	7,206,598	7,206,598
Tax refundable	4,691,248	5,077,515
Mark-up receivable on		
- Bank deposits	837,961	695
- Term finance certificates (available-for-sale)	906,103	1,737,875
Provision held (made during the year) against Azgard Nine Limited's term finance certificates	(906,103)	-
	-	1,737,875
- Term deposit accounts	-	592,466
	12,735,807	16,942,509

6.1 This includes Rs. 45,576 (30 June 2009 : Rs. 456) receivable from JS Bank Limited (related party).

7. SECURITY DEPOSITS

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

8. DEFERRED FORMATION COST

This represents expenses incurred on the formation of the JS Growth Fund mentioned in note 3.7. The Trust Deed of the Fund, approved by the Securities and Exchange Commission of Pakistan, approved by the Securities and Exchange Commission of Pakistan, permits the deferral of cost over a period not exceeding five years, commencing from 6 June 2006.

Total preliminary expenses	1,620,000	1,620,000
Amortization:		
At July 1	(999,000)	(675,000)
For the year	(324,000)	(324,000)
	(1,323,000)	(999,000)
Balance as at 30 June	297,000	621,000

9. BALANCE PAYABLE TO THE MANAGEMENT COMPANY

Remuneration payable	9.1	643,877	4,655,814
Amount payable in respect of the incorporation of the Fund	9.2	324,000	648,000
		967,877	5,303,814

9.1 Remuneration payable to the Management Company has been calculated at the rate of 2% on average net assets value calculated on monthly basis in accordance with the requirements of Regulation 61 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

9.2 This represents expenses incurred in respect of the incorporation of the Fund, as discussed in note 8 to these financial statements.

10. REMUNERATION TO THE TRUSTEE

The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed on the basis of the average net assets of the Fund as of the last day of each calendar month. The remuneration of the Trustee has been calculated as per following applicable tariff:

**Average net assets Tariff
(Rs. in million)**

Upto 250	0.20% per annum
250 to 500	Rs. 500,000 plus 0.15% per annum on amount exceeding Rs 250 million
500 to 2,000	Rs. 875,000 plus 0.08% per annum on amount exceeding Rs 500 million
2,000 to 5,000	Rs. 2,075,000 plus 0.06% per annum on amount exceeding Rs 2,000 million
5,000 and above	Rs. 3,875,000 plus 0.05% per annum on amount exceeding Rs 5,000 million

11. ANNUAL FEE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

This represents annual fee payable to SECP in accordance with the NBFC Regulations, whereby the Fund is required to pay SECP an amount at the rate of 0.095% per annum of the average monthly net assets of the fund in accordance with the regulation 62 of the NBFC Regulation 2008.

12. CREDITORS, ACCRUED AND OTHER LIABILITIES

		2010	2009
		(Rupees)	
Payable against broker's commission	12.1	1,224,652	235,972
Settlement charges payable to Central Depository Company of Pakistan Limited		46,152	30,000
Accrued expenses		973,000	1,397,744
Unclaimed dividend		43,876,487	43,987,144
Payable to worker's welfare fund	12.2	480,642	-
		<u>46,600,933</u>	<u>45,650,860</u>

12.1 Subsequent to the year end, this amount was paid by the Fund.

12.2 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 WWF Ordinance has become applicable to all Collective Investment Schemes (CIS) whose income exceeds Rs. 0.5 million in a tax year, thus rendering them liable to pay two percent of their total income to Workers Welfare Fund (as defined in section 4 & 2(i) of the WWF Ordinance). The Mutual Fund Association of Pakistan (MUFAP) had filed a constitutional petition before High Court of Sindh on the major grounds that CIS are not covered under the definition of industrial establishment, CIS do not have any worker and amendment was made through money bill.

The Honourable High Court of Sindh vide its order dated 25 May 2010 has dismissed the petition on the main ground that the MUFAP (petitioner) cannot be held to be entitled to maintain a petition in respect of its members as MUFAP is not the aggrieved party in respect of its members. Consequently, few CISs have filed constitutional petitions.

However, the Management Company in pursuance of the order passed by the Honourable High Court of Sindh considers it prudent to record the provision for WWF for the period ended 30 June 2010 amounting to Rs. 0.481 million in these financial statements.

