



CONTENTS

Vision and Mission Statement	03
Organization	04
Directors' Report to the Unit Holders	05
Fund Manager's Report	07
Performance Table / Key Financial Data	09
Review Report to the Unit Holders on Statement of Compliance with Best Practices of the Code of Corporate Governance	12
Statement of Compliance with the Code of Corporate Governance	13
Trustee Report to the Unit Holders	15
Independent Auditors' Report to the Unit Holders	16
Statement of Assets and Liabilities	19
Income Statement	20
Cash Flow Statement	21
Statement of Movement in Unit Holders' Fund	22
Distribution Statement	23
Notes to the Financial Statements	24



Vision

To be Industry Leaders in Financial Services

Mission

Pursuit of Professional Excellence

Core Values

■ Shareholder Value ■ Integrity ■ Commitment

ORGANIZATION

Management Company

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

Board of Directors

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

Audit Committee

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

Chief Financial Officer & Company Secretary

Suleman Lalani

Trustee

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

Auditors

Ford Rhodes Sidat Hyder & Co.
Chartered Accountants
Progressive Plaza, Beaumont Road,
P.O.Box 15541,
Karachi-75530, Pakistan

Legal Adviser

Bawaney & Partners
Room No.404, 4th floor,
Beaumont Plaza, 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



DIRECTORS' REPORT TO THE UNIT HOLDERS

The Board of Directors of JS Investments Limited, the Management Company of Unit Trust of Pakistan (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 increased by 48.74 percent from Rs. 4,050 million to Rs. 6,024 million during the year under review. During the year the Fund carried out a unit split exercise as a result of which one unit of par value of Rs. 5,000 was split into 50 units of par value of Rs. 100 each. The net assets value as on June 30, 2008 was Rs. 151.80 compared to beginning ex-distribution net assets value of Rs. 147.57 per unit showing an appreciation of 2.87 percent.

The net income of the Fund for the year ended June 30, 2008, including unrealized loss on investment, was Rs. 1,030.408 million, which works out to Rs. 25.97 per unit of the par value of Rs. 100.

The Board of Directors of the Management Company has declared a stock dividend of 12.60% of the opening net assets value per unit of Rs. 147.57 which translates into Rs. 18.6 per unit. An investor holding 100 units as on June 30, 2008 will receive 13.9639 units on ex-stock dividend price of Rs. 133.20 per unit. As the above distribution is more than 90% of the realized income for the year, the income of the Fund will not be subject to tax under Clause 99 of the Part I of the Second Schedule of Income Tax Ordinance, 2001.

2. Fund and Asset Manager Rating

The Pakistan Credit Rating Agency (PACRA) has assigned a 5-Star (normal and long-term) fund rating to Unit Trust of Pakistan, which reflects a superior 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.

Unit Trust of Pakistan

- 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:

<u>Name</u>	<u>Designation</u>	<u>Units Held</u>
Ali Raza Siddiqui	Executive Director	1,053.40
Suleman Lalani	CFO & Company Secretary	4,184.77
Malik Zafar Javaid	Head of Operations	3,191.42
Atif Asghar	Senior Manager	1,203.73

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

<u>Name</u>	<u>Designation</u>	<u>Units Acquired</u>	<u>Units Redeemed</u>
Malik Zafar Javaid	Head of Operations	3,191.42	0
Iftikhar Ahmed	Chief Technology Officer	164.69	164.69
Atif Asghar	Senior Manager	1,995.11	791.38

- 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, 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 Ford Rhodes Sidat Hyder & 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 Ford Rhodes Sidat Hyder & Co., Chartered Accountants, as the Fund's auditors for the year ending June 30, 2009.

6. 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 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 - Balanced Fund
Fund launch date	27 October, 1997
Fund Assets (PKR mn):	6,024
Benchmark 1 (BM1):	30% 6M Kibor & 70% KSE30 Index
Listing	Lahore Stock Exchange
Trustee	Central Depository Company of Pakistan
Auditors	Ford Rhodes Sidat Hyder & Co.
Risk profile	Medium
Management fee	2.00%
PACRA Rating	5 Star (Normal & Long Term)

Investment Philosophy

UTP is a balanced fund that aims to preserve and grow investor's capital in the long term while providing a regular stream of current income on an annual basis. The fund operates a diverse portfolio of equity and fixed income investments whereby the equity component is meant to provide the growth in capital while dividends on the equity component along with the fixed income investments help generate the current income. 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, outperformed the benchmark by over 1000 basis points. There was no significant change in the state of affairs of the fund during the period.

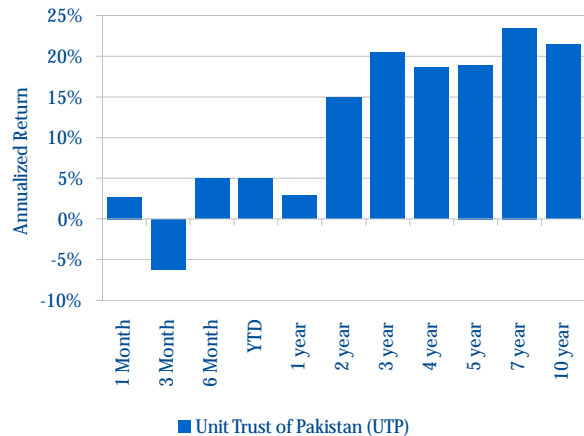
Market Review FY08

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).

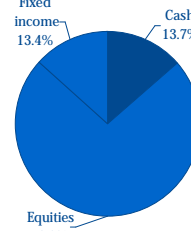
Foreign investors remained active in the local equity market. The Special Convertible Rupee Account (SCRA) balance is released by the State Bank on a daily basis. It is a popular barometer of the amount of foreign interest in the local capital markets. During FY08, SCRA shows that portfolio investment 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%).

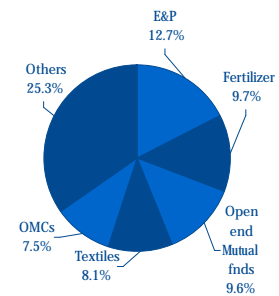
Performance (in percentage)



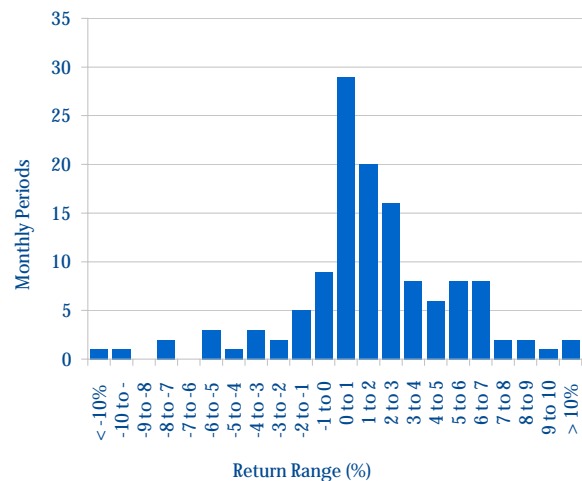
Asset Allocation



Sector Allocation



Distribution of Returns



Unit Trust of Pakistan

Benchmark Analysis	Benchmark 1
Alpha	1.2%
Annualized Alpha	14.8%
Beta	0.3
Correlation	0.7
R-squared	0.4

Statistical Analysis	Fund	BM1
Compound ROR	21.0%	15.9%
Standard Deviation	12.5%	23.8%
Cumulative Return	675.1%	386.54%
Cumulative VAMI	7,751	4,865
Sharpe (10.00%)	0.8	0.3
Largest Month Gain	11.7%	19.3%
Largest Month Loss	-11.1%	-23.0%
% Positive Months	79.1%	61.2%
% Negative Months	20.9%	38.8%

Split of Units	Before	After
Par Value (PKR) per unit	5,000	100

Due to Par Value change, existing 1 (one) UTP unit was sub-divided into 50 UTP units.

