



Atlas Money Market Fund

Atlas Sovereign Fund

Atlas Income Fund

Atlas Stock Market Fund

QUARTER REPORT

30 SEPTEMBER 2019

(UN-AUDITED)

Atlas
funds
Nurturing your investments



Management Company

Atlas Asset Management

Rated AM2+ by PACRA
(as of June 28, 2019)



Vision

To be a market leader in providing quality fund management services with customer satisfaction as our premier goal.

Mission Statement

We are committed to offering our investors the best possible risk adjusted returns on a diverse range of products, providing a stimulating and challenging environment for our employees, and committing to the highest ethical and fiduciary standards. We firmly believe that by placing the best interests of our clients first, we will also serve the best interest of our employees, our shareholders and the communities in which we operate.

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Atlas Funds

ORGANISATION

Management Company

Atlas Asset Management Limited

Board of Directors of the Management Company

Chairman Mr. Frahim Ali Khan
(*Non-Executive Director*)

Directors Mr. Tariq Amin
(*Independent Director*)
Ms Zehra Naqvi
(*Independent Director*)
Mr. Iftikhar H. Shirazi*
(*Non-Executive Director*)
Mr. Ali H. Shirazi
(*Non-Executive Director*)
Mr. M. Habib-ur-Rahman
(*Non-Executive Director*)

Chief Executive Officer Mr. Muhammad Abdul Samad
(*Executive Director*)

Company Secretary Ms Zainab Kazim

Board Committees

Audit Committee

Chairman Mr. Tariq Amin
Members Mr. Frahim Ali Khan
Mr. M. Habib-ur-Rahman

Secretary Mr. M. Uzair Uddin Siddiqui

Human Resource & Remuneration Committee

Chairman Mr. Frahim Ali Khan
Members Mr. Ali H. Shirazi
Mr. Muhammad Abdul Samad
Secretary Ms Zainab Kazim

Investment Committee

Chairman Mr. Muhammad Abdul Samad
Members Mr. Ali H. Shirazi
Mr. Khalid Mahmood
Mr. Muhammad Umar Khan
Mr. Fawad Javaid
Secretary Mr. Faran-ul-Haq

Management Committee

Chairman Mr. Muhammad Abdul Samad
Members Mr. Khalid Mahmood
Ms Qurrat-ul-Ain Jafari
Ms Mishaal H. Shirazi
Mr. Tariq Ahmed Siddiqui
Ms Ayesha Farooq
Ms Zainab Kazim
Secretary Mr. Muhammad Umar Khan

Risk Management Committee

Chairman Mr. Muhammad Abdul Samad
Members Mr. Khalid Mahmood
Secretary Mr. Shaikh Owais Ahmed

Chief Financial Officer

Ms Qurrat-ul-Ain Jafari

Chief Internal Auditor

Mr. M. Uzair Uddin Siddiqui

Registered Office

Ground Floor, Federation House Sharae Firdousi,
Clifton, Karachi - 75600
Tel: (92-21) 111-MUTUAL (6-888-25)
(92-21) 35379501-04
Fax: (92-21) 35379280
Email: info@atlasfunds.com.pk
Website: www.atlasfunds.com.pk

*Subject to SECP Approval
The Above information is as at 30 October 2019

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CHAIRMAN'S REVIEWS

It is my pleasure to present you the un-audited financial statements of Atlas Money Market Fund (AMF), Atlas Sovereign Fund (ASF), Atlas Income Fund (AIF) and Atlas Stock Market Fund (ASMF) for the three months period ended September 30, 2019 of FY 2019-20.

THE ECONOMY

The external sector continued to show significant improvement in the Current Account Deficit specifically driven by contraction in Imports. Pakistan's Imports for Jul-Sep FY20 stood at US\$ 11.25 billion compared to US\$ 14.17 billion in same period last year while Exports for the period Jul-Sep FY20 stood at US\$ 5.52 billion as compared to US\$ 5.37 billion reported in the same period last year. During Jul-Sep FY20, the Current Account Deficit was recorded at US\$ 1.55 billion as compared to US\$ 4.29 billion in the same period last year. The reduction in Current Account Deficit together with foreign inflows provided support to Foreign Exchange Reserves, which as of September 27, 2019 stood at US\$ 15.00 billion with State Bank of Pakistan's share of US\$ 7.74 billion. Foreign Remittances for the period July-Sep FY20 stood at US\$ 5.48 billion, recording a decline of 1.43% against same period last year. Due to the impact of exchange rate depreciation, adjustments in utility prices and increase in food prices, CPI inflation for the period July- Sep FY20 averaged at 10.08%. During the quarter, the Federal Board of Revenue provisionally collected Rs. 960 billion tax revenue against a target of Rs. 1,071 billion registering a shortfall of 10.36%. The State Bank of Pakistan in its latest monetary policy announcement on September 16, 2019 decided to keep policy rate unchanged at 13.25%.

FUND OPERATIONS - AMF

The Net Asset Value per unit of Atlas Money Market Fund increased by 3.20% to Rs. 505.22 as on September 30, 2019, thus providing an annualized total return of 12.84%. The AMF's total exposure in short term deposits with banks/cash stood at 99.06%. AMF presents a good investment opportunity for investors to earn attractive returns while maintaining high liquidity with low risk. The Net Assets of the Fund stood at Rs. 9.20 billion, with 18.20 million units outstanding as of September 30, 2019.

FUND OPERATIONS - ASF

The Net Asset Value per unit of Atlas Sovereign Fund increased by 3.98% to Rs. 104.32 as on September 30, 2019, providing an annualized total return of 15.76%. The ASF's total exposure in Pakistan Investment Bonds stood at 46.27% with remaining in short term deposits with banks/others. ASF presents a good investment opportunity for investors to earn competitive returns while maintaining high liquidity with medium risk. The Net Assets of the Fund stood at Rs. 3.06 billion, with 29.29 million units outstanding as of September 30, 2019.

FUND OPERATIONS - AIF

The Net Asset Value per unit of Atlas Income Fund increased by 3.76% to Rs.532.69 as on September 30, 2019, this works out to 14.90% on an annualized basis. AIF's current asset allocation is 30.62% in Pakistan Investment Bonds, 22.56% in Term Finance Certificates, 11.90% in Sukuks and remaining 34.92% in Bank Deposits/Others. AIF presents a good investment opportunity for investors to earn competitive returns while preserving capital. The Net Assets of the Fund stood at Rs. 3.10 billion with 5.82 million units outstanding as of September 30, 2019.

FUND OPERATIONS - ASMF

The Net Asset Value per unit of Atlas Stock Market Fund decreased by 5.93% to Rs. 474.05 as on September 30, 2019. The benchmark KSE-100 index decreased by 5.38% during the same period. The KSE-100 index decreased from 33,901.58 points as on June 28, 2019 to 32,078.85 points as on September 30, 2019. The ASMF's equity portfolio exposure was mainly in Commercial Banks, Oil & Gas Exploration, Fertilizer and Power Generation & Distribution sectors. ASMF strategy will continue to focus on dividend plays and stocks which are trading at relatively cheap multiples with earnings growth prospects. The Net Assets of the Fund stood at Rs. 5.15 billion, with 10.87 million units outstanding as of September 30, 2019.

Atlas Funds

MUTUAL FUND TAXATION

WORKER'S WELFARE FUND (WWF)

Against the decision of the Honorable Supreme Court of Pakistan (SCP) that declared the amendments made in the Finance Acts 2006 and 2008 pertaining to WWF as illegal citing that WWF was not in the nature of tax and could, therefore, not have been introduced through money bills, the Federal Board of Revenue (FBR) has filed a review petition in the SCP, which is pending for hearing. The Mutual Funds Association of Pakistan (MUFAP) consulted both legal and tax advisors who gave the opinion that the judgment has removed the very basis on which the demands were raised, therefore, there was no longer any liability against the mutual funds under the WWF Ordinance. Based on legal opinion, the entire provision against WWF held by the Mutual Funds and Voluntary Pension Funds till June 30, 2015 were reversed on January 12, 2017.

SINDH WORKER'S WELFARE FUND (SWWF)

As a consequence of the 18th amendment to the Constitution of Pakistan, Workers' Welfare Fund became a provincial subject. In May, 2015 the Sindh Assembly passed the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) imposing SWWF on many entities, including financial institutions.

The Sindh Revenue Board (SRB) demanded the SWWF from mutual funds on the plea that mutual funds are defined as financial institution under The Financial Institutions (Recovery of Finances) Ordinance, 2001. MUFAP has collectively on behalf of asset management companies contested that mutual funds are not financial institutions or industrial establishments but were pass through investment vehicles and did not employ workers. Mutual funds are also not included in the definition of financial institutions in the Companies Act, 2017. MUFAP has taken up the matter with the Sindh Finance Division for resolution of the matter.

Although, based on legal opinion, SWWF is not applicable on mutual funds MUFAP has recommended that the provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from May 21, 2015). Accordingly, the provision for SWWF is being made on a daily basis going forward.