13. TAXATION

- 13.1** The income tax assessments of the former ABAMCO Stock Market Fund (formerly 21st, 23rd and 25th ICP Mutual Funds), former ABAMCO Growth Fund (formerly 4th ICP Mutual Fund) and former ABAMCO Capital Fund (formerly 1st, 3rd, 8th, 11th, 12th, 15th, 19th and 20th ICP Mutual Funds) have been finalised up to and including assessment year 2002- 2003. The tax returns in respect of the tax years 2004 and 2005 have been filed by ABAMCO Stock Market Fund, ABAMCO Growth Fund and ABAMCO Capital Fund and tax return in respect of the tax year 2006 has been filed by former UTP Growth Fund (now JS Growth Fund), which are deemed to be assessed under section 120 of Income Tax Ordinance, 2001 unless selected for audit.
- 13.2** The income tax assessments of the merging funds into JS Growth Fund have been finalised up to assessment year 2002-2003. Income tax returns have been filed in respect of Fund upto tax year 2009, which are deemed to be assessed under section 120 . of Income Tax Ordinance, 2001 unless selected for audit.
- 13.3** Assessment by the Income Tax Department for the Assessment years from 1993-1994 to 2000-2001 are in appeals at various levels. The management is confident that the decisions in respect of the matters under appeals will be given in its favour. However, full tax provisions have been made in the financial statements on the basis of decision of appeals, appeal effect orders and assessments finalised to date.
- 13.4** The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule of the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the certificate holders. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the fund is required to distribute 90% of the net accounting income other than unrealized capital gains to the certificate holders. No provision has been made in these financial statements in view of the fact that the Fund has distributed sufficient profit as per above requirement (refer note 24 for details).

14. ISSUED, SUBSCRIBED AND PAID-UP CERTIFICATE CAPITAL

14.1 This represents 318,004,463 (2009: 318,004,463) certificates of Rs. 10 each.

14.2 The Board of Directors in its meeting dated 7 July 2009 had approved the repurchased program for the repurchase of 5.5 million certificates of the Fund under the guideline issued by the Securities and Exchange Commission of Pakistan vide its circular no.14 of 2009 dated 4 May 2009. These certificates were purchased from the secondary market through a purchase agent approved for such purposes at a price of Rs. 23,089,917 in cash. These certificates were held by the Fund on book closure and are not entitled to cash dividend.

Monthwise details of repurchase of own certificates are as follows:-

Certificate repurchased during the month of :	Number of certificates	Average Price (Rupees)	Total repurchase price (Rupees)
July, 09	2,733,485	4.10	11,194,725
August, 09	1,711,522	4.18	7,147,783
September, 09	1,054,993	4.50	4,747,409
	5,500,000	4.20	23,089,917
Face value of the repurchase			55,000,000
Discount on repurchase			(31,910,083)
			23,089,917

14.3 Certificates of the Fund held by related parties are as follows :

	2010		2009	
	Certificates (Number)	Holding (%)	Certificates (Number)	Holding (%)
JS Investments Limited	36,086,812	11.55	36,081,424	11.35
JS - Staff Provident Fund	179,614	0.06	179,614	0.06
Jahangir Siddiqui & Sons Limited	25,257,805	8.08	7,700,000	2.42
Mahvash and Jahangir Siddiqui Foundation	5,000,000	1.60	5,000,000	1.57
JS Fund of Funds	20,486,467	6.56	18,651,000	5.87
Key Management Personnel	1,659	0.0005	2,659	0.0008
	87,012,357	27.84	67,614,697	21.26

15. CERTIFICATE PREMIUM RESERVE

This represents certificate premium on issuance of right certificates in prior years by former ABAMCO Capital Fund and former ABAMCO Growth Fund amounting to Rs. 82,687,500 and Rs. 223,750,000 respectively.

16. RESERVE ON AMALGAMATION

This represents reserve created on the amalgamation of 21st, 23rd and 25th ICP Funds into former ABAMCO Stock Market Fund. The aggregate paid up capitals of 21st, 23rd and 25th ICP Funds amounting to Rs. 700 million were reorganized and converted into paid up capital of Rs. 500 million, thereby creating a reserve of Rs. 200 million.

17. NET ASSET VALUE PER CERTIFICATE

	2010 (Rupees)	2009
Total net assets	2,895,575,344	2,892,371,895
	(Number)	
Total certificates in issue	312,504,463	318,004,463
	(Rupees)	
Net assets value per certificate	9.27	9.10

18. AUDITORS' REMUNERATION

Annual audit fee	400,000	400,000
Half yearly review fee	200,000	200,000
Fee for review of statement of compliance with the code of corporate governance	25,000	50,000
Other services	20,000	20,000
Out of pocket expenses	39,154	35,000
	684,154	705,000

JS Growth Fund

19. OTHER EXPENSES	2010	2009
	(Rupees)	
Postage, printing and stationery	1,214,418	1,487,094
CDC fee and settlement charges	507,486	465,753
Listing fee - stock exchanges	215,000	140,000
Professional tax	100,000	100,000
Bank charges	16,782	11,159
Advertisement and publicity	37,200	-
Mutual Fund's rating fee	100,000	100,000
NCCPL transaction cost	192,054	25,000
Others	7,780	26,054
	<u>2,390,720</u>	<u>2,355,060</u>

20. INCOME / (LOSS) PER CERTIFICATE - basic and diluted		
Net income / (loss) for the year	<u>23,551,451</u>	<u>(2,281,556,869)</u>
	(Number)	
Weighted average certificates outstanding during the year	<u>313,121,453</u>	<u>318,004,463</u>
	(Rupees)	
Earning / (loss) per certificate - basic and diluted	<u>0.08</u>	<u>(7.17)</u>

21. TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

Connected persons / related parties include JS Investment Limited being the Management Company, MCB Financial Services Limited being the trustee, Jahangir Siddiqui and Company Limited being the holding company of the Management Company, associated companies of the Management Company, Key Management Personnel and other funds being managed by the Management Company.