Effects on the NAV after Split

Ex-dividend NAV on June 30, 2007	PKR
Before	7,378.08
After	147.57

Returns on the Investments	% of contribution
Equities*	1.37%
Fixed Income / Bank Deposits*	4.81%
NAV Return	2.89%

Distribution (FY07)	in %	in PKR
Stock dividend	27.5% on the opening	40.21
NAV for FY07 (PKR 146.23)		

Effects on the NAV after Distribution

NAV per unit as on June 30, 2007	
Cum NAV (PKR)	187.78
Ex-NAV (PKR)	147.57

Proposed Distribution for the Year

The Board of Directors of the Management Company in their meeting held on July 9, 2008 announced distribution of Rs. 18.6 per unit equivalent to 12.60% of the beginning net asset value.

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.*

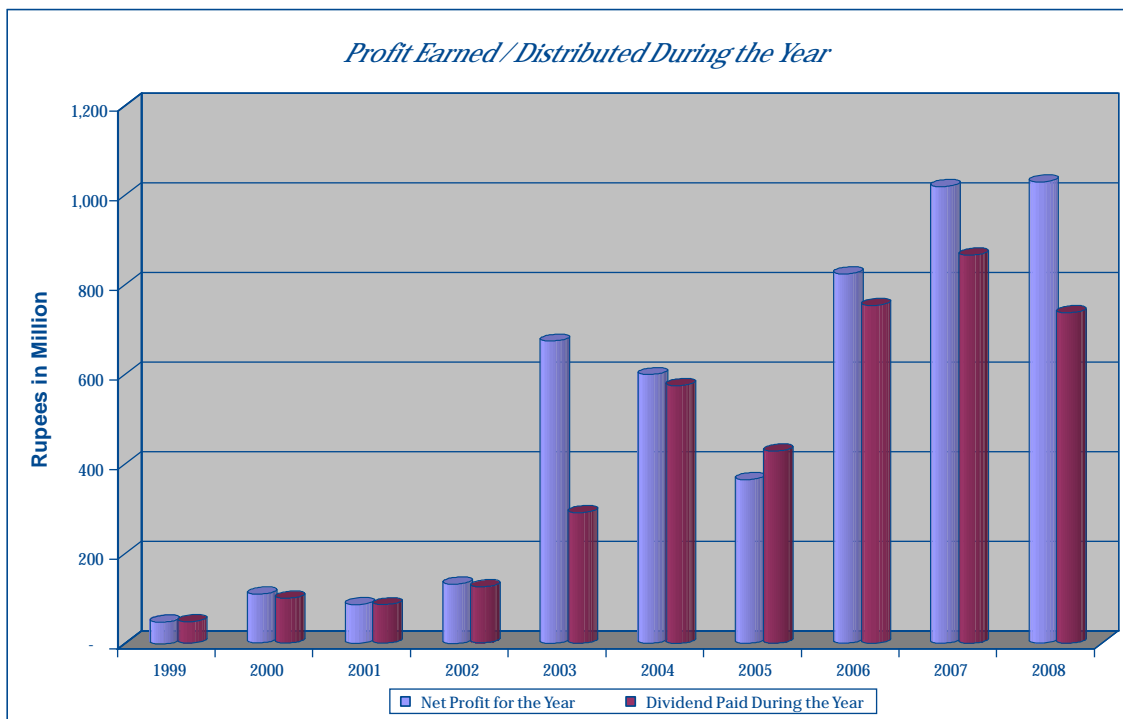
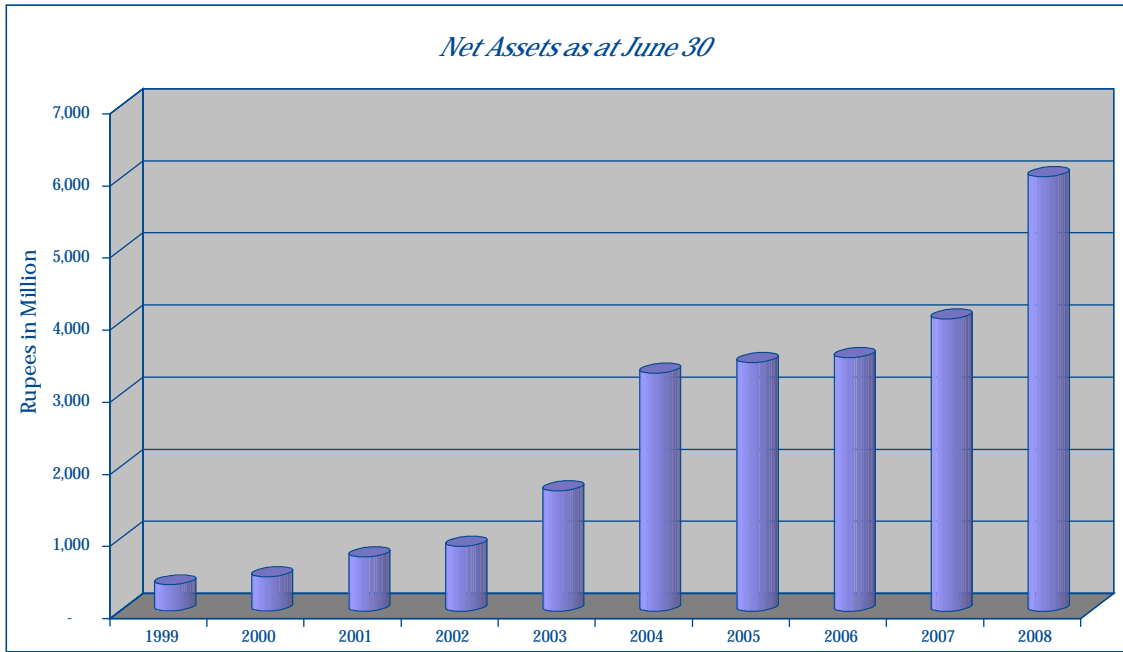
Important Information: The value of mutual fund investments may go up or down and are subject to market conditions. Past performance is not necessarily indicative of future results and annualized returns for period of less than one year can be misleading. JS Investments Limited (formerly JS ABAMCO Limited) 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.