FEDERAL EXCISE DUTY (FED)

The Finance Act, 2013 imposed Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from June 13, 2013 and this was withdrawn on June 30, 2016. On September 04, 2013 a constitutional petition was filed in SHC jointly by various AMCs, challenging the levy of FED. In a separate petition the Honorable Sindh High Court declared that the FED was unconstitutional and cannot be charged where provinces are collecting sales tax. The Federation has filed an appeal in the Honorable Supreme Court of Pakistan. However, without prejudice, the mutual funds and pension funds have on prudent basis maintained the provision for FED till June 30, 2016.

WITHHOLDING TAX

With effect from July 01, 2015, FBR has required all entities whose income are exempt from income tax to obtain income tax exemption certificates from concerned Commissioner of Income Tax (CIT) by virtue of provision in section 159 of the Income Tax Ordinance, 2001 (Ordinance). So far, Mutual Funds and approved Pension Funds were automatically allowed exemption from withholding tax by virtue of clause 47(B) of Part IV of the Second Schedule to Ordinance. The Company along with other AMCs filed a petition in the Honorable Sindh High Court against the new requirement of FBR. The Honorable Sindh High Court decided that the requirement of obtaining exemption certificate will apply to those entities as well whose income are otherwise exempt from tax. Thereafter, the company has filed a petition in the Supreme Court of Pakistan, on April 20, 2016 and the hearing is still pending. In the meanwhile Mutual Funds are obtaining exemption certificates from Commissioner of Income Tax. However, any tax withheld is refundable.

RATINGS

- **ASSET MANAGER RATING**

The Pakistan Credit Rating Agency Limited (PACRA) maintained asset manager rating of Atlas Asset Management Limited (AAML) to "AM2+" (AM Two Plus). The rating denotes high quality as the asset manager meets high investment management industry standards and benchmarks with noted strengths in several of the rating factors.

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- **FUND STABILITY RATING - AMF**

PACRA has assigned a stability rating of "AA+ (f)" (Double A Plus - fund rating) to the Fund. The Fund's rating denotes a very strong capacity to manage relative stability in returns and very low exposure to risks.

- **FUND STABILITY RATING - ASF**

PACRA has assigned a stability rating of "AA- (f)" (Double A Minus - fund rating) to the Fund. The Fund's rating denotes a very strong capacity to manage relative stability in returns and very low exposure to risks.

- **FUND STABILITY RATING - AIF**

PACRA has assigned a stability rating of "AA- (f)" (Double A Minus - fund rating) to the Fund. The Fund's rating denotes a very strong capacity to manage relative stability in returns and very low exposure to risk.

FUTURE OUTLOOK

Post induction of Pakistan into IMF's US\$ 6 billion program, macro-economic adjustments have been targeted including a free-float exchange rate regime, broadening of tax base and monetary tightening to stabilize the economy. Exchange rate adjustments have resulted in Real Effective Exchange Rate (REER) to come down at 92.7 in August-19 that helped in reducing Current Account Deficit to US\$ 1.55 billion during July-Sep 2019 compared to US\$ 4.29 billion in the same period last year. Provisional tax collection during the quarter was Rs. 960 billion that has increased by 15% compared to last year despite slowdown in the economy. On the external front, worker's remittances, lending commitments from multilateral institutions and IMF's extended fund facility will help in meeting Pakistan's financing needs. However, debt servicing by the government amid high interest rates will keep fiscal side under pressure despite improvements in tax collection. CPI inflation is likely to average between 11% - 12% for FY20. Going forward, government's focus towards Exports, commencement of China Pakistan Economic Corridor second phase and increased Public Sector Development Program outlay will be instrumental for increment in economic activity.

SAD DEMISE OF THE FOUNDER AND CHAIRMAN OF ATLAS GROUP

On October 20, 2019, the Founder and Chairman of Atlas Group, Mr. Yusuf H. Shirazi, left for his heavenly abode. On behalf of the Board of Directors, I would like to place on record deep sorrow and grief on his passing away. He was a visionary with brilliant business acumen and will always be remembered as the most successful and leading first generation entrepreneur of Pakistan. He established leading companies and built organizations for social development. He founded various institutions that changed the lives of millions and shaped the course of Pakistan's industrial growth. He fostered several enduring foreign relationships and influenced all of us with his exemplary principles. Atlas Group's extended family and committed partners is a legacy of his values and work ethics. We are determined and committed to uphold and grow his rich legacy.

بڑی مشکل سے ہوتا ہے جن میں دیدہ وری پیدا

ACKNOWLEDGEMENT

I would like to thank the Securities and Exchange Commission of Pakistan, the Board of Directors, and the Group Executive Committee for their help, support and guidance. I also thank the financial institutions and the unit holders for their help, support and the confidence reposed in the Fund and the Chief Executive Officer, Mr. Muhammad Abdul Samad and his management team for their hard work, dedication, and sincerity of purpose.

Karachi: 30 October 2019

Frahim Ali Khan
Chairman

Atlas Money Market Fund

Corporate Information

Trustee

Central Depository Company of Pakistan Limited
99-B, Block 'B', S.M.C.H.S, Main Shahrah-e-Faisal,
Karachi - 74400

Auditors

EY Ford Rhodes
Chartered Accountants

Legal Advisers

Bawaney & Partners

Bankers

Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Bank Al Habib Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Limited
MCB Bank Limited
Samba Bank Limited
Zarai Taraqati Bank Limited

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CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED) AS AT 30 SEPTEMBER 2019

		30 September 2019 Un-audited	30 June 2019 Audited
	Note	-----Rupees-----	
Assets			
Cash and bank balances	4	9,245,600,152	10,339,271,465
Investments	5	-	-
Profit receivable on bank balances		83,824,435	7,648,801
Prepayment and other receivables		3,657,446	6,100,073
Total assets		9,333,082,033	10,353,020,339
Liabilities			
Payable to Atlas Asset Management Limited - Management Company	6	28,468,029	29,366,349
Payable to Central Depository Company of Pakistan Limited - Trustee		593,798	857,187
Payable to the Securities & Exchange Commission of Pakistan		519,257	10,938,706
Payable against redemption of units		45,908,036	8,034,982
Unclaimed dividend		25,152	5,394,915
Accrued expenses and other liabilities	7	60,277,132	58,924,453
Total liabilities		135,791,404	113,516,592
NET ASSETS		9,197,290,629	10,239,503,747
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		9,197,290,629	10,239,503,747
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NUMBER OF UNITS IN ISSUE		18,204,613	20,351,995
NET ASSET VALUE PER UNIT		505.22	503.12

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Frahim Ali Khan
Chairman

Tariq Amin
Director

Atlas Money Market Fund

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)

FOR THE QUARTER ENDED 30 SEPTEMBER 2019

		2019	2018
	Note	-----Rupees-----	
Income			
Profit on saving and term deposits		162,021,099	105,429,142
Income from government securities		190,647,119	176,907,659
Capital gain / (loss) on sale of investments - net		1,935,490	(2,582,710)
Net unrealised diminution on remeasurement of investments classified as 'financial assets at fair value through profit or loss'		-	(79,894)
		1,935,490	(2,662,604)
Total income		354,603,708	279,674,197
Expenses			
Remuneration of Atlas Asset Management Limited - Management Company	6.1	11,683,833	16,526,567
Sindh Sales Tax on Remuneration of the Management Company	6.2	1,518,898	2,148,454
Remuneration of Central Depository Company of Pakistan Limited - Trustee		1,687,665	2,770,665
Sindh Sales Tax on Remuneration of the trustee		219,396	360,186
Annual fees to the Securities & Exchange Commission of Pakistan		519,257	2,754,427
Accounting and operational charges	9	2,596,407	3,672,570
Annual rating fee		108,297	125,957
Annual listing fee		6,913	2,096
Securities transaction cost		7,218	54,465
Auditors' remuneration		155,420	165,726
Printing charges		10,000	104,976
Legal and professional charges		64,416	28,080
Bank charges		50,223	31,340
Provision for Sindh Workers' Welfare Fund		6,719,515	5,018,574
		25,347,458	33,764,083
Net income for the period before taxation		329,256,250	245,910,114
Taxation	11	-	-
Net income for the period after taxation		329,256,250	245,910,114
Earning per units	12		
Allocation of net income for the period:			
- Net income for the period after taxation		329,256,250	245,910,114
- Income already paid on units redeemed		(16,115,466)	(22,859,203)
		313,140,784	223,050,911
Accounting income available for distribution:			
- Relating to capital gains		1,935,490	-
- Excluding capital gains		311,205,294	223,050,911
		313,140,784	223,050,911

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Frahim Ali Khan
Chairman

Tariq Amin
Director

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CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2019

	2019	2018
	-----Rupees-----	
Net income for the period after taxation	329,256,250	245,910,114
Other comprehensive income	-	-
Total comprehensive income for the period	329,256,250	245,910,114

