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Vision

To be Industry Leaders in Financial Services

Mission

Pursuit of Professional Excellence

Core Values

- Shareholder Value
- Integrity
- Commitment

ORGANIZATION

Management Company

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

Board of Directors

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

Audit Committee

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

Chief Financial Officer & Company Secretary

Suleman Lalani

Trustee

Central Depository Company of Pakistan Limited
CDC House, 99-B, Block, 'B' S.M.C.H.S.,
Main Shahra-e-Faisal, Karachi-74400, Pakistan.
Tel : (92-21) 111-111-500
Fax: (92-21) 4326061

Auditors

M.Yousuf Adil Saleem & Co.
Chartered Accountants
Cavish Court, A-35, Block 7 & 8
KCHSU, Shahra-e-Faisal,
Karachi-75350, Pakistan.

Legal Adviser

Bawaney & Partners
Room No.404, 4th floor,
Beaumont Plaza, 6-cl-10,
Beaumont Road, Civil Lines
Karachi-75530.

Transfer Agent

Technology Trade (Private) Limited
241-C, Block 2, P.E.C.H.S, Karachi
Tel: (92-21) 4391316-7
Fax: (92-21) 4391318

Shariah Supervisory Council

Muhammad Taqi Usmani
Sajid-ur-Rahman Siddiqui
Abdullah Najeeb-ul-Haq Siddiqui

DIRECTORS' REPORT TO THE UNIT HOLDERS

The Board of Directors of JS Investments Limited, the Management Company of UTP Islamic Fund (the Fund), is pleased to present the Annual Report for the year ended June 30, 2008.

1. Review of Fund Performance

The Karachi stock market remained volatile during the year under review. The benchmark KSE -100 index after touching an all time high of 15,676.34 points on April 18, 2008 finally closed at 12,289.03 points registering a decline of 10.77 percent against 13,772.46 points at the close of the last fiscal year. A detailed market review is presented in the enclosed Fund Manager Report.

The net assets of the Fund as on June 30, 2008 were Rs. 792.963 million showing a decline of 13.47 percent from the net assets as on June 30, 2007. The Fund incurred a net loss of Rs. 65.365 million during the year under review or Rs. 43.05 per unit. The net assets value per unit as on June 30, 2008 was Rs. 522.25 showing a decline of 9.75 percent from the beginning ex-distribution NAV per unit of Rs. 578.69.

In view of the losses the Board of Directors of the Management Company has decided to skip any distribution to the unit holders.

2. Fund and Asset Manager Rating

The Pakistan Credit Rating Agency (PACRA) has assigned a 4-Star normal fund rating to UTP – Islamic Fund, which reflects a good performance relative to its peers.

PACRA has awarded an “AM2+” asset manager rating to JS Investments Limited. The rating denotes the company’s very strong capacity to manage the risks inherent in asset management and the asset manager meets very high investment management industry standards and benchmarks.

3. Compliance

The Board of Directors of the Management Company states that:

- a. The financial statements, prepared by the Management Company, present fairly the state of affairs of the Fund, the results of its operations, cash flows and movement in net assets of the Fund.
- b. Proper books of accounts of the Fund have been maintained.
- c. Appropriate accounting policies have been consistently applied in preparation of financial statements, and financial estimates are based on reasonable and prudent judgment.
- d. International Financial Reporting Standards, as applicable in Pakistan, provisions of the Non-Banking Finance Companies (Establishment & Regulation) Rules, 2003, Non-Banking Finance Companies and Notified Entities Regulations, 2007, requirements of the Trust Deed and directives of the Securities and Exchange Commission of Pakistan have been followed in preparation of the financial statements.
- e. The system of internal control is sound in design and has been effectively implemented and monitored.
- f. There are no significant doubts upon the Fund’s ability to continue as a going concern.
- g. There has been no material departure from the best practices of the Code of Corporate Governance, as detailed in the listing regulations.
- h. A performance table / key financial data is given on page 09 of this annual report.
- i. The Directors have signed the “Statement of Ethics and Business Practices.”
- j. The number of units of the Fund held by the Chief Executive, directors and executives and their spouses as at June 30, 2008 are as follows:

Name	Designation	Units Held
Shafiq-ur-Rahman	Assistant Vice President	525.1946

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

UTP-ISLAMIC FUND

Name	Designation	Units Acquired	Units Redeemed
Malik Zafar Javaid	Head of Operations	940.56	940.56
Iftikhar Ahmed	Chief Technology Officer	0	202.95
Shafiq-ur-Rahman	Assistant Vice President	541.40	195.26

1. The value of investments of the staff provident fund of JS Investments Limited, as per the audited accounts for the year ended June 30, 2008 was Rs. 23.063 million.

4. Meetings of the Directors

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

5. Auditors

The external auditors of the Fund M. Yousuf Adil Saleem & Co., Chartered Accountants, retire and being eligible offer themselves for reappointment. The Audit Committee of the Board of the Management Company has recommended reappointment of M. Yousuf Adil Saleem & Co., Chartered Accountants, as the Fund's auditors for the year ending June 30, 2009.

6. Acknowledgment

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

Karachi: September 15, 2008

Muhammad Najam Ali
Chief Executive Officer

FUND MANAGER'S REPORT

Fund Profile

Fund type	Open end - Islamic Equity Fund
Fund launch date	27 December, 2002
Fund Assets (PKR mn):	793
Benchmark 1 (BM1):	DJIMPK
Listing	LSE
Trustee	Central Depository Company of Pakistan Ltd.
Auditors	M. Yousuf Adil Saleem Co.
Risk profile	High
Management fee	2.00%
PACRA Rating	4 Star (Normal)

Investment Philosophy

UTP ISF aims to grow investor's capital in the long term in adherence with principles of Shariah compliance as advised by the Shariah Supervisory Council (SSC) of this fund while ensuring liquidity. The fund investments are limited to asset classes approved by the Shariah Supervisory Council and all companies under investment consideration are regularly screened for Shariah compliance. The fund during the period achieved its investment objective through its investment strategies. The investment strategy comprised of investment in fundamentally sound securities keeping in view both the market and the underlying economic sentiment in the country. The fund, during the year, underperformed the DJIMPK by over 1000 basis points. There was no significant change in the state of affairs of the fund during the period.

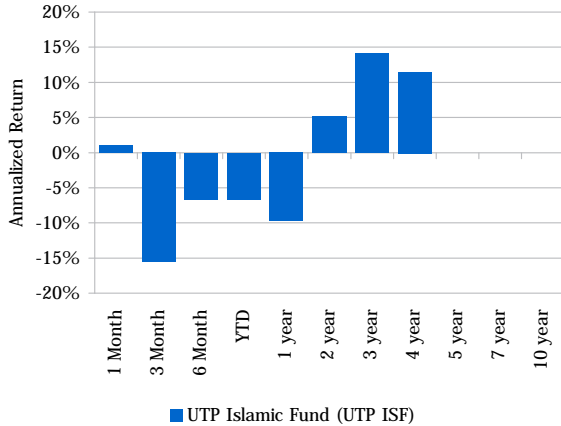
Market Review FY08

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

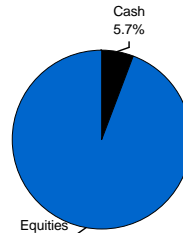
Foreign investors remained active in the local equity market. The Special Convertible Rupee Account (SCRA) balance is released by the State Bank on a daily basis. It is a popular barometer of the amount of foreign interest in the local capital markets. During FY08, SCRA shows that portfolio investment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