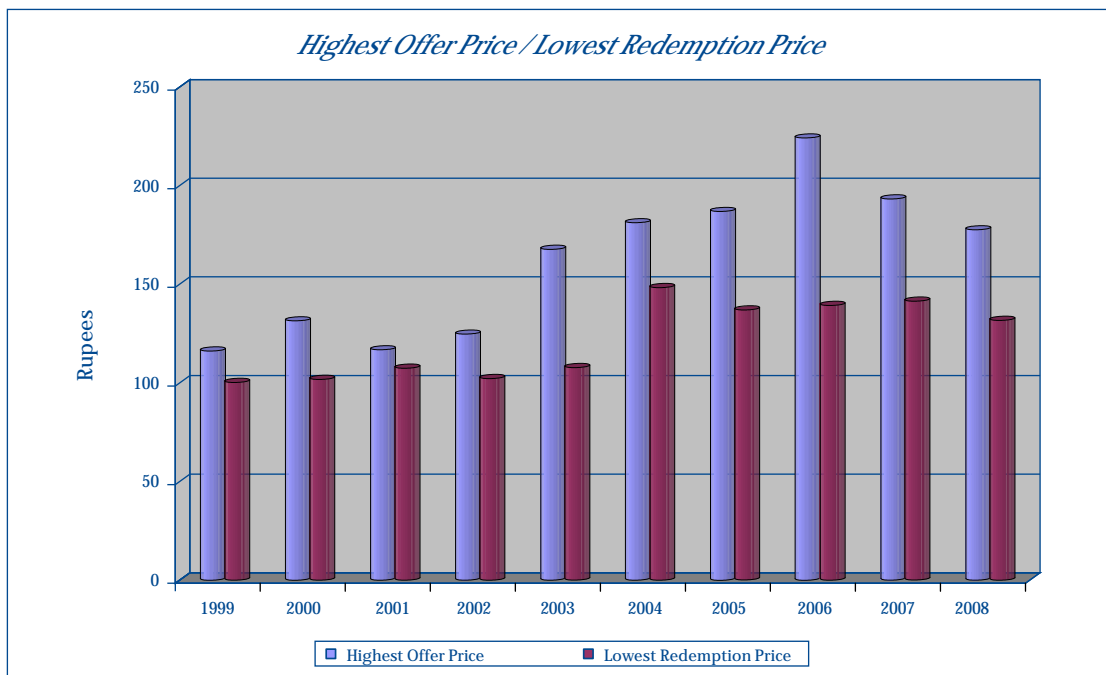
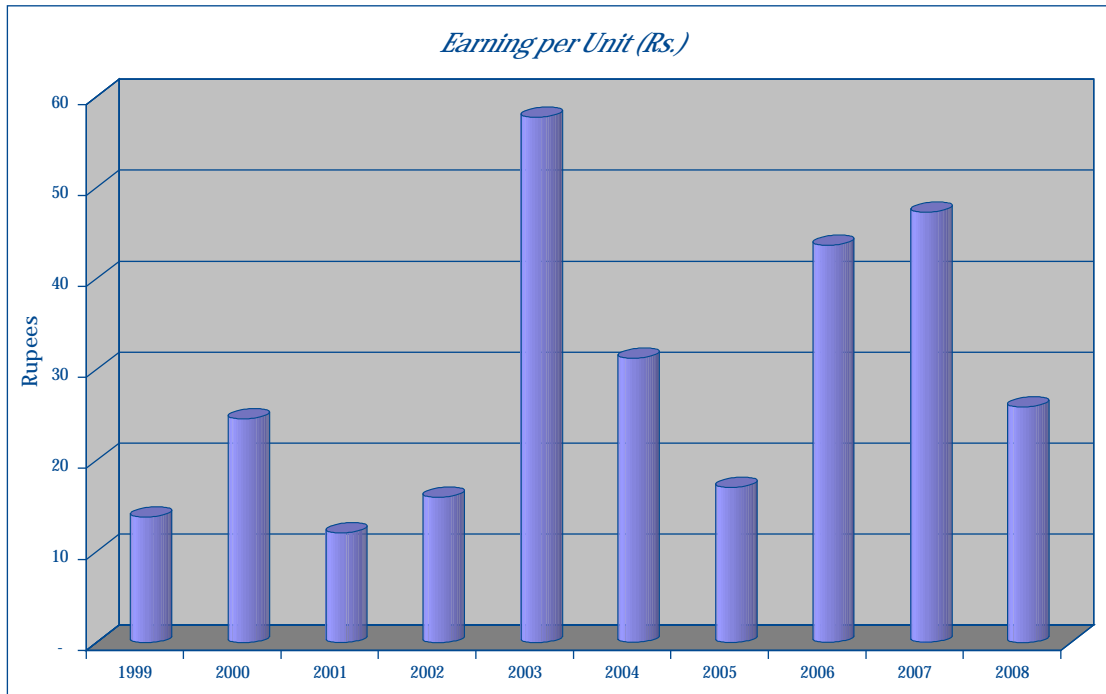
PERFORMANCE TABLE / KEY FINANCIAL DATA

	2,008	2007	2006	2005	2004	2003	2002	2001	2000	1999
(Rupees in million)										
Net assets	6,024	4,050	3,516	3,444	3,300	1,669	897	749	469	358
Total realized income	1,424	670	998	773	517	408	170	111	132	61
Total unrealized (loss)/ gain in portfolio	(273)	441	(78)	(325)	155	300	1	(2)	-	-
Total expenses	121	91	95	82	72	33	38	22	23	12
Net income	1,030	1,020	825	366	600	675	133	87	109	49
Total expense to net assets ratio (%)	2.01	2.25	2.70	2.38	2.18	1.98	4.24	2.94	4.90	3.35
Total dividend distribution	738	867	755	429	576	292	125	86	100	48
Outstanding Units										
Number of units in issue - June 30th	39,684,510	21,568,400	18,882,850	21,427,800	19,190,450	11,682,450	8,306,100	7,202,850	4,424,800	3,547,150
Data Per Unit										
Net assets value - Rupees (Ex- Dividend)	133.20	147.57	146.23	140.70	141.98	142.90	107.94	104.02	106.00	101.00
Net income - Rupees	26	47	44	17	31	58	16	12	25	14
Cash / stock dividend - Rupees	18.6	40.21	40.00	20.00	30.00	25.00	15.00	12.00	22.50	13.50
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	July 20, 2002	July 23, 2001	July 22, 2000	July 15, 1999
Dividend as % of NAV at the beginning of the year	12.60	27.50	28.43	14.09	20.99	23.16	14.42	11.32	22.28	13.48
Highest issue price during the year - Rupees	177.55	193.22	224.17	186.94	181.14	167.68	124.68	116.74	131.44	116.14
Lowest issue price during the year - Rupees	135.61	145.60	143.44	138.12	151.26	109.82	104.26	109.04	103.08	102.24
Higest redemption price during the year - Rupees	172.37	187.59	217.64	181.48	178.52	164.56	124.00	114.72	129.42	114.12
Lowest redemption price during the year - Rupees	131.66	141.36	139.24	136.80	148.28	107.66	102.20	107.38	101.70	100.22

Notes

- Unit Trust of Pakistan was launched on October 27, 1997.
- All previous figures have been restated wherever applicable due to change in par value from Rs. 5,000 to Rs.100 with effect from November 29, 2007.
- 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 (the Statement) contained in the Code of Corporate Governance prepared by the Board of Directors of the JS Investments Limited, the management company of Unit Trust of Pakistan (the Fund) to comply with the Listing Regulations of the Lahore Stock Exchange where the Fund is listed.