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Frahim Ali Khan
Chairman

Tariq Amin
Director

Atlas Money Market Fund

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2019

	30 September 2019		
	Capital value	Undistributed income	Net assets
	-----Rupees-----		
Capital value	10,204,508,746	-	10,204,508,746
Undistributed income brought forward			
- Realised income	-	34,995,001	34,995,001
- Unrealised income	-	-	-
Net assets at the beginning of the period (Units outstanding: 20,351,995) (Rs. 503.12 per unit)	10,204,508,746	34,995,001	10,239,503,747
Issue of 4,756,443 units	2,402,005,351	-	2,402,005,351
Redemption of 6,903,825 units	(3,474,631,392)	(16,115,466)	(3,490,746,858)
Total comprehensive income for the period	-	329,256,250	329,256,250
Refund of capital	(7,325,489)	-	(7,325,489)
First interim distribution of Rs. 4.25 per unit declared on 26 July 2019	-	(90,150,581)	(90,150,581)
Second interim distribution of Rs. 4.85 per unit declared on 23 August 2019	-	(93,826,792)	(93,826,792)
Third interim distribution of Rs. 4.90 per unit declared on 20 September 2019	-	(91,424,999)	(91,424,999)
Net assets at end of the period (Units outstanding: 18,204,613) (Rs. 505.22 per unit)	9,124,557,216	72,733,413	9,197,290,629
Undistributed income carried forward			
- Realised income	-	72,733,413	-
- Unrealised income	-	-	-
	-	72,733,413	-
	30 September 2018		
	Capital value	Undistributed income	Net assets
	-----Rupees-----		
Capital value	12,754,057,197	-	12,754,057,197
Undistributed income brought forward			
- Realised income	-	406,825,990	406,825,990
- Unrealised income	-	-	-
Net assets at the beginning of the period (Units outstanding: 24,859,132) (Rs. 529.42 per unit)	12,754,057,197	406,825,990	13,160,883,187
Issue of 8,194,159 units	4,134,245,286	-	4,134,245,286
Redemption of 5,044,988 units	(2,535,943,417)	(22,859,203)	(2,558,802,620)
Total comprehensive income for the period	-	245,910,114	245,910,114
Refund of capital	(284,847,951)	-	(284,847,951)
Cash distribution for the year ended 30 June 2018 of Rs. 27 per unit for the full year declared on 06 July 2018	-	(386,348,605)	(386,348,605)
Net assets at end of the period (Units outstanding: 28,008,305) (Rs. 510.96 per unit)	14,067,511,115	243,528,296	14,311,039,411
Undistributed income carried forward			
- Realised income	-	225,982,466	-
- Unrealised income	-	17,545,830	-
	-	243,528,296	-

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

**For Atlas Asset Management Limited
(Management Company)**

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Frahim Ali Khan
Chairman

Tariq Amin
Director

First Quarter Report 2019-20

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE QUARTER ENDED 30 SEPTEMBER 2019

	2019	2018
Note	-----Rupees-----	
CASH FLOW FROM OPERATING ACTIVITIES		
Net income for the period after taxation	329,256,250	245,910,114
Adjustments for:		
Profit on saving and term deposits	(162,021,099)	(105,429,142)
Income from government securities	(190,647,119)	(176,907,659)
Capital (gain) / loss on sale of investments - net	(1,935,490)	2,582,710
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	-	79,894
Provision for Sindh Workers Welfare Fund	6,719,515	5,018,574
	(347,884,193)	(274,655,623)
Decrease / (increase) in assets		
Prepayment and other receivables	2,442,627	(25,404)
Decrease in liabilities		
Payable to Atlas Asset Management Limited - Management Company	(898,320)	(114,861)
Payable to Central Depository Company of Pakistan Limited - Trustee	(263,389)	(12,799)
Payable to the Securities & Exchange Commission of Pakistan	(10,419,449)	(4,938,224)
Unclaimed dividend	(5,369,763)	-
Accrued expenses and other liabilities	(5,366,836)	(15,379,265)
	(22,317,757)	(20,445,149)
	(38,503,073)	(49,216,062)
Interest received	85,845,465	41,224,195
Investments made during the period	(15,020,623,072)	(15,870,237,715)
Investments sold / matured during the period	15,213,205,681	14,737,263,900
Net cash generated from / (used in) operating activities	239,925,001	(1,140,965,682)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net receipts from issuance of units	2,402,005,351	4,134,245,286
Net payments against redemption of units	(3,452,873,804)	(2,370,462,419)
Refund of capital	(7,325,489)	(284,847,951)
Cash distribution for the year ended 30 June 2018 of Rs. 27 per unit for the full year declared on 06 July 2018	-	(386,348,605)
First interim distribution of Rs. 4.25 per unit declared on 26 July 2019	(90,150,581)	-
Second interim distribution of Rs. 4.85 per unit declared on 23 August 2019	(93,826,792)	-
Third interim distribution of Rs. 4.90 per unit declared on 20 September 2019	(91,424,999)	-
Net cash (used in) / generated from financing activities	(1,333,596,314)	1,092,586,311
Net (decrease) / increase in cash and cash equivalents	(1,093,671,313)	(48,379,371)
Cash and cash equivalents at the beginning of the period	10,339,271,465	13,224,116,066
Cash and cash equivalents at the end of the period	9,245,600,152	13,175,736,695

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Frahim Ali Khan
Chairman

Tariq Amin
Director

Atlas Money Market Fund

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE QUARTER ENDED 30 SEPTEMBER 2019

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Atlas Money Market Fund (the Fund) is an open-ended Fund constituted under a trust deed entered into on 4 December 2009 between Atlas Asset Management Limited (AAML) as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the trustee. The offering document of the Fund has been revised through the First, Second, Third and Fourth Supplements dated 24 March 2015, 3 August 2015, 30 September 2016 and 2 June 2017 respectively, with the approval of the Securities and Exchange Commission of Pakistan (SECP). The registered office of AAML is situated at Ground Floor, Federation House, Shahrae Firdousi, Clifton, Karachi.
- 1.2 The Fund has been categorised as a 'money market scheme' by the Board of Directors pursuant to the provisions contained in Circular 7 of 2009 and is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription at a par value of Rs 500 per unit on 20 January 2010. Thereafter, the units are being offered for public subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.
- 1.3 According to the trust deed, the objective of the Fund is to provide its investors competitive returns from a portfolio of low risk, short duration assets while maintaining high liquidity. The Fund aims to deliver this objective mainly by investing in government securities, cash and near cash instruments which include cash in bank accounts, treasury bills, deposits with scheduled banks, certificates of deposit (CODs), certificates of Musharaka (COMs), commercial papers, and reverse repo; with a weighted average time to maturity of not more than 90 days and in case of a single asset, maximum time to maturity of six months. The investment objectives and policy are explained in the Fund's offering document.
- 1.4 The Pakistan Credit Rating Agency Limited (PACRA) maintained the asset manager rating of the Management Company to AM2+ (AM Two Plus) [2018: AM2+ (AM Two Plus)] on 28 June 2019.

Moreover, PACRA has upgraded the stability rating of the Fund at "AA+ (f)" [2018: "AA (f)"] on 17 October 2019 subsequently to the balance sheet date.
- 1.5 The titles to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited (CDC) as the Trustee of the Fund.

2 STATEMENT OF COMPLIANCE

These condensed interim financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017, the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or directives issued by the SECP differ with the requirements of IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended 30 June 2019.

In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that these condensed interim financial statements give a true and fair view of the state of the Fund's affairs as at 30 September 2019.

The comparatives in the condensed interim statement of assets and liabilities presented in the condensed interim financial statements as at 30 September 2019 have been extracted from the annual published audited financial statements of the Fund for the year ended 30 June 2019, whereas, the comparatives in the condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement have been extracted from the unaudited condensed interim financial statements of the Fund for the Quarter ended 30 September 2018.

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3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies applied for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual published financial statements of the Fund for the year ended 30 June 2019.

The preparation of these condensed interim financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

The significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to financial statements as at and for the year ended 30 June 2019.

The financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the year ended 30 June 2019.

	Note	30 September 2019 Un-audited	30 June 2019 Audited
-----Rupees -----			
4 CASH AND BANK BALANCES			
Balances with banks in saving accounts	4.1	9,242,974,752	10,287,871,465
Cheques in hand	4.2	2,625,400	51,400,000
		9,245,600,152	10,339,271,465

4.1 The rate of return on these accounts ranges between 6.00% and 14.40% (30 June 2019: 6.00% and 13.40%) per annum.

4.2 The denotes cheques received against issuance of units which were deposited and cleared in the bank account subsequently on 02 October 2019

	Note	30 September 2019 Un-audited	30 June 2019 Audited
-----Rupees -----			
5 INVESTMENTS			
At fair value through profit or loss			
Investment in Government securities - Market Treasury Bills	5.1	-	-

5.1 Market Treasury Bills

Particulars	Face Value (Rupees)				Rupees		Percentage	
	As at 01 July 2019	Purchased during the period	Sold / Matured during the period	As at 30 September 2019	Amortised cost as at 30 September 2019	Market Value as at 30 September 2019	Market Value as a percentage of total investments	Market Value as a percentage of net assets
3 Months	-	15,444,000,000	15,444,000,000	-	-	-	-	-
	-	15,444,000,000	15,444,000,000	-	-	-	-	-

	Note	30 September 2019 Un-audited	30 June 2019 Audited
-----Rupees -----			
6 PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY (RELATED PARTY)			
Remuneration of the Management Company	6.1	3,637,986	4,302,315
Sindh Sales Tax payable on Remuneration of the Management Company	6.2	3,593,100	3,679,463
Federal Excise Duty payable on Remuneration of the Management Company	6.3	20,428,502	20,428,502
Accounting and operational charges payable	9	808,441	956,069
		28,468,029	29,366,349

Atlas Money Market Fund

- 6.1 During the quarter ended 30 September 2019, the Management Company has charged its remuneration at the rate of 0.45% (30 June 2019: 0.45%) per annum of the average net assets for the year. The fee is payable to the Management Company monthly in arrears.
- 6.2 During the year, an amount of Rs. 1,518,898 (2018: Rs. 2,148,454) was charged on account of sales tax on remuneration of the Management Company levied through Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 1,605,261 (2018: Rs. 2,159,496) was paid to the Management Company which acts as a collecting agent.
- 6.3 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

On 4 September 2013, a Constitutional Petition was filed in the Honourable Sindh High Court (SHC) jointly by various asset management companies, together with their representative Collective Investment Schemes through their trustees, challenging the levy of FED.