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

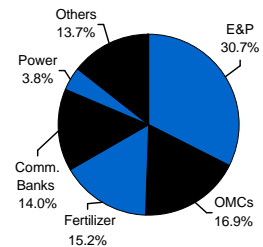
Performance (in percentage)



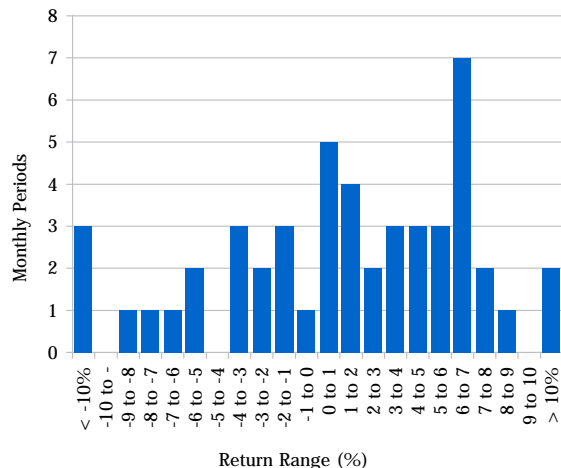
Asset Allocation



Sector Allocation



Distribution of Returns



UTP-ISLAMIC FUND

Benchmark Analysis	Benchmark 1
Alpha	-0.1%
Annualized Alpha	-1.4%
Beta	0.8
Correlation	0.9
R-squared	0.8

Statistical Analysis	Fund	BM1
Compound ROR	10.4%	15.6%
Standard Deviation	21.0%	23.5%
Cumulative Return	49.6%	80.98%
Cumulative VAMI	1,496	1,810
Sharpe (10.00%)	0.1	0.3
Largest Month Gain	11.9%	20.2%
Largest Month Loss	-15.4%	-15.4%
% Positive Months	65.3%	55.1%
% Negative Months	34.7%	44.9%

Split of Certificates

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

Returns on the Investments	% of contribution
Equities*	-6.73%
Fixed Income / Bank Deposits*	1.04%
Other*	0.02%
NAV Return	-9.75%

Distribution (FY07)	in %	in PKR
Stock dividend	25% on the opening	148.63
NAV for FY07 (PKR 594.53)		

Effects on the NAV after Distribution

NAV per unit as on June 30, 2007	
Cum NAV (PKR)	727.32
Ex-NAV (PKR)	578.69

Distribution for the Year Ended June 30, 2008

The Fund has not paid any distribution in view of the loss incurred during the year ended June 30, 2008.

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.

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

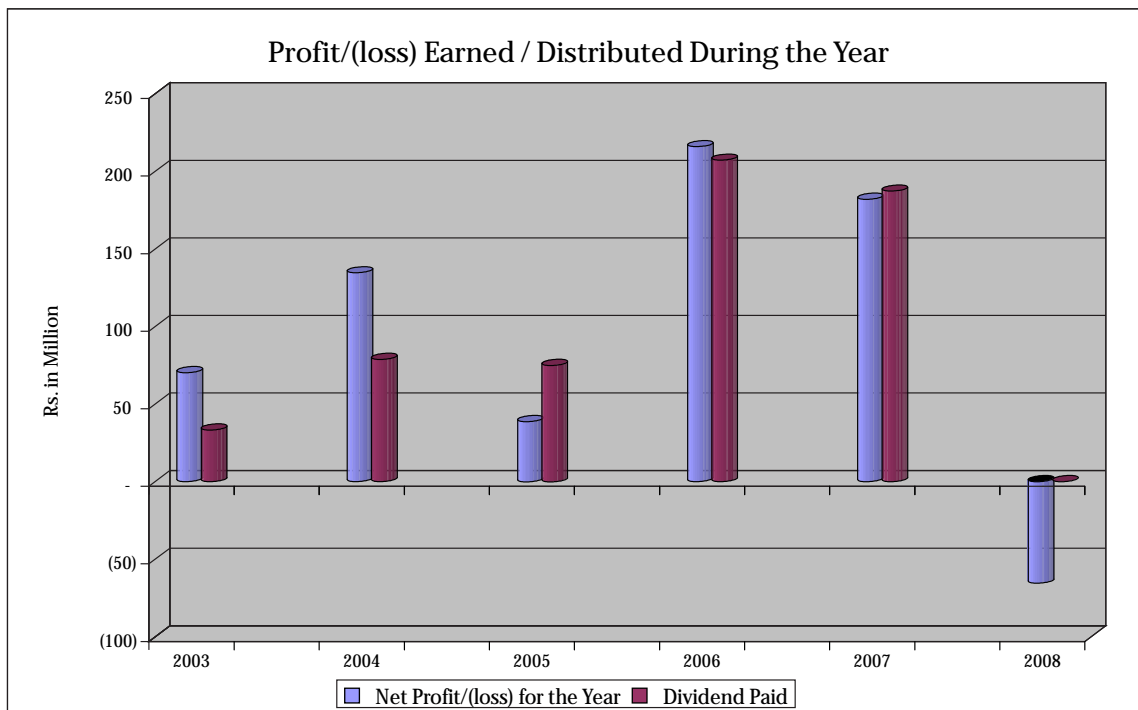
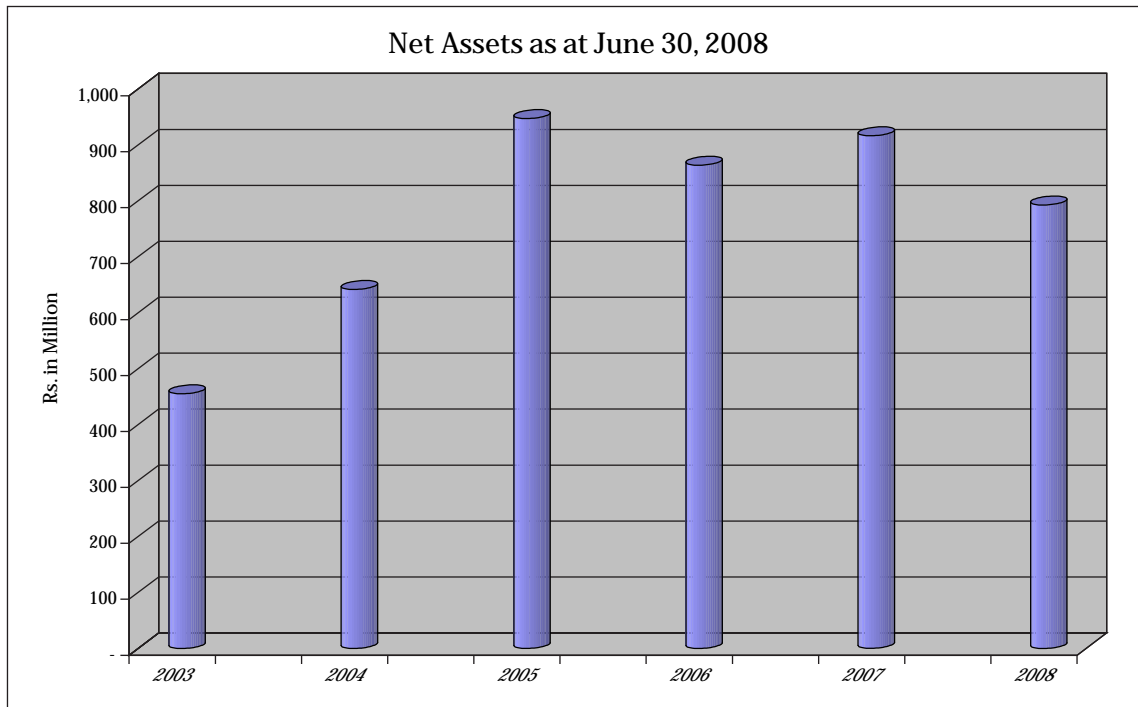
Important Information: The value of mutual fund investments may go up or down and are subject to market conditions. Past performance is not necessarily indicative of future results and annualized returns for period of less than one year can be misleading. JS Investments Limited (formerly JS ABAMCO Limited) has exercised due diligence and care in preparing the information contained herein and believes it to be reliable as of the date indicated. However no guarantee is given that it is accurate or complete. JS Investments Limited shall not be liable for any direct, indirect, special, incidental, consequential, punitive or exemplary damages or losses, including lost profits arising in any way from the information contained herein. Please consult your legal and/ or financial advisor before making any investment decisions. Information provided here is for the use of intended recipients only and the contents may not be reproduced, redistributed, or copied in whole or in part for any purpose without prior express consent of JS Investments Limited.