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

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

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

Karachi: September 15, 2008

Ford Rhodes Sidat Hyder & Co.
Chartered Accountants



STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

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

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

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

Unit Trust of Pakistan

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

Karachi: September 15, 2008

Muhammad Najam Ali
Chief Executive Officer



TRUSTEE REPORT TO THE UNIT HOLDERS

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

Unit Trust of Pakistan (Fund), an open-end scheme was established under a trust deed dated April 26, 1997 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 June 11, 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

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS

We have audited the accompanying financial statements of Unit Trust of Pakistan (the Fund), which comprise the statement of assets and liabilities as at 30 June 2008, and the related statements of income, distribution, cash flows and movement in unit holders' fund for the year then ended, and a summary of significant accounting policies and other explanatory notes. The financial statements of the Fund for the year ended 30 June 2007 were audited by another firm of chartered accountants, whose report dated 18 August 2007 expressed an unqualified opinion on such financial statements.

Management's responsibility for the financial statements

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

Auditors' responsibility

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

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

Opinion

In our opinion the financial statements give a true and fair view of the state of the Fund's affairs as at 30 June 2008 and of its financial performance, cash flows and transactions for the year then ended in accordance with approved accounting standards as applicable in Pakistan.

Other matters

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Trust Deed, the NBFC Rules and the NBFC Regulations.

Karachi: September 15, 2008

Ford Rhodes Sidat Hyder & Co.
Chartered Accountants



FINANCIAL STATEMENTS



Unit Trust of Pakistan

STATEMENT OF ASSETS AND LIABILITIES AS AT JUNE 30, 2008

	Note	2008	2007
		-----Rupees-----	
Assets			
Bank balances	7	855,133,477	1,285,313,044
Receivable against sale of securities		14,498,125	12,752,445
Investments	8	5,133,616,287	2,841,781,658
Dividend receivable		17,808,750	25,620,784
Accrued markup / interest		37,181,155	16,357,570
Deposits, prepayments and other receivables	9	5,283,575	1,950,242
Total assets		6,063,521,369	4,183,775,743
Liabilities			
Remuneration payable to the management company	10	9,657,812	6,445,752
Remuneration payable to the trustee	11	574,489	410,907
Payable against purchase of securities		-	56,384,289
Accrued and other liabilities	12	29,376,116	70,515,533
Total liabilities		39,608,417	133,756,481
Net assets		6,023,912,952	4,050,019,262
Unit holders' fund		6,023,912,952	4,050,019,262
			(Restated)
Number of units in issue	1.3	39,684,510	21,568,400
Net asset value per unit	1.3	151.80	187.78
Commitment	13	-	-

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

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

Muhammad Najam Ali
Chief Executive Officer

Munawar Alam Siddiqui
Chairman

Ali Raza Siddiqui
Executive Director

Unit Trust of Pakistan

INCOME STATEMENT FOR THE YEAR ENDED JUNE 30, 2008

	Note	2008	2007
-----Rupees-----			
Income			
Markup / interest income on investments, bank balances and term deposits	14	194,755,705	141,700,268
Dividend income		99,367,967	102,944,513
Net gain on sale / redemption of investments		222,592,658	347,730,818
Element of income / (loss) and capital gain / (loss) included in prices of units sold less those in units redeemed - net		<u>907,664,473</u>	<u>77,845,992</u>
		1,424,380,803	670,221,591
Net unrealised (loss) / gain on revaluation of investments and derivative		<u>(273,429,516)</u>	<u>440,864,402</u>
		1,150,951,287	1,111,085,993
Expenses			
Remuneration of the management company	10	94,289,876	73,292,397
Remuneration of the trustee	11	5,808,950	4,738,010
SECP annual fee	12.1	4,803,670	3,729,921
Brokerage and capital value tax		14,419,043	8,223,148
Listing fee		35,000	15,000
Annual fee to National Clearing Company of Pakistan Limited		161,666	-
Legal and professional charges		166,667	-
Bank and settlement charges		295,988	381,815
Auditors' remuneration	15	505,000	495,800
Printing and stationery		56,921	-
Fee to Mutual Fund Association of Pakistan (MUFAP)		-	31,099
		<u>120,542,781</u>	<u>90,907,190</u>
Net income for the year		<u><u>1,030,408,506</u></u>	<u><u>1,020,178,803</u></u>

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

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

Muhammad Najam Ali
Chief Executive Officer

Munawar Alam Siddiqui
Chairman

Ali Raza Siddiqui
Executive Director

**CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2008**

	2008	2007
	-----Rupees-----	
Cash flows from operating activities		
Net income for the year	1,030,408,506	1,020,178,803
Adjustments for:		
Net gain on sale / redemption of investments	(222,592,658)	(347,730,818)
Net unrealised loss / (gain) on revaluation of investments and derivative	273,429,516	(440,864,402)
Element of income / (loss) and capital gain / (loss) included in prices of units sold less those in units redeemed - net	<u>(907,664,473)</u>	<u>(77,845,992)</u>
	173,580,891	153,737,591
(Increase) / decrease in assets		
Dividend receivable	<u>7,812,034</u>	<u>(17,370,009)</u>
Accrued markup / interest	<u>(20,823,585)</u>	<u>(4,645,996)</u>
Deposits, prepayments and other receivables	<u>(3,333,333)</u>	<u>49,985,000</u>
	(16,344,884)	27,968,995
(Decrease) / increase in liabilities		
Remuneration payable to the management company	<u>3,212,060</u>	<u>(581,444)</u>
Remuneration payable to the trustee	<u>163,582</u>	<u>44,064</u>
Accrued and other liabilities	<u>(41,139,417)</u>	<u>53,106,163</u>
	<u>(37,763,775)</u>	<u>52,568,783</u>
	119,472,232	234,275,369
Sale / redemption of investments	8,766,663,295	5,518,652,213
Purchase of investments	<u>(11,168,236,657)</u>	<u>(4,974,424,263)</u>
Net cash (used in) / inflow from operating activities	<u>(2,282,101,130)</u>	<u>778,503,319</u>
Cash flows from financing activities		
Proceeds from issue of units	3,671,382,478	656,198,272
Payments on redemption of units	<u>(1,819,460,915)</u>	<u>(1,065,110,035)</u>
Net cash inflow from / (used in) financing activities	<u>1,851,921,563</u>	<u>(408,911,763)</u>
Net (decrease) / increase in cash and cash equivalent	(430,179,567)	369,591,556
Cash and cash equivalent at the beginning of the year	1,285,313,044	915,721,488
Cash and cash equivalent at the end of the year	<u><u>855,133,477</u></u>	<u><u>1,285,313,044</u></u>

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

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

Muhammad Najam Ali
Chief Executive Officer

Munawar Alam Siddiqui
Chairman

Ali Raza Siddiqui
Executive Director

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND
FOR THE YEAR ENDED JUNE 30, 2008

	Note	2008	2007
		-----Rupees-----	
Net assets as at the beginning of the year [Rs.187.78/- (2007: Rs.186.24/-) per unit] - as restated	1.3	4,050,019,262	3,516,598,214
Issue of 239,325* (2007: 187,208) units of Rs. 5,000/- each	1.3	852,523,021	656,198,272
Issue of 47,746,777** units of Rs. 100/- each		2,818,859,457	-
		3,671,382,478	656,198,272
Redemption of 64,218 (2007: 187,571) units of Rs. 5,000/- each	1.3	(461,746,158)	(1,065,110,035)
Redemption of 8,668,742 units of Rs. 100/- each		(1,357,714,757)	-
		(1,819,460,915)	(1,065,110,035)
Element of income / (loss) and capital gain / (loss) included in prices of units sold less those in units redeemed - net		(907,664,473)	(77,845,992)
Net income for the year		1,030,408,506	1,020,178,803
Net unrealised loss on revaluation of investments		(771,906)	-
Net assets as at the end of the year [Rs.151.80/- (2007: Rs.187.78/- as restated) per unit]	1.3	<u>6,023,912,952</u>	<u>4,050,019,262</u>

* Including 117,558 (2007: 103,303) units issued as bonus units during the year.