With effect from 01 July 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

During the year ended 30 June 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from 1 July 2016. However, as a matter of abundant caution the provision for FED made till 30 June 2016 amounting to Rs 20.429 million (30 June 2019: 20.429 million) is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the said provision for FED not been maintained, the net asset value of the Fund as at 30 September 2019 would have been higher by Rs. 1.12 (30 June 2019: Rs. 1) per unit.

	Note	30 September 2019 Un-audited	30 June 2019 Audited
		-----Rupees -----	
7	ACCRUED EXPENSES AND OTHER LIABILITIES		
	Auditors' remuneration payable	773,720	618,300
	Printing charges payable	67,538	77,972
	Rating fee payable	108,297	-
	Withholding tax payable	13,335,052	18,170,295
	Capital Gain Tax payable	314,498	1,108,008
	Provision for Sindh Workers' Welfare Fund	45,660,784	38,941,269
	Zakat payable	10,026	8,609
	Transaction charges payable	7,217	-
		60,277,132	58,924,453

- 7.1 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, was required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that

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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 had taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs/mutual funds, MUFAP recommended that as a matter of abundant caution, provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from May 21, 2015).

Had the provision for SWWF not been recorded in the financial statements of the Fund for the period from May 21, 2015 to September 30, 2019, the net asset value of the Fund as at September 30, 2019 would have been higher by Rs. 2.51 per unit (30 June 2019: Rs. 1.91 per unit).

8 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 30 September 2019 and 30 June 2019.

9 ACCOUNTING AND OPERATIONAL CHARGES

Uptil June 19, 2019 in accordance with Regulation 60 of the NBFC Regulations, the Management Company was entitled to charge expenses related to registrar services, accounting, operations and valuation services, related to a Collective Investment Scheme (CIS) at the rate of 0.1% of the average annual net assets of the scheme or actual whichever is less. During the year, SECP vide SRO 639 dated 20 June 2019 has removed the maximum cap of 0.1%. Accordingly, the Management Company can now charge actual expenses related to registrar services, accounting, operations and valuation services to the CIS with effect from 20 June 2019.

However, the management continued to charge expenses at the rate of 0.1% of the average annual net assets of the Fund, being lower than actual expenses.

10 EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 30 September 2019 is 0.98% (30 June 2019: 0.95%) which includes 0.35% (30 June 2019: 0.32%) representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 2% prescribed under the NBFC Regulations for a collective investment scheme categorised as a money market scheme.

11 TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unitholders. The management intends to distribute at least 90% of the Fund's net accounting income earned by the year end, as cash dividend, to the unit holders. Accordingly, no provision for taxation has been made in these condensed interim financial statements.

12 EARNINGS PER UNIT

Earnings per unit has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating earnings per unit is not practicable.

Atlas Money Market Fund

		For the Quarter Ended 30 September	
		2019	2018
		Un-audited	Un-audited
		-----Rupees-----	
13	TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS		
13.1	Transactions for the period:		
	Atlas Asset Management Limited (Management Company)		
	Remuneration of the Management Company	11,683,833	16,526,567
	Sindh Sales tax on Remuneration of Management Company	1,518,898	2,148,454
	Remuneration paid	12,348,162	16,611,510
	Accounting and operational charges	2,596,407	3,672,570
	Redemption of 1 (2018: 196,951) units	304	100,000,000
	Dividend declared	67,710	-
	Central Depository Company of Pakistan Limited (Trustee)		
	Remuneration of the Trustee	1,687,665	2,770,665
	Sindh Sales Tax on Remuneration of the Trustee	219,396	360,186
	Remuneration paid	2,078,243	2,781,992
	Atlas Fund of Funds (Fund under common management)		
	Issue of 155,741 (2018: 35,570) units	78,360,000	17,900,000
	Redemption of 116,366 (2018: Nil) units	59,094,074	-
	Atlas Group of Companies Management Staff Gratuity Fund (Retirement benefit plan of a Group Company)		
	Issue of 57,045 (2018: 5,864) units	28,777,475	2,946,269
	Redemption of 122,309 (2018: 38,152) units	62,000,000	19,300,000
	Dividend declared	1,777,475	2,946,269
	Atlas Foundation (Group Company)		
	Issue of 44,812 (2018: 4,635) units	22,741,591	2,328,557
	Dividend declared	3,191,349	2,717,533
	Atlas Battery Limited (Group Company)		
	Issue of 30 (2018: 27,494) units	14,912	13,813,617
	Redemption of 4,157 (2018: 560,022) units	2,100,307	283,372,212
	Dividend declared	17,543	14,378,242
	Batools Benefit Trust (Trust having common Director / Trustee)		
	Issue of 287 (2018: 526) units	144,657	264,399
	Dividend declared	170,184	289,051
	Atlas Honda Limited (Group Company)		
	Issue of 128,790 (2018: 462,203) units	64,801,673	232,220,030
	Redemption of 1,379,291 (2018: 2,370,782) units	700,000,000	1,200,000,000
	Dividend declared	76,236,873	258,810,736
	Atlas Honda Limited (Employee Provident Fund) (Retirement benefit plan of a Group Company)		
	Issue of 4,023 (2018: 13,079) units	2,024,327	6,571,103
	Dividend declared	2,024,327	6,571,103
	Atlas Insurance Limited (Group Company)		
	Issue of 952,793 (2018: 369,151) units	481,144,551	186,000,000
	Redemption of 473,317 (2018: 369,151) units	240,000,000	188,540,168
	Dividend declared	10,444,953	-
	Atlas Honda Limited Non Management Staff Gratuity Fund (Retirement benefit plan of a Group Company)		
	Issue of 609 (2018: 1,017) units	306,245	510,789
	Dividend declared	306,245	510,789

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	For the Quarter Ended	
	30 September	
	2019	2018
	Un-audited	Un-audited
	-----Rupees-----	
Cherat Cement Company Limited - WPPF		
Issue of Nil (2018: 4,218) units	-	2,118,995
Dividend declared	-	2,663,300
Honda Atlas Cars (Pakistan) Limited (Group Company)		
Issue of 2,825 (2018: 165,328) units	1,423,583	83,064,302
Dividend declared	-	94,971,146
Shirazi Investments (Private) Limited (Group Company)		
Issue of Nil (2018: 88,575) units	-	44,501,749
Dividend declared	13,926,728	45,079,972
Fauji Fertilizer Company Limited (Unit Holder with more than 10% holding)		
Issue of 332,862 (2018: 3,912,914) units	162,685,350	1,975,000,000
Dividend declared	73,700,870	-
Shirazi Trading Company (Private) Limited - (Employee Provident Fund) (Retirement benefit plan of a Group Company)		
Issue of Nil (2018: 1,133) units	-	569,180
Dividend declared	-	569,180
Shirazi Investment (Private) Limited (Employee Provident Fund) (Retirement benefit plan of a Group Company)		
Issue of Nil (2018: 3,085) units	-	1,550,030
Dividend declared	770,357	1,550,030
Atlas Die Casting (Private) Limited (Group Company)		
Issue of 98 (2018: 595,415) units	49,212	300,000,000
Redemption of Nil (2018: 294,877) units	-	150,000,000
Directors and their close family members and key management personnel of the Management Company		
Issue of 57,305 (2018: 97,017) units	28,875,940	49,071,915
Redemption of 40,612 (2018: 78,639) units	20,526,489	39,968,600
Dividend declared	4,522,196	-
	30 September	30 June
	2019	2019
	Un-audited	Audited
	-----Rupees-----	
13.2 Investments / outstanding balances as at period end		
Atlas Asset Management Limited (Management Company)		
Remuneration payable to the Management Company	3,637,986	4,302,315
Sindh Sales Tax payable on Remuneration of the Management Company	3,593,100	3,679,463
Federal Excise Duty payable on Remuneration of the Management Company	20,428,502	20,428,502
Accounting and operational charges payable	808,441	956,069
Outstanding 13,946 (30 June 2019: 1) units - at net asset value	7,045,785	298
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration payable to the Trustee	525,485	758,573
Sindh Sales Tax payable on Remuneration of the trustee	68,313	98,614
Atlas Fund of Funds (Fund under common management)		
Outstanding 39,375 (30 June 2019: Nil) units - at net asset value	19,892,918	-