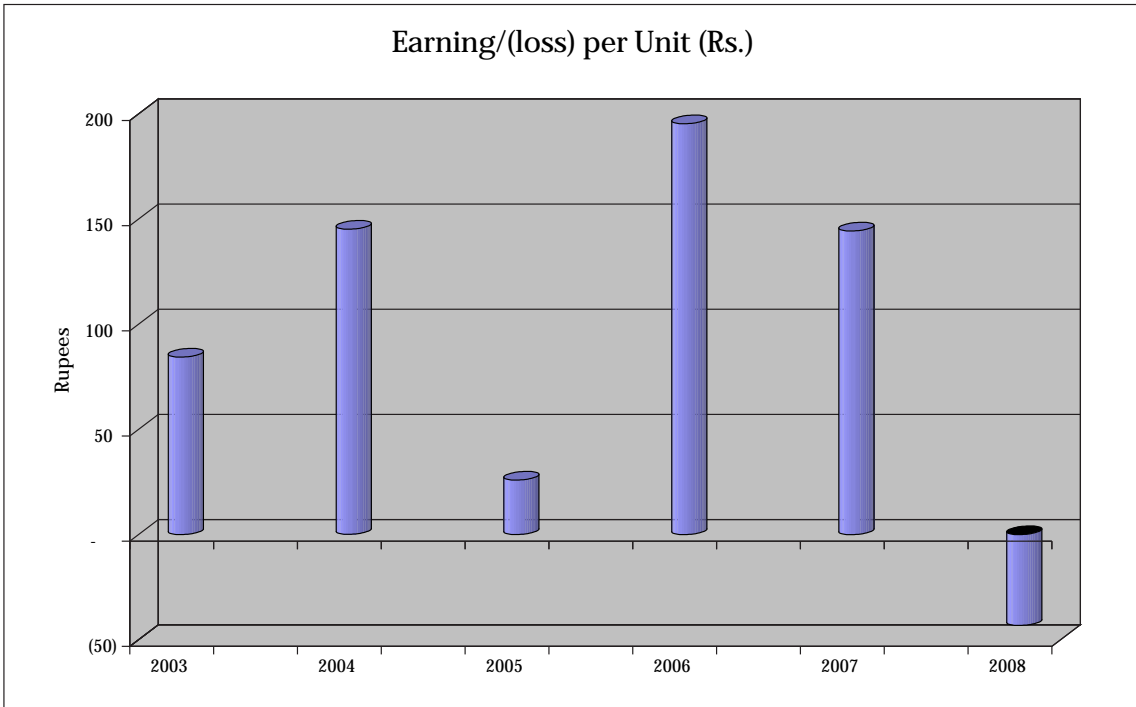
PERFORMANCE TABLE / KEY FINANCIAL DATA

	2008	2007	2006	2005	2004	2003
(Rupees in million)						
Net assets	793	916	864	947	642	455
Total realized income	96	198	345	201	78	48
Total unrealized (loss)/gain in portfolio	(129)	22	(95)	(126)	83	31
Total expenses	32	37	34	37	27	8
Net (loss)/income	(65)	182	216	39	135	70
Total expense to net assets ratio (%)	4.06	4.09	3.90	3.86	4.16	1.78
Total dividend distribution	-	187	207	75	79	33
Outstanding Units						
Number of units in issue - June 30th	1,518,365	1,259,923	1,104,791	1,499,682	926,861	831,113
Data Per Unit						
Net Asset value - Rupees (Ex-Dividend)	522	579	595	582	608	508
Net (loss)/income - Rupees	(43)	144	195	26	145	84
Cash / stock dividend - Rupees	-	148.63	187.50	50.00	85.00	40.00
Date of announcement of cash / stock dividend	July 9, 2008	July 7, 2007	July 8, 2006	July 9, 2005	July 12, 2004	July 12, 2003
Dividend as % of NAV at the beginning of the year	-	25.00	32.24	8.22	16.73	8.00
Highest offer price during the year - Rupees	658	752	998	754	752	596
Lowest offer price during the year - Rupees	506	576	590	536	564	515
Highest repurchase price during the year - Rupees	639	730	969	739	737	584
Lowest repurchase price during the year - Rupees	491	560	572	525	552	505

Notes

- UTP Islamic Fund was launched on December 2002.
- Units have par value of Rs. 500/- each.
- Past performance is not necessarily indicative of future performance and that unit prices and investment returns may go down, as well as go up.





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

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of the JS Investments Limited, the management company of UTP – Islamic Fund (the Fund) to comply with the Listing Regulation No. 43 (Chapter XIII) of the Lahore Stock Exchange, 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 Fund'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 personnel of the management company and review of various documents prepared by the management to comply with the Code.

As part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We have not carried out any special review of the internal control system to enable us to express an opinion as to whether the Board's statement on internal control covers all controls and the effectiveness of such internal controls.

Based on our review, nothing has come to our attention, which causes us to believe that the Statement of Compliance does not appropriately reflect the Fund's compliance, in all material respects, with the best practices contained in the Code of Corporate Governance as applicable to the Fund for the year ended June 30, 2008.

Karachi: September 29, 2008

M. Yousuf Adil Saleem & Co.
Chartered Accountants



STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

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

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

1. The Management Company encourages representation of independent non-executive directors and directors representing minority interests on its Board of Directors. Presently, the Board includes five non-executive directors.
2. The directors have confirmed that none of them is serving as a director in more than ten listed companies, including the Management Company.
3. All the resident directors of the Management Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFC or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. The election of directors of the Management Company was held on December 26, 2007 upon completion of the three years' term of the previous Board. No casual vacancy has arisen subsequent to the election of directors.
5. The Management Company has prepared a "Statement of Ethics and Business Practices", which has been signed by all the directors and employees of the Management Company.
6. The Management Company has developed a vision / mission statement, overall corporate strategy and significant policies of the Fund which have been approved by the Board. A complete record of particulars of significant policies has been maintained.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the Chief Executive Officer and other executive directors, have been taken by the Board.
8. The meetings of the Board were presided over by the Chairman, and in his absence, by a director elected by the Board for this purpose and the Board met at least once in every quarter during the year. Written notices of the meetings of the Board of Directors, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. The Chairman of the Board of Directors has completed the Board Development Series Certificate Program conducted by the Pakistan Institute of Corporate Governance ("PICG"). The Management Company intends to nominate other directors to the above program as and when these are announced by PICG.
10. During the year, there was no change of Chief Financial Officer / Company Secretary, however, the Head of Internal Audit was appointed in the current year. Their remuneration and terms and conditions of employment have been approved by the Board.
11. The Directors' Report has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.