21.1 Details of balances of certificates with related parties / connected persons are as follows:

Certificates held by:	2010	2009	2010	2009
	(Certificates)		(Rupees)	
- JS Investments Limited	<u>36,086,812</u>	36,081,424	<u>360,868,120</u>	360,814,240
- JSIL - Staff Provident Fund	<u>179,614</u>	179,614	<u>1,796,140</u>	1,796,140
- JS Fund of Funds	<u>20,486,467</u>	18,651,000	<u>204,864,670</u>	186,510,000
- Mahvash and Jahangir Siddiqui Foundation	<u>5,000,000</u>	5,000,000	<u>50,000,000</u>	50,000,000
- Jahangir Siddiqui and Sons Limited	<u>25,257,805</u>	7,700,000	<u>252,578,050</u>	77,000,000
- Key Management Personnel	<u>1,659</u>	2,659	<u>16,590</u>	26,590

21.2 Details of other balances with related parties / connected persons are as follows:

	2010	2009
	(Rupees)	
JS Investments Limited (Management Company)		
- Remuneration payable	<u>643,877</u>	4,655,814
- Formation cost payable	<u>324,000</u>	648,000
JS Bank Limited		
- Bank balance	<u>37,108,853</u>	28,367,397
- Profit Receivable	<u>45,576</u>	456
MCB Financial Services Limited (Trustee)		
- Remuneration payable	<u>216,326</u>	208,673
Azgard Nine Limited		
- Profit receivable on Term Finance Certificates	<u>-</u>	1,737,875

21.3 Details of transactions with related parties during the year are as follows:

	2010	2009
	(Rupees)	
JS Investments Limited (Management Company)		
- Remuneration for the year	<u>66,425,197</u>	<u>62,197,927</u>
- Dividend Paid	<u>18,043,406</u>	<u>-</u>
- Formation cost paid	<u>324,000</u>	<u>324,000</u>
- Other cost incurred	<u>32,980</u>	<u>1,500</u>
JSIL Staff Provident Fund		
- Dividend paid	<u>89,807</u>	<u>-</u>
MCB Financial Services Limited (Trustee)		
- Remuneration for the year	<u>2,849,081</u>	<u>2,722,248</u>
JS Fund of fund		
- Dividend paid	<u>10,243,234</u>	<u>-</u>
Mahvash and Jahangir Siddiqui Foundation		
- Dividend paid	<u>2,500,000</u>	<u>-</u>
Jahangir Siddiqui and Sons Limited		
- Dividend paid	<u>3,850,000</u>	<u>-</u>
- Key Management Personnel		
- Dividend paid	<u>830</u>	<u>-</u>
JS Global Capital Limited		
- Brokerage fee (21.4)	<u>991,438</u>	<u>1,103,966</u>
JS Bank Limited		
- Interest income	<u>16,786,663</u>	<u>11,567,360</u>
EFU Life Assurance Limited		
- Dividend income	<u>1,252,455</u>	<u>846,761</u>
Pakistan International Container Terminal Limited		
- Dividend income	<u>1,933,074</u>	<u>3,866,148</u>
Eye Television Net Work Limited		
- Dividend income	<u>2,571,591</u>	<u>-</u>
Jahangir Siddiqui and Company Limited		
- Dividend income	<u>2,002,544</u>	<u>-</u>
Azgard Nine Limited		
- Dividend received	<u>4,304,503</u>	<u>2,483,625</u>
- Profit on Term Finance Certificates	<u>4,256,318</u>	<u>1,147,335</u>

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

21.5 Remuneration of the management company and the trustee is determined in accordance with the terms disclosed in notes 9 and 10 respectively. Other transactions are in accordance with the agreed terms.

22. OPERATING SEGMENT

Operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision-maker. The Investment Committee of the Management Company has been identified as the chief operating decision-maker, which is responsible for allocating resources and assessing performance of the operating segments. The Fund manager works under the supervision of the Investment Committee and follows the directions given by the Committee.

The Investment Committee is responsible for the Fund's entire portfolio and considers the business to have a single operating segment. The Investment Committee's asset allocation decisions are based on a single integrated investment strategy and the Fund's performance is evaluated on an overall basis.

The internal reporting provided to the Investment Committee for the Fund's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of approved accounting standards as applicable in Pakistan.

There were no change in the reportable segments during the period.

The Fund is domiciled in Pakistan. The Fund's income is generated from resources invested in listed equity securities, term finance certificates, short term placement and balances maintained with banks which are based in Pakistan.

23. FINANCIAL RISK MANAGEMENT

Introduction and overview

The Fund has exposure to the following risks from financial instruments:

- credit risk
- liquidity risk
- market risk
- operational risk

This note presents information about the Fund's exposure to each of the above risks, the Fund's objectives, policies and processes for measuring and managing risk, and the Fund's management of capital.

Risk management framework

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

The Fund primarily invests in debt instruments and equity securities.

