Global Investment Performance Standards (GIPS)

Compliant Performance Presentation & Reporting

As at June 30, 2017

JS Investments Limited
GIPS Compliant Presentation
JS Equity Composite
From January 2012 to June 2017

Composite Name: JS Equity Composite					**Benchmark:** KSE – 30 Index			
Composite Creation Date: December 31, 2016					**Reporting Currency:** Pakistani Rupees (PKR)			
Year	Composite Net Return (%)	Benchmark Return (%)	Composite 3-Yr St Dev (%)	Benchmark 3-Yr St Dev (%)	Number of Portfolios	Composite Assets	Total Firm's Assets	% of Firm Assets
6M CY 2017	2.29	(6.19)	18.73	19.10	<5	4,870,131,218	13,254,506,222	36.74%
CY 2016	40.04	34.07	17.91	18.37	<5	5,241,879,666	13,414,216,175	39.08
CY 2015	2.56	(7.17)	20.69	20.30	5	4,434,920,671	9,428,617,044	47.04
CY 2014	27.38	10.43	16.48	15.76	<5	4,859,741,427	10,785,647,392	45.06
CY 2013	63.76	36.65	17.64	18.51	<5	7,376,765,797	12,823,003,611	57.53
CY 2012	56.87	35.22	16.48	17.74	<5	6,453,037,696	12,311,148,168	52.42

Compliance Statement

"JS Investments Limited claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. JS Investments Limited (JSIL, the Firm) has not been independently verified."

Definition of the Firm

The Firm is a public listed company incorporated in Karachi - Pakistan and is listed on the Pakistan Stock Exchange (formerly, Karachi Stock Exchange). JSIL is a subsidiary of "JS Bank Limited" and is engaged in the business of providing Asset Management and Investment Advisory

Services. The definition of the Firm includes all Funds under its management and all fee – paying and non – fee – paying discretionary and non – discretionary portfolios.

Policies

The Firm's policies for valuing Portfolios, calculating performance, and preparing compliant presentations are available upon request.

Composite Description

JS Equity Composite primarily participates in high yielding equity securities aiming at maximizing the investment return derived from capital appreciation and dividend income by prudent investment management. Further, to benefit from changing micro and macro economic conditions and/ or to limit the downside risk, the Fund Manager may seek short term opportunities in authorized fixed income and money market instruments. The Composite comprises of three portfolios of Collective Investment Scheme (CIS), namely JS Large Cap Fund (JS LCF), JS Value Fund (JS VF) and JS Growth Fund (JS GF), one portfolio of Voluntary Pension Scheme (VPS), namely JS Pension Saving Equity Sub Fund (JS PSEF) and one discretionary portfolio which is now inactive as at June 30, 2017.

Benchmark

The benchmark of JS Equity Composite is KSE – 30 Index.

List of Composites

The Firm's list of composite descriptions is available upon request.

Significant Event

1. The Finance Act, 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes / mutual funds (CISs) whose income exceeds Rs.0.5 million in a tax year, have been brought within the scope of the 'WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the Honorable High Court of Sindh (SHC), challenging the applicability of WWF to the CISs, which is pending adjudication.

Subsequent to the year ended June 30, 2010, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) which stated that mutual funds are not liable to contribute to WWF on the basis of their income. This clarification was forwarded by Federal Board of Revenue (FBR) (being the collecting agency of WWF on behalf of the Ministry) to its members for necessary action through letter dated October 6, 2010.

Based on this clarification, the FBR also withdrew notice of demand which it had earlier issued to one of the mutual funds for collection of WWF. Notices of demand have also been issued to several other mutual funds and the matter has been taken up by the respective mutual funds with the FBR for their withdrawal on the basis of the above referred clarification of the Ministry. However, the Secretary (Income Tax Policy) Federal Board of Revenue vide letter dated January 04, 2011 subsequently cancelled ab-initio the clarification letter dated October 06, 2010 on applicability of WWF on mutual funds.

On December 14, 2010, the Ministry had filed its response against the constitutional petition requesting the SHC to dismiss the petition. According to the legal counsel who is handling the case, there is a contradiction between the aforementioned clarification issued by the Ministry and the response filed by the Ministry in the SHC.

On November 10, 2016, the Supreme Court of Pakistan (SCP) passed a judgement which upheld the view of Lahore High Court (LHC), declaring also the insertion of amendments introduced in the Finance Acts 2006 and 2008 pertaining to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance), as unlawful. In view of the decision by the SCP, MUFAP on behalf of all AMCs obtained a legal opinion dated December 05, 2016 on the matter and according to the opinion, there is no longer any basis in law to claim WWF payments from Mutual Funds under the WWF Ordinance. After further deliberating the position MUFAP in its Extra Ordinary General Meeting (EOGM) held on January 12, 2017 decided that the provision for WWF held for the period from January 01, 2013 to June 30, 2015 should be reversed effective January 12, 2017. Subsequently JS GF, JS VF, JS LCF and JS PSF – E reversed provision against WWF to the tune of Rs. 91,288,041/-, Rs, 39,130,068/-, Rs. 45,687,183/- and Rs. 2,217,322 /- respectively.

Furthermore, as a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but was pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP has taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF.

MUFAP has also taken a legal opinion that SWWF, if applicable, can only be applied from the date of enactment of SWWF Act, 2014, i.e. May 21, 2015. For the purpose, MUFAP as an abundant caution decided that provision in respect of SWWF should be made effective from the date of enactment. Consequently, the provision for SWWF is being made on daily basis going forward from January 12, 2015; subsequently JS GF, JS VF, JS LCF and JS PSF – E have maintained provision against SWWF to the tune of Rs. 18,411,165/-, Rs, 8,143,946/-, Rs. 5,875,542/- and 1,887,695/- respectively.

2. During the period, the SECP granted its approval under regulation 58(1)(m) of the Non Banking Finance Companies and Notified Entities Regulations, 2008 read with Circular No. 20 dated 23 June 2009 for the merger of JS KSE 30 Index Fund (JS KSE 30) and JS Aggressive Assets Allocation Fund (JS AAAF) with and into JS LCF (" the Surviving Scheme"). Consequently, the whole undertakings of JS KSE 30 and JS AAAF, which includes all assets, rights, liabilities, bank balances, obligations, mandates, undertaking, securities, contracts documents, records etc. were transferred to and vested in JS LCF form October 02, 2015 ("effective date of merger").

3. Pursuant to the special resolution passed at a generals meeting of certificate holders and subsequent approval from SECP, JS GF and JS VF were converted into Open – end schemes with effect from July 20, 2013 and June 28, 2013 respectively, during the period. The status of Certificate Holders were automatically stand changed to Initial Unit Holders and all existing Shares issued under the closed end scheme were converted into Initial Units in the ratio of 10:1 i.e. against ten shares of closed end Fund each of Rs. 10 into one unit of open end scheme of Rs. 100 was issued.

<u>Fees</u>

Returns are calculated and presented net of all fees/ expenses that includes custodial expenses, SECP fee, listing fee, Management Fee, Trading Expenses etc.

<u>Fee Schedule</u>

Management Fee is 2.00% for JS VF, JS GF and JS LCF;

Management Fee is 1.50% for JS PSEF.

Minimum Portfolio Size

The Minimum portfolio size for inclusion in the composite is as follows;

For portfolios of CIS (Funds)	Rs. 100 Million
For other portfolio	Rs. 3 Million*

**The minimum asset level for other portfolio is changed from Rs. 5 million to Rs. 3 million*

Internal Dispersion

Since number of Portfolios in the composite is less than five for the entire (full) year therefore calculation of internal dispersion is not required.

Key Assumption for Portfolio valuation

Following are the key assumptions used in portfolio valuation;

Financial instruments

All the financial assets and liabilities are recognized at the time when the Portfolio becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the contractual rights to receive cash flows related to the asset expire. Financial liabilities are derecognized when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gain or loss on derecognizing of the financial assets and liabilities is taken to the income statement in the period in which it arises.

Revenue recognition

Capital gains of a security are accounted for in the period in which they arise. Dividend income is recognized when the right to receive them is established. Income on bank deposits is recognized on accrual basis, and adjustments (if required) are made on receipt of actual profit.

Proprietary Assets in the Composite

The composite contains the proprietary investments of JS Investments Limited (JSIL) as at June 30, 2017.

Liability for Income Tax

Under the income tax law in Pakistan, the Fund is regarded as a public company for tax purposes. The income of the Fund is taxable, if 90% distribution is not made among the unit holders, certificate holders or shareholders as the case may be. The tax is chargeable at the rate applicable to a public company, which is presently as under:

(a) Dividend income is taxable at the applicable tax rate as provided in Income Tax Ordinance, 2001 for public companies on gross income basis.

(b) Capital gains arising on sale of securities, listed on any stock exchange in Pakistan at applicable tax rates in accordance with the Income Tax Ordinance, 2001;

Returns from all other sources/instruments are taxable at the rate applicable to a public company.

Liability for Income Tax, if ninety per cent (90%) of the Fund's income is paid as dividend

Notwithstanding the tax rates and withholding tax the income of the Fund will be exempt from tax, if not less than ninety per cent (90%) of the income for the year is distributed amongst the Unit Holders as dividend. This includes only cash dividend as consequent to amendments in Income Tax Ordinance, 2001 through Finance Act, 2014, for the purpose of determining distribution of at least 90% of accounting income, the income distributed through bonus shares, units or certificates as the case may be, shall not be taken into account. The ninety per cent (90%) of the income shall be calculated after excluding capital gains and as reduced by such expenses as are chargeable to the Fund under the Regulations.

Withholding Tax

Under the provisions of Clause 47(B) of Part – iv of the Second Schedule to the Income Tax Ordinance, 2001, the Fund's income namely, dividend, profit on government securities, return on deposits/certificates of investment with banks/financial institutions, profits from money market transactions, profit from Profit or Loss sharing accounts with Banks of the Fund will not be subject to any withholding tax. Provided that exemption certificate, under section 150 & 151 of the Income Tax Ordinance, 2011, have been duly obtained by the CIS and approved Pension Schemes.

Taxation of Unit Holders and Liability to Zakat

(a) Withholding Tax:

Unless exempted from such taxation or at a reduced rate under any law or Avoidance of Double Taxation Agreement, cash dividend paid to Unit holders of the Fund will be subject to withholding tax as per the prevailing tax law.

In terms of the provisions of the Income Tax Ordinance, 2001, the withholding tax shall be deemed to be full and final liability in respect of such distribution.

(b) Capital Gains:

Capital Gains arising on disposition of Units of the Fund subject to withholding Capital Gains Tax (CGT) at the applicable rates given in the Income Tax Ordinance, 2001 (ITO).There shall be no CGT, if holding period is more than 48 months (4 years). As per section 37(A) of the Income Tax Ordinance, 2001, Capital gains shall be treated as a separate block of income and losses under this head can be adjusted by the unit holder from the capital gains in the same tax year. Any unadjusted loss under this head is not allowed to be carried forward to the subsequent tax years.