UTP-ISLAMIC FUND

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

Karachi: September 15, 2008

Muhammad Najam Ali
Chief Executive Officer



REPORT OF THE SHARIAH SUPERVISORY COUNCIL

The SSC of UTP Islamic Fund, through its two members, on request of the management made a review of the documents and financial statements for the year 2007-08.

1. The investments of the Fund were found, by and large, in conformity with Shariah and overall it was satisfactory, except that the fund although is not involved in Future Sales, Derivatives etc but it is mentioned in its Financial Statements. This should be deleted from the report and should not be mentioned next time.

Karachi: September 28, 2008

Justice Mufti Muhammad Taqi Usmani
Chairman

Maulana Sajidur Rahman
Member

Abdullah Siddiqui
Member

SHARIAH COMPLIANCE AUDITORS' REPORT TO THE UNITHOLDERS

We have audited UTP Islamic Fund's (the Fund) compliance for the year ended June 30, 2008 with the principles of Shariah stated in clause 3.5 (b) of the Trust Deed dated December 16, 2002 of the Fund.

It is the responsibility of the management company of the Fund to appoint a Shariah Supervisory Council and establish and maintain a system of internal control to ensure compliance with the Shariah guidelines. Our responsibility is to express an opinion on compliance with the Shariah guidelines based on our audit.

We conducted our audit in accordance with the International Standards on Auditing applicable to compliance auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Fund has complied with the guidelines issued by the Shariah Supervisory Council in all material respects. An audit includes examining appropriate evidence on a test basis, evidence supporting amounts and disclosures in the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the Fund was, in all material respects, in compliance with the Shariah guidelines issued by the Shariah Supervisory Council, in accordance with clause 3.5 (b) of the Trust Deed dated December 16, 2002 for the year ended June 30, 2008.

Karachi: September 29, 2008

M. Yousuf Adil Saleem & Co.
Chartered Accountants

TRUSTEE REPORT TO THE UNIT HOLDERS

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

UTP Islamic Fund (Fund), an open-end scheme was established under a trust deed dated December 16, 2002 executed between JS Investments Limited, as the management company and Muslim Commercial Financial Services (Private) Limited (MCFSL), as the trustee.

As per deed of change of trustee and amendment of trust deed dated May 28, 2005 MCFSL retired as the trustee and Central Depository Company of Pakistan Limited was appointed as the trustee of the Fund.

In our opinion, the management company has in all material respects managed the Fund during the year ended June 30, 2008 in accordance with the provisions of the following:

- (i) limitations imposed on the investment powers of the management company under the constitutive documents of the Fund;
- (ii) the pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2007 and the constitutive documents of the Fund.

Karachi: September 26, 2008

Muhammad Hanif
Chief Executive Officer
Central Depository Company of Pakistan Limited

UTP-ISLAMIC FUND

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS

We have audited the accompanying financial statements of UTP – Islamic Fund (the Fund) for the year ended June 30, 2008 which comprises the statement of assets and liabilities, income statement, cash flow statement, distribution statement and statement of movement in unit holders' fund together with a summary of significant accounting policies and other explanatory notes, for the year then ended, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.

Management's responsibility for the financial statements

JS Investments Limited (Formerly JS ABAMCO Limited) (the management company) of the Fund is responsible for the preparation and fair presentation of these financial statements in accordance with the requirements of the Trust Deed, the Non-Banking Finance Companies and Notified Entities Regulations, 2007 (the Regulations) and the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the Rules) and approved accounting standards as applicable in Pakistan. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, 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 June 30, 2008, and of its financial performance, cash flows and transactions for the year then ended in accordance with approved accounting standards as applicable in Pakistan.

Other matters

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Trust Deed, Non-Banking Finance Companies and Notified Entities Regulations, 2007 and Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003.

Karachi: September 29, 2008

M. Yousuf Adil Saleem & Co.
Chartered Accountants



FINANCIAL STATEMENTS

STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2008

	Note	2008 Rupees	2007 Rupees
Assets			
Bank balances	3	84,040,957	32,832,948
Investments	4	748,107,821	711,542,519
Dividend and other receivables	5	5,282,207	216,813,038
Security deposits	6	2,600,000	100,000
Total assets		840,030,985	961,288,505
Liabilities			
Remuneration payable to the management company	8	1,323,239	2,298,631
Remuneration payable to the trustee	9	132,227	153,261
Remuneration payable to the shariah supervisory council		-	250,000
Annual fee payable to the Securities and Exchange Commission of Pakistan	10	893,303	876,563
Accrued and other liabilities	7	44,546,105	33,604,158
Amount payable on redemption of units		161,724	7,725,012
Unclaimed dividend		11,533	11,533
Total liabilities		47,068,131	44,919,158
Net Assets		792,962,854	916,369,347
Unit holders' funds		792,962,854	916,369,347
		No. of units	
Number of units issued		1,518,365	1,259,923
		Rupees	
Net assets value per unit		522	727

The annexed notes from 1 to 20 form an integral part of these financial statements.

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

Muhammad Najam Ali
Chief Executive Officer

Munawar Alam Siddiqui
Chairman

Ali Raza Siddiqui
Executive Director

UTP-ISLAMIC FUND

INCOME STATEMENT FOR THE YEAR ENDED JUNE 30, 2008

	Note	2008 Rupees	2007 Rupees
Income			
Net gain on sale of investments - held for trading securities		41,427,342	157,239,902
(Diminution) / appreciation on remeasurement of investments held for trading securities - net		(129,261,160)	21,600,624
Dividend income		25,052,460	35,684,475
Return on bank balances		9,503,370	4,413,189
Other income		190,000	-
Element of income and capital gains in prices of units sold less those in units redeemed		19,907,146	480,683
		<u>(33,180,842)</u>	<u>219,418,873</u>
Expenses			
Remuneration to the management company	8	22,279,646	26,297,272
Remuneration to the trustee	9	1,786,488	1,753,366
Remuneration to the shariah supervisory council		120,000	95,000
Annual fee to the Securities and Exchange Commission of Pakistan	10	893,303	876,563
Bank and settlement charges		216,026	180,378
Securities transaction cost		6,105,537	7,668,382
Auditors' remuneration	11	490,700	472,500
Mutual fund rating fee		100,000	100,000
MUFAP subscription fee		-	7,640
Listing fee		30,000	-
Printing and stationary		162,210	-
		<u>32,183,910</u>	<u>37,451,101</u>
Net (loss) / income for the year carried forward to distribution statement		<u>(65,364,752)</u>	<u>181,967,772</u>

The annexed notes from 1 to 20 form an integral part of these financial statements.