** Including 29,717,278 (2007: Nil) additional units issued upon change in par value of units as referred to in note 1.3.

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

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

Muhammad Najam Ali
Chief Executive Officer

Munawar Alam Siddiqui
Chairman

Ali Raza Siddiqui
Executive Director



**DISTRIBUTION STATEMENT
FOR THE YEAR ENDED JUNE 30, 2008**

	2008	2007
	-----Rupees-----	
Undistributed income brought forward	1,478,043,780	1,213,178,977
Distribution at the rate of Rs.2,010.70/- on the face value of Rs. 5,000/- per unit, declared on 07 July 2007 (2007: Rs.2,000/- on the face value of Rs. 5,000/- per unit, declared on 08 July 2006)	(867,352,146)	(755,314,000)
Net income for the year	1,030,408,506	1,020,178,803
Undistributed income carried forward	<u>1,641,100,140</u>	<u>1,478,043,780</u>

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

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

Muhammad Najam Ali
Chief Executive Officer

Munawar Alam Siddiqui
Chairman

Ali Raza Siddiqui
Executive Director

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

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Unit Trust of Pakistan (the Fund) was established under the Trust Deed executed on 26 April 1997 between ABAMCO Limited [now JS Investments Limited] as its management company and Muslim Commercial Financial Services (Private) Limited (MCFSL) as its trustee. The Fund was approved as an investment scheme by the Securities and Exchange Commission of Pakistan (SECP) on 09 June 1997 in accordance with the Asset Management Companies Rules, 1995 [subsequently repealed and replaced by the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003]. Central Depository Company of Pakistan Limited was appointed as trustee of the Fund on 11 June 2005 after voluntary resignation of MCFSL.
- 1.2 The Fund is an open ended mutual fund and offers units for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering them to the Fund. The units are listed on the Lahore Stock Exchange. As per offering document, the Fund shall invest in equity securities as well as debt securities including government securities, commercial papers and various other money market instruments.
- 1.3 Effective 29 November 2007, the management company of the Fund with the approval of the trustee and after necessary amendments in the trust deed, has reduced the par value of the units from Rs. 5,000/- to Rs. 100/- per unit. Accordingly, 606,475 outstanding units as of that date were split into 30,323,753 units and thereafter the units are being issued with a par value of Rs. 100/- each.

In view of the above, number of units in issue and net asset value per unit as of 30 June 2007 and 30 June 2006 have been restated on the basis of revised par value of the units for the purpose of comparison.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, the Non Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non Banking Finance Companies and Notified Entities Regulations, 2007 (the NBFC Regulations) and directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP differ with the requirements of IFRS, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the requirements of the said directives prevail.

3. BASIS OF MEASUREMENT

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Investments

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

All investments, are initially measured at fair value plus, in the case of investments not at fair value through income statement, transaction costs that are directly attributable to acquisition.

All regular way purchases / sales of investments are recognised on the trade date, i.e. the date on which the Fund commits to purchase / sell the investment. Regular way purchases / sales of investments require delivery of securities within two days after transaction date as per the stock exchange regulations.



Investments at fair value through income statement

These include held-for-trading investments and such other investments that, upon initial recognition, are designated under this category. Investments are classified as held-for-trading if they are acquired for the purpose of selling in the near term. After initial measurement, such investments are carried at fair value and gains or losses on revaluation are recognised in the income statement.

Held-to-maturity

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

Available-for-sale

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

Fair value of investments is determined as follows:

Listed shares

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

Mutual funds units

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

Debt securities

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

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

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

4.2 Derivatives

These are initially recognised at cost and are subsequently remeasured at their fair value. Derivatives with positive fair values (unrealised gains) are included in other assets and derivatives with negative fair values (unrealised losses) are included in other liabilities in the statement of assets and liabilities. The resultant gains and losses are included in the income currently.

4.3 Issue and redemption of units

Units are issued at the offer price prevalent on the day in which the units are issued. The offer price represents

the net assets value of units at the end of the day plus the allowable sales load. The sales load is payable to the distribution companies and the management company as processing fee. Issue of units is recorded on acceptance of application for sale.

Units redeemed are recorded at the redemption price prevalent during the day in which the units are redeemed. The redemption price represents the net asset value per unit at the close of the business day. Redemption of units is recorded on acceptance of application for redemption.

4.4 Revenue recognition

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

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

Interest on debt and government securities is recognised at the rate of return implicit in the instrument on a time proportionate basis.

Profit on bank balances and term deposits is recognised on accrual basis.

4.5 Element of income / (loss) and capital gain / (loss) in prices of units sold less those in units redeemed-net

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

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

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

4.6 Taxation

The Fund is exempt from taxation under clause 99 of the Part I of the 2nd Schedule of the Income Tax Ordinance, 2001, subject to the condition that not less than 90% of its accounting income excluding realised and unrealised capital gains for the year is distributed amongst the Fund's unit holders. The Fund intends to avail this exemption for current and future periods. Accordingly, no provision is made for current and deferred taxation in these financial statements.

4.7 Financial instruments

All financial assets and financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the contractual rights to receive cash flows related to the asset expire. Financial liabilities are derecognised when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gain or loss on derecognition of the financial assets and financial liabilities is taken to income currently.

4.8 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are only offset and the net amount reported in the statement of assets



and liabilities when there is a legally enforceable right to set off the recognised amount and the Fund intends to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

4.9 Distribution to unit holders

Distribution to unit holders is recognised upon declaration and approval by the Board of Directors of the management company.

4.10 Net asset value per unit

The net asset value per unit disclosed in the statement of assets and liabilities is calculated by dividing the net assets of the Fund by the number of units in issue at the year end.

4.11 Cash and cash equivalent

Cash and cash equivalent comprise bank balances and short term deposits.

5. ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

6. ACCOUNTING STANDARDS NOT YET EFFECTIVE

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

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

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

Unit Trust of Pakistan

	Note	2008	2007
-----Rupees-----			
7. BANK BALANCES			
Current accounts		5,000	5,000
PLS saving accounts	7.1	555,128,477	1,285,308,044
Term deposits	7.2	300,000,000	-
		855,133,477	1,285,313,044
7.1	These accounts carry profit rates ranging from 5% to 12.5% (2007: 5% to 11%) per annum and include balance of Rs. 107.827 (2007: 701) million with JS Bank Limited (a related party).		
7.2	These accounts carry profit rates ranging from 11.80% to 14% (2007: Nil) per annum and include balance of Rs. 100 million (2007: Nil) with JS Bank Limited (a related party). The deposits will mature by July 2008.		