JS Investments Limited
GIPS Compliant Presentation
JS Islamic Equity Composite
From January 2012 to June 2017

Composite Name: JS Islamic Equity Composite					**Benchmark:** KMI – 30 Index			
Composite Creation Date: December 31, 2016					**Reporting Currency:** Pakistani Rupees (PKR)			
Year	Composite Net Return (%)	Benchmark Return (%)	Composite 3-Yr St Dev (%)	Benchmark 3-Yr St Dev (%)	Number of Portfolios	Composite Assets	Total Firm's Assets	% of Firm Assets
6M CY 2017	3.93	(3.91)	20.51	18.24	<5	1,834,523,061	13,254,506,222	13.84
CY 2016	51.65	47.10	20.12	16.98	<5	1,268,732,583	13,414,216,175	9.46
CY 2015	7.75	9.60	22.36	17.65	<5	885,293,907	9,428,617,044	9.39
CY 2014	48.22	19.57	19.57	14.27	<5	562,499,153	10,785,647,392	5.22
CY 2013	54.64	45.68	20.06	16.51	<5	450,251,677	12,823,003,611	3.51
CY 2012	53.22	44.63	18.43	15.85	<5	378,858,403	12,311,148,168	3.08

Compliance Statement

"JS Investments Limited claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. JS Investments Limited (JSIL, the Firm) has not been independently verified."

Definition of the Firm

The Firm is a public listed company incorporated in Karachi - Pakistan and is listed on the Pakistan Stock Exchange (formerly, Karachi Stock Exchange). JSIL is a subsidiary of "JS Bank Limited" and is engaged in the business of providing Asset Management and Investment Advisory

Services. The definition of the Firm includes all Funds under its management and all fee – paying and non – fee – paying discretionary and non – discretionary portfolios.

Policies

The Firm's policies for valuing Portfolios, calculating performance, and preparing compliant presentations are available upon request.

Composite Description

JS Islamic Equity Composite aims to maximize total returns along with capital gain that includes a combination of capital appreciation and dividend income. Portfolio(s) in the composite are required to take exposure in listed equity stocks approved by the Shariah Advisors. The composite invests primarily in Shariah compliant equity securities and can also deposit cash with Islamic Banks/ Islamic windows of commercial banks. The composite comprises of one portfolio of Collective Investment Scheme (CIS), namely JS Islamic Fund (JS ISF), one portfolio of Voluntary Pension Scheme (VPS), namely JS Islamic Pension Saving Equity Sub Fund (JS IPSEF), and one discretionary portfolio.

Benchmark

The benchmark of JS Islamic Equity Composite is KMI – 30 Index.

List of Composites

The Firm's list of composite descriptions is available upon request.

Significant Event

1. The Finance Act, 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes / mutual funds (CISs) whose income exceeds Rs.0.5 million in a tax year, have been brought within the scope of the 'WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the Honorable High Court of Sindh (SHC), challenging the applicability of WWF to the CISs, which is pending adjudication.

Subsequent to the year ended June 30, 2010, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) which stated that mutual funds are not liable to contribute to WWF on the basis of their income. This clarification was forwarded by Federal Board of Revenue (FBR) (being the collecting agency of WWF on behalf of the Ministry) to its members for necessary action through letter dated October 6, 2010. Based on this clarification, the FBR also withdrew notice of demand which it had earlier issued to one of the mutual funds for collection of WWF.

Notices of demand have also been issued to several other mutual funds and the matter has been taken up by the respective mutual funds with the FBR for their withdrawal on the basis of the above referred clarification of the Ministry. However, the Secretary (Income Tax Policy) Federal Board of Revenue vide letter dated January 04, 2011 subsequently cancelled ab-initio the clarification letter dated October 06, 2010 on applicability of WWF on mutual funds.

On December 14, 2010, the Ministry had filed its response against the constitutional petition requesting the SHC to dismiss the petition. According to the legal counsel who is handling the case, there is a contradiction between the aforementioned clarification issued by the Ministry and the response filed by the Ministry in the SHC.

On November 10, 2016, the Supreme Court of Pakistan (SCP) passed a judgement which upheld the view of Lahore High Court (LHC), declaring also the insertion of amendments introduced in the Finance Acts 2006 and 2008 pertaining to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance), as unlawful. In view of the decision by the SCP, MUFAP on behalf of all AMCs obtained a legal opinion dated December 05, 2016 on the matter and according to the opinion, there is no longer any basis in law to claim WWF payments from Mutual Funds under the WWF Ordinance. After further deliberating the position MUFAP in its Extra Ordinary General Meeting (EOGM) held on January 12, 2017 decided that the provision for WWF held for the period from January 01, 2013 to June 30, 2015 should be reversed effective January 12, 2017. Subsequently JS ISF and JS IPSEF reversed provision against WWF to the tune of Rs. 12,977,854/- and Rs. 2,126,229/- respectively.

Furthermore, as a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP has taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF.

MUFAP has also taken a legal opinion that SWWF, if applicable, can only be applied from the date of enactment of SWWF Act, 2014, i.e. May 21, 2015. For the purpose, MUFAP as an abundant caution decided that provision in respect of SWWF should be made effective from the date of enactment. Consequently, the provision for SWWF is being made on daily basis going forward from January 12, 2015; subsequently JS ISF and JS IPSEF have maintained provision against SWWF to the tune of Rs. 9,243,107/- and Rs. 1,285,552/- respectively.

Fees

Returns are calculated and presented net of all fees/ expenses that includes custodial expenses, SECP fee, listing fee, Management Fee, Trading Expenses etc

Fee Schedule

Management Fee is 2.00 for JS ISF; and

Management Fee is 1.50% for JS IPSEF

Minimum Portfolio Size

The Minimum portfolio size for inclusion in the composite is as follows;

For portfolios of CIS (Funds)	Rs. 100 Million
For other portfolio	Rs. 3 Million*

**The minimum asset level for other portfolio is changed from Rs. 5 million to Rs. 3 million*

Internal Dispersion

Since number of Portfolios in the composite is less than five for the entire (full) year therefore calculation of internal dispersion is not required.

Key Assumption for Portfolio valuation

Following are the key assumptions used in portfolio valuation;

Financial instruments

All the financial assets and liabilities are recognized at the time when the Portfolio becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the contractual rights to receive cash flows related to the asset expire. Financial liabilities are derecognized when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gain or loss on derecognizing of the financial assets and liabilities is taken to the income statement in the period in which it arises.

Revenue recognition

Capital gains of a security are accounted for in the period in which they arise. Dividend income is recognized when the right to receive them is established. Income on bank deposits is recognized on accrual basis, and adjustments (if required) are made on receipt of actual profit.

Proprietary Assets in the Composite

The composite contains the proprietary investments of JS Investments Limited (JSIL) as at June 30, 2017.

Liability for Income Tax

Under the income tax law in Pakistan, the Fund is regarded as a public company for tax purposes. The income of the Fund is taxable, if 90% distribution is not made among the unit holders, certificate holders or shareholders as the case may be. The tax is chargeable at the rate applicable to a public company, which is presently as under:

(a) Dividend income is taxable at the applicable tax rate as provided in Income Tax Ordinance, 2001 for public companies on gross income basis.

(b) Capital gains arising on sale of securities, listed on any stock exchange in Pakistan at applicable tax rates in accordance with the Income Tax Ordinance, 2001;

Returns from all other sources/instruments are taxable at the rate applicable to a public company.

Liability for Income Tax, if ninety per cent (90%) of the Fund's income is paid as dividend

Notwithstanding the tax rates and withholding tax the income of the Fund will be exempt from tax, if not less than ninety per cent (90%) of the income for the year is distributed amongst the Unit Holders as dividend. This includes only cash dividend as consequent to amendments in Income Tax Ordinance, 2001 through Finance Act, 2014, for the purpose of determining distribution of at least 90% of accounting income, the income distributed through bonus shares, units or certificates as the case may be, shall not be taken into account. The ninety per cent (90%) of the income shall be calculated after excluding capital gains and as reduced by such expenses as are chargeable to the Fund under the Regulations.

Withholding Tax

Under the provisions of Clause 47(B) of Part – iv of the Second Schedule to the Income Tax Ordinance, 2001, the Fund's income namely, dividend, profit on government securities, return on deposits/certificates of investment with banks/financial institutions, profits from money market transactions, profit from Profit or Loss sharing accounts with Banks of the Fund will not be subject to any withholding tax. Provided that exemption certificate, under section 150 & 151 of the Income Tax Ordinance, 2011, have been duly obtained by the CIS and approved Pension Schemes.

Taxation of Unit Holders and Liability to Zakat

(a) Withholding Tax:

Unless exempted from such taxation or at a reduced rate under any law or Avoidance of Double Taxation Agreement, cash dividend paid to Unit holders of the Fund will be subject to withholding tax as per the prevailing tax law.

In terms of the provisions of the Income Tax Ordinance, 2001, the withholding tax shall be deemed to be full and final liability in respect of such distribution.

(b) Capital Gains:

Capital Gains arising on disposition of Units of the Fund subject to withholding Capital Gains Tax (CGT) at the applicable rates given in the Income Tax Ordinance, 2001 (ITO).There shall be no CGT, if holding period is more than 48 months (4 years). As per section 37(A) of the Income Tax Ordinance, 2001, Capital gains shall be treated as a separate block of income and losses under this head can be adjusted by the unit holder from the capital gains in the same tax year. Any unadjusted loss under this head is not allowed to be carried forward to the subsequent tax years.

JS Investments Limited
GIPS Compliant Presentation
JS Balanced Composite
From January 2012 to June 2017

Composite Name: JS Balanced Composite					**Benchmark:** 50% KSE 30 – index + 50% 6M KIBOR			
Composite Creation Date: December 31, 2016					**Reporting Currency:** Pakistani Rupees (PKR)			
Year	Composite Net Return (%)	Benchmark Net Return (%)	Composite 3-Yr St Dev (%)	Benchmark 3-Yr St Dev (%)	Number of Portfolios	Composite Assets	Total Firm's Assets	% of Firm Assets
6M CY 2017	4.35	(1.45)	12.17	7.90	<5	1,959,766,415	13,254,506,222	14.79
CY 2016	23.23	19.72	11.73	7.79	5	1,956,124,942	13,414,216,175	14.58
CY 2015	4.73	0.27	13.03	9.16	6	1,725,405,131	9,428,617,044	18.30
CY 2014	22.33	10.79	11.05	11.81	5	1,779,754,985	10,785,647,392	16.50
CY 2013	36.30	22.98	12.25	13.20	<5	1,424,666,715	12,823,003,611	11.11
CY 2012	38.62	23.22	11.84	16.57	<5	1,447,977,755	12,311,148,168	11.76

Compliance Statement

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Definition of the Firm

The Firm is a Public Listed Company incorporated in Karachi - Pakistan and is listed on the Pakistan Stock Exchange (formerly, Karachi Stock Exchange). JSIL is a subsidiary of "JS Bank Limited" and is engaged in the business of providing Asset Management and Investment Advisory Services. The definition of the Firm includes all Funds under its management and all fee paying and non – fee paying discretionary and non – discretionary portfolios.

Policies

The Firm's policies for valuing Portfolios, calculating performance, and preparing compliant presentations are available upon request.

Composite Description

The objective of JS Balanced Composite is to preserve and grow investor's capital in the long term while providing a regular stream of income. The Composite 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 to generate regular stream of income.

The composite may invest in diversified portfolio of carefully selected equity securities, money market/ debt instruments and government securities. Portfolio(s) in this composite may also hold assets in form of cash with banks with the objective to minimize risks involved. The composite comprises of one portfolio of Collective Investment Scheme (CIS), namely Unit Trust of Pakistan (UTP), and seven discretionary portfolios and out of seven discretionary portfolios only three are active, as at June 30, 2017.

Benchmark

The benchmark of JS Balanced Composite is equally weighted combination of KSE 30 – Index and 06 Months KIBIR rates i.e. 50% KSE 30 – index + 50% 6M KIBOR.