Atlas Money Market Fund

	30 September 2019	30 June 2019
Note	Un-audited	Audited
	-----Rupees-----	
Atlas Foundation (Group Company)		
Outstanding 257,312 (30 June 2019: 212,500) units - at net asset value	129,999,118	106,913,042
Atlas Insurance Limited (Group Company)		
Outstanding 479,476 (30 June 2019: Nil) units - at net asset value	242,241,091	-
Atlas Honda Limited Employees Provident Fund (Retirement benefit plan of a Group Company)		
Outstanding 147,288 (30 June 2019: 143,264) units - at net asset value	74,412,736	72,079,270
Atlas Battery Limited (Group Company)		
Outstanding Nil (30 June 2019: 4,127) units - at net asset value	-	2,076,707
Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)		
Outstanding 56,974 (30 June 2019: 54,406) units - at net asset value	28,784,623	27,372,391
Shirazi Investments (Private) Limited (Group Company)		
Outstanding 994,766 (30 June 2019: 944,767) units - at net asset value	502,575,822	500,486,813
Honda Atlas Cars (Pakistan) Limited (Group Company)		
Outstanding 2,825 (30 June 2019: Nil) units - at net asset value	1,427,228	-
Atlas Group of Companies Management Staff Gratuity Fund (Retirement benefit plan of a Group Company)		
Outstanding 148,406 (30 June 2019: 213,670) units - at net asset value	74,977,529	107,501,398
Atlas Die Casting (Private) Limited (Group Company)		
Outstanding 98 (30 June 2019: Nil) units - at net asset value	49,338	-
Atlas Honda Limited Non Management Staff Gratuity Fund (Retirement benefit plan of a Group Company)		
Outstanding 22,282 (30 June 2019: 21,673) units - at net asset value	11,257,354	10,904,341
Batools Benefit Trust (Trust having common Director / Trustee)		
Outstanding 12,348 (30 June 2019: 12,061) units - at net asset value	6,238,636	6,068,058
Fauji Fertilizer Company Limited (Unit Holder with more than 10% holding)	13.3	
Outstanding 4,694,810 (30 June 2019: 5,085,549) units - at net asset value	2,371,911,757	2,558,641,525
Directors and their close family members and key management personnel of the Management Company		
Outstanding 314,763 (30 June 2019: 298,070) units - at net asset value	159,024,723	149,964,978

13.3 Holding being less than 10% in reporting period, disclosure is not applicable.

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

14 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

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

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Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at 30 September 2019, the Fund did not have any financial instruments measured at fair value.

15 GENERAL

Figures have been rounded off to the nearest Rupee.

16 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on 30 October 2019.

**For Atlas Asset Management Limited
(Management Company)**

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Frahim Ali Khan
Chairman

Tariq Amin
Director

Atlas Sovereign Fund

Corporate Information

Trustee

Central Depository Company of Pakistan Limited
99-B, Block 'B', S.M.C.H.S, Main Shahrah-e-Faisal,
Karachi - 74400

Auditors

A.F. Ferguson & Co.
Chartered Accountants

Legal Advisers

Bawaney & Partners

Bankers

Allied Bank Limited
Bank Alfalah Limited
Bank Al Habib Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
Faysal Bank Limited
MCB Bank Limited
Samba Bank Limited
Soneri Bank Limited
Zarai Taraqiati Bank Limited

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CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED) AS AT 30 SEPTEMBER 2019

	Note	30 September 2019 Un-audited ----- Rupees -----	30 June 2019 Audited
Assets			
Bank balances	4	1,623,507,964	1,786,431,695
Investments	5	1,418,065,067	511,602,698
Interest / Profit accrued		22,674,063	21,782,840
Other receivables		495,770	469,410
Total assets		3,064,742,864	2,320,286,643
Liabilities			
Payable to Atlas Asset Management Limited - Management Company	6	4,672,823	1,854,683
Payable to the Central Depository Company of Pakistan Limited - Trustee		160,418	255,914
Payable to the Securities and Exchange Commission of Pakistan		122,136	430,422
Accrued expenses and other liabilities	7	4,293,116	16,508,933
Total liabilities		9,248,493	19,049,952
NET ASSETS		3,055,494,371	2,301,236,691
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		3,055,494,371	2,301,236,691
CONTINGENCIES AND COMMITMENTS	8		
NUMBER OF UNITS IN ISSUE		29,289,843	22,936,104
NET ASSET VALUE PER UNIT		104.32	100.33

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Frahim Ali Khan
Chairman

Tariq Amin
Director

Atlas Sovereign Fund

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)

FOR THE QUARTER ENDED 30 SEPTEMBER 2019

	Note	2019 ----- Rupees -----	2018
Income			
Interest income	10	76,175,509	6,692,611
Capital gain / (loss) on sale of investments - net		9,853,357	(129,927)
Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		18,216,120	(16,021)
		28,069,477	(145,948)
Total income		104,244,986	6,546,663
Expenses			
Remuneration of Atlas Asset Management Limited - Management Company	6.1	4,560,348	406,288
Sindh Sales Tax on remuneration of management company	6.2	592,845	52,817
Remuneration of Central Depository Company of Pakistan Limited - Trustee		397,029	135,409
Sindh Sales Tax on remuneration of Trustee		51,614	17,603
Annual fees to the Securities & Exchange Commission of Pakistan		122,136	67,704
Accounting and operational charges	9	610,815	90,269
Annual rating fee		83,677	99,647
Annual listing fee		6,913	6,427
Securities transaction cost		7,409	-
Auditors' remuneration		62,857	78,256
Printing charges		10,000	2,679
Legal and professional charges		64,416	28,080
Amortisation of formation cost		-	65,534
Bank charges		16,299	4,036
Provision for Sindh Workers' Welfare Fund		1,953,173	109,838
Total expenses		8,539,531	1,164,587
Net income for the period before taxation		95,705,455	5,382,076
Taxation	12	-	-
Net income for the period after taxation		95,705,455	5,382,076
Earning per unit	13		
Allocation of net income for the year:			
- Net income for the period after taxation		95,705,455	5,382,076
- Income already paid on units redeemed		(281,354)	(14)
		95,424,101	5,382,062
Accounting income available for distribution			
- Relating to capital gains		28,069,477	-
- Excluding capital gains		67,354,624	5,382,062
		95,424,101	5,382,062

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Frahim Ali Khan
Chairman

Tariq Amin
Director

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CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2019

	2019	2018
	----- Rupees -----	
Net income for the period after taxation	95,705,455	5,382,062
Other comprehensive income	-	-
Total comprehensive income for the period	95,705,455	5,382,062

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Frahim Ali Khan
Chairman

Tariq Amin
Director

Atlas Sovereign Fund

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2019

	30 September 2019		
	Capital value	Undistributed income	Net assets
	-----Rupees-----		
Capital value	2,298,220,458	-	2,298,220,458
Undistributed income brought forward			
- Realised income	-	4,865,277	4,865,277
- Unrealised loss	-	(1,849,044)	(1,849,044)
Net assets at the beginning of the period (Units outstanding: 22,936,104) (Rs. 100.33 per unit)	2,298,220,458	3,016,233	2,301,236,691
Issue of 6,595,238 units	683,100,289	-	683,100,289
Redemption of 241,499 units	(24,266,710)	(281,354)	(24,548,064)
Total comprehensive income for the period	-	95,705,455	95,705,455
Net assets at end of the period (Units outstanding: 29,289,843) (Rs. 104.32 per unit)	2,957,054,037	98,440,334	3,055,494,371
Undistributed income carried forward			
- Realised income	-	81,397,581	-
- Unrealised income	-	17,042,753	-
	-	98,440,334	-

	30 September 2018		
	Capital value	Undistributed income	Net assets
	-----Rupees-----		
Capital value	343,141,842	-	343,141,842
Undistributed income brought forward			
- Realised income	-	13,858,968	13,858,968
- Unrealised income	-	1,195,957	1,195,957
Net assets at the beginning of the period (Units outstanding: 3,411,400) (Rs. 105.00 per unit)	343,141,842	15,054,925	358,196,767
Issue of 141,222 units	14,157,476	-	14,157,476
Redemption of 106 units	(10,585)	(14)	(10,599)
Total comprehensive income for the period	-	5,382,076	5,382,076
Refund of Capital	(2,369,709)	-	(2,369,709)
Cash dividend declared for the year ended 30 June 2018 at the rate of Rs. 4.75 per unit 06 July 2018	-	(13,834,442)	(13,834,442)
Net assets at end of the period (Units outstanding: 3,552,516) (Rs. 101.76 per unit)	354,919,024	6,602,545	361,521,569
Undistributed income carried forward			
- Realised income	-	1,125,164	-
- Unrealised income	-	5,477,381	-
	-	6,602,545	-

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Frahim Ali Khan
Chairman

Tariq Amin
Director

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CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE QUARTER ENDED 30 SEPTEMBER 2019