	Note	2008	2007
-----Rupees-----			
8. INVESTMENTS			
At fair value through income statement			
Listed shares / mutual fund units	8.1	4,324,679,386	2,604,766,890
Listed term finance certificates	8.2	22,841,107	71,264,101
Unlisted term finance certificates	8.3	149,370,000	-
Government securities	8.4	-	-
Commercial papers	8.5	-	-
		4,496,890,493	2,676,030,991
Available-for-sale			
Listed term finance certificates	8.6	241,911,756	-
Unlisted term finance certificates	8.7	237,411,125	-
Commercial papers	8.8	94,922,913	-
		574,245,794	-
Held-to-maturity			
Unlisted term finance certificates	8.9	62,480,000	130,750,667
Application money for subscription of term finance certificates		-	35,000,000
Carrying value of investments as at 30 June 2008		5,133,616,287	2,841,781,658
Cost of investments as at 30 June 2008		5,136,675,730	2,304,592,092



	Number of shares				At the end of the year	Market value (Rupees)	% of total investments
	At the beginning of the year	Acquired during the year	Bonus / right shares received during the year	Disposed / redeemed during the year			
8.1 Listed shares / mutual fund units							
(Ordinary shares / units have a face value of Rs.10/- each unless stated otherwise)							
Mutual Funds - related parties							
JS Aggressive Income Fund (face value of Rs.100/- each)	-	1,227,044	-	244,810	982,234	100,993,325	1.97
JS Income Fund (face value of Rs.100/- each)	-	5,823,562	-	1,213,945	4,609,617	479,722,875	9.34
JS Value Fund Limited	6,258,199	1,000	-	500,000	5,759,199	111,325,317	2.17
UTP A30+ (face value of Rs.50/- each)	-	83,091	-	83,091	-	-	-
	6,258,199	7,134,697	-	2,041,846	11,351,050	692,041,517	13.48
Investments Banks / Companies / Securities							
Jahangir Siddiqui & Company Limited - related party	-	947,800	-	171,500	776,300	411,555,445	8.02
Commercial Banks							
Allied Bank Limited	400,000	150,000	-	550,000	-	-	-
Askari Bank Limited	1,300,000	1,125,000	-	2,425,000	-	-	-
Bank Al Falah Limited	600,200	2,100,000	-	800,200	1,900,000	78,014,000	1.52
Habib Bank Limited	-	100	-	100	-	-	-
MCB Bank Limited	57,500	972,500	-	1,030,000	-	-	-
National Bank of Pakistan	100,000	2,966,100	81,510	2,701,000	446,610	65,874,975	1.28
The Bank of Punjab	500,000	4,062,000	700,000	5,262,000	-	-	-
United Bank Limited	-	2,490,000	168,750	1,364,800	1,293,950	110,102,206	2.14
	2,957,700	13,865,700	950,260	14,133,100	3,640,560	253,991,181	4.94
Insurance							
Adamjee Insurance Company Limited	50,000	-	-	50,000	-	-	-
Textile composite							
Azgard Nine Limited	8,456,350	3,141,500	-	3,960,000	7,637,850	470,186,046	9.16
Nishat Mills Limited	1,650,200	1,150,000	-	2,600,200	200,000	17,194,000	0.33
	10,106,550	4,291,500	-	6,560,200	7,837,850	487,380,046	9.49
Cement							
D.G. Khan Cement Limited	-	2,746,000	-	2,095,000	651,000	43,708,140	0.85
Lucky Cement Limited	400,000	5,077,500	-	4,964,900	512,600	50,198,918	0.98
	400,000	7,823,500	-	7,059,900	1,163,600	93,907,058	1.83
Refinery							
Attock Refinery Limited	-	295,000	-	100,000	195,000	48,726,600	0.95
Power Generation & Distribution							
The Hub Power Company Limited	-	1,350,000	-	-	1,350,000	38,610,000	0.75
Oil & Gas Marketing Companies							
Pakistan Petroleum Limited	750,000	2,976,600	80,000	2,225,900	1,580,700	388,836,393	7.57
Pakistan State Oil Company Limited	351,000	2,555,100	-	1,830,800	1,075,300	448,658,172	8.74
	1,101,000	5,531,700	80,000	4,056,700	2,656,000	837,494,565	16.31
Oil & Gas Exploration Companies							
Oil & Gas Development Company Limited	1,950,000	1,731,000	-	3,256,000	425,000	52,853,000	1.03
Pakistan Oilfields Limited - related party	683,400	3,854,700	-	3,820,600	717,500	261,772,700	5.10
	2,633,400	5,585,700	-	7,076,600	1,142,500	314,625,700	6.13
Engineering							
DADEX Eternit Limited	1,051,000	-	-	1,051,000	-	-	-
Transport							
Pakistan International Container Terminal Limited	-	1,923,600	-	5,000	1,918,600	238,827,328	4.65
Technology and communication							
Pakistan Telecommunication Company Limited	2,008,500	4,121,000	-	2,325,000	3,804,500	147,005,880	2.86
TRG Pakistan Limited	-	2,150,000	-	-	2,150,000	13,437,500	0.26
	2,008,500	6,271,000	-	2,325,000	5,954,500	160,443,380	3.12
Fertilizer							
Engro Chemical Pakistan Limited	282,500	4,592,700	123,540	3,309,700	1,689,040	474,299,322	9.24
Fauji Fertilizer Bin Qasim Limited	4,650,000	6,236,000	-	7,885,000	3,001,000	107,945,970	2.10
Fauji Fertilizer Company Limited	725,000	1,129,200	-	1,854,200	-	-	-
	5,657,500	11,957,900	123,540	13,048,900	4,690,040	582,245,292	11.34
Chemical							
ICI Pakistan Limited	150,000	225,000	-	375,000	-	-	-
Paper and Board							
Packages Limited	425,025	144,000	85,353	-	654,378	164,831,274	3.21
						<u>4,324,679,386</u>	<u>84.24</u>