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

Muhammad Najam Ali
Chief Executive Officer

Munawar Alam Siddiqui
Chairman

Ali Raza Siddiqui
Executive Director

CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2008

	Note	2008 Rupees	2007 Rupees
Cash flows from operating activities			
Net (loss) / income for the year		(65,364,752)	181,967,772
Adjustments for:			
Net gain on sale of investments - held for trading securities		(41,427,342)	(157,239,902)
Diminution / (appreciation) on remeasurement of investments held for trading securities - net		129,261,160	(21,600,624)
Other income		(190,000)	-
Element of income and capital gains in prices of units sold less those in units redeemed		(19,907,146)	(480,683)
		<u>2,371,920</u>	<u>2,646,563</u>
Decrease / (increase) in assets			
Dividend and other receivables		211,530,831	(208,245,115)
Security deposits		(2,500,000)	-
(Decrease) / increase in liabilities			
Remuneration payable to the management company		(975,392)	291,088
Remuneration payable to the trustee		(21,034)	19,409
Remuneration payable to the shariah supervisory council		(60,000)	95,000
Annual fee payable to the Securities and Exchange Commission of Pakistan		16,740	111,562
Accrued and other liabilities		10,941,947	31,884,161
Amount payable on redemption of units		(7,563,288)	7,725,012
		<u>2,338,973</u>	<u>40,126,232</u>
		<u>213,741,724</u>	<u>(165,472,320)</u>
Sale of held for trading investments		3,988,850,564	5,614,436,135
Purchase of held for trading investments		(4,113,249,684)	(5,352,490,071)
Net cash from operating activities		<u>89,342,604</u>	<u>96,473,744</u>
Cash flows from financing activities			
Amounts received on issue of units		361,076,035	235,403,833
Amounts paid on redemption of units		(399,210,630)	(364,505,722)
Net cash used in financing activities		(38,134,595)	(129,101,889)
Net increase / (decrease) in cash and cash equivalent during the year		51,208,009	(32,628,145)
Cash and cash equivalents at beginning of the year		32,832,948	65,461,093
Cash and cash equivalents at end of the year	2.4	<u>84,040,957</u>	<u>32,832,948</u>

The annexed notes from 1 to 20 form an integral part of these financial statements.

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

Muhammad Najam Ali
Chief Executive Officer

Munawar Alam Siddiqui
Chairman

Ali Raza Siddiqui
Executive Director

UTP-ISLAMIC FUND

STATEMENT OF MOVEMENTS IN UNIT HOLDERS' FUNDS FOR THE YEAR ENDED JUNE 30, 2008

	2008 Rupees	2007 Rupees
Net assets at the beginning of the year	916,369,347	863,984,147
Amounts received on issue of 898,114.95* (2007: 666,403.31) units	361,076,035	235,403,833
Amounts paid / payable on redemption of 639,672.95 (2007: 511,270.10) units	(399,210,630)	(364,505,722)
	(38,134,595)	(129,101,889)
Element of income and capital gains in prices of units sold less those in units redeemed	(19,907,146)	(480,683)
Net (loss) / income for the year	(65,364,752)	181,967,772
Net assets at the end of the year	792,962,854	916,369,347
Net assets value per unit at the beginning of the year	727	782
Net assets value per unit at the end of the year	522	727

* This includes 275,711.5 (2007: 289,717.96) units issued as bonus units during the year.

The annexed notes from 1 to 20 form an integral part of these financial statements.

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

Muhammad Najam Ali
Chief Executive Officer

Munawar Alam Siddiqui
Chairman

Ali Raza Siddiqui
Executive Director



DISTRIBUTION STATEMENT
FOR THE YEAR ENDED JUNE 30, 2008

	2008 Rupees	2007 Rupees
Unappropriated income brought forward	247,193,589	272,374,135
Net (loss) / income for the year	(65,364,752)	181,967,772
Final distribution - issue of bonus units for the year ended June 30, 2007 at the rate of Rs. 148.63 per unit (2006: Rs. 187.5 per unit) distributed on July 07, 2007	(187,262,409)	(207,148,318)
Unappropriated (loss) / income carried forward	<u>(5,433,572)</u>	<u>247,193,589</u>

The annexed notes from 1 to 20 form an integral part of these financial statements.

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

Muhammad Najam Ali
Chief Executive Officer

Munawar Alam Siddiqui
Chairman

Ali Raza Siddiqui
Executive Director

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

1. LEGAL STATUS AND NATURE OF BUSINESS

UTP Islamic Fund (the Fund) was established under a Trust Deed executed between JS Investments Limited (Formerly JS ABAMCO Limited) as the management company, a company incorporated under the Companies Ordinance, 1984 (the Ordinance) and the Muslim Commercial Financial Services (Private) Limited (MCFSL) as a Trustee, which is a wholly owned subsidiary of MCB Bank Limited. The Trust Deed was executed on December 16, 2002 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on November 18, 2002 under the Asset Management Companies Rules, 1995 [replaced by the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the Rules)]. During the year ended June 30, 2005 MCFSL voluntarily retired as a trustee of the Fund and Central Depository Company of Pakistan Limited (CDC) was appointed as a new trustee under an amended Trust Deed dated May 28, 2005. Accordingly the Trust Deed was approved by the SECP on January 27, 2005 under the Rules.

The management company of the Fund has obtained license to act as an Asset Management Company under the Rules from SECP. The registered office of the management company is situated at 7th Floor, The Forum, G-20, Khayaban-e-Jami, Block 9, Clifton, Karachi.

All the activities of the Fund are undertaken in accordance with the Islamic Shariah rules and principles. The management company has appointed a Shariah Supervisory Council (Formerly Shariah Advisory Council) whose advice is followed to ensure that activities of the Fund are in compliance with Shariah.

The Fund is an open ended mutual fund and is listed on Lahore Stock Exchange. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund.

Title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as a trustee of the Fund.

The financial statements are presented in Pak Rupees, which is the Fund's functional and presentation currency.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

These financial statements have been prepared in accordance with the requirements of the Trust Deed, the Non-Banking Finance Companies and Notified Entities Regulations, 2007 (the Regulations), the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the Rules), the Companies Ordinance, 1984 (the Ordinance), directives issued by the Securities and Exchange Commission of Pakistan (SECP) and approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standard (IFRS) as notified under the provisions of the Ordinance. Wherever the requirements of the Regulations, the Rules, the Ordinance or directives issued by SECP differ with the requirements of these standards, the requirements of the Regulations, the Rules, the Ordinance and the said directives take precedence.

2.2 Standards, interpretations and amendments to published approved accounting standards that are not yet effective.

The following standards, amendments and interpretations of approved accounting standards, effective for accounting periods beginning on or after January 01, 2008 are either not relevant to Fund's operations or are not expected to have significant impact on the Fund's financial statements other than increased disclosures in certain cases:

IAS 1 (Revised) - Presentation of Financial Statements

effective from accounting period beginning on or after January 01, 2009



IAS 23 (Revised) - Borrowing Costs	effective from accounting period beginning on or after January 01, 2009
IAS 29 - Financial Reporting in Hyperinflationary Economies	effective from accounting period beginning on or after April 28, 2008
IFRS 7 - Financial Instruments: Disclosures	effective from accounting period beginning on or after April 28, 2008
IFRS 8 - Operating Segments	effective from accounting period beginning on or after January 01, 2008
IFRIC 12 - Services Concession Arrangements	effective from accounting period beginning on or after January 01, 2008
IFRIC 13 - Customer Loyalty Programmes	effective from accounting period beginning on or after January 01, 2008
IFRIC 14 - The Limit on Defined Benefit Assets, Minimum Funding Requirements and their Interaction	effective from accounting period beginning on or after January 01, 2008

2.3 Basis of preparation

These financial statements have been prepared under the historical cost convention, except for investment - held for trading, which are stated at fair value through profit and loss.