List of Composites

The Firm's list of composite descriptions is available upon request.

Significant Event

1. The Finance Act, 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes / mutual funds (CISs) whose income exceeds Rs.0.5 million in a tax year, have been brought within the scope of the 'WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the Honorable High Court of Sindh (SHC), challenging the applicability of WWF to the CISs, which is pending adjudication.

   Subsequent to the year ended June 30, 2010, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) which stated that mutual funds are not liable to contribute to WWF on the basis of their income. This clarification was forwarded by Federal Board of Revenue (FBR) (being the collecting agency of WWF on behalf of the Ministry) to its members for necessary action through letter dated October 6, 2010. Based on this clarification, the FBR also withdrew notice of demand which it had earlier issued to one of the mutual funds for collection of WWF. Notices of demand have also been issued to several other mutual funds and the matter has been taken up by the respective mutual funds with the FBR for their withdrawal on the basis of the above referred clarification of the Ministry. However, the Secretary (Income Tax Policy) Federal Board of Revenue vide letter dated January 04, 2011 subsequently cancelled ab-initio the clarification letter dated October 06, 2010 on applicability of WWF on mutual funds.

   On December 14, 2010, the Ministry had filed its response against the constitutional petition requesting the SHC to dismiss the petition. According to the legal counsel who is handling the case, there is a contradiction between the aforementioned clarification issued by the Ministry and the response filed by the Ministry in the SHC.

   On November 10, 2016, the Supreme Court of Pakistan (SCP) passed a judgement which upheld the view of Lahore High Court (LHC), declaring also the insertion of amendments introduced in the Finance Acts 2006 and 2008 pertaining to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance), as unlawful. In view of the decision by the SCP, MUFAP on behalf of all AMCs obtained a legal opinion dated December 05, 2016 on the matter and according to the opinion, there is no longer any basis in law to claim WWF payments from Mutual Funds under the WWF Ordinance. After further deliberating the position MUFAP in its Extra Ordinary General Meeting (EOGM) held on January 12, 2017 decided that the provision for WWF held for the period from January 01, 2013 to June 30, 2015 should be reversed effective January 12, 2017. Subsequently UTP reversed provision against WWF to the tune of Rs. 31,865,820/-.

   Furthermore, as a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP has taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF.

MUFAP has also taken a legal opinion that SWWF, if applicable, can only be applied from the date of enactment of SWWF Act, 2014, i.e. May 21, 2015. For the purpose, MUFAP as an abundant caution decided that provision in respect of SWWF should be made effective from the date of enactment. Consequently, the provision for SWWF is being made on daily basis going forward from January 12, 2015; subsequently UTP have maintained provision against SWWF to the tune of Rs. 9,297,174/-.

Fees

Returns are calculated and presented net of all fees/ expenses that includes custodial expenses, SECP fee, listing fee, Management Fee, Trading Expenses etc.

Fee Schedule

Management Fee is 2.00% for UTP.

Minimum Portfolio Size

The Minimum portfolio size for inclusion in the composite is as follows;

For portfolios of CIS (Funds)	Rs. 100 Million
For other portfolio	Rs. 3 Million*

**The minimum asset level for other portfolio is changed from Rs. 5 million to Rs. 3 million*

Internal Dispersion

Since number of Portfolios in the composite is less than five for the entire (full) year therefore calculation of internal dispersion is not required.

Key Assumption for Portfolio valuation

Following are the key assumptions used in portfolio valuation;

Financial instruments

All the financial assets and liabilities are recognized at the time when the Portfolio becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the contractual rights to receive cash flows related to the asset expire. Financial liabilities are derecognized when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gain or loss on derecognizing of the financial assets and liabilities is taken to the income statement in the period in which it arises.

Revenue recognition

Capital gains of a security are accounted for in the period in which they arise. Dividend income is recognized when the right to receive them is established. Income on bank deposits is recognized on accrual basis, and adjustments (if required) are made on receipt of actual profit.

Liability for Income Tax

Under the income tax law in Pakistan, the Fund is regarded as a public company for tax purposes. The income of the Fund is taxable, if 90% distribution is not made among the unit holders, certificate holders or shareholders as the case may be. The tax is chargeable at the rate applicable to a public company, which is presently as under:

(a) Dividend income is taxable at the applicable tax rate as provided in Income Tax Ordinance, 2001 for public companies on gross income basis.

(b) Capital gains arising on sale of securities, listed on any stock exchange in Pakistan at applicable tax rates in accordance with the Income Tax Ordinance, 2001;

Returns from all other sources/instruments are taxable at the rate applicable to a public company.

Liability for Income Tax, if ninety per cent (90%) of the Fund's income is paid as dividend

Notwithstanding the tax rates and withholding tax the income of the Fund will be exempt from tax, if not less than ninety per cent (90%) of the income for the year is distributed amongst the Unit Holders as dividend. This includes only cash dividend as consequent to amendments in Income Tax Ordinance, 2001 through Finance Act, 2014, for the purpose of determining distribution of at least 90% of accounting income, the income distributed through bonus shares, units or certificates as the case may be, shall not be taken into account. The ninety per cent (90%) of the income shall be calculated after excluding capital gains and as reduced by such expenses as are chargeable to the Fund under the Regulations.

Withholding Tax

Under the provisions of Clause 47(B) of Part – iv of the Second Schedule to the Income Tax Ordinance, 2001, the Fund's income namely, dividend, profit on government securities, return on deposits/certificates of investment with banks/financial institutions, profits from money market transactions, profit from Profit or Loss sharing accounts with Banks of the Fund will not be subject to any withholding tax. Provided that exemption certificate, under section 150 & 151 of the Income Tax Ordinance, 2011, have been duly obtained by the CIS and approved Pension Schemes.

Taxation of Unit Holders and Liability to Zakat

(a) Withholding Tax:

Unless exempted from such taxation or at a reduced rate under any law or Avoidance of Double Taxation Agreement, cash dividend paid to Unit holders of the Fund will be subject to withholding tax as per the prevailing tax law.

In terms of the provisions of the Income Tax Ordinance, 2001, the withholding tax shall be deemed to be full and final liability in respect of such distribution.

(b) Capital Gains:

Capital Gains arising on disposition of Units of the Fund subject to withholding Capital Gains Tax (CGT) at the applicable rates given in the Income Tax Ordinance, 2001 (ITO).There shall be no CGT, if holding period is more than 48 months (4 years). As per section 37(A) of the Income Tax Ordinance, 2001, Capital gains shall be treated as a separate block of income and losses under this head can be adjusted by the unit holder from the capital gains in the same tax year. Any unadjusted loss under this head is not allowed to be carried forward to the subsequent tax years.

JS Investments Limited
GIPS Compliant Presentation
JS Fund of Funds Composite
From January 2012 to June 2017

Composite Name: JS Fund of Funds Composite					Benchmark: Refer to Benchmark Disclosure			
Composite Creation Date: December 31, 2016					Reporting Currency: Pakistani Rupees (PKR)			
Year	Composite Net Return (%)	Benchmark Return (%)	Composite 3-Yr St Dev (%)	Benchmark 3-Yr St Dev (%)	Number of Portfolios	Composite Assets	Total Firm's Assets	% of Firm Assets
6M CY 2017	4.22	(2.89)	15.08	11.36	<5	311,915,628	13,254,506,222	2.35
CY 2016	26.80	19.28	14.54	10.71	<5	338,822,550	13,414,216,175	2.53
CY 2015	5.92	8.03	18.73	12.00	<5	238,768,900	9,428,617,044	2.53
CY 2014	27.63	22.43	16.09	9.31	<5	167,468,853	10,785,647,392	1.55
CY 2013	38.60	25.38	16.12	9.93	<5	107,076,909	12,823,003,611	0.84
CY 2012	28.97	26.58	12.93	8.95	<5	104,067,279	12,311,148,168	0.85

Compliance Statement

"JS Investments Limited claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. JS Investments Limited (JSIL, the Firm) has not been independently verified."

Definition of the Firm

The Firm is a public listed company incorporated in Karachi - Pakistan and is listed on the Pakistan Stock Exchange (formerly, Karachi Stock Exchange). JSIL is a subsidiary of "JS Bank Limited" and is engaged in the business of providing Asset Management and Investment Advisory

Services. The definition of the Firm includes all Funds under its management and all fee – paying and non – fee – paying discretionary and non – discretionary portfolios.

Policies

The Firm's policies for valuing Portfolios, calculating performance, and preparing compliant presentations are available upon request.

Composite Description

JS Fund of Funds Composite aims to grow investor's capital by undertaking minimal risk through investing primarily in any of all the available collective investment schemes that includes equity, balanced, fixed income, money market, real estate investment trust (REIT) and commodities etc. The composite may also invest in short term government securities and money market instruments. The composite comprises of one portfolio of Collective Investment Scheme (CIS), namely JS Fund of Funds (JS FoF).

Benchmark

The benchmark of JS Fund of Funds Composite is average return of asset allocation schemes.

List of Composites

The Firm's list of composite descriptions is available upon request.

Significant Event

1. The Finance Act, 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes / mutual funds (CISs) whose income exceeds Rs.0.5 million in a tax year, have been brought within the scope of the 'WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the Honorable High Court of Sindh (SHC), challenging the applicability of WWF to the CISs, which is pending adjudication.

   Subsequent to the year ended June 30, 2010, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) which stated that mutual funds are not liable to contribute to WWF on the basis of their income. This clarification was forwarded by Federal Board of Revenue

(FBR) (being the collecting agency of WWF on behalf of the Ministry) to its members for necessary action through letter dated October 6, 2010. Based on this clarification, the FBR also withdrew notice of demand which it had earlier issued to one of the mutual funds for collection of WWF. Notices of demand have also been issued to several other mutual funds and the matter has been taken up by the respective mutual funds with the FBR for their withdrawal on the basis of the above referred clarification of the Ministry. However, the Secretary (Income Tax Policy) Federal Board of Revenue vide letter dated January 04, 2011 subsequently cancelled ab-initio the clarification letter dated October 06, 2010 on applicability of WWF on mutual funds.

On December 14, 2010, the Ministry had filed its response against the constitutional petition requesting the SHC to dismiss the petition. According to the legal counsel who is handling the case, there is a contradiction between the aforementioned clarification issued by the Ministry and the response filed by the Ministry in the SHC.

On November 10, 2016, the Supreme Court of Pakistan (SCP) passed a judgement which upheld the view of Lahore High Court (LHC), declaring also the insertion of amendments introduced in the Finance Acts 2006 and 2008 pertaining to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance), as unlawful. In view of the decision by the SCP, MUFAP on behalf of all AMCs obtained a legal opinion dated December 05, 2016 on the matter and according to the opinion, there is no longer any basis in law to claim WWF payments from Mutual Funds under the WWF Ordinance. After further deliberating the position MUFAP in its Extra Ordinary General Meeting (EOGM) held on January 12, 2017 decided that the provision for WWF held for the period from January 01, 2013 to June 30, 2015 should be reversed effective January 12, 2017. Subsequently JS FoF reversed provision against WWF to the tune of Rs. 11,932,101/-.

Furthermore, as a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP has taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF.

MUFAP has also taken a legal opinion that SWWF, if applicable, can only be applied from the date of enactment of SWWF Act, 2014, i.e. May 21, 2015. For the purpose, MUFAP as an abundant caution decided that provision in respect of SWWF should be made effective from the date of enactment. Consequently, the provision for SWWF is being made on daily basis going forward from January 12, 2015; subsequently JS FoF have maintained provision against SWWF to the tune of Rs. 1,519,908/-.