Asset purchases and sales are determined by the Fund's Investment Manager, who has been authorized to manage the distribution of the assets to achieve the Fund's investment objectives and guidelines set by the Investment Committee. Compliance with the target asset allocations and the composition of the portfolio is monitored by the Investment Committee. In instances where the portfolio has diverged from target asset allocations, the Fund's Investment Manager is obliged to take actions to rebalance the portfolio in line with the established targets, within prescribed time limits.

23.1 Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund, resulting in a financial loss to the Fund. In the Fund's case, it arises principally from bank balances, term deposits and balances due from brokers.



Management of credit risk

The Fund's policy is to enter into financial contracts in accordance with the investment guidelines approved by the Investment Committee, its Trust Deed and the requirements of NBFC rules and regulations.

Credit risk is managed and controlled by the management company of the Fund in the following manner:

- Where the investment committee makes an investment decision, the credit rating and credit worthiness of the issuer is taken into account along with the financial background so as to minimise the risk of default.
- Investment transactions are carried out with a large number of brokers, whose credit worthiness is taken into account so as to minimise the risk of default.
- Assignment of credit ratings and obtaining adequate collaterals wherever appropriate / relevant.
- The risk of counterparty exposure due to failed trades causing a loss to the Fund is mitigated by a periodic review of the credit ratings and financial statements on a regular basis.
- Cash is held only with reputable banks.

Exposure to credit risk

In summary, compared to the maximum amount included in Statement of Assets and Liabilities, the maximum exposure to credit risk as at 30 June 2010 and 30 June 2009 is as follows:

	30 June 2010		30 June 2009	
	Statement of Assets and Liabilities	Maximum exposure	Statement of Assets and Liabilities	Maximum exposure
------(Rupees)-----				
Bank balances	738,045,381	738,045,381	704,133,820	704,133,820
Investments in held for trading	1,288,836,690	-	1,460,106,307	-
Investments in available-for-sale	899,418,436	13,312,800	764,400,344	36,819,756
Dividend receivable on held for trading investments	16,086,157	16,086,157	5,885,008	5,885,008
Advances and other receivables	12,735,807	837,961	16,942,509	4,658,396
Security deposits	2,700,000	2,700,000	2,700,000	2,700,000
	2,957,822,471	770,982,299	2,954,167,988	754,196,980

Differences in the balances as per the Statement of Assets and Liabilities and maximum exposures in investments and advances & other receivables is due to the fact that equity securities amounting Rs. 2,174,942,326 (2009: Rs. 2,187,686,895) and receivable from tax authorities of Rs.11,897,846 (2009: 12,284,113) are not exposed to credit risk.

Credit ratings and Collaterals held

Credit risk arising on debt securities is mitigated by investing primarily in investment-grade rated instruments published by MUFAP (and as determined by Pakistan Credit Rating Agency or JCR-VIS). The Fund is required to follow the guidelines / restrictions imposed in its offering document and the SECP in respect of the minimum ratings prior to any investment, etc.

Details of the credit ratings of investment in debt securities (including profit due), balances with banks (including profit due) and deposits and other receivables as at 30 June 2010 are as follows:

Ratings	2010 %	2009 %
AA+	0.20	0.04
AA	42.58	78.51
A	2.77	6.43
AA-	44.34	13.11
BBB+	7.72	-
Others	2.39	1.91
	100	100

All the financial assets are unsecured except for the term finance certificate disclosed in note 5.4

Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors effect the group of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial assets is broadly diversified and transactions are entered into with diverse credit worthy counterparties thereby mitigating any significant concentration of credit risk.

Details of Fund's concentration of credit risk of financial instruments by industrial distribution are as follows:

	2010 %	2009 %
Commercial Banks	95.84	93.73
Personal Goods	1.73	5.13
Others	2.44	1.14
	100	100

Settlement risk

The Fund's activities may give rise to risk at the time of settlement of transactions. Settlement risk is the risk of loss due to the failure of an entity to honour its obligations to deliver cash, securities or other assets as contractually agreed on sale.

For the vast majority of transactions the Fund mitigates this risk by conducting settlements through a broker to ensure that a trade is settled only when both parties have fulfilled their contractual settlement obligations.

Past due and impaired assets

None of the financial assets of the Fund are past due or impaired except as disclosed in note 5.6 to these financial statements. Details of the provision made / held are also disclosed in that note.

23.2 Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations arising from its financial liabilities that are settled by delivering cash or another financial asset, or that such obligations will have to be settled in a manner disadvantageous to the Fund.

Management of liquidity risk

The Fund is not materially exposed to liquidity risk as all obligations / commitments of the Fund are short term in nature and / or all assets of the Fund are readily disposable on the stock exchanges and over-the-counter market. In addition, the present settlement system is T+2, which means that proceeds from sales of holding will be received on the second day of the sale.

Maturity analysis for financial liabilities

The table below analyses the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to maturity date and represents the undiscounted cash flows. The amounts in the table are the gross nominal undiscounted cash flows.