Unit Trust of Pakistan

Note	Number of certificates				Carrying value (Rupees)	% of total investments	
	At the beginning of the year	Acquired during the year	Disposed / redeemed during the year	At the end of the year			
8.2	Listed term finance certificates (Certificate of face value of Rs. 5,000/- each)						
	Bank Al-Habib Limited	5,000	-	5,000	-	-	
	MCB Bank Limited	6,038	-	6,038	-	-	
8.10	Pakistan Services Limited	747	-	-	747	536,077	0.01
8.11	Standard Chartered Bank (Pakistan) Limited	4,000	-	-	4,000	19,784,280	0.39
	Trust Leasing Corporation Limited (I)	568	-	568	-	-	-
8.12	Trust Leasing Corporation Limited (II)	1,000	-	-	1,000	2,520,750	0.05
						<u>22,841,107</u>	<u>0.44</u>
8.3	Un-listed term finance certificates (Face value of Rs. 5,000/- each)						
	Pakistan Mobile Communication Limited-I	-	30,000	30,000	-	-	-
8.13	Pakistan Mobile Communication Limited-II	-	30,000	-	30,000	149,370,000	2.91
						<u>49,370,000</u>	<u>2.91</u>
8.4	Government securities (Face value of Rs. 100,000/- each)						
	Market Treasury Bills	-	1,000	1,000	-	-	-
	Pakistan Investment Bonds	-	2,000	2,000	-	-	-
						<u>-</u>	<u>-</u>
8.5	Commercial papers (Face value of Rs. 100,000/- each)						
	WorldCall Telecom Limited	-	285	285	-	-	-
8.6	Listed term finance certificates (Face value Rs. 5,000/- each)						
8.14	Pak Arab Fertilizer Limited	-	8,617	-	8,617	43,011,756	0.84
8.15	United Bank Limited	-	60,000	20,000	40,000	198,900,000	3.87
						<u>241,911,756</u>	<u>4.71</u>
8.7	Un-listed term finance certificates (Certificate of face value of Rs. 5,000/- each)						
8.16	Pak American Fertilizer Limited	-	31,000	-	31,000	155,248,000	3.02
8.17	Engro Chemical Pakistan Limited	-	16,150	-	16,150	82,163,125	1.60
						<u>237,411,125</u>	<u>4.62</u>
8.8	Commercial papers (Face value Rs. 100,000/- each)						
8.18	Azgard Nine Limited	-	1,000	-	1,000	94,922,913	1.85
8.9	Un-listed term finance certificates (Face value of Rs. 5,000/- each)						
	Azgard Nine Limited	22,000	28,000	50,000	-	-	-
8.19	Escort Investment Bank Limited	5,000	-	-	5,000	12,490,000	0.25
8.20	Optimus Limited	-	10,000	-	10,000	49,990,000	0.97
						<u>62,480,000</u>	<u>1.22</u>



Unit Trust of Pakistan

- 8.10 These carry rate of mark-up equal to the State Bank of Pakistan discount rate plus 2.25% per annum with a floor of 9.75% and a cap of 13.75%, receivable semi-annually in arrears and will mature in November 2008. These are secured by way of first equitable mortgage at immovable assets of the issuer with 25% margin and first pari-passu charge by way of hypothecation over all current and future movable assets of the issuer with 25% margin. These have a rating of A.
- 8.11 These carry rate of mark-up equal to base rate KIBOR plus 0.75% per annum with a floor of 5% and cap of 10.75%, receivable semi-annually in arrears and will mature in January 2011. These are unsecured with a rating of AAA.
- 8.12 These carry rate of mark-up equal to ask rate KIBOR plus 200 basis points, receivable semi-annually in arrears and will mature in November 2010. These are secured by first charge by way of hypothecation over specific leased assets of the issuer with 25% margin. These have a rating of AA-.
- 8.13 These carry rate of mark-up equal to base rate KIBOR plus 1.30% per annum with a cap of 18.7%, receivable semi-annually in arrears and will mature in September 2010. These have a rating of AA- and are unsecured.
- 8.14 These carry rate of mark up equal to the simple average of six months' KIBOR plus 150 basis points per annum receivable semi annually in arrears and will mature in February 2013. These are secured by first pari pasu charge, along with 25% margin by way of hypothecation over all present and future plant and machinery. These have a rating of AA.
- 8.15 These carry rate of mark-up equal to the simple average of six months' KIBOR plus 85 basis points for the first five years and 135 basis points from six to ten years, receivable semi annually in arrears and will mature in February 2018. These are unsecured with a rating of AA.
- 8.16 These carry rate of mark up equal to the simple average of the last seven days of six months daily average KIBOR rates plus 175 basis points per annum, receivable semi annually in arrears and will mature in January 2015. These are secured by a substituted or additional mortgage, charge, lien or other encumbrance or security in favour of the trustee for the benefit of the TFC holders. These have a rating of A+.
- 8.17 These carry a mark-up equal to the simple average of the last seven days of ask side of six months daily average KIBOR rates plus 170 basis points per annum for the first 6 years, 190 basis points for 7th year, 210 basis point for 8th year, 230 basis points for 9th year and 250 basis point for 10th year receivable semi annually in arrears and will mature in March 2018. These are secured by a floating charge over present and future fixed assets (excluding land and building) of the issuer. These have a rating of AA.
- 8.18 These are unsecured and carry rate of mark-up on the basis of simple average nine months' KIBOR plus 1% per annum, receivable at maturity and will mature in November 2008.
- 8.19 These are unlisted and carry rate of mark-up equal to the base rate KIBOR plus 2.75% per annum with a floor of 5% and a cap of 10% receivable in arrears and will mature in September 2009. These are secured by way of first charge over the future and present current assets of the issuer excluding the shares pledged to the Karachi Stock Exchange. These have a rating of A+.
- 8.20 These are unlisted and carry rate of mark-up equal to base rate KIBOR plus 2.10% with a cap of 17.9% per annum, receivable on a semi annual basis in arrears and will mature in September 2012. These are secured by way of floating charge over current assets and hypothecation over the fixed assets of the issuer. These have a rating of A.

	2008	2007
	-----Rupees-----	
9. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES		
Security deposit with Central Depository Company of Pakistan Limited	100,000	100,000
Security deposit with National Clearing Company of Pakistan Limited	3,500,000	1,000,000
Prepaid annual fee to National Clearing Company of Pakistan Limited	833,333	-
Prepaid annual listing fee	30,000	30,000
Income tax recoverable	<u>820,242</u>	<u>820,242</u>
	<u>5,283,575</u>	<u>1,950,242</u>

Unit Trust of Pakistan

10. REMUNERATION PAYABLE TO THE MANAGEMENT COMPANY

The management company is entitled to a remuneration for services rendered to the Fund under the provisions of the NBFC Regulations, upto a maximum of 3% per annum based on the average annual net assets of the Fund during the first five years and 2% per annum based on such assets thereafter. Accordingly, the management company has charged 2% (2007: 2%) per annum based on such asset as remuneration in respect of the current year.

11. REMUNERATION PAYABLE TO THE TRUSTEE

The trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of trust deed as follows:

On net assets:

- up to Rs.1 billion Maximum of 0.2% per annum of the daily net assets of the Fund or Rs.0.7 million whichever is higher.
- exceeding Rs.1 billion Rs.2 million plus 0.1% per annum of the daily net assets of the Fund exceeding Rs.1 billion.