The principal accounting policies adopted are set out below:

2.4 Cash and cash equivalents

'Cash and cash equivalents comprise of balances. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash.

2.5 Investments

The management of the Fund determines the appropriate classification of its investments at the time of purchase and classifies these investments as held for trading, available for sale or held to maturity.

Investments at fair value through profit or loss - Held for trading

An investment that is acquired principally for the purpose of generating profit from short-term fluctuations in prices is classified as "fair value through profit or loss - held for trading". These are initially measured at fair value which is the quoted bid price at stock exchange at the date when the Fund commits to purchase the investments, subsequently, the resultant gain or loss on remeasurement of value of investment is recognised in the income statement.

Available for sale

Other investments are classified as "available for sale" and are initially measured at fair value which is the quoted bid price at stock exchange at the date when the Fund commits to purchase the investment. These investments are initially recognised at fair value plus transaction cost and subsequently re-measured at fair value. Changes in fair value of all available for sale investments are recognised in statement of changes in equity.

- Quoted debt securities

A debt security listed but not traded regularly on a stock exchange is valued at the average rate, notified by the Mutual Funds Association of Pakistan based on the average rates quoted by top three brokers, in terms of volume traded during last three months in that debt security or on the average rates of any three brokers available at the date of valuation.

- Unquoted debt securities

Unquoted debt securities are valued on the average rates notified by the Mutual Funds Association of Pakistan based on the average rates quoted by top three brokers. For debt securities whose average rates are not notified by the Mutual Funds Association of Pakistan, the Fund value such debt securities at the average rates of those three brokers, who are considered by Mutual Fund Association of Pakistan, available at the date of valuation.

Held to maturity

These are securities with fixed or determinable payments and fixed maturity that the Fund has the positive intent and ability to hold to maturity and are subsequently measured at amortized cost, less any impairment loss recognized to reflect irrecoverable amounts.

All regular purchases / sales of investments are recognised on the trade date i.e. the date that the Fund commits to purchase / sell the investment. Purchases or sales of investments require delivery of securities within the time frame established by regulations.i.e. 'T+2'.

Financial assets are derecognised when rights to receive cash flows from the financial assets have expired or where the Fund has transferred substantially all risk and reward of ownership.

2.6 Derivatives

Derivative instruments held by the Fund primarily comprise of futures contracts in the capital market. These are initially recognised at fair value and are subsequently remeasured at their fair value. The fair value of futures contracts is calculated as 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 (appreciation) are included in other assets and derivatives with negative market values (diminution) are included in other liabilities in the statement of assets and liabilities. The resultant gains and losses are included in the income currently.

Derivative financial instruments entered into by the Fund do not meet the hedging criteria as defined by International Accounting Standard - 39, Recognition and Measurement of Financial Instruments (IAS - 39), consequently hedge accounting is not used by the Fund.

2.7 Payables and accruals

Payables and accruals are carried at cost which is the fair value of consideration to be paid in the future for the services received whether billed or not to the Fund.

2.8 Provisions

Provisions are recognised when the Fund has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of that obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

2.9 Taxation

The Fund is exempt from taxation under clause 99 of the Part I of the 2nd Schedule of the Income Tax Ordinance, 2001, subject to the condition that not less than 90% of its income excluding realised and unrealised capital gains



for the period is distributed amongst the unit holders.

2.10 Financial Instruments

Financial assets and financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the Fund loses the control of the contractual rights that comprises that financial assets. Financial liabilities are derecognised when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on derecognition of the financial assets and financial liabilities is taken to income currently.

At the time of initial recognition, all financial assets and financial liabilities are measured at fair value. All the financial assets and financial liabilities are recognized at the time when the Fund becomes a party to the contract. The particular recognition method adopted for measurement of financial assets and financial liabilities investments subsequent to initial recognition is disclosed in the individual policy statement associated with each item.

2.11 Impairment of financial assets

An assessment is made at each assets and liabilities statement's date to determine whether there is objective evidence that a specific financial asset may be impaired. If such evidence exists, any impairment loss is recognised in the income statement. For available for sale equity investments reversal of impairment losses are recorded as increases in cumulative changes in fair value through equity. In addition, a provision is made to cover impairment for specific groups of assets where there is a measurable decrease in estimated future cash flows.

2.12 Offsetting of financial assets and liabilities

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

2.13 Issue and redemption of units

Units are issued at the offer price prevalent at the end of the day in which the units are issued. The offer price represents the net asset value of units at the close of business day plus the allowable sales load. The sales load is payable to the distribution company and the management company as processing fee. Issue of units is recorded on realisation of cheque.

Units redeemed are recorded at the redemption price prevalent at the end of the day in which the units are redeemed. The redemption price represents the net assets value at the end of the business day. Redemption of units is recorded on acceptance of application for redemption.

2.14 Element of income and capital gains in prices of units sold less those in units redeemed

To prevent the dilution of per unit income and distribution of income already paid out on redemption, as dividend, an equalization account called "element of income and capital gains in prices of units sold less those in units redeemed" is created.

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

The net "element of income and capital gains in prices of units sold less those in units redeemed" during an accounting period is transferred to the income statement.

2.15 Revenue recognition

Gain or loss on sale of marketable securities is accounted for in the income statement in the period in which it arises.

Dividend income is recorded at the time of the closure of share transfer book of the company declaring the dividend. Dividend received on marketable securities acquired after the announcement of dividend till the book closure date is not taken to income but reflected as reduction in the cost of investment.

Return on bank balances is recognised on accrual basis.

2.16 Transactions with connected persons

Transactions between the Fund and its "connected persons", as defined in the Regulations and the Rules, are carried out on an arm's length basis and are disclosed in note 13 to these financial statements.

2.17 Dividend distributions and appropriations

Dividend and other appropriations of reserves are recognised upon the declaration and approval by the Board of Directors of the management company.

2.18 Zakat

Units held by resident Pakistani unit holders shall be subject to Zakat at 2.5% of the par value of units under Zakat and Ushr Ordinance, 1980 (XVII of 1980), except those exempted under the said Ordinance. Zakat is deducted at source from the dividend amount or from the redemption payment, if units are redeemed during the Zakat year before payment of dividend.

2.19 Accounting Estimates and Judgements

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

Judgements made by management in the application of accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment are explained in the relevant accounting policies / notes in the financial statements.

		2008 Rupees	2007 Rupees
3. BANK BALANCES			
On savings accounts - approved by Shariah Supervisory Council	3.1	82,582,245	31,589,202
On current accounts	3.2	1,458,712	1,243,746
		<u>84,040,957</u>	<u>32,832,948</u>

3.1 In savings accounts, the Fund earned return at rates ranging from 2.0 % to 8.5 % (2007: 2.0% to 8.0%) per annum.

3.2 This includes balance of Rs. 1,159,696 (2007: Rs. Nil) with JS Bank Limited (related party).

4. INVESTMENTS

	Note	2008 Rupees	2007 Rupees
Held for trading			
Quoted equity securities	4.1	<u>748,107,821</u>	<u>711,542,519</u>

No. of shares / certificates					Holdings at the end of the year	Market value (Rupees)	% of Total investments
Holdings at the beginning of the year	Acquired during the year	Bonus / right received during the year	Disposed during the year				

4.1 Quoted equity securities *

* Fully paid ordinary shares / certificates have a face value of Rs. 10/- each unless stated otherwise.