	Carrying amount	Less than 1 months	1 month or above
	----- (Rupees) -----		
30 June 2010			
<i>Non-derivative liabilities</i>			
Balance payable to Management Company	967,877	643,877	324,000
Remuneration payable to Trustee	216,326	216,326	-
Annual fee payable to Securities and Exchange Commission of Pakistan	3,155,196	-	3,155,196
Creditors, accrued and other liabilities	46,120,291	45,660,291	460,000
Dividend Payable	3,306,369	3,306,369	-
	53,766,059	49,826,863	3,939,196

30 June 2009	Carrying amount	Less than 1 months	1 month or above
	----- (Rupees) -----		
<i>Non-derivative liabilities</i>			
Balance payable to Management			
Company	5,303,814	4,655,814	648,000
Remuneration payable to Trustee	208,673	208,673	-
Annual fee payable to Securities and			
Exchange Commission of Pakistan	2,954,402	-	2,954,402
Creditors, accrued and other liabilities	45,650,860	45,197,595	453,265
	<u>54,117,749</u>	<u>50,062,082</u>	<u>4,055,667</u>

Above financial liabilities do not carry any mark-up.

23.3 Market risks

Market risk is the risk that changes in market prices, such as interest rates, equity prices, foreign exchange rates and credit spreads (not relating to changes in the obligor's/issuer's credit standing) will affect the Fund's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Management of market risks

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 Securities and Exchange Commission of Pakistan. The maximum risk resulting from financial instruments equals their fair values.

The Fund is exposed to interest rate risk and equity price risk only.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Risk management procedures are the same as those mentioned in the credit risk management.

At 30 June, details of the interest rate profile of the Fund's interest bearing financial instruments were as follows:

	2010	2009
	(Rupees)	
<i>Fixed rate instruments</i>		
Financial assets	<u>-</u>	<u>300,000,000</u>
<i>Variable rate instruments</i>		
Financial assets	<u>748,349,919</u>	<u>437,944,036</u>
<i>Cash flow sensitivity analysis for variable rate instruments</i>		

A change of 100 basis points in interest rates at the year end would not have material impact on the loss for the year and certificate holders' fund.

The Fund is not exposed to any fixed interest rate risk in the current year.

A summary of the Fund's interest rate gap position, categorised by the earlier of contractual re-pricing or maturity date, is as follows:

30 June 2010	Profit / mark-up rates (%)	upto three month	three months to six months	Total
		----- (Rupees) -----		
Bank balances	5.00 - 11.50	735,037,119	-	735,037,119
Investments	14.92 - 15.06	13,312,800	-	13,312,800
		748,349,919	-	748,349,919
<hr/>				
30 June 2009		upto three month	three months to six months	Total
		----- (Rupees) -----		
Bank balances	5.00 - 19.00	701,124,280	-	701,124,280
Investments	14.92	36,819,756	-	36,819,756
		737,944,036	-	737,944,036

None of the Fund's liability is subject to interest rate risk.

Equity price risk

Equity price risk is the risk of unfavourable changes in the fair value of equity securities as a result of changes in the levels of KSE-Index and the value of individual shares. The equity price risk exposure arises from the Fund's investments in equity securities for which prices in the future are uncertain. The Fund policy is to manage price risk through diversification and selection of securities within specified limits set by internal risk management guidelines and the requirements of NBFC regulations.

The Fund manages those risk by limiting exposure to any single investee company to the extent of 10% of issued capital of that investee company with overall limit of 30% to a single industry sector (the limit set by NBFC regulations). The Fund also manages its exposure to price risk by reviewing portfolio allocation as frequently as necessary and at least once a quarter from the aspect of allocation within industry and individual stock within that allocation. The portfolio and individual stock allocation shall also be reviewed in the event of major moves in the market (more than a 10% move since last review) or any abnormal activity in any stock in the portfolio.

A summary analysis of investments by industry sector and the percentage in relation to Fund's own investment is presented in note 5.1, 5.2 and 5.3 to these financial statements.

As at June 30, 2010, the fair value of equity securities exposed to price risk was as follow:

	2010	2009
	(Rupees)	
Held for trading securities	1,288,836,690	1,460,106,307
Available-for-sale securities	886,105,636	727,580,588
	2,174,942,326	2,187,686,895

The following table illustrates the sensitivity of the Profit (2009: loss) for the year and the certificate holders' fund to an increase or decrease of 10% in the fair values of the Fund's equity securities. This level of change is considered to be reasonably possible based on observation of current market conditions. The sensitivity analysis is based on the Funds' equity securities at each Statement of Assets and Liabilities date, with all other variables held constant.

Income statement	<u>128,883,669</u>	<u>146,010,631</u>
Certificate holders' fund	<u>217,494,233</u>	<u>218,768,690</u>

23.4 Operational risks

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the processes, technology and infrastructure supporting the Fund's operations either internally within the Fund or externally at the Fund's service providers, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of investment management behaviour. Operational risks arise from all of the Fund's activities.

The Fund's objective is to manage operational risk so as to balance limiting of financial losses and damage to its reputation with achieving its investment objective of generating returns for investors.