Fees

Returns are calculated and presented net of all fees/ expenses that includes custodial expenses, SECP fee, listing fee, Management Fee, Trading Expenses etc.

Fee Schedule

Management Fee is 1.00% for JS FoF.

Minimum Portfolio Size

The Minimum portfolio size for inclusion in the composite is as follows;

For portfolios of CIS (Funds)	Rs. 100 Million
For other portfolio	Rs. 3 Million

Internal Dispersion

Since number of Portfolios in the composite is less than five for the entire (full) year therefore calculation of internal dispersion is not required.

Key Assumption for Portfolio valuation

Following are the key assumptions used in portfolio valuation;

Financial instruments

All the financial assets and liabilities are recognized at the time when the Portfolio becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the contractual rights to receive cash flows related to the asset expire. Financial liabilities are derecognized when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gain or loss on derecognizing of the financial assets and liabilities is taken to the income statement in the period in which it arises.

Revenue recognition

Capital gains of a security are accounted for in the period in which they arise. Dividend income is recognized when the right to receive them is established. Income on bank deposits is recognized on accrual basis, and adjustments (if required) are made on receipt of actual profit.

Proprietary Assets in the Composite

The composite contains the proprietary investments of JS Investments Limited (JSIL) as at June 30, 2017.

Liability for Income Tax

Under the income tax law in Pakistan, the Fund is regarded as a public company for tax purposes. The income of the Fund is taxable, if 90% distribution is not made among the unit holders, certificate holders or shareholders as the case may be. The tax is chargeable at the rate applicable to a public company, which is presently as under:

(a) Dividend income is taxable at the applicable tax rate as provided in Income Tax Ordinance, 2001 for public companies on gross income basis.

(b) Capital gains arising on sale of securities, listed on any stock exchange in Pakistan at applicable tax rates in accordance with the Income Tax Ordinance, 2001;

Returns from all other sources/instruments are taxable at the rate applicable to a public company.

Liability for Income Tax, if ninety per cent (90%) of the Fund's income is paid as dividend

Notwithstanding the tax rates and withholding tax the income of the Fund will be exempt from tax, if not less than ninety per cent (90%) of the income for the year is distributed amongst the Unit Holders as dividend. This includes only cash dividend as consequent to amendments in Income Tax Ordinance, 2001 through Finance Act, 2014, for the purpose of determining distribution of at least 90% of accounting income, the income distributed through bonus shares, units or certificates as the case may be, shall not be taken into account. The ninety per cent (90%) of the income shall be calculated after excluding capital gains and as reduced by such expenses as are chargeable to the Fund under the Regulations.

Withholding Tax

Under the provisions of Clause 47(B) of Part – iv of the Second Schedule to the Income Tax Ordinance, 2001, the Fund's income namely, dividend, profit on government securities, return on deposits/certificates of investment with banks/financial institutions, profits from money market transactions, profit from Profit or Loss sharing accounts with Banks of the Fund will not be subject to any withholding tax. Provided that exemption certificate, under section 150 & 151 of the Income Tax Ordinance, 2011, have been duly obtained by the CIS and approved Pension Schemes.

Taxation of Unit Holders and Liability to Zakat

(a) Withholding Tax:

Unless exempted from such taxation or at a reduced rate under any law or Avoidance of Double Taxation Agreement, cash dividend paid to Unit holders of the Fund will be subject to withholding tax as per the prevailing tax law.

In terms of the provisions of the Income Tax Ordinance, 2001, the withholding tax shall be deemed to be full and final liability in respect of such distribution.

(b) Capital Gains:

Capital Gains arising on disposition of Units of the Fund subject to withholding Capital Gains Tax (CGT) at the applicable rates given in the Income Tax Ordinance, 2001 (ITO).There shall be no CGT, if holding period is more than 48 months (4 years). As per section 37(A) of the Income Tax Ordinance, 2001, Capital gains shall be treated as a separate block of income and losses under this head can be adjusted by the unit holder from the capital gains in the same tax year. Any unadjusted loss under this head is not allowed to be carried forward to the subsequent tax years.

JS Investments Limited
GIPS Compliant Presentation
JS Income Composite
From January 2012 to June 2017

Composite Name: JS Income Composite					**Benchmark:** Six Months KIBOR rate			
Composite Creation Date: December 31, 2016					**Reporting Currency:** Pakistani Rupees (PKR)			
Year	Composite Net Return (%)	Benchmark Net Return (%)	Composite 3-Yr St Dev (%)	Benchmark 3-Yr St Dev (%)	Number of Portfolios	Composite Assets	Total Firm's Assets	% of Firm Assets
6M CY 2017	2.81	3.22	1.22	0.43	<5	2,327,505,326	13,254,506,222	17.56
CY 2016	7.14	6.66	1.30	0.50	<5	2,565,191,631	13,414,216,175	19.12
CY 2015	7.46	7.72	1.33	0.40	<5	959,890,159	9,428,617,044	10.18
CY 2014	10.16	10.86	1.49	0.28	<5	815,642,949	10,785,647,392	7.56
CY 2013	6.36	10.26	4.20	0.50	<5	763,462,412	12,823,003,611	5.95
CY 2012	13.29	12.02	7.74	0.38	<5	1,120,578,853	12,311,148,168	9.10

Compliance Statement

"JS Investments Limited claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. JS Investments Limited (JSIL, the Firm) has not been independently verified."

Definition of the Firm

The Firm is a Public Listed Company incorporated in Karachi - Pakistan and is listed on the Pakistan Stock Exchange (formerly, Karachi Stock Exchange). JSIL is a subsidiary of "JS Bank Limited" and is engaged in the business of providing Asset Management and Investment Advisory

Services. The definition of the Firm includes all Funds under its management and all fee paying and non – fee paying discretionary and non – discretionary portfolios.

Policies

The Firm's policies for valuing Portfolios, calculating performance, and preparing compliant presentations are available upon request.

Composite Description

JS Income Composite aims to preserve investor's capital while providing a regular stream of income on an annual basis which is higher than that offered by commercial banks on deposits of a similar liquidity profile. The composite operates a diverse portfolio of investment-grade debt securities, government securities, money market instruments and also maintains liquidity in the form of bank deposits. The composite comprises of two portfolios of Collective Investment Scheme (CIS), namely JS Income Fund (JS IF) and JS Aggressive Income Fund (JS AIF), and one portfolio of Voluntary Pension Scheme (VPS), namely JS Pension Saving Debt Sub Fund (JS PSDF).

Benchmark

The benchmark of JS Income Composite is six months KIBOR rate.

List of Composites

The Firm's list of composite descriptions is available upon request.

Significant Event

1. The Finance Act, 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes / mutual funds (CISs) whose income exceeds Rs.0.5 million in a tax year, have been brought within the scope of the 'WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the Honorable High Court of Sindh (SHC), challenging the applicability of WWF to the CISs, which is pending adjudication.

Subsequent to the year ended June 30, 2010, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) which stated that mutual funds are not liable to contribute to WWF on the basis of their income. This clarification was forwarded by Federal Board of Revenue (FBR) (being the collecting agency of WWF on behalf of the Ministry) to its members for necessary action through letter dated October 6, 2010. Based on this clarification, the FBR also withdrew notice of demand which it had earlier issued to one of the mutual funds for collection of WWF.

Notices of demand have also been issued to several other mutual funds and the matter has been taken up by the respective mutual funds with the FBR for their withdrawal on the basis of the above referred clarification of the Ministry. However, the Secretary (Income Tax Policy) Federal Board of Revenue vide letter dated January 04, 2011 subsequently cancelled ab-initio the clarification letter dated October 06, 2010 on applicability of WWF on mutual funds.

On December 14, 2010, the Ministry had filed its response against the constitutional petition requesting the SHC to dismiss the petition. According to the legal counsel who is handling the case, there is a contradiction between the aforementioned clarification issued by the Ministry and the response filed by the Ministry in the SHC.

On November 10, 2016, the Supreme Court of Pakistan (SCP) passed a judgement which upheld the view of Lahore High Court (LHC), declaring also the insertion of amendments introduced in the Finance Acts 2006 and 2008 pertaining to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance), as unlawful. In view of the decision by the SCP, MUFAP on behalf of all AMCs obtained a legal opinion dated December 05, 2016 on the matter and according to the opinion, there is no longer any basis in law to claim WWF payments from Mutual Funds under the WWF Ordinance. After further deliberating the position MUFAP in its Extra Ordinary General Meeting (EOGM) held on January 12, 2017 decided that the provision for WWF held for the period from January 01, 2013 to June 30, 2015 should be reversed effective January 12, 2017. Subsequently JS IF and JS PSDF reversed provision against WWF to the tune of Rs. 1,693,409/- and Rs. 1,415,095/- respectively.

Furthermore, as a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP has taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF.

MUFAP has also taken a legal opinion that SWWF, if applicable, can only be applied from the date of enactment of SWWF Act, 2014, i.e. May 21, 2015. For the purpose, MUFAP as an abundant caution decided that provision in respect of SWWF should be made effective from the date of enactment. Consequently, the provision for SWWF is being made on daily basis going forward from January 12, 2015; subsequently JS IF and JS PSDF have maintained provision against SWWF to the tune of Rs. 2,285,652/- and Rs. 291,854/- respectively.

2. JS Investments Limited, the Management Company of JS Aggressive Income Fund (JS AIF), with the consent of the Central Depository Company of Pakistan Limited (the "Trustee of JS AIF") decided to proceed with the revocation (liquidation) of JS AIF w.e.f. April 30, 2013. The said decision was taken on account of JS AIF maintaining a Fund Size below the minimum limit of i.e. 100 Million prescribed by the Securities & Exchange Commission of Pakistan.

3. Management Fee of JS IF, included in this composite, was reduced from 1.5% to 0.75% from March, 2014.

<u>Fees</u>

Returns are calculated and presented net of all fees/ expenses that includes custodial expenses, SECP fee, listing fee, Management Fee, Trading Expenses etc.

<u>Fee Schedule</u>

Management Fee is 0.75% for JS IF; and

Management Fee is 1.50% for JS AIF and JS PSDF.

<u>Minimum Portfolio Size</u>

The Minimum portfolio size for inclusion in the composite is as follows;

For portfolios of CIS/ (Funds)	Rs. 100 Million
For other portfolio(s)	Rs. 3 Million*

**The minimum asset level for other portfolio is changed from Rs. 5 million to Rs. 3 million.*

Internal Dispersion

Since number of Portfolios in the composite is less than five for the entire (full) year therefore calculation of internal dispersion is not required.

Key Assumption for Portfolio valuation

Following are the key assumptions used in portfolio valuation;

Financial instruments

All the financial assets and liabilities are recognized at the time when the Portfolio becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the contractual rights to receive cash flows related to the asset expire. Financial liabilities are derecognized when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gain or loss on derecognizing of the financial assets and liabilities is taken to the income statement in the period in which it arises.

Revenue recognition

Capital gains of a security are accounted for in the period in which they arise. Dividend income is recognized when the right to receive them is established. Income on bank deposits is recognized on accrual basis, and adjustments (if required) are made on receipt of actual profit.

Proprietary Assets in the Composite

The composite contains the proprietary investments of JS Investments Limited as at June 30, 2017.

