

JS Income Fund (JS IF)

November 2019

MUFAP Recommended Format

Investment philosophy

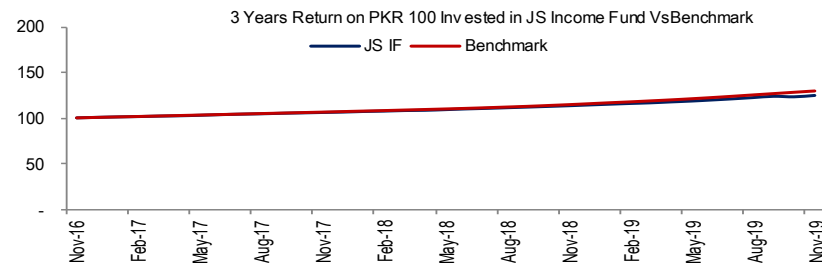
JS IF is an income fund that aims to preserve investor's capital while providing a regular stream of current income on an annual basis which is higher than that offered by commercial banks on deposits of a similar liquidity profile as this fund. The fund operates a diverse portfolio of investment-grade debt securities, government securities and money market instruments. The fund may maintain liquidity in the form of spread transactions and bank deposits.

Key information

Fund type	Open end
Category	Income Fund Scheme
Fund launch date	26 August, 2002
Net Assets (PKR mn)	2,439.56
Net Assets Excluding JSIL FoFs (PKR mn)	2,439.56
NAV (PKR)	99.44
Benchmark	BM IF #
Management fee	0.75% (Exclusive of SST)
Front-end Load	2.00%
Back-end Load	NIL
Pricing mechanism	Forward
Trustee	MCB Financial Services Ltd
Dealing Days & Cut-off time	(Monday to Friday) 3:00 p.m.
Auditor	Grant Thornton Anjum Rahman & Co
Risk profile	Low To Moderate
Listing	PSX
Fund stability rating (PACRA)	A+ (f)
Leverage	NIL
Management Quality Rating	AM2 by JCR-VIS

Investment Committee Members

Mr. Hasnain Raza Nensey - CEO
 Mr. Zahid Ullah Khan - CIO
 Mr. Khawar Iqbal - Director Finance
 Mr Asim Ilyas - Fund Manager
 Mr. Syed Ali Turab Alvi - CSO



Non Compliant Investments under Circular 16/2010

Name of Investment	Type	Value before provision	Provision held (if any)	Value after provision	% of Net Assets	% of Gross Assets
Azgard Nine ^a	TFC	6,661,110	(6,661,110)	-	-	-
Azgard Nine ^b	PPTFCs	31,980,766	(31,980,766)	-	-	-
AgriTech Ltd. ^c	Sukuk	59,572,782	(59,572,782)	-	-	-
AgriTech Ltd. ^d	PPTFC	-	-	-	-	-
Dewan Cement ^e	TFC	50,000,000	(49,990,000)	10,000	0.00	0.00
Azgard Nine ^f	PPTFC	-	-	-	-	-

a) The fund has made a full provision against the principal amount in accordance with the requirements of regulatory body & the provisioning policy of the Fund. (b) The CP of ANL has been settled through issuance of 15,000 PPTFCs in the name of the Fund. These PPTFCs have been restructured however, the mgt. as a matter of prudence has maintained the provision against the said PPTFCs. In lieu of restructuring of Azgard Nine existing debt securities, AgriTech pledge shares has been credited in Faysal Bank (Trustee of the Issuer) CDS account. These shares are booked and marked to market accordingly. (c) The fund has made a full provision against the principal amount in accordance with the requirements of Circular 1 & the provisioning policy of the Fund. (d) The fund has made a full provision against the principal amount of AgriTech Limited's Sukuk in accordance with the requirements of Circular 1 of 2009 issued by the SECP and the provisioning policy of the Fund. The fund has received AgriTech Limited's PPTFC of face value of Rs. 11,245 million against interest due on AgriTech Limited's Sukuk which is not recognized as income by the Fund and these PPTFCs are valued at zero. (e) Non rated securities. (f) The fund received 4,827 zero coupon PPTFCs against interest receivable of listed and unlisted TFCs. Since these PPTFCs are received against already defaulted securities and have non-performing status in MUFAP, therefore the management as a matter of prudence maintained the provision against the said PPTFCs. These PPTFCs are valued at zero but cost is carried at 24,135,000.