	Note	2008	2007
		-----Rupees-----	
12. ACCRUED AND OTHER LIABILITIES			
SECP annual fee payable	12.1	4,803,670	3,729,921
Sales load payable	12.2	19,647,956	291,902
Accrued expenses		926,881	1,698,273
Fair value of derivative		3,415,659	-
Unclaimed dividend		103,607	407,104
Payable against redemption of units		478,343	64,388,333
		<u>29,376,116</u>	<u>70,515,533</u>
12.1	Represents annual fee payable to SECP in accordance with the NBFC Regulations whereby the Fund is required to pay SECP an amount equal to one tenth of 1% of the average annual net assets of the Fund.		
12.2	Includes Rs.2,209,611/- (2007:Rs 93,545/-) payable to the management company.		
		2008	2007
		-----Rupees-----	
13. COMMITMENT			
Commitment in respect of future equity transactions		65,595,659	-
		<u>65,595,659</u>	<u>-</u>
14. MARKUP / INTEREST INCOME ON INVESTMENTS, BANK BALANCES AND TERM DEPOSITS			
Bank balances and term deposits		110,450,046	106,705,146
Term finance certificates		70,815,184	34,995,122
Government securities		8,030,831	-
Commercial papers		5,459,644	-
		<u>194,755,705</u>	<u>141,700,268</u>
15. AUDITORS' REMUNERATION			
Annual fee		275,000	250,000
Other services		170,000	161,800
Out of pocket expenses		60,000	84,000
		<u>505,000</u>	<u>495,800</u>



Unit Trust of Pakistan

16. TAXATION

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

17. TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

	2008	2007
	-----Rupees-----	
JS Investments Limited (management company)		
Issue of units	1,680,238	-
Redemption of units	1,680,238	-
Remuneration of the management company	94,289,876	73,292,397
Sales load	12,606,996	3,684,513
Central Depository Company Limited (trustee)		
Remuneration of the trustee	5,808,950	4,738,010
JS Global Capital Limited (group company)		
Brokerage commission paid	2,098,220	1,435,774
JS Bank Limited (group company)		
Profit earned on bank balances and term deposits	31,613,705	12,735,641
JS Fund of Funds (fund under common management)		
Issue of units	245,011,560	10,538,575
Redemption of units	119,716,964	28,648,424
Outstanding 770,639 (2007: Nil) units	117,003,988	-
JS Aggressive Income Fund (fund under common management)		
Purchase of units	125,084,893	-
Redemption of units	25,000,000	-
JS Income Fund (fund under common management)		
Purchase of units	600,000,000	-
Redemption of units	125,084,893	-
JS Value Fund Limited (fund under common management)		
Dividend	18,777,597	15,645,498
UTP A30 + Fund (fund under common management)		
Purchase of units	4,000,000	-
Redemption of units	4,158,704	-

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

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

18. FINANCIAL RISK MANAGEMENT POLICIES

18.1 INTEREST RATE RISK EXPOSURE

Interest rate risk is the risk that the value of the financial instrument will fluctuate due to changes in the market interest rates. The financial instruments which are subject to interest rate risk are repriced at intervals of less than one year in accordance with the terms of the instruments. The following table sets out the carrying amount, by maturity, of Fund's financial instruments that are exposed to interest rate risk:

	2008			2007		
	Within one month	Three months to one year	More than one year	Within one month	Three months to one year	More than one year
	Rupees					
Bank balances	855,128,477	-	-	1,285,308,044	-	-
Investments	-	95,458,990	713,477,911	-	109,934,000	127,080,768
	<u>855,128,477</u>	<u>95,458,990</u>	<u>713,477,911</u>	<u>1,285,308,044</u>	<u>109,934,000</u>	<u>127,080,768</u>

Effective interest rates of the above financial instruments are disclosed in the respective notes to the financial statements.

18.2 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price of securities due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. The Fund manages market risk by monitoring exposure on securities by following the internal risk management policies and investment guidelines approved by the Investment Committee and regulations laid down by the SECP.

18.3 Liquidity risk

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

18.4 Credit risk

Credit risk arises from the inability of the issuers of the instruments, the relevant financial institutions or counter party to fulfil their obligations. The Fund is exposed to credit risk on assets amounting to Rs.1,738,841,983/- as at 30 June 2008 (2007: 1,579,008,853). The Fund's policy is to enter into financial contracts in accordance with the internal risk management policies and investment guidelines approved by the Investment Committee.

Concentration of credit risk exists when changes in economic or industry factors affect the group of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund'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.

18.5 Capital management

The Fund's objective when managing unit holder's 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 unit holders and to ensure reasonable safety of capital. 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. The capital structure depends on the issuance and redemption of units.



19. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Fund is of the view that the fair market value of the financial assets and liabilities, are not significantly different from their carrying values as its assets and liabilities are essentially short term in nature and / or frequently repriced.

20. SUBSEQUENT EVENT - DISTRIBUTION TO UNIT HOLDERS

The Board of Directors of the management company in their meeting held on 09 July 2008 has approved distribution to unit holders at the rate of Rs. 18.6/- on the face value of Rs. 100/- per unit (2007: Rs. 2,010.70/- on the face value of Rs. 5,000/- per unit).

21. SUPPLEMENTARY NON FINANCIAL INFORMATION

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

22. GENERAL

22.1 Certain prior year's figures have been reclassified for the purpose of comparison.

22.2 Figures have been rounded off to the nearest Rupee.

23. DATE OF AUTHORISATION FOR ISSUE

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

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

Muhammad Najam Ali
Chief Executive Officer

Munawar Alam Siddiqui
Chairman

Ali Raza Siddiqui
Executive Director

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

ANNEXURE I

(i) UNIT HOLDING PATTERN OF THE FUND

Category	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	1,134	6,137,195	613,719,500	15.46%
Associated company/ director	2	771,692	77,169,200	1.94%
Insurance companies	6	2,311,301	231,130,100	5.82%
Banks / DFTs	4	4,609,213	460,921,300	11.61%
NBFC	1	155,726	15,572,600	0.39%
Retirement funds	164	15,058,977	1,505,897,700	37.95%
Public limited companies	3	24,732	2,473,200	0.06%
Others	40	10,615,674	1,061,567,400	26.75%
	<u>1,354</u>	<u>39,684,510</u>	<u>3,968,451,000</u>	<u>100.00%</u>

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

Name of broker	Percentage of commission paid
JS Global Capital Limited	9%
Fortune Securities Limited	7%
Investment Manager Securities (Private) Limited	7%
Atlas Capital Markets (Private) Limited	6%
KASB Securities Limited	6%
AAG Securities (Private) Limited	6%
Arif Habib Securities Limited	5%
Invest Capital and Securities (Private) Limited	5%
Invest & Finance Securities (Private) Limited	5%
Invisor Securities (Private) Limited	5%

(iii) THE MEMBERS OF THE INVESTMENT COMMITTEE

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

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

MR. MUHAMMAD NAJAM ALI

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

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

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



MR. ALI RAZA SIDDIQUI

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

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

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

SYED ATHER AHMED

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

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

MR. SAAD HASHMEY

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

MR. ATA RAHMAN

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

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

SYED NAVEED AHMED

Syed Naveed Ahmed joined the management company in June 2007 as an AVP (Fund Manager). Prior to this, he was working in Securities and Investments Company, Bahrain as a Portfolio Manager in the asset management department from January 2005 onwards. He was responsible for managing various funds / discretionary portfolio and was also involved in analyzing the GCC telecom sector. Prior to this, from November 2003 to January 2005, he was associated as a Research Analyst with Elixir Securities, Karachi. He earned his MBA from IBA in June 2003 and is a CFA Charter holder.

Presently Syed Naveed is also looking after two other funds namely, JS Capital Protected Fund and JS Value Fund Limited.

Unit Trust of Pakistan

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

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

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

(vi) RATING OF THE FUND AND THE MANAGEMENT COMPANY

The Pakistan Credit Rating Agency (PACRA) has assigned a "5-Star" fund rating to the Fund.

PACRA has awarded an "AM2+" asset manager rating to the management company.

Muhammad Najam Ali
Chief Executive Officer

Munawar Alam Siddiqui
Chairman

Ali Raza Siddiqui
Executive Director