Liability for Income Tax

Under the income tax law in Pakistan, the Fund is regarded as a public company for tax purposes. The income of the Fund is taxable, if 90% distribution is not made among the unit holders, certificate holders or shareholders as the case may be. The tax is chargeable at the rate applicable to a public company, which is presently as under:

(a) Dividend income is taxable at the applicable tax rate as provided in Income Tax Ordinance, 2001 for public companies on gross income basis.

(b) Capital gains arising on sale of securities, listed on any stock exchange in Pakistan at applicable tax rates in accordance with the Income Tax Ordinance, 2001;

Returns from all other sources/instruments are taxable at the rate applicable to a public company.

Liability for Income Tax, if ninety per cent (90%) of the Fund's income is paid as dividend

Notwithstanding the tax rates and withholding tax the income of the Fund will be exempt from tax, if not less than ninety per cent (90%) of the income for the year is distributed amongst the Unit Holders as dividend. This includes only cash dividend as consequent to amendments in Income Tax Ordinance, 2001 through Finance Act, 2014, for the purpose of determining distribution of at least 90% of accounting income, the income distributed through bonus shares, units or certificates as the case may be, shall not be taken into account. The ninety per cent (90%) of the income shall be calculated after excluding capital gains and as reduced by such expenses as are chargeable to the Fund under the Regulations.

Withholding Tax

Under the provisions of Clause 47(B) of Part - iv of the Second Schedule to the Income Tax Ordinance, 2001, the Fund's income namely, dividend, profit on government securities, return on deposits/certificates of investment with banks/financial institutions, profits from money market transactions, profit from Profit or Loss sharing accounts with Banks of the Fund will not be subject to any withholding tax. Provided that the exemption certificate, under section 150 & 151 of the Income Tax Ordinance, 2011, have been duly obtained by the CIS and approved Pension Schemes.

Taxation of Unit Holders and Liability to Zakat

(a) Withholding Tax:

Unless exempted from such taxation or at a reduced rate under any law or Avoidance of Double Taxation Agreement, cash dividend paid to Unit holders of the Fund will be subject to withholding tax as per the prevailing tax law.

In terms of the provisions of the Income Tax Ordinance, 2001, the withholding tax shall be deemed to be full and final liability in respect of such distribution.

(b) Capital Gains:

Capital Gains arising on disposition of Units of the Fund subject to withholding Capital Gains Tax (CGT) at the applicable rates given in the Income Tax Ordinance, 2001 (ITO).There shall be no CGT, if holding period is more than 48 months (4 years). As per section 37(A) of the Income Tax Ordinance, 2001, Capital gains shall be treated as a separate block of income and losses under this head can be adjusted by the unit holder from the capital gains in the same tax year. Any unadjusted loss under this head is not allowed to be carried forward to the subsequent tax years.

JS Investments Limited
GIPS Compliant Presentation
JS Islamic Income Composite
From January 2012 to June 2017

Composite Name: JS Islamic Income Composite					**Benchmark:** Refer to Benchmark Disclosure			
Composite Creation Date: December 31, 2016					**Reporting Currency:** Pakistani Rupees (PKR)			
Year	Composite Net Return (%)	Benchmark Return (%)	Composite 3-Yr St Dev (%)	Benchmark 3-Yr St Dev (%)	Number of Portfolios	Composite Assets	Total Firm's Assets	% of Firm Assets
6M CY 2017	1.46	2.06	1.05	0.41	<5	234,188,803	13,254,506,222	1.77
CY 2016	4.10	4.62	1.02	0.38	<5	427,664,182	13,414,216,175	3.19
CY 2015	5.51	6.78	0.97	0.72	<5	247,781,586	9,428,617,044	2.63
CY 2014	6.07	7.48	2.31		<5	334,707,690	10,785,647,392	3.10
CY 2013*	6.75		2.61		<5	571,774,945	12,823,003,611	4.46
CY 2012	7.02		2.66		<5	88,497,841	12,311,148,168	0.72

** JS IGSF is the only CIS in this composite, which was established on May 2013; therefore, the Benchmark before this period is not tabulated above.*

Compliance Statement

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Definition of the Firm

The Firm is a public listed company incorporated in Karachi - Pakistan and is listed on the Pakistan Stock Exchange (formerly, Karachi Stock Exchange). JSIL is a subsidiary of "JS Bank Limited" and is engaged in the business of providing Asset Management and Investment Advisory Services. The definition of the Firm includes all Funds under its management and all fee – paying and non – fee – paying discretionary and non – discretionary portfolios.

Policies

The Firm's policies for valuing Portfolios, calculating performance, and preparing compliant presentations are available upon request.

Composite Description

JS Islamic Income Composite aims to provide attractive returns by investing in Shariah Compliant instruments while taking into account capital preservation and liquidity considerations. The composite may invest primarily in Shariah Compliant Government Securities to preserve capital and may further invest in short term Shariah Compliant debt and money market instruments for capital appreciation. The composite comprises of one portfolio of Collective Investment Scheme (CIS), namely JS Islamic Government Securities Fund (JS IGSF), and two portfolios of Voluntary Pension Scheme (VPS), namely JS Islamic Pension Saving Debt Sub Fund (JS IPSDF) and JS Islamic Pension Saving Money Market Sub Fund (JS IPSMMF).

Benchmark

The Benchmark of JS Islamic Income Composite is average six month placement (Deposit) rate of 3 Islamic Banks (including Islamic windows of Commercial Banks).

List of Composites

The Firm's list of composite descriptions is available upon request.

Significant Event

1. The Finance Act, 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes / mutual funds (CIS) whose income exceeds Rs.0.5 million in a tax year, have been brought within the scope of the 'WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the Honorable High Court of Sindh (SHC), challenging the applicability of WWF to the CIS, which is pending adjudication.

   Subsequent to the year ended June 30, 2010, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) which stated that mutual funds are not liable to contribute to WWF on the basis of their income. This clarification was forwarded by Federal Board of Revenue (FBR) (being the collecting agency of WWF on behalf of the Ministry) to its members for necessary action through letter dated October 6, 2010. Based on this clarification, the FBR also withdrew notice of demand which it had earlier issued to one of the mutual funds for collection of WWF. Notices of demand have also been issued to several other mutual funds and the matter has been taken up by the respective mutual funds with the FBR for their withdrawal on the basis of the above referred clarification of the Ministry. However, the Secretary (Income Tax Policy) Federal Board of Revenue vide letter dated January 04, 2011 subsequently cancelled ab-initio the clarification letter dated October 06, 2010 on applicability of WWF on mutual funds.

   On December 14, 2010, the Ministry had filed its response against the constitutional petition requesting the SHC to dismiss the petition. According to the legal counsel who is handling the case, there is a contradiction between the aforementioned clarification issued by the Ministry and the response filed by the Ministry in the SHC.

   On November 10, 2016, the Supreme Court of Pakistan (SCP) passed a judgement which upheld the view of Lahore High Court (LHC), declaring also the insertion of amendments introduced in the Finance Acts 2006 and 2008 pertaining to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance), as unlawful. In view of the decision by the SCP, MUFAP on behalf of all AMCs obtained a legal opinion dated December 05, 2016 on the matter and according to the opinion, there is no longer any basis in law to claim WWF payments from Mutual Funds under the WWF Ordinance. After further deliberating the position MUFAP in its Extra Ordinary General Meeting (EOGM) held on January 12, 2017 decided that the provision for WWF held for the period from January 01, 2013 to June 30, 2015 should be reversed effective January 12, 2017. Subsequently JS IGSF, JS IPSDF and JS IPSMMF reversed provision against WWF to the tune of Rs. 981,093/-, Rs, 476,868/-, and Rs. 374,868/- respectively.

   Furthermore, as a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP has taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF.

MUFAP has also taken a legal opinion that SWWF, if applicable, can only be applied from the date of enactment of SWWF Act, 2014, i.e. May 21, 2015. For the purpose, MUFAP as an abundant caution decided that provision in respect of SWWF should be made effective from the date of enactment. Consequently, the provision for SWWF is being made on daily basis going forward from January 12, 2015; subsequently JS IGSF, JS IPSDF and JS IPSMMF have maintained provision against SWWF to the tune of Rs. 1,680,967/-, Rs, 123,047/-, and Rs. 72,722/- respectively.

Fees

Returns are calculated and presented net of all fees/ expenses that includes custodial expenses, SECP fee, listing fee, Management Fee, Trading Expenses etc.

Fee Schedule

Management Fee is 0.75% for JS IGSF; and
Management Fee is 1.50% for JS IPSMMF and JS IPSDF.

Minimum Portfolio Size

The Minimum portfolio size for inclusion in the composite is as follows;

For portfolios of CIS (Funds)	Rs. 100 Million
For other portfolio	Rs. 3 Million*

**The minimum asset level for other portfolio is changed from Rs. 5 million to Rs. 3 million.*

Internal Dispersion

Since number of Portfolios in the composite is less than five for the entire (full) year therefore calculation of internal dispersion is not required.

Key Assumption for Portfolio valuation

Following are the key assumptions used in portfolio valuation;

Financial instruments

All the financial assets and liabilities are recognized at the time when the Portfolio becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the contractual rights to receive cash flows related to the asset expire. Financial liabilities are derecognized when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gain or loss on derecognizing of the financial assets and liabilities is taken to the income statement in the period in which it arises.

Revenue recognition

Capital gains of a security are accounted for in the period in which they arise. Dividend income is recognized when the right to receive them is established. Income on bank deposits is recognized on accrual basis, and adjustments (if required) are made on receipt of actual profit.

Proprietary Assets in the Composite

The composite contains the proprietary investments of JS Investments Limited as at June 30, 2017.

Liability for Income Tax

Under the income tax law in Pakistan, the Fund is regarded as a public company for tax purposes. The income of the Fund is taxable, if 90% distribution is not made among the unit holders, certificate holders or shareholders as the case may be. The tax is chargeable at the rate applicable to a public company, which is presently as under:

(a) Dividend income is taxable at the applicable tax rate as provided in Income Tax Ordinance, 2001 for public companies on gross income basis.

(b) Capital gains arising on sale of securities, listed on any stock exchange in Pakistan at applicable tax rates in accordance with the Income Tax Ordinance, 2001;

Returns from all other sources/instruments are taxable at the rate applicable to a public company.

Liability for Income Tax, if ninety per cent (90%) of the Fund's income is paid as dividend

Notwithstanding the tax rates and withholding tax the income of the Fund will be exempt from tax, if not less than ninety per cent (90%) of the income for the year is distributed amongst the Unit Holders as dividend. This includes only cash dividend as consequent to amendments in Income Tax Ordinance, 2001 through Finance Act, 2014, for the purpose of determining distribution of at least 90% of accounting income, the income distributed through bonus shares, units or certificates as the case may be, shall not be taken into account. The ninety per cent (90%) of the income shall be calculated after excluding capital gains and as reduced by such expenses as are chargeable to the Fund under the Regulations.

Withholding Tax

Under the provisions of Clause 47(B) of Part – iv of the Second Schedule to the Income Tax Ordinance, 2001, the Fund's income namely, dividend, profit on government securities, return on deposits/certificates of investment with banks/financial institutions, profits from money market transactions, profit from Profit or Loss sharing accounts with Banks of the Fund will not be subject to any withholding tax. Provided that exemption certificate, under section 150 & 151 of the Income Tax Ordinance, 2011, have been duly obtained by the CIS and approved Pension Schemes.