Statistical analysis

	Fund	BM	Fund	BM
Standard Deviation*	4.0%	1.0%	Largest Month Gain	3.7%
Expense Ratio**	1.71%		Largest Month Loss	-10.3%
Duration (Yr)	0.05		% Positive Months	93.3%
WAM (Yr)	1.60			100.0%

* Since inception

** This is annualized and includes 0.42% government levy, Sindh Worker's Welfare Fund and SECP fee.

Performance (%)

	1M	1Y	3Y**	5Y**	Launch**
Fund	14.31	9.74	7.43	7.69	8.00
Benchmark	13.49	12.35	8.63	7.94	8.75
Difference	0.82	(2.62)	(1.20)	(0.25)	(0.75)

NAV to NAV return with dividend reinvestment.

**Average Annualized Returns as per Morning Star formula

Monthly performance (%)

	FY20	FY19	FY18	FY17	FY16
July	11.96	6.32	6.02	13.78	11.50
August	13.17	7.49	4.40	5.72	5.82
September	13.54	7.45	6.41	7.13	3.69
October	-5.04	7.53	4.60	5.17	3.31
November	14.31	7.85	5.36	9.04	5.95
December		8.75	4.68	6.66	6.58
January		8.40	7.07	5.32	3.76
February		8.82	4.92	4.82	9.81
March		7.04	6.58	5.75	6.23
April		10.34	2.99	4.10	0.86
May		9.21	7.69	6.17	11.44
June		11.92	8.56	8.03	4.86
YTD	9.66	8.74	5.93	7.04	6.33
Benchmark	13.74	10.21	6.54	6.27	6.70
Difference	-4.07	-1.47	-0.60	0.76	-0.37

Performance data does not include the cost incurred directly by an investor in the form of sales load etc. NAV to NAV return with dividend reinvestment.

Asset Allocation (%)

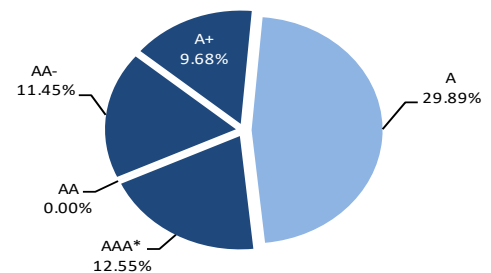
	Nov-19	Oct-19
Cash	36.04	69.51
Placement with Banks and DFIs	-	-
TFCs / Sukkuks	18.05	24.51
T Bills	-	-
PIBs	9.48	2.54
MTS / Spread Transactions	0.61	-
Other including receivables	35.81	3.44
Total	100.00	100.00

Amount invested by fund of funds is PKR. 0 mn

Top Holdings - TFC/Sukuks (%age of total assets)

	Nov-19
JS Bank Limited -TFC 14-Dec-16	9.66
ASPIN PHARMA (PVT) LTD 30-NOV-17	5.35
Byco Oil Pakistan Limited 17-Jan-17	3.05
Dewan Cement	0.00

Asset quality (%age of total assets)



* Govt. securities (9.48%)

Disclosure for Sindh Workers' Welfare Fund (SWWF)

The scheme has maintained provisions against Sindh Workers' Welfare Fund's liability to the tune of Rs. 10,346,614/-. If the same were not made the NAV per unit/return of scheme would be higher by Re. 0.42/0.42%. For details investors are advised to read the Note 14.1 of the latest Financial Statements of the Scheme.

1 Annualized returns are based on MUFAP recommended methodology.

#The performance benchmark of the Fund shall be 'Average Return of Six (6) months KIBOR for any period of return. Effective from September 01 2016: Previously 40% 1 Year PKRV rate + 60% 6M kibar.

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