CASH FLOWS FROM OPERATING ACTIVITIES	Note	2019 -----Rupees-----	2018
Net income for the period after taxation		95,705,455	5,382,076
Adjustments for:			
Interest income		(59,955,451)	(6,692,611)
Capital (gain) / loss on sale of investments - net		(9,853,357)	129,927
Net unrealised (appreciation) / diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		(18,216,120)	16,021
Amortisation of formation cost		-	65,535
Provision for Sindh Workers' Welfare Fund		1,953,173	109,838
		(86,071,755)	(6,371,290)
Increase in assets			
Other receivables		(26,360)	(21,073)
Decrease in liabilities			
Payable to Atlas Asset Management Limited - Management Company		2,818,140	1,614
Payable to the Central Depository Company of Pakistan Limited - Trustee		(95,496)	436
Payable to the Securities and Exchange Commission of Pakistan		(308,286)	(156,876)
Accrued expenses and other liabilities		(14,168,990)	(235,415)
		(11,754,632)	(390,241)
		(2,147,292)	(1,400,528)
Interest received		9,613,230	527,304
Investments made during the period		(5,367,625,695)	(700,568,719)
Investments sold / matured during the period		4,538,683,801	440,249,120
Net cash used in operating activities		(821,475,956)	(261,192,823)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net receipt from issuance of units		683,100,289	14,157,476
Net Payment against redemption of units		(24,548,064)	(10,599)
Refund of Capital		-	(2,369,709)
Cash payout against distribution		-	(13,834,442)
Net cash generated from / (used in) financing activities		658,552,225	(2,057,274)
Net decrease in cash and cash equivalents		(162,923,731)	(263,250,097)
Cash and cash equivalents at the beginning of the period		1,786,431,695	267,945,874
Cash and cash equivalents at the end of the period	4	1,623,507,964	4,695,777

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Frahim Ali Khan
Chairman

Tariq Amin
Director

Atlas Sovereign Fund

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE QUARTER ENDED 30 SEPTEMBER 2019

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Atlas Sovereign Fund (the Fund) is an open ended Fund constituted by a trust deed entered into on 19 August, 2014 between Atlas Asset Management Limited (AAML) as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the trustee. The Trust Deed has been revised through the First and Second Supplemental Trust Deeds dated 23 May 2017 and 3 September 2018 respectively, with the approval of the Securities and Exchange Commission of Pakistan (SECP). The Offering Document has been revised through the First, Second, Third, Fourth, Fifth, Sixth and Seventh Supplements dated 24 March 2015, 3 August 2015, 23 June 2016, 13 October 2016, 2 June 2017, 18 April 2018 and 20 August 2018 respectively, with the approval of the SECP. The registered office of AAML is situated at Ground Floor, Federation House, Shahrae Firdousi, Clifton, Karachi.
- 1.2 The Fund is categorised as a 'money market scheme' by the Board of Directors pursuant to the provisions contained in Circular 7 of 2009 and is listed on Pakistan Stock Exchange. The units of the Fund are being offered for public subscription on a continuous basis from 01 December 2014 and are transferable and redeemable by surrendering them to the Fund.
- 1.3 According to the Trust Deed, the objective of the Fund is to provide unit-holders competitive returns with low risk and high liquidity. The Fund aims to deliver this objective by investing primarily in short term Government securities, bank deposits (excluding TDRs), treasury bills, money market placements, deposits, certificates of deposits (CoDs), certificate of musharikas (CoMs), commercial papers and reverse repo with weighted average time to maturity of net assets not exceeding 90 days and in case of a single asset, maximum time to maturity of six months. The investment objectives and policies are more fully defined in Fund's Offering document.
- 1.4 The Pakistan Credit Rating Agency Limited (PACRA) maintained the asset manager rating of the Management Company to AM2+ (AM Two plus) [2018: AM2+ (AM Two plus)] on 30 June 2019
- Moreover, PACRA has updated the stability rating of the Fund at "AA- (f)" [2018: "AA (f)"] on 17 October 2019 subsequently to the balance sheet date.
- 1.5 Titles to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.

2 BASIS OF PREPARATION

2.1 Statement Of Compliance

These condensed interim financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017, the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or directives issued by the SECP differ with the requirements of IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the requirements of the said directives prevail.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended 30 June 2019.

In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that these condensed interim financial statements give a true and fair view of the state of the Fund's affairs as at 30 September 2019.

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The comparatives in the condensed interim statement of assets and liabilities presented in the condensed interim financial statements as at 30 September 2019 have been extracted from the annual published audited financial statements of the Fund for the year ended 30 June 2019, whereas, the comparatives in the condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement have been extracted from the unaudited condensed interim financial statements of the Fund for the quarter ended 30 September 2018.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies applied for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual published financial statements of the Fund for the period ended 30 June 2019.

The preparation of these condensed interim financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

The significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to financial statements as at and for the year ended 30 June 2019.

The financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the year ended 30 June 2019.

4 BANK BALANCES	Note	30 September	30 June
		2019	2019
		Un-audited	Audited
		-----Rupees -----	
Balances with banks in:			
- Saving accounts	4.1	1,623,507,964	1,736,431,695
- Cheque in hand		-	50,000,000
		1,623,507,964	1,786,431,695

4.1 The rate of return on these accounts ranges between 6.00% to 14.40% (30 June 2019: 6.00% to 13.40%) per annum.

5 INVESTMENTS	Note	30 September	30 June
		2019	2019
		Un-audited	Audited
		-----Rupees -----	
At fair value through profit or loss			
Government securities			
- Government Treasury Bills	5.1	-	-
- Pakistan Investment Bonds	5.2	1,418,065,067	511,602,698
		1,418,065,067	511,602,698

Atlas Sovereign Fund

5.1 Market Treasury Bills - At fair value through profit or loss

Treasury bills	Face value (Rupees)				Rupees		Percentage	
	As at 01 July 2019	Purchased during the period	Sold / matured during the period	As at 30 September 2019	Amortised Cost as at 30 September 2019	Market Value as at 30 September 2019	Market Value as a Percentage of Total Investments	Market Value as a Percentage of Net Assets
3 Months - T-bills	-	3,445,000,000	3,445,000,000	-	-	-	-	-
12 Months - T-bills	-	875,000,000	875,000,000	-	-	-	-	-
	-	4,320,000,000	4,320,000,000	-	-	-	-	-

5.2 Pakistan Investment Bonds - At fair value through profit or loss

PIBs	Face value (Rupees)				Rupees		Percentage	
	As at 01 July 2019	Purchased during the period	Sold / matured during the period	As at 30 September 2019	Amortised Cost as at 30 September 2019	Market Value as at 30 September 2019	Market Value as a Percentage of Total Investments	Market Value as a Percentage of Net Assets
3 Years PIB	390,500,000	540,500,000	390,500,000	540,500,000	492,800,074	492,845,150	34.75	16.13
5 Years PIB	200,000,000	254,000,000	-	454,000,000	381,931,761	396,478,664	27.96	12.98
10 Years PIB	-	537,500,000	-	537,500,000	525,117,112	528,741,253	37.29	17.30
	590,500,000	1,332,000,000	390,500,000	1,532,000,000	1,399,848,947	1,418,065,067	100.00	46.41

5.2.1 The cost of investments as on 30 September 2019 is Rs. 1,401,022,314 (30 June 2019: Rs. 513,451,742).

5.2.2 These Market Treasury Bills carry purchase yields ranging from 11.80% to 14.59% (30 June 2019: 11.80% to 13.80%) per annum and will mature between 12 July 2021 and 19 September 2029 (30 June 2019: 12 July 2021 and 12 July 2023).

6 PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY (RELATED PARTY)	Note	30 September 2019	30 June 2019
		Un-audited	Audited
		-----Rupees-----	
Remuneration of the Management Company	6.1	2,794,509	330,804
Sindh Sales Tax payable on Remuneration of the Management Company	6.2	494,565	174,284
Federal Excise Duty payable on Remuneration of the Management Company	6.3	905,341	905,341
Formation cost payable		260,000	260,000
Accounting and operational charges payable	9	218,408	184,254
		4,672,823	1,854,683

6.1 In accordance with the offering document of the Fund, management fee is 10% of the Gross Earnings subject to a minimum fee of 0.45% of average daily Net Assets and maximum fee of 0.80% of average Annual Net Asset. The Management Company is entitled to charge a management fee 1.0% of average annual net assets of the Fund in case of Income schemes that is to be verified by the trustee and is paid in arrears on monthly basis. Provided that the Management Company may charge performance based or fixed fee or the combination of both which shall not exceed the limit prescribed in the regulation. Accordingly, the Management Company has charged its remuneration at the rate of 0.75% (30 June 2019: 0.37%) per annum of the average annual net assets of the year. The fee is payable to the Management Company monthly in arrears.

6.2 During the period, an amount of Rs. 592,845 (2018: Rs. 52,817) was charged on account of sales tax on management fee levied through Sindh Sales Tax on Services Act, 2011, an amount of Rs. 272,564 (2018: Rs. 52,667) has been paid to the Management Company which acts as a collecting agent.

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6.3 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from 13 June 2013. As the asset management services rendered by the Management Company of the Fund are already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund as explained in note 6.2 above, the Management Company was of the view that further levy of FED was not justified.