The primary responsibility for the development and implementation of controls over operational risk rests with the board of directors. This responsibility encompasses the controls in the following areas:

- requirements for appropriate segregation of duties between various functions, roles and responsibilities;
- requirements for the reconciliation and monitoring of transactions;
- compliance with regulatory and other legal requirements;
- documentation of controls and procedures;
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;
- ethical and business standards;
- risk mitigation, including insurance where this is effective.

23.5 Certificate holder's fund risk management

Management's objective when managing certificate holders' funds is to safe guard the Fund's ability to continue as a going concern so that it can continue to provide optimum returns to its certificate holders' and to ensure reasonable safety of certificate holders' funds.

The Fund manages its investment portfolio and other assets by monitoring return on net assets and makes adjustments to it in the light of changes in markets' conditions. In order to maintain or adjust capital structure, the fund may adjust the amount of dividend paid to certificate holders or issue of new certificate. The Fund is not exposed to the externally imposed minimum certificate capital maintenance requirement.

23.6 Fair value of financial instruments

The Fund's accounting policy on fair value measurements is discussed in note 3.1.

The Fund measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

The table below analyses financial instruments measured at fair value at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

	Level 1	Level 2	Level 3	Total
	(Rupees)			
Listed equity securities	2,174,942,326	-	-	2,174,942,326
Term finance certificates	-	-	13,312,800	13,312,800
	2,174,942,326	-	13,312,800	2,188,255,126

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in level 3 of the fair value hierarchy.

	30 June 2010 (Rupees)
Balance as at 01 July 2009	36,819,756
Amortisation of discount for the year	1,738,982
Redemption during the period	(4,167,000)
Provision made during the year	(21,078,938)
Balance as at 30 June 2010	13,312,800

24. DISTRIBUTION

During the year, the Board of Directors of the Management Company, in their meetings held on 26 February 2010, had approved a interim cash dividend of Rs. 0.50 per certificate for the half year ended 31 December 2009. These distributions were made from the distributable income available on the respective dates of distribution. However at the end of the year 30 June 2010, the Fund made net profit of only Rs.23.551 million. As a consequence the undistributed income closed at a negative Rs. 926.342 million as on 30 June 2010.

In respect of the above matter, the management has obtained a legal advice which has opined that provisions contained in chapter VIIIA of the Companies Ordinance, 1984 and NBFC regulations would prevail over section 249 of the Companies Ordinance, 1984 (section 249 states that no dividend should be paid by a company otherwise than out of profits of the company). It further states that the Fund suffered loss, a scenario which could not have been reasonably foreseeable, nor was it within the reasonable control of the management company. Moreover, the interim dividend was paid out of the profit of the Fund it had generated till that time. Hence, such declaration and payment would not be deemed as a violation of section 249 of the Companies Ordinance, 1984.

25. SUPPLEMENTARY NON FINANCIAL INFORMATION

The information regarding certificates 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.

26. DATE OF AUTHORIZATION FOR ISSUE

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

For JS Investments Limited
(Management Company)

Rashid Mansur
Chief Executive Officer

Munawar Alam Siddiqui
Chairman

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

ANNEXURE I

(i) CERTIFICATE HOLDING PATTERN OF THE FUND

Category	30 June 2010		
	Number of certificate holder	Certificate holding / investment Amount (Rupees)	% of Total
Individuals	21,795	589,115,730	18.85
Associated companies / directors	7	870,123,570	27.84
Insurance companies	19	138,717,990	4.44
Banks / DFIs	42	341,121,370	10.92
NBFCs	2	42,315,030	1.35
Retirement Funds	16	48,508,550	1.55
Public limited companies	34	219,260,310	7.02
Others	154	875,882,080	28.03
	22,069	3,125,044,630	100.00

Category	30 June 2009		
	Number of certificate holder	Certificate holding / investment Amount (Rupees)	% of Total
Individuals	22,604	609,934,120	19.18
Associated companies / directors	3	547,338,180	17.21
Insurance companies	20	129,809,530	4.08
Banks / DFIs	39	243,648,100	7.66
NBFCs	14	2,021,000	0.06
Retirement Funds	16	48,508,550	1.53
Public limited companies	36	119,992,840	3.77
Others	149	1,478,792,310	46.51
	22,881	3,180,044,630	100.00

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

Name of brokers	2010
	% of commission paid
JS Global Capital Limited	15.19
Crosby Securities Pakistan (Pvt.) Limited	13.75
KASB Securities Limited	11.38
Next Capital Limited	7.51
BMA Capital Management Limited	5.05
Standard Capital Securities (Pvt.) Limited	4.79
Investment and Finance Securities Limited	4.50
IGI Finex Securities Limited	4.34
NUA Securities Limited	3.57
Investment Capital Securities Limited	3.30
Name of brokers	2009
	% of commission paid
JS Global Capital Limited	28.84
Crosby Securities Pakistan (Pvt.) Limited	17.81
Investment Managers Securities (Private) Limited	10.28
Invisor Securities (Pvt.) Limited	7.67
KASB Securities Limited	5.43
Elixir Securities Pakistan (Pvt.) Limited	5.43
WE Financial Services Ltd.	4.38
BMA Capital Management Limited	3.52
Fortune Securities Limited	3.29
Arif Habib Limited	2.72