Taxation of Unit Holders and Liability to Zakat

(a) Withholding Tax:

Unless exempted from such taxation or at a reduced rate under any law or Avoidance of Double Taxation Agreement, cash dividend paid to Unit holders of the Fund will be subject to withholding tax as per the prevailing tax law.

In terms of the provisions of the Income Tax Ordinance, 2001, the withholding tax shall be deemed to be full and final liability in respect of such distribution.

(b) Capital Gains:

Capital Gains arising on disposition of Units of the Fund subject to withholding Capital Gains Tax (CGT) at the applicable rates given in the Income Tax Ordinance, 2001 (ITO).There shall be no CGT, if holding period is more than 48 months (4 years). As per section 37(A) of the Income Tax Ordinance, 2001, Capital gains shall be treated as a separate block of income and losses under this head can be adjusted by the unit holder from the capital gains in the same tax year. Any unadjusted loss under this head is not allowed to be carried forward to the subsequent tax years.

JS Investments Limited
GIPS Compliant Presentation
JS Money Market Composite
From January 2012 to June 2017

Composite Name: JS Money Market Composite					**Benchmark:** Refer to Benchmark Disclosure			
Composite Creation Date: December 31, 2016					**Reporting Currency:** Pakistani Rupees (PKR)			
Year	Composite Net Return (%)	Benchmark Return (%)	Composite 3-Yr St Dev (%)	Benchmark 3-Yr St Dev (%)	Number of Portfolios	Composite Assets	Total Firm's Assets	% of Firm Assets
6M CY 2017	3.22	2.64	0.60	0.41	<5	1,264,127,368	13,254,506,222	9.54
CY 2016	5.25	5.12	0.56	0.46	<5	659,366,747	13,414,216,175	4.92
CY 2015	7.34	6.73	0.43	0.30	<5	773,684,060	9,428,617,044	8.21
CY 2014	8.88	9.04	0.42	0.18	<5	1,818,987,166	10,785,647,392	16.86
CY 2013	7.82	8.40	0.61	0.28	<5	1,761,953,745	12,823,003,611	13.74
CY 2012	10.55	9.70	0.73	0.16	<5	2,414,412,027	12,311,148,168	19.61

Compliance Statement

"JS Investments Limited claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. JS Investments Limited (JSIL, the Firm) has not been independently verified."

Definition of the Firm

The Firm is a public listed company incorporated in Karachi - Pakistan and is listed on the Pakistan Stock Exchange (formerly, Karachi Stock Exchange). JSIL is a subsidiary of "JS Bank Limited" and is engaged in the business of providing Asset Management and Investment Advisory

Services. The definition of the Firm includes all Funds under its management and all fee – paying and non – fee – paying discretionary and non – discretionary portfolios.

Policies

The Firm's policies for valuing Portfolios, calculating performance, and preparing compliant presentations are available upon request.

Composite Description

JS Money Market Composite aims to generate optimal return while maintaining high liquidity with minimum risk. Portfolio(s) within Money market Composite are managed to seek preservation of capital, liquidity and competitive yields. The composite provides investors liquidity and safety by investing in low-risk, short-duration securities. The composite primarily invests in money market instruments and government securities. The composite comprises of one portfolio of Collective Investment Scheme (CIS), namely JS Cash Fund (JS CF), one portfolio of Voluntary Pension Scheme (VPS), namely JS Pension Saving Money Market Sub Fund (JS PSMMF), and two discretionary portfolio and out of two discretionary portfolios only one is active, as at June 30, 2017.

Benchmark

The benchmark of JS Money Market Composite is 50% average return of three months deposit rates of AA and above rated scheduled Commercial Banks, and 50% average three months T-Bill rate.

List of Composites

The Firm's list of composite descriptions is available upon request.

Significant Event

1. The Finance Act, 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes / mutual funds (CISs) whose income exceeds Rs.0.5 million in a tax year, have been brought within the scope of the 'WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the Honorable High Court of Sindh (SHC), challenging the applicability of WWF to the CISs, which is pending adjudication.

Subsequent to the year ended June 30, 2010, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) which stated that mutual funds are not liable to contribute to WWF on the basis of their income. This clarification was forwarded by Federal Board of Revenue (FBR) (being the collecting agency of WWF on behalf of the Ministry) to its members for necessary action through letter dated October 6, 2010. Based on this clarification, the FBR also withdrew notice of demand which it had earlier issued to one of the mutual funds for collection of WWF. Notices of demand have also been issued to several other mutual funds and the matter has been taken up by the respective mutual funds with the FBR for their withdrawal on the basis of the above referred clarification of the Ministry. However, the Secretary (Income Tax Policy) Federal Board of Revenue vide letter dated January 04, 2011 subsequently cancelled ab-initio the clarification letter dated October 06, 2010 on applicability of WWF on mutual funds.

On December 14, 2010, the Ministry had filed its response against the constitutional petition requesting the SHC to dismiss the petition. According to the legal counsel who is handling the case, there is a contradiction between the aforementioned clarification issued by the Ministry and the response filed by the Ministry in the SHC.

On November 10, 2016, the Supreme Court of Pakistan (SCP) passed a judgement which upheld the view of Lahore High Court (LHC), declaring also the insertion of amendments introduced in the Finance Acts 2006 and 2008 pertaining to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance), as unlawful. In view of the decision by the SCP, MUFAP on behalf of all AMCs obtained a legal opinion dated December 05, 2016 on the matter and according to the opinion, there is no longer any basis in law to claim WWF payments from Mutual Funds under the WWF Ordinance. After further deliberating the position MUFAP in its Extra Ordinary General Meeting (EOGM) held on January 12, 2017 decided that the provision for WWF held for the period from January 01, 2013 to June 30, 2015 should be reversed effective January 12, 2017. Subsequently JS CF and JS PSMMF reversed provision against WWF to the tune of Rs. 3,441,484/- and 954,731/- respectively.

Furthermore, as a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP has taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF.

MUFAP has also taken a legal opinion that SWWF, if applicable, can only be applied from the date of enactment of SWWF Act, 2014, i.e. May 21, 2015. For the purpose, MUFAP as an abundant caution decided that provision in respect of SWWF should be made effective from the date of enactment. Consequently, the provision for SWWF is being made on daily basis going forward from January 12, 2015; subsequently JS CF and JS PSMMF have maintained provision against SWWF to the tune of Rs., 1,126,485/- and Rs. 194,228/- respectively.

2. Management Fee of JS CF, included in this composite, was reduced from 1% to 0.5% from March 2014.

Fees

Returns are calculated and presented net of all fees/ expenses that includes custodial expenses, SECP fee, listing fee, Management Fee, Trading Expenses etc

Fee Schedule

Management Fee is 0.50% for JS CF; and

Management Fee is 1.50% for JS PSMMF

Minimum Portfolio Size

The Minimum portfolio size for inclusion in the composite is as follows;

For portfolios of CIS (Funds)	Rs. 100 Million
For other portfolio	Rs. 3 Million*

**The minimum asset level for other portfolio is changed from Rs. 5 million to Rs. 3 million.*

Internal Dispersion

Since number of Portfolios in the composite is less than five for the entire (full) year therefore calculation of internal dispersion is not required.

Key Assumption for Portfolio valuation

Following are the key assumptions used in portfolio valuation;

Financial instruments

All the financial assets and liabilities are recognized at the time when the Portfolio becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the contractual rights to receive cash flows related to the asset expire. Financial liabilities are derecognized when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gain or loss on derecognizing of the financial assets and liabilities is taken to the income statement in the period in which it arises.

Revenue recognition

Capital gains of a security are accounted for in the period in which they arise. Dividend income is recognized when the right to receive them is established. Income on bank deposits is recognized on accrual basis, and adjustments (if required) are made on receipt of actual profit.

Proprietary Assets in the Composite

The composite contains the proprietary investments of JS Investments Limited as at June 30, 2017.

Liability for Income Tax

Under the income tax law in Pakistan, the Fund is regarded as a public company for tax purposes. The income of the Fund is taxable, if 90% distribution is not made among the unit holders, certificate holders or shareholders as the case may be. The tax is chargeable at the rate applicable to a public company, which is presently as under:

(a) Dividend income is taxable at the applicable tax rate as provided in Income Tax Ordinance, 2001 for public companies on gross income basis.

(b) Capital gains arising on sale of securities, listed on any stock exchange in Pakistan at applicable tax rates in accordance with the Income Tax Ordinance, 2001;

Returns from all other sources/instruments are taxable at the rate applicable to a public company.

Liability for Income Tax, if ninety per cent (90%) of the Fund's income is paid as dividend

Notwithstanding the tax rates and withholding tax the income of the Fund will be exempt from tax, if not less than ninety per cent (90%) of the income for the year is distributed amongst the Unit Holders as dividend. This includes only cash dividend as consequent to amendments in Income Tax Ordinance, 2001 through Finance Act, 2014, for the purpose of determining distribution of at least 90% of accounting income, the income distributed through bonus shares, units or certificates as the case may be, shall not be taken into account. The ninety per cent (90%) of the income shall be calculated after excluding capital gains and as reduced by such expenses as are chargeable to the Fund under the Regulations.

Withholding Tax

Under the provisions of Clause 47(B) of Part – iv of the Second Schedule to the Income Tax Ordinance, 2001, the Fund's income namely, dividend, profit on government securities, return on deposits/ certificates of investment with banks/financial institutions, profits from money market transactions, profit from Profit or Loss sharing accounts with Banks of the Fund will not be subject to any withholding tax. Provided that exemption certificate, under section 150 & 151 of the Income Tax Ordinance, 2011, have been duly obtained by the CIS and approved Pension Schemes.

Taxation of Unit Holders and Liability to Zakat

(a) Withholding Tax:

Unless exempted from such taxation or at a reduced rate under any law or Avoidance of Double Taxation Agreement, cash dividend paid to Unit holders of the Fund will be subject to withholding tax as per the prevailing tax law.

In terms of the provisions of the Income Tax Ordinance, 2001, the withholding tax shall be deemed to be full and final liability in respect of such distribution.

(b) Capital Gains:

Capital Gains arising on disposition of Units of the Fund subject to withholding Capital Gains Tax (CGT) at the applicable rates given in the Income Tax Ordinance, 2001 (ITO).There shall be no CGT, if holding period is more than 48 months (4 years). As per section 37(A) of the Income Tax Ordinance, 2001, Capital gains shall be treated as a separate block of income and losses under this head can be adjusted by the unit holder from the capital gains in the same tax year. Any unadjusted loss under this head is not allowed to be carried forward to the subsequent tax years.

JS Investments Limited
GIPS Compliant Presentation
JS Asset Allocation Composite
From January 2012 to June 2017

Composite Name: JS Asset Allocation Composite					**Benchmark:** 50% KSE30 Index + 50% Avg. 6M KIBOR			
Composite Creation Date: December 31, 2016					**Reporting Currency:** Pakistani Rupees (PKR)			
Year	Composite Net Return (%)	Benchmark Return (%)	Composite 3-Yr St Dev (%)	Benchmark 3-Yr St Dev (%)	Number of Portfolios	Composite Assets	Total Firm's Assets	% of Firm Assets
6M CY 2017	0.79	(1.52)	18.28	9.56	5	177,647,633	13,254,506,222	1.34
CY 2016	43.55	19.86	17.22	9.20	8	260,454,395	13,414,216,175	1.94
CY 2015	5.49	0.29	16.17	10.14	8	185,449,805	9,428,617,044	1.97
CY 2014	17.24	10.72	12.55	9.27	5	372,336,290	10,785,647,392	3.45
CY 2013	20.20	22.90	13.63	14.03	<5	273,348,797	12,823,003,611	2.13
CY 2012	28.35	31.83	12.94	17.25	<5	160,379,392	12,311,148,168	1.30

Compliance Statement

"JS Investments Limited claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. JS Investments Limited (JSIL, the Firm) has not been independently verified."