Sectors / Companies

Modarbas

Modarba Al Mali	105,000	-	-	105,000	-	-	-
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Banks

Bank Islami Pakistan Limited (related party)	25,000	8,529,500	-	1,079,500	7,475,000	110,704,750	14.80
Meezan Bank Limited	-	1,322,000	67,400	1,389,400	-	-	-
						110,704,750	14.80

Textile Composite

Nishat Mills Limited	420,830	1,831,000	-	1,951,830	300,000	25,791,000	3.45
Azgard Nine Limited	-	1,174,000	-	1,174,000	-	-	-
						25,791,000	3.45

Jute

Thall Limited (face value of Rs. 5 per share)	32,800	-	-	32,800	-	-	-
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Cement

Fauji Cement Company Limited	-	400,000	-	400,000	-	-	-
D.G.Khan Cement Limited	-	2,797,100	-	2,797,100	-	-	-
Maple Leaf Cement Factory Limited	350,000	100,000	-	450,000	-	-	-
						-	-

Refinery

Pakistan Refinery Limited	31,000	-	-	31,000	-	-	-
Attock Refinery Limited	-	85,300	-	85,300	-	-	-
National Refinery Limited	-	85,300	-	38,100	47,200	14,040,584	1.88
						14,040,584	1.88

Power Generation & Distribution

The Hub Power Company Limited	-	2,293,000	-	1,240,000	1,053,000	30,115,800	4.03
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Oil & Gas Marketing Companies

Pakistan State Oil Company Limited	245,000	1,061,000	-	1,020,200	285,800	119,247,192	15.94
Attock Petroleum Limited	-	35,000	-	-	35,000	15,129,800	2.02
Shell Pakistan Limited	46,900	-	-	46,900	-	-	-
						134,376,992	17.96

Oil & Gas Exploration Companies

Oil & Gas Development Company Limited	835,100	2,107,200	-	2,617,300	325,000	40,417,000	5.40
Pakistan Oilfields Limited (related party)	-	1,751,100	-	1,490,100	261,000	95,223,240	12.73
Pakistan Petroleum Limited	499,800	1,490,700	27,300	1,577,800	440,000	108,235,600	14.47
						243,875,840	32.60

UTP-ISLAMIC FUND

	No. of shares / certificates				Holdings at the end of the year	Market value (Rupees)	% of Total investments
	Holdings at the beginning of the year	Acquired during the year	Bonus / right received during the year	Disposed during the year			
Engineering							
Crescent Steel & Allied Products Limited	-	230,000	-	230,000	-	-	-
Automobile Assembler							
Indus Motors Company Limited	27,500	178,700	-	206,200	-	-	-
Honda Atlas Cars (Pakistan) Limited	-	835,600	-	213,600	622,000	23,405,860	3.13
						23,405,860	3.13
Automobile Parts & Accessories							
Baluchistan Wheels Limited	-	151,900	-	5,600	146,300	8,631,700	1.15
Agriauto Industries Limited (face value of Rs. 5 per share)	-	142,100	-	-	142,100	11,758,775	1.57
						20,390,475	2.72
Technology and Communication							
Pakistan Telecommunication Company Limited	960,000	3,303,000	-	4,263,000	-	-	-
TRG Pakistan Limited	-	4,100,000	-	100,000	4,000,000	25,000,000	3.34
						25,000,000	3.34
Fertilizer							
Engro Chemical Pakistan Limited	50,000	2,198,505	43,410	1,882,400	409,515	114,995,907	15.37
Engro Chemical Pakistan Limited - Right	66,705	-	-	66,705	-	-	-
Fauji Fertilizers Company Limited	653,700	607,900	-	1,261,600	-	-	-
Fauji Fertilizers Bin Qasim Limited	1,850,000	2,102,000	-	3,802,000	150,000	5,395,500	0.72
						120,391,407	16.09
Pharmaceuticals							
Searle Pakistan Limited	-	17,000	-	17,000	-	-	-
Chemicals							
ICI Pakistan Limited	185,000	120,000	-	305,000	-	-	-
Paper and Board							
Packages Limited	-	860,400	34,260	894,600	60	15,113	-
Glass and Ceramics							
Ghani Glass Limited	232,700	-	7,355	240,055	-	-	-
Market value of held for trading investments as at June 30, 2008						748,107,821	100.00
Cost of held for trading investments as at June 30, 2008						877,336,267	

UTP-ISLAMIC FUND

	2008 Rupees	2007 Rupees
11. AUDITORS' REMUNERATION		
Audit fee	200,000	192,500
Half yearly review	110,000	110,000
Other certifications	160,000	155,000
Out of pocket expenses	20,700	15,000
	490,700	472,500

12. TAXATION

Fund is exempt from tax under clause 99 of part 1 of Second Schedule of the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of its accounting income for the year, as reduced by the capital gains whether realised or unrealised, is distributed among its unit holders.

The Fund intends to avail this exemption for current and future periods. Accordingly, no provision is made for current and deferred taxation in these financial statements.

13. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons comprises of management company, Jahangir Siddiqui & Company Limited being the holding company of the management company, JS Global Capital Limited being associated company of the holding company of the management company, JS Bank Limited being subsidiary of the holding company of the management company, JS ABAMCO Commodities Limited being subsidiary of the management company and UTP - Large Cap. Fund, JS Value Fund Limited (Formerly BSJS Balanced Fund Limited), Unit Trust of Pakistan, JS - Income Fund (Formerly UTP - Income Fund), JS Aggressive Asset Allocation Fund (Formerly UTP - Aggressive Asset Allocation Fund), JS Fund of Funds (Formerly UTP - Fund of Funds), UTP-A 30 + Fund, JS Capital Protected Fund (Formerly UTP-Capital Protected Fund), JS Capital Protected Fund II (Formerly UTP-Capital Protected Fund II), JS Aggressive Income Fund, JS Capital Protected Fund III, JS Capital Protected Fund IV, JS Pension Savings Fund, JS Islamic Pension Savings Fund and JS Growth Fund (Formerly UTP-Growth Fund) being funds under common management.

Details of transactions with connected persons / related parties and balances with them at year end are as follows:

	Note	2008 Rupees	2007 Rupees
JS Investments Limited			
Remuneration to the management company		22,279,646	26,297,272
Sales load		1,623,289	819,701
Issue of units		50,000,000	-
Redemption of units		51,942,460	-
JS Global Capital Limited			
Brokerage fee paid	13.1	1,183,260	1,320,274
JS Fund of Funds (Formerly UTP-Fund of Funds)			
Issue of units		73,409,533	32,891,504
Redemption of units		81,881,263	35,493,551
Bonus units		3,664,489	4,305,240

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

14. NON SHARIAH COMPLIANT INCOME

- 14.1 According to the instructions of the Shariah Supervisory Council, if any income is earned by the Fund from investments whereby a portion of income of such investees has been derived from prohibited sources, such proportion of income of the Fund should be donated for charitable purposes.

During the current year the non shariah compliant income amounting to Rs. 729,166 had been deducted from the dividend income of the Fund. This prohibited income will be distributed for charity with the approval of Shariah Supervisory Council.

- 14.2 The portion of prohibited income for which the management company was authorised to pay into charity for the year ended June 30, 2007, amounting to Rs. 88,996, had been paid to Sindh Institute of Urology and Transplantation, Al-Shifa Eye Trust Hospital, Shaukat Khanum Memorial Cancer Hospital and Research Centre and Alamgir Welfare Trust with due approval of Shariah Supervisory Council.