(iii) MEMBERS OF THE INVESTMENT COMMITTEE

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

- Mr.Rashid Mansur
- Mr. Suleman Lalani
- Dr. Ali Akhter Ali (Fund Manager)

Mr. Rashid Mansur

Mr. Rashid Mansur joined JS Investments Limited on April 1, 2010 as Chief Executive Officer. Prior to joining JSIL he was President and CEO of Escorts Investment Bank Limited and also served as the Chairman of the 'Investment Banks Association of Pakistan'. He is a qualified Associate of the Chartered Institute of Bankers London with specialization in 'International Banking Operations', 'Practice & Law of International Banking' and 'International Finance & Investment.

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

During his tenure as Chairman and CEO of 'The Board of Investment and Trade', Government of Punjab and as Secretary General of Turkey 'Pakistan Business Council (Lahore Chapter)', he was credited with hosting and organizing various investment conferences abroad and rendered valuable services for the promotion of economic relations between Turkey and Pakistan.

Besides English and Urdu, he speaks French and Turkish fluently.

Mr. Suleman Lalani

Mr. Lalani joined JSIL as CFO and Company Secretary in January 2005. He is a fellow member of the Institute of Chartered Accountants of Pakistan and has 18 years of experience in the financial services sector. Prior to joining JSIL, Mr. Lalani has also served as CFO and Company Secretary of a regulated microfinance institution for three years. Earlier he worked as Chief Operating Officer for Jahangir Siddiqui Investment Bank Limited and as Vice President - Finance & Legal with JSCL.

Mr. Lalani has also passed the Board Development Certificate Program conducted by Pakistan Institute of Corporate Governance. He is serving as a member of the Board of Directors of Al-Abbas Sugar Mills Limited.

Dr. Ali Akhter Ali - Fund Manager

Dr. Ali Akhter Ali joined JS Investments as Senior Vice President (fund manager) in November 2009. He earned his MBBS from Baqai Medical College in 1998-99 and MBA with majors in Finance from PAF-KIET in Jan-2006.

Before joining JS Investments Limited he remained associated with KASB Capital Ltd. for around a year and a half (2008-2009) initially as Chief Dealer in the Treasury Department and then moved on to Head of Money Market, Forex & Financial Advisory. Prior to KASB Capital he worked with JS Investments Limited from 2006 till 2008 in the capacity of Assistant Vice President, Investments Department. He also worked for 3 years (2000-2004) with BMA Capital Management as a Senior Dealer on the Fixed Income Desk and two and a half years (2004-2006) at Jahangir Siddiqui Capital Markets as Senior Dealer Fixed Income Desk was later promoted to the position of Head of Fixed Income.

Currently, he is looking after the JS Growth Fund, JS Cash Fund and JS Pension Savings Fund.

(iv) DIRECTORS MEETING ATTENDANCES

Name of Directors	Meeting attended	Dates					
		7-Jul-09	21-Aug-09	29-Aug-09	23-Oct-09	26-Feb-10	24-Apr-10
Mr. Munawar Alam Siddiqui	6	1	1	1	1	1	1
Mr. Rashid Mansur-Incoming CEO	1	-	-	-	-	-	1
Mr. Suleman Lalani- Incoming Executive Director	1	-	-	-	-	-	1
Mr. Muhammad Najam Ali-Out going CEO	5	1	1	1	1	1	-
Mr. Ali Raza Siddiqui- Out going director	5	1	1	1	1	1	-
Mr. Nazar Mohammad Shaikh	6	1	1	1	1	1	1
Lt. General (Retd.) Masood Parwaiz	6	1	1	1	1	1	1
Mr. Sadeq Sayeed	2	-	1	1	-	-	-
Mr. Fayaz Anwar-Incoming Director	1	-	-	-	-	-	1
Mr. Siraj Ahmed Dadabhoy-Out going Director	-	-	-	-	-	-	-
		5	6	6	5	5	6

(v) FUND AND ASSET MANAGER RATING

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

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

PATTERN OF CERTIFICATE HOLDING
As at June 30, 2010

No. of Certificate Holders	Certificate Holding		Total Certificates Held
	From	To	
3765	1	100	202,614
11029	101	500	2,813,782
2981	501	1000	2,122,569
2831	1001	5000	6,275,760
594	5001	10000	4,368,050
224	10001	15000	2,726,118
144	15001	20000	2,555,993
92	20001	25000	2,055,237
66	25001	30000	1,857,646
33	30001	35000	1,069,951
34	35001	40000	1,285,441
18	40001	45000	747,830
26	45001	50000	1,245,206
14	50001	55000	736,934
18	55001	60000	1,051,179
14	60001	65000	880,905
14	65001	70000	943,892
14	70001	75000	1,017,536
6	75001	80000	461,377
3	80001	85000	245,346
4	85001	90000	344,908
11	90001	95000	1,016,103
13	95001	100000	1,296,552
6	100001	105000	619,538
4	105001	110000	426,689
5	110001	115000	560,835
3	115001	120000	351,886
2	120001	125000	245,500
5	125001	130000	637,477
2	130001	135000	267,248
2	135001	140000	275,603
3	145001	150000	447,424
2	155001	160000	317,509
2	165001	170000	333,428