On 4 September 2013, a Constitutional Petition was filed in the Honourable Sindh High Court (SHC) jointly by various asset management companies, together with their representative Collective Investment Schemes through their trustees, challenging the levy of FED.

During the year ended 30 June 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

With effect from 1 July 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from 1 July 2016. However, as a matter of abundant caution the provision for FED made for the period from 13 June 2013 till 30 June 2016 amounting to Rs 0.905 million (30 June 2019: Rs 0.905 million) is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the said provision for FED not been maintained, the net asset value of the Fund as at 30 September 2019 would have been higher by Re. 0.03 per unit (30 June 2019: Re. 0.04 per unit).

7 ACCRUED EXPENSES AND OTHER LIABILITIES	Note	30 September	30 June
		2019	2019
		Un-audited	Audited
		-----Rupees -----	-----
Auditors' remuneration payable		239,963	177,120
Printing charges payable		13,016	3,641
Transaction charges payable		8,613	1,611
Annual rating fee payable		84,088	410
Withholding tax payable		5,980	4,032,096
Capital Gain Tax payable		1,143	30,816
Dividend payable		10,985	10,287,083
Provision for Sindh Workers' Welfare Fund	7.1	3,929,328	1,976,156
		4,293,116	16,508,933

7.1 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. However, it may be stated that under Companies Act, 2017 mutual funds are explicitly excluded from the definition of financial institution. Thereafter, MUFAP has taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs / mutual funds, the MUFAP recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the Sindh WWF Act, 2014 (i.e. starting from May 21, 2015).

In view of the above developments regarding the applicability of WWF and SWWF on CISs / mutual funds, MUFAP has recommended the following to all its members on 12 January 2017:

- based on legal opinion, the entire provision against WWF held by the CISs till 30 June 2015 should be reversed on 12 January 2017; and

Atlas Sovereign Fund

- as a matter of abundant caution, the provision in respect of SWWF should be made with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from 21 May 2015) on 12 January 2017.

Accordingly, on 12 January 2017 the provision for WWF was reversed and the provision for SWWF was made for the period from 21 May 2015 to 12 January 2017. Thereafter, the provision for SWWF is being made on a daily basis going forward.

The above decisions were communicated to the SECP and the Pakistan Stock Exchange Limited on 12 January 2017 and the SECP vide its letter dated 1 February 2017 has advised MUFAP that the adjustments relating to the above should be prospective and supported by adequate disclosures in the financial statements of the CISs/ mutual funds.

Had the provision for SWWF not been recorded in these financial statements of the Fund, the net asset value of the Fund as at 30 September 2019 would have been higher by Re. 0.13 per unit (30 June 2019: Re. 0.09 per unit).

8 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 30 September 2019 and 30 June 2019.

9 ACCOUNTING AND OPERATIONAL CHARGES

Uptil 19 June 2019 in accordance with Regulation 60 of the NBFC Regulations, the Management Company was entitled to charge expenses related to registrar services, accounting, operations and valuation services, related to a Collective Investment Scheme (CIS) at the rate of 0.1% of the average annual net assets of the scheme or actual whichever is less. During the year, SECP vide SRO 639 dated 20 June 2019 has removed the maximum cap of 0.1%. Accordingly, the Management Company can now charge actual expenses related to registrar services, accounting, operations and valuation services to the CIS with effect from 20 June 2019.

However, the management continued to charge expenses at the rate of 0.1% of the average annual net assets of the Fund, being lower than actual expenses.

10 INTEREST INCOME

PLS savings and term deposit accounts
Government securities - Market Treasury Bills
Government securities - Pakistan Investment Bonds

For the Quarter Ended	
30 September	
2019	2018
Un-audited	Un-audited
-----Rupees-----	
10,504,453	508,839
49,450,998	6,183,772
16,220,058	-
76,175,509	6,692,611

11 EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 30 September 2019 is 1.39% (30 June 2019: 1.10%) which includes 0.44% (30 June 2019: 0.31%) representing government levies on the Fund such as sales taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 2% prescribed under the NBFC Regulations for a collective investment scheme categorised as a Money Market scheme.

12 TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its net accounting income available for distribution for the year derived from sources other than capital gains, to the unitholders. The management intends to distribute at least 90% of the Fund's net accounting income available for distribution by the year end, as cash dividend, to the unit holders. Accordingly, no provision for taxation has been made in these condensed interim financial statements.

13 EARNING PER UNIT

Earning per unit has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating loss per unit is not practicable.

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14 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

	Note	For the Quarter Ended	
		30 September	
		2019	2018
		Un-audited	Un-audited
		-----Rupees-----	
14.1 Transactions for the period:			
Atlas Asset Management Limited (Management Company)			
Remuneration of the Management Company		4,560,348	406,288
Remuneration paid		2,096,643	405,069
Sindh Sales tax on Remuneration of Management Company		592,845	52,817
Accounting and operation charges		610,815	90,269
Issue of Nil (2018: 1,941) units		-	194,611
Redemption of 58,617 (2018: Nil) units		6,000,000	-
Cash Dividend		-	228,954
Central Depository Company of Pakistan Limited (Trustee)			
Remuneration of Trustee		397,029	135,409
Remuneration paid		481,539	135,023
Sindh Sales tax on Remuneration of the trustee		51,614	17,603
Atlas Foundation (Group Company)			
Issue of 192,400 (2018: Nil) units		20,000,000	-
Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)			
Issue of 7,719 (2018: Nil) units		800,000	-
Atlas Insurance Limited (Group Company)			
Issue of 3,043,173 (2018: Nil) units		315,000,000	-
Atlas Honda Limited (Group Company)			
Issue of 2,894,635 (2018: 5) units		300,000,000	459
Cash Dividend		-	499
Shirazi Investments (Private) Limited (Group Company)			
Issue of Nil (2018: 67,087) units		-	6,725,503
Cash Dividend		-	7,912,357
Cherat Cement Company Limited - Workers Profit Participation Fund (Unit Holder with more than 10% holding)			
Issue of Nil (2018: 24,230) units		-	2,429,041
Cash Dividend		-	3,238,722
Fauji Fertilizer Company Limited - Provident Fund Trust	14.3		
Issue of Nil (2018: 46,217) units		-	4,633,242
Cash Dividend		-	4,633,242
Directors and their close family members and key management Personnel and executive of the Management Company			
Issue of 241,625 (2018: 536) units		24,865,404	53,733
Cash Dividend		-	59,145

Atlas Sovereign Fund

30 September
2019
Un-audited
.....Rupees.....
30 June
2019
Audited

14.2 Investments / outstanding balances as at period / year end

Atlas Asset Management Limited (Management Company)

Remuneration payable to the Management Company	2,794,509	330,804
Sindh Sales Tax payable on Remuneration of the Management Company	494,565	174,284
Federal Excise Duty payable on Remuneration of the Management Company	905,341	905,341
Accounting and operation charges payable	218,408	184,254
Formation cost payable	260,000	260,000
Outstanding 357,517 (30 June 2019: 416,133) units - at net asset value	37,296,142	41,750,659

Central Depository Company of Pakistan Limited (Trustee)

Remuneration payable to the Trustee	141,963	226,473
Sindh Sales Tax payable on remuneration of the trustee	18,455	29,441

Atlas Honda Limited (Group Company)

Outstanding 9,926,259 (30 June 2019: 7,031,624) units - at net asset value	1,035,507,351	705,482,820
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Shirazi Investments (Private) Limited (Group Company)

Outstanding 7,495,151 (30 June 2019: 7,495,151) units - at net asset value	781,894,140	751,988,488
--	-------------	-------------

Atlas Foundation (Group Company)

Outstanding 1,044,768 (30 June 2019: 852,367) units - at net asset value	108,990,157	85,518,023
--	-------------	------------

Shirazi Investments (Private) Limited - Employee Provident Fund (Retirement Benefit Plan of a Group Company)

Outstanding 122,549 (30 June 2019: 114,830) units - at net asset value	12,784,278	11,520,859
--	------------	------------

Atlas Honda Limited - Employee Provident Fund (Retirement Benefit Plan of a Group Company)

Outstanding 1,204,433 (30 June 2019: 1,204,433) units - at net asset value	125,646,473	120,840,784
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Atlas Group of Companies - Management Staff Gratuity Fund (Retirement Benefit Plan of a Group Company)

Outstanding 656,886 (30 June 2019: 656,886) units - at net asset value	68,526,296	65,905,323
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Atlas Insurance Limited (Group Company)

Outstanding 3,043,173 (30 June 2019: Nil) units - at net asset value	317,463,855	-
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Directors and their close family members and key management Personnel and executive of the Management Company

Outstanding 4,422,577 (30 June 2019: 4,180,952) units - at net asset value	461,363,248	419,474,910
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14.3 Holding being less than 10% in comparative period, disclosure is not applicable.

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

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15 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

Fair value of government securities is determined by reference to the quotation obtained from the brokers on the Reuters page. The fair values of financial assets and liabilities of the Fund, other than government securities, approximate their carrying amount due to short-term maturities of these instruments.

Fair value hierarchy

The Fund uses the following hierarchy for disclosure of the fair value of financial instruments by valuation technique:

Level 1 : quoted prices in active markets for identical assets.