15. FINANCIAL RISK MANAGEMENT POLICIES

15.1 Market risk

Market risk is the risk that the value of financial instruments may fluctuate as a result of changes in market price. The management company manages market risk by monitoring exposure on marketable securities by following the internal guidelines of the Investment Committee and regulations laid down by the Securities and Exchange Commission of Pakistan.

15.2 Yield / interest rate risk

Yield risk is the risk of decline in earnings due to adverse movement of the yield curve. Interest / mark up rate risk is the risk that the value of the financial instruments will fluctuate due to changes in the market interest rates. Sensitivity to interest / mark up rate risk arises from mismatches or gaps in the amounts of interest / mark up based assets and liabilities that mature or reprice in a given period.

15.3 Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. The management company manages liquidity risk by following internal guidelines of the Investments Committee such as monitoring maturities of financial assets and financial liabilities and investing in highly liquid financial assets.

The Fund is not materially exposed to liquidity risk as all obligations / commitments of the Fund are short term in nature and all assets of the Fund are readily disposable on the stock exchanges.

15.4 Credit risk

Credit risk arises from the inability of the issuers of the instruments or counter parties, in case of reverse repurchase transactions or other arrangements, to fulfill their obligations. The risk is generally limited to principal amounts and accrued interest thereon, if any. The Fund's policy is to enter into financial contracts in accordance with the internal risk management policies and investment guidelines approved by the Investment Committee.

16. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

UTP-ISLAMIC FUND

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

17. CAPITAL MANAGEMENT

Redeemable units are represented as capital of the Fund. Unit holders are entitled to dividends and to payments of proportionate share based on the Fund's net assets value per unit on the redemption date.

The Fund has no restrictions or specific capital requirements on the subscription and redemption of units.

UTP - Islamic Fund is a open end fund. The Fund's objectives when managing unit holder's fund is to safeguard its ability to continue as a going concern so that it can continue to provide returns for unit holders and to maintain a strong capital base to meet unexpected losses or opportunities. In accordance with the Regulations the Fund is required to distribute at least ninety percent of its income from sources other than capital gains as reduced by such expenses as are chargeable to the Fund.

18. OTHER SUPPLEMENTARY INFORMATION

The information regarding unit holding pattern of the Fund, transactions with top ten brokers, details of the members of the Investment Committee, particulars of the Fund Manager, details of meetings of the Board of Directors of the management company and the Fund and asset manager rating have been disclosed in Annexure I to the financial statements.

19. DATE OF AUTHORISATION FOR ISSUE

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

20. GENERAL

Figures have been rounded off to the nearest Rupee.

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

Muhammad Najam Ali
Chief Executive Officer

Munawar Alam Siddiqui
Chairman

Ali Raza Siddiqui
Executive Director

OTHER SUPPLEMENTARY INFORMATION
AS REQUIRED UNDER SECTION 6(D), (G), (H), (I), (J) AND (K)
OF THE FORTH SCHEDULE TO THE NBFC REGULATIONS

(I) UNIT HOLDING PATTERN OF FUND

Category	No. of Investors	Investment amount Rupees	% of Unit holders' Fund
Individuals	804	224,556,352	29.58
Associated Companies/Directors	1	9,375,357	1.23
Insurance Companies	1	20,463,340	2.70
Banks/DFIs	2	87,213,770	11.49
NBFCs	-	-	-
Retirement Funds	70	296,657,818	39.08
Public Limited Companies	2	13,999,164	1.84
Others	17	106,916,524	14.08
	<u>897</u>	<u>759,182,325</u>	<u>100.00</u>

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

Name of Brokers	% of commission paid
JS Global Capital Limited	11.12
Global Securities Pakistan Limited	10.44
AAG Securities (Pvt) Limited	8.11
Fortune Securities (Pvt) Limited	8.10
AKD Investment Management Limited	7.87
Invisor Securities (Pvt) Limited	7.05
Darson Securities (Pvt) Limited	5.66
Investment Managers Securities (Pvt) Limited	5.19
Foundation Securities (Pvt) Limited	4.92
Orix Investment Bank Limited	4.65

(III) DETAILS OF MEMBERS OF INVESTMENT COMMITTEE

Details of members of the investment committee of the Fund are as follows:

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

UTP-ISLAMIC FUND

MR. MUHAMMAD NAJAM ALI - CHIEF EXECUTIVE OFFICER

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

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

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

MR. ALI RAZA SIDDIQUI - EXECUTIVE DIRECTOR

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

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

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

SYED ATHER AHMED - CHIEF OPERATING OFFICER

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

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

MR. SAAD HASHMEY

Mr. Hashmey is the Head of Research and joined the management company in June 2007. He earned his BS (Economics) from London School of Economics and MBA from Washington University. Prior to his appointed, he was associated with Capital One Equities Ltd. as a Chief Executive Officer. His rich exposure also includes his associations abroad with Deutsche Bank (NY-USA), Friedman, Billings, Ramsey Group, Inc. (Washington-USA), Robert W. Baird & Co. Inc. (Washington-USA) in different research oriented positions.

MR. ATA RAHMAN

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

(IV) PARTICULARS OF THE FUND MANAGER

Mr. Shahrukh Raza Mirza graduated with a Bachelor of Art's degree in 2001, from Clark University, (MA, USA) with Finance and Business Management as majors. Returned to Pakistan in 2002 and joined Darson Securities as a sell side broker on the institutional desk. In 2004, was promoted to head the branch office and Institutional sales desk for Darson Securities. Joined JS Investments Limited (Formerly JS ABAMCO Limited) in May 2007, as an AVP (Fund Manager), and has since been looking after the UTP - Islamic Fund and the JS Capital Protected Fund IV.

(V) FOLLOWING ARE THE DATES AND NAME OF PERSONS WHO ATTENDED THE MEETING OF THE BOARD OF DIRECTORS DURING THE PERIOD

First meeting of the board of directors was held on Saturday, July 7, 2007 at 7th Floor, The Forum, Clifton, Karachi. Following directors attended the meetings during the year.

Name of Directors	Meetings attended	Meetings held on						
		7-Jul-07	18-Aug-07	24-Oct-07	5-Jan-08	11-Feb-08	27-Mar-08	24-Apr-08
Mr. Munawar Alam Siddiqui	7	1	1	1	1	1	1	1
Mr. Muhammad Najam Ali	7	1	1	1	1	1	1	1
Mr. Nazar Mohammad Shaikh	6	1	-	1	1	1	1	1
Lt. General (Retd.) Masood Parwaiz	7	1	1	1	1	1	1	1
Mr. Sher Afgan Zuhair Siddiqui	2	-	1	1	-	-	-	-
Mr. Ali Raza Siddiqui	6	-	1	1	1	1	1	1
Mr. Sadeq Sayeed	3	-	-	1	1	1	-	-
Mr. Siraj A. Dadabhoy	2	-	-	-	-	1	-	1
		4	5	7	6	7	5	6

(VI) FUND AND ASSET MANAGER RATING

The Pakistan Credit Rating Agency (PACRA) has assigned a "4-star" (normal) fund rating to UTP Islamic Fund which reflects good performance.

PACRA has awarded an "AM2+" asset manager rating to JS Investments Limited (Formerly JS ABAMCO Limited). The rating denotes the company's very strong capacity to manage the risks inherent in asset management and the asset manager meets very high investment management industry standards and benchmarks.