Definition of the Firm

The Firm is a public listed company incorporated in Karachi - Pakistan and is listed on the Pakistan Stock Exchange (formerly, Karachi Stock Exchange). JSIL is a subsidiary of "JS Bank Limited" and is engaged in the business of providing Asset Management and Investment Advisory

Services. The definition of the Firm includes all Funds under its management and all fee – paying and non – fee – paying discretionary and non – discretionary portfolios.

Policies

The Firm's policies for valuing Portfolios, calculating performance, and preparing compliant presentations are available upon request.

Composite Description

JS Asset Allocation Composite seeks to provide long term returns to the investors through capital gains and dividend income. The composite's strategy is geared towards taking advantage of changing relative values of different asset classes. Portfolio(s) in the composite may invest some or even all of its assets in any one asset class, depending upon the current economic condition, which includes equities, money market/ debt instruments, government securities, etc. Further diversification may be achieved through exposure in mutual funds and make cash placement with bank deposits. The composite comprises of one portfolio of Collective Investment Scheme (CIS), namely JS Aggressive Asset Allocation Fund (JS AAAF), and fifteen discretionary portfolios and out of fifteen discretionary portfolios only five are active, as at June 30, 2017.

Benchmark

The benchmark of JS Asset Allocation Composite is equally weighted KSEO 30 Index return and six months average KIBOR rate i.e. 50% KSE30 Index + 50% Avg. 6M KIBOR.

List of Composites

The Firm's list of composite descriptions is available upon request.

Significant Event

1. The Finance Act, 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes / mutual funds (CISs) whose income exceeds Rs.0.5 million in a tax year, have been brought within the scope of the 'WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the Honorable High Court of Sindh (SHC), challenging the applicability of WWF to the CISs, which is pending adjudication.

Subsequent to the year ended June 30, 2010, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) which stated that mutual funds are not liable to contribute to WWF on the basis of their income. This clarification was forwarded by Federal Board of Revenue (FBR) (being the collecting agency of WWF on behalf of the Ministry) to its members for necessary action through letter dated October 6, 2010. Based on this clarification, the FBR also withdrew notice of demand which it had earlier issued to one of the mutual funds for collection of WWF. Notices of demand have also been issued to several other mutual funds and the matter has been taken up by the respective mutual funds with the FBR for their withdrawal on the basis of the above referred clarification of the Ministry. However, the Secretary (Income Tax Policy) Federal Board of Revenue vide letter dated January 04, 2011 subsequently cancelled ab-initio the clarification letter dated October 06, 2010 on applicability of WWF on mutual funds.

On December 14, 2010, the Ministry had filed its response against the constitutional petition requesting the SHC to dismiss the petition. According to the legal counsel who is handling the case, there is a contradiction between the aforementioned clarification issued by the Ministry and the response filed by the Ministry in the SHC.

During the current period, the Honorable Lahore High Court (LHC) in a similar Constitutional Petition relating to the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006, and the Finance Act, 2008, has declared the said amendments as unlawful and unconstitutional. The Management Company is hopeful that the decision of the LHC, will lend further support to the constitutional petition which is pending in the SHC. Based on the above, the Management Company believes that the Fund is not liable to contribute to WWF. JS AAAF has maintained provisions against Worker's Welfare Fund's (WWF) liability to the tune of PKR 4,054,625 as of September 30, 2015 respectively. Further, consequent to amendments in tax laws through Finance Act 2015, where Mutual Funds & Collective Investment Schemes have been excluded from the definition of "Industrial Establishment" subject to WWF under WWF Ordinance, 1971. Accordingly, no provision for WWF has been made after June 30, 2015.

2. During the period, the SECP vide its letter number SCD/AMCW/JSIL/89/2015 dated September 11, 2015 has granted its approval under regulation 58(1)(m) of the Non Banking Finance Companies and Notified Entities Regulation, 2008 read with Circular No. 20 of June 23, 2009 for the merger of the Fund with and into JS Large Cap Fund (JS LCF). Subsequently, the whole of undertakings of Fund which includes all assets, rights liabilities, bank balance, obligations, mandates, undertaking, securities records etc were transferred to and vested in JS LCF from October 02, 2015 (:effective date of merger").

Fees

Returns are calculated and presented net of all fees/ expenses that includes custodial expenses, SECP fee, listing fee, Management Fee, Trading Expenses etc

Fee Schedule

Management Fee is 2.00% for JS AAAF.

Minimum Portfolio Size

The Minimum portfolio size for inclusion in the composite is as follows;

For portfolios of CIS (Funds)	Rs. 100 Million
For other portfolio	Rs. 3 Million*

** The minimum asset level for other portfolio is changed from Rs. 5 million to Rs. 3 million*

Internal Dispersion

Since number of Portfolios in the composite is less than five for the entire (full) year therefore calculation of internal dispersion is not required.

Key Assumption for Portfolio valuation

Following are the key assumptions used in portfolio valuation;

Financial instruments

All the financial assets and liabilities are recognized at the time when the Portfolio becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the contractual rights to receive cash flows related to the asset expire. Financial liabilities are derecognized when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gain or loss on derecognizing of the financial assets and liabilities is taken to the income statement in the period in which it arises.

Revenue recognition

Capital gains of a security are accounted for in the period in which they arise. Dividend income is recognized when the right to receive them is established. Income on bank deposits is recognized on accrual basis, and adjustments (if required) are made on receipt of actual profit.

Liability for Income Tax

Under the income tax law in Pakistan, the Fund is regarded as a public company for tax purposes. The income of the Fund is taxable, if 90% distribution is not made among the unit holders, certificate holders or shareholders as the case may be. The tax is chargeable at the rate applicable to a public company, which is presently as under:

(a) Dividend income is taxable at the applicable tax rate as provided in Income Tax Ordinance, 2001 for public companies on gross income basis.

(b) Capital gains arising on sale of securities, listed on any stock exchange in Pakistan at applicable tax rates in accordance with the Income Tax Ordinance, 2001;

Returns from all other sources/instruments are taxable at the rate applicable to a public company.

Liability for Income Tax, if ninety per cent (90%) of the Fund's income is paid as dividend

Notwithstanding the tax rates and withholding tax the income of the Fund will be exempt from tax, if not less than ninety per cent (90%) of the income for the year is distributed amongst the Unit Holders as dividend. This includes only cash dividend as consequent to amendments in Income Tax Ordinance, 2001 through Finance Act, 2014, for the purpose of determining distribution of at least 90% of accounting income, the income distributed through bonus shares, units or certificates as the case may be, shall not be taken into account. The ninety per cent (90%) of the income shall be calculated after excluding capital gains and as reduced by such expenses as are chargeable to the Fund under the Regulations.

Withholding Tax

Under the provisions of Clause 47(B) of Part – iv of the Second Schedule to the Income Tax Ordinance, 2001, the Fund's income namely, dividend, profit on government securities, return on deposits/certificates of investment with banks/financial institutions, profits from money market transactions, profit from Profit or Loss sharing accounts with Banks of the Fund will not be subject to any withholding tax. Provided that exemption certificate, under section 150 & 151 of the Income Tax Ordinance, 2011, have been duly obtained by the CIS and approved Pension Schemes.

Taxation of Unit Holders and Liability to Zakat

(a) Withholding Tax:

Unless exempted from such taxation or at a reduced rate under any law or Avoidance of Double Taxation Agreement, cash dividend paid to Unit holders of the Fund will be subject to withholding tax as per the prevailing tax law.

In terms of the provisions of the Income Tax Ordinance, 2001, the withholding tax shall be deemed to be full and final liability in respect of such distribution.

(b) Capital Gains:

Capital Gains arising on disposition of Units of the Fund subject to withholding Capital Gains Tax (CGT) at the applicable rates given in the Income Tax Ordinance, 2001 (ITO).There shall be no CGT, if holding period is more than 48 months (4 years). As per section 37(A) of the Income Tax Ordinance, 2001, Capital gains shall be treated as a separate block of income and losses under this head can be adjusted by the unit holder from the capital gains in the same tax year. Any unadjusted loss under this head is not allowed to be carried forward to the subsequent tax years.

JS Investments Limited
GIPS Compliant Presentation
JS Capital Protected Composite
From January 2012 to June 2017

Composite Name: JS Capital Protected Composite					**Benchmark:** Refer to Benchmark Disclosure			
Composite Creation Date: December 31, 2016					**Reporting Currency:** Pakistani Rupees (PKR)			
Year	Composite Net Return (%)	Benchmark Net Return (%)	Composite 3-Yr St Dev (%)	Benchmark 3-Yr St Dev (%)	Number of Portfolios	Composite Assets	Total Firm's Assets	% of Firm Assets
6M CY 2017	2.31				<5	269,649,368	13,254,506,222	2.03
CY 2016*	3.40				<5	304,255,168	13,414,216,175	2.27
CY 2015							9,428,617,044	
CY 2014							10,785,647,392	
CY 2013							12,823,003,611	
CY 2012**	4.38				<5		12,311,148,168	

**For the period from the date of maturity of JS PSF I (i.e. June 11, 2012) to the launch of JS CPF V (i.e. May 30, 2016), there exists no portfolio(s) with similar investment objective in this composite.*
***Returns are from January 01, 2012 to June 11, 2012.*

<u>Compliance Statement</u>

"JS Investments Limited claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. JS Investments Limited (JSIL, the Firm) has not been independently verified."

Definition of the Firm

The Firm is a public listed company incorporated in Karachi - Pakistan and is listed on the Pakistan Stock Exchange (formerly, Karachi Stock Exchange). JSIL is a subsidiary of "JS Bank Limited" and is engaged in the business of providing Asset Management and Investment Advisory Services. The definition of the Firm includes all Funds under its management and all fee – paying and non – fee – paying discretionary and non – discretionary portfolios.

Policies

The Firm's policies for valuing Portfolios, calculating performance, and preparing compliant presentations are available upon request.

Composite Description

The objective of JS Capital Protected Composite is to provide capital protection of the Initial Investment Value, at completion of the duration while offering potentially high returns through dynamic asset allocation between equity, mutual funds, money market instrument and fixed income securities. The composite protects investor's capital through the investment structure by placing a significant percentage with bank as term deposit. The remaining portion is used to take exposure in equity markets to maximize the return and may also invest in fixed income and money market instruments. The composite comprises of two portfolios of Collective Investment Scheme, namely JS Capital Protected Fund V (JS CPF V) and JS Principal Secure Fund I (JS PSF I).

Benchmark

No Benchmark has been assigned to this composite.

List of Composites

The Firm's list of composite descriptions is available upon request.

Significant Event

1. As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total

income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP has taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF.

MUFAP has also taken a legal opinion that SWWF, if applicable, can only be applied from the date of enactment of SWWF Act, 2014, i.e. May 21, 2015. For the purpose, MUFAP as an abundant caution decided that provision in respect of SWWF should be made effective from the date of enactment. Consequently, the provision for SWWF is being made on daily basis going forward from January 12, 2015; subsequently JS CPF V have maintained provision against SWWF to the tune of Rs. 304,253/-.