No. of Certificate Holders	Certificate Holding		Total Certificates Held
	From	To	
1	175001	180000	179,614
1	180001	185000	184,613
2	190001	195000	385,204
2	195001	200000	400,000
1	200001	205000	204,327
2	205001	210000	413,975
4	215001	220000	869,744
1	225001	230000	227,410
1	230001	235000	230,157
1	235001	240000	239,533
2	245001	250000	497,666
2	250001	255000	505,049
1	255001	260000	255,330
1	260001	265000	265,000
1	265001	270000	269,500
2	285001	290000	578,663
1	290001	295000	291,000
2	295001	300000	600,000
1	310001	315000	311,780
1	315001	320000	318,872
1	340001	345000	341,052
2	345001	350000	699,846
2	350001	355000	706,472
1	365001	370000	366,843
1	410001	415000	414,120
1	425001	430000	428,000
1	480001	485000	483,000
3	495001	500000	1,498,000
1	500001	505000	501,057
1	530001	535000	530,571
1	555001	560000	560,000
1	575001	580000	575,807
1	590001	595000	593,256
1	595001	600000	600,000
1	600001	605000	601,322
1	635001	640000	637,000
1	695001	700000	697,000
1	715001	720000	717,000
1	795001	800000	796,117
1	830001	835000	831,165
1	895001	900000	900,000
1	915001	920000	915,980
1	945001	950000	950,000
1	1000001	1005000	1,000,400

JS Growth Fund

No. of Certificate Holders	Certificate Holding		Total Certificates Held
	From	To	
1	1010001	1015000	1,013,500
1	1100001	1105000	1,100,081
1	1165001	1170000	1,169,000
1	1480001	1485000	1,481,948
1	2075001	2080000	2,077,450
1	2090001	2095000	2,094,301
1	2195001	2200000	2,195,011
1	2695001	2700000	2,700,000
1	3260001	3265000	3,264,439
1	3320001	3325000	3,325,000
1	3745001	3750000	3,750,000
1	3830001	3835000	3,834,114
1	3945001	3950000	3,950,000
1	3950001	3955000	3,950,660
1	4225001	4230000	4,228,905
1	4995001	5000000	5,000,000
1	5915001	5920000	5,919,318
1	6170001	6175000	6,175,000
1	9275001	9280000	9,277,937
1	9785001	9790000	9,787,430
1	13380001	13385000	13,381,363
1	14995001	15000000	15,000,000
1	20485001	20490000	20,486,467
1	23855001	23860000	23,858,411
1	25255001	25260000	25,257,805
1	36085001	36090000	36,086,812
1	36760001	36765000	36,764,000
22069			312,504,463

S.NO.	Categories of Certificate Holders	No. of certificate Holders	Total Certificates Held	Percentage
1	Individual	21795	58,911,573	18.85
2	Investment Companies	103	40,710,567	13.03
3	Insurance Companies	19	13,871,799	4.44
4	Joint Stock Companies	35	47,183,836	15.10
5	Financial Institution	42	34,112,137	10.92
6	Modaraba & Mutual Funds	14	24,776,309	7.93
7	Foreign Investors	22	52,746,401	16.88
8	Others			
	Trust/Foundations	14	5,900,413	1.89
	Provident & Pension Funds	16	4,850,855	1.55
	Govt. Institutions	9	29,440,573	9.42
		22069	312,504,463	100.00

DISCLOSURE TO PATTERN OF CERTIFICATE HOLDING

(% of Shareholding indicated where holding is 5% or more)

1	Associated Companies, Undertakings and Related Parties:	Certificates Held
	JS Investments Limited	11.55% 36,086,812
	Jahangir Siddiqui & Sons Limited	8.08% 25,257,805
	JS Fund of Funds	6.56% 20,486,467
	Mahvash & Jahangir Siddiqui Foundation	5,000,000
	JSIL Staff Provident Fund	179,614
		<u>87,010,698</u>
2	NIT and ICP	
	Investment Corporation of Pakistan	189,052
	National Investment (Unit) Trust	10,248,597
		<u>10,437,649</u>
3	Banks, DFIs, NBFCs, Insurance Companies, Modarabas, Leasing & Mutual Funds	13.42% <u>41,936,692</u>
4	Director, CEO and their Spouse and Minor children	
	Mr. Nazar Mohammad Shaikh	394
	Mrs. Nazar Mohammad Shaikh	282
	Mr. Suleman Lalani	1265
		<u>1941</u>
5	Public Sector Companies and Corporations	<u>NIL</u>
7	Secretary Zakat & Ushr Corporations	7.63% <u>23,858,411</u>
8	Others	
	J.P. Morgan Clearing Corporation	11.76% 36,764,000
	Kaizen Construction (Pvt.) Limited	15,000,000
		<u>51,764,000</u>



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