2. The life of JS Principal Secure Fund I (JS PSF I) was 3 years & 6 weeks, and JS PSF I was matured on June 11, 2012.

3. JS Capital Protected Fund V (JS CPF V) was launched on May 30, 2016 and for the period from the date of maturity of JS PSF I to the launch of JS CPF V, there exists no portfolio(s) with similar investment objective.

<u>Fees</u>

Returns are calculated and presented net of all fees/ expenses that includes custodial expenses, SECP fee, listing fee, Management Fee, Trading Expenses etc.

<u>Fee Schedule</u>

Management Fee is 1.00% for JS CPF V; and

Management Fee is 1.75% for JS PSF I.

Minimum Portfolio Size

The Minimum portfolio size for inclusion in the composite is as follows;

For portfolios of CIS (Funds)	Rs. 100 Million
For other portfolio	Rs. 3 Million*

**The minimum asset level for other portfolio is changed from Rs. 5 million to Rs. 3 million.*

Internal Dispersion

Since number of Portfolios in the composite is less than five for the entire (full) year therefore calculation of internal dispersion is not required.

Key Assumption for Portfolio valuation

Following are the key assumptions used in portfolio valuation;

Financial instruments

All the financial assets and liabilities are recognized at the time when the Portfolio becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the contractual rights to receive cash flows related to the asset expire. Financial liabilities are derecognized when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gain or loss on derecognizing of the financial assets and liabilities is taken to the income statement in the period in which it arises.

Revenue recognition

Capital gains of a security are accounted for in the period in which they arise. Dividend income is recognized when the right to receive them is established. Income on bank deposits is recognized on accrual basis, and adjustments (if required) are made on receipt of actual profit.

Liability for Income Tax

Under the income tax law in Pakistan, the Fund is regarded as a public company for tax purposes. The income of the Fund is taxable, if 90% distribution is not made among the unit holders, certificate holders or shareholders as the case may be. The tax is chargeable at the rate applicable to a public company, which is presently as under:

(a) Dividend income is taxable at the applicable tax rate as provided in Income Tax Ordinance, 2001 for public companies on gross income basis.

(b) Capital gains arising on sale of securities, listed on any stock exchange in Pakistan at applicable tax rates in accordance with the Income Tax Ordinance, 2001;

Returns from all other sources/instruments are taxable at the rate applicable to a public company.

Liability for Income Tax, if ninety per cent (90%) of the Fund's income is paid as dividend

Notwithstanding the tax rates and withholding tax the income of the Fund will be exempt from tax, if not less than ninety per cent (90%) of the income for the year is distributed amongst the Unit Holders as dividend. This includes only cash dividend as consequent to amendments in Income Tax Ordinance, 2001 through Finance Act, 2014, for the purpose of determining distribution of at least 90% of accounting income, the income distributed through bonus shares, units or certificates as the case may be, shall not be taken into account. The ninety per cent (90%) of the income shall be calculated after excluding capital gains and as reduced by such expenses as are chargeable to the Fund under the Regulations.

Withholding Tax

Under the provisions of Clause 47(B) of Part – iv of the Second Schedule to the Income Tax Ordinance, 2001, the Fund's income namely, dividend, profit on government securities, return on deposits/certificates of investment with banks/financial institutions, profits from money market transactions, profit from Profit or Loss sharing accounts with Banks of the Fund will not be subject to any withholding tax. Provided that exemption certificate, under section 150 & 151 of the Income Tax Ordinance, 2011, have been duly obtained by the CIS and approved Pension Schemes.

Taxation of Unit Holders and Liability to Zakat

(a) Withholding Tax:

Unless exempted from such taxation or at a reduced rate under any law or Avoidance of Double Taxation Agreement, cash dividend paid to Unit holders of the Fund will be subject to withholding tax as per the prevailing tax law.

In terms of the provisions of the Income Tax Ordinance, 2001, the withholding tax shall be deemed to be full and final liability in respect of such distribution.

(b) Capital Gains:

Capital Gains arising on disposition of Units of the Fund subject to withholding Capital Gains Tax (CGT) at the applicable rates given in the Income Tax Ordinance, 2001 (ITO).There shall be no CGT, if holding period is more than 48 months (4 years). As per section 37(A) of the Income Tax Ordinance, 2001, Capital gains shall be treated as a separate block of income and losses under this head can be adjusted by the unit holder from the capital gains in the same tax year. Any unadjusted loss under this head is not allowed to be carried forward to the subsequent tax years.

JS Investments Limited
GIPS Compliant Presentation
JS Index Tracker Composite
From January 2012 to June 2017

Composite Name: JS Index Tracker Composite				Benchmark: KSE – 30 Index				
Composite Creation Date: December 31, 2016				Reporting Currency: Pakistani Rupees (PKR)				
Year	Composite Net Return (%)	Benchmark Net Return (%)	Composite 3-Yr St Dev (%)	Benchmark 3-Yr St Dev (%)	Number of Portfolios	Composite Assets	Total Firm's Assets	% of Firm Assets
9M CY 15*	(10.45)	(7.14)	18.04	20.30	<5	17,228,792	9,470,356,164	0.18
CY 2014	11.94	10.43	13.79	15.76	<5	47,598,188	10,785,647,392	0.44
CY 2013	33.05	36.65	16.71	18.51	<5	44,325,086	12,823,003,611	0.35
CY 2012	36.64	35.22	17.61	17.74	<5	105,525,962	12,311,148,168	0.86

** JS KSE – 30 Index Fund was merged with JS Large Cap. Fund on October 02, 2015. Therefore, the performance of 9 months (9M) of Calendar Year 2015 (CY 15) is tabulated above.*

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Definition of the Firm

The Firm is a Public Listed Company incorporated in Karachi - Pakistan and is listed on the Pakistan Stock Exchange (formerly, Karachi Stock Exchange). JSIL is a subsidiary of "JS Bank Limited" and is engaged in the business of providing Asset Management and Investment Advisory Services. The definition of the Firm includes all Funds under its management and all fee paying and non – fee paying discretionary and non – discretionary portfolios.

Policies

The Firm's policies for valuing Portfolios, calculating performance, and preparing compliant presentations are available upon request.

Composite Description

The composite targets sophisticated investors who can time their entry and exit in accordance with the expected performance of the equity market or for investors who seek long term exposure to the equity market. The Composite aims to closely track the performance of an index by investing in constituent companies within the index they track in proportion to their weighting with the objective to provide returns that are closely aligned with the returns of the tracked index. The composite comprises of one portfolio of Collective Investment Scheme (CIS), namely JS KSE – 30 Index Fund (JS KSE – 30).

Benchmark

The benchmark of JS Index Tracker Composite is KSE – 30 Index.

List of Composites

The Firm's list of composite descriptions is available upon request.

Significant Event

1. The Finance Act, 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes / mutual funds (CISs) whose income exceeds Rs.0.5 million in a tax year, have been brought within the scope of the 'WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the Honorable High Court of Sindh (SHC), challenging the applicability of WWF to the CISs, which is pending adjudication.

   Subsequent to the year ended June 30, 2010, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) which stated that mutual funds are not liable to contribute to WWF on the basis of their income. This clarification was forwarded by Federal Board of Revenue (FBR) (being the collecting agency of WWF on behalf of the Ministry) to its members for necessary action through letter dated October 6, 2010. Based on this clarification, the FBR also withdrew notice of demand which it had earlier issued to one of the mutual funds for collection of WWF.

Notices of demand have also been issued to several other mutual funds and the matter has been taken up by the respective mutual funds with the FBR for their withdrawal on the basis of the above referred clarification of the Ministry. However, the Secretary (Income Tax Policy) Federal Board of Revenue vide letter dated January 04, 2011 subsequently cancelled ab-initio the clarification letter dated October 06, 2010 on applicability of WWF on mutual funds.

On December 14, 2010, the Ministry had filed its response against the constitutional petition requesting the SHC to dismiss the petition. According to the legal counsel who is handling the case, there is a contradiction between the aforementioned clarification issued by the Ministry and the response filed by the Ministry in the SHC.

During the current period, the Honorable Lahore High Court (LHC) in a similar Constitutional Petition relating to the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006, and the Finance Act, 2008, has declared the said amendments as unlawful and unconstitutional. The Management Company is hopeful that the decision of the LHC, will lend further support to the constitutional petition which is pending in the SHC. Based on the above, the Management Company believes that the Fund is not liable to contribute to WWF. The Scheme has maintained provisions against Worker's Welfare Fund's (WWF) liability to the tune of Rs. 2,015,789, as of September 30, 2015. Further, consequent to amendments in tax laws through Finance Act 2015, where Mutual Funds & Collective Investment Schemes have been excluded from the definition of "Industrial Establishment" subject to WWF under WWF Ordinance, 1971. Accordingly, no provision for WWF has been made after June 30, 2015.

2. SECP, vide its letter number SCD/AMCW/JSIL/89/2015 dated September 11, 2015 granted its approval under regulation 58(1)(m) of the NBFC & NE Regulation, 2008 read with Circular No. 20 of 2009 dated June 23, 2009 for the merger of JS KSE 30 with and into JS Large Cap. Fund ("the Surviving Scheme"). Consequently, the whole of undertakings of JS KSE 30, which includes all assets, rights, liabilities, bank balances, obligations, mandates, undertakings, securities, records etc. were transferred to and vested in JS Large Cap. Fund from October 02, 2015 ("effective date of merger").

Fees

Returns are calculated and presented net of all fees/ expenses that includes custodial expenses, SECP fee, listing fee, Management Fee, Trading Expenses etc.

Fee Schedule

Management Fee is 1.50% for JS KSE 30.

Minimum Portfolio Size

The Minimum portfolio size for inclusion in the composite is as follows;

For portfolios of CIS (Funds)	Rs. 100 Million
For other portfolio	Rs. 3 Million

Internal Dispersion

Since number of Portfolios in the composite is less than five for the entire (full) year therefore calculation of internal dispersion is not required.

Key Assumption for Portfolio valuation

Following are the key assumptions used in portfolio valuation;

Financial instruments

All the financial assets and liabilities are recognized at the time when the Portfolio becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the contractual rights to receive cash flows related to the asset expire. Financial liabilities are derecognized when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gain or loss on derecognizing of the financial assets and liabilities is taken to the income statement in the period in which it arises.

Revenue recognition

Capital gains of a security are accounted for in the period in which they arise. Dividend income is recognized when the right to receive them is established. Income on bank deposits is recognized on accrual basis, and adjustments (if required) are made on receipt of actual profit.

Liability for Income Tax

Under the income tax law in Pakistan, the Fund is regarded as a public company for tax purposes. The income of the Fund is taxable, if 90% distribution is not made among the unit holders, certificate holders or shareholders as the case may be. The tax is chargeable at the rate applicable to a public company, which is presently as under:

(a) Dividend income is taxable at the applicable tax rate as provided in Income Tax Ordinance, 2001 for public companies on gross income basis.

(b) Capital gains arising on sale of securities, listed on any stock exchange in Pakistan at applicable tax rates in accordance with the Income Tax Ordinance, 2001;

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Liability for Income Tax, if ninety per cent (90%) of the Fund's income is paid as dividend

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Taxation of Unit Holders and Liability to Zakat

(a) Withholding Tax:

Unless exempted from such taxation or at a reduced rate under any law or Avoidance of Double Taxation Agreement, cash dividend paid to Unit holders of the Fund will be subject to withholding tax as per the prevailing tax law.

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