Level 2 : other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 : techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

As at 30 September 2019, the Fund has investments as 'at fair value through profit or loss' measured using level 2 valuation technique. The investment of the Fund in government securities is valued on the basis of rates announced by the Financial Markets Association of Pakistan.

16 GENERAL

16.1 Figures have been rounded off to the nearest Rupee.

16.2 Units have been rounded off to the nearest decimal place.

17 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on 30 October 2019.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Frahim Ali Khan
Chairman

Tariq Amin
Director

Atlas Income Fund

Corporate Information

Trustee

Central Depository Company of Pakistan Limited
99-B, Block 'B', S.M.C.H.S, Main Shahrah-e-Faisal,
Karachi - 74400

Auditors

EY Ford Rhodes
Chartered Accountants

Legal Advisers

Mohsin Tayebaly & Co.

Bankers

Allied Bank Limited
Bank Alfalah Limited
Bank Al Habib Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
JS Bank Limited
MCB Bank Limited
Samba Bank Limited
Soneri Bank Limited
Zarai Taraqjati Bank Limited

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CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED)

AS AT 30 SEPTEMBER 2019

	Note	30 September 2019 Un-audited -----Rupees-----	30 June 2019 Audited
ASSETS			
Cash and Bank balances	4	1,055,680,311	1,426,198,107
Investments	5	2,057,981,833	1,627,495,030
Receivable against Margin Trading System		-	4,041,602
Interest / profit accrued		37,066,242	59,934,706
Deposits, prepayment and other receivables		11,531,891	11,372,859
Total assets		3,162,260,277	3,129,042,304
LIABILITIES			
Payable to Atlas Asset Management Limited - Management Company	6	29,638,124	29,719,418
Payable to the Central Depository Company of Pakistan Limited - Trustee		217,161	334,646
Payable to the Securities and Exchange Commission of Pakistan		152,334	3,216,111
Payable against redemption of units		115,535	590,973
Unclaimed dividend		40,464	61,568,254
Accrued expenses and other liabilities	7	32,132,858	45,117,760
Total liabilities		62,296,476	140,547,162
NET ASSETS		3,099,963,801	2,988,495,142
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		3,099,963,801	2,988,495,142
CONTINGENCIES AND COMMITMENTS	8		
NUMBER OF UNITS IN ISSUE		5,819,468	5,820,926
NET ASSET VALUE PER UNIT		532.69	513.41

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Frahim Ali Khan
Chairman

Tariq Amin
Director

Atlas Income Fund

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)

FOR THE QUARTER ENDED 30 SEPTEMBER 2019

	Note	2019 -----Rupees-----	2018
INCOME			
Interest income	10	94,834,474	115,575,001
Capital gain / (loss) on sale / maturity of investments - net		10,668,573	(10,129,065)
Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		17,868,259	(7,169,037)
		28,536,832	(17,298,102)
Total income		123,371,306	98,276,899
EXPENSES			
Remuneration of Atlas Asset Management Limited - Management Company	6.1	6,094,369	11,950,059
Sindh Sales Tax on remuneration of the Management Company	6.2	792,268	1,553,508
Remuneration of Central Depository Company of Pakistan Limited - Trustee		571,347	1,448,643
Sindh Sales Tax on Remuneration of the trustee		74,275	188,324
Annual fees to the Securities and Exchange Commission of Pakistan		152,359	1,120,318
Accounting and operational charges	9	761,796	1,493,758
Auditors' remuneration		152,841	168,685
Annual rating fee		108,691	136,698
Annual listing fee		6,912	6,932
Securities transaction cost		187,388	1,724,458
Printing charges		10,000	42,751
Legal and professional charges		151,669	46,440
Bank charges		42,153	11,734
Provision for Sindh Workers' Welfare Fund		2,285,305	1,567,692
Total expenses		11,391,373	21,460,000
Net income for the period before taxation		111,979,933	76,816,899
Taxation	12	-	-
Net income for the period after taxation		111,979,933	76,816,899
Earning per unit	13		
Allocation of net income for the period:			
- Net income for the period after taxation		111,979,933	76,816,899
- Income already paid on units redeemed		(893,810)	(17,288,410)
		111,086,123	59,528,489
Accounting income available for distribution:			
- Relating to capital gains		28,536,832	-
- Excluding capital gains		82,549,291	59,528,489
		111,086,123	59,528,489

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Frahim Ali Khan
Chairman

Tariq Amin
Director

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CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2019

	2019	2018
	-----Rupees-----	
Net income for the period after taxation	111,979,933	76,816,899
Other comprehensive income for the year	-	-
Total comprehensive income for the period	111,979,933	76,816,899

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Frahim Ali Khan
Chairman

Tariq Amin
Director

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CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2019

	Note	2019	2018
		-----Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the period after taxation		111,979,933	76,816,899
Adjustments for:			
Interest income		(94,834,474)	(115,575,001)
Capital loss on sale / maturity of investments - net		(10,668,573)	10,129,065
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		(17,868,259)	7,169,037
Provision for Sindh Workers' Welfare Fund		2,285,305	1,567,692
		(121,086,001)	(96,709,207)
Decrease / (Increase) in assets			
Receivable against Margin Trading System		4,041,602	(248,382,609)
Deposits, prepayment and other receivables		(159,032)	42,446
		3,882,570	(248,340,163)
Decrease in liabilities			
Payable to Atlas Asset Management Limited - Management Company		(81,294)	(2,445,224)
Payable to the Central Depository Company of Pakistan Limited - Trustee		(117,485)	(195,216)
Payable to the Securities and Exchange Commission of Pakistan		(3,063,777)	(6,245,205)
Unclaimed dividend		(61,527,790)	-
Accrued expenses and other liabilities		(15,270,207)	(13,723,892)
		(80,060,553)	(22,609,537)
		(85,284,051)	(290,842,008)
Interest received		98,570,983	93,803,103
Investments made during the period		(3,150,996,270)	(3,358,660,135)
Investment sold / redeemed / matured during the period		2,768,178,254	1,407,563,603
Net cash used in operating activities		(369,531,084)	(2,148,135,437)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net receipts from issuance of units		61,342,510	330,253,224
Net payments against redemption of units		(62,329,222)	(2,104,418,317)
Refund of capital		-	(8,930,315)
Cash payout against distribution		-	(292,159,957)
Net cash used in financing activities		(986,712)	(2,075,255,365)
Net decrease in cash and cash equivalents		(370,517,796)	(4,223,390,802)
Cash and cash equivalents at the beginning of the period		1,426,198,107	4,566,844,339
Cash and cash equivalents at the end of the period	4	1,055,680,311	343,453,537

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Frahim Ali Khan
Chairman

Tariq Amin
Director

Atlas Income Fund

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE QUARTER ENDED 30 SEPTEMBER 2019

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Atlas Income Fund (the Fund) is an open ended mutual fund constituted under a Trust Deed entered into on 20 February 2003 between Atlas Asset Management Limited (AAML) as the Management Company and MCB Financial Services Limited (MCBFSL) as the Trustee. MCBFSL resigned on 11 June 2005 as the trustee and the Central Depository Company of Pakistan Limited (CDC) was appointed in its place with effect from that date. The Trust Deed has been revised through the Deed of Change of Trustee and the First, Second, Third, Fourth and Fifth Supplemental Trust Deeds dated 11 June 2005, 29 October 2007, 23 June 2010, 12 November 2010 and 23 May 2017 respectively with the approval of the Securities and Exchange Commission of Pakistan (SECP). Furthermore, the Offering Document of the Fund has been revised through the First, Second, Third, Fourth, Fifth, Sixth, Seventh, Eighth, Ninth, Tenth and Eleventh Supplements dated 21 June 2005, 29 October 2007, 29 February 2008, 23 June 2010, 12 November 2010, 14 October 2013, 24 March 2015, 3 August 2015, 13 April 2016, 29 September 2016 and 02 June 2017 respectively with the approval of the SECP. The investment activities and administration of the Fund are managed by Atlas Asset Management Limited situated at Ground Floor, Federation House, Shahrae Firdousi, Clifton, Karachi.
- 1.2 The Fund has been categorised as an 'income scheme' by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009 and is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription at a par value of Rs. 500 per unit. Thereafter, the units are being offered for public subscription on a continuous basis from 22 March 2004 and are transferable and redeemable by surrendering them to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited.
- 1.3 According to the trust deed, the objective of the Fund is to provide investors one window facility to invest in a diversified portfolio offering good returns and consistent growth. The Fund aims to deliver this objective mainly by investing in Government securities, cash in bank accounts, Certificate of Investments (COIs), money market placements, deposits, Certificates of Deposits (CODs), Certificates of Musharikas (COMs), Term Deposit Receipts (TDRs), commercial papers, reverse repos, term finance certificates (TFCs) / sukuks, transactions on Margin Trading System (MTS), spread transactions and any other instruments that may be allowed by the SECP. The investment objectives and policies are explained in the Fund's offering document.
- 1.4 The Pakistan Credit Rating Agency Limited (PACRA) maintained the asset manager rating of the Management Company to AM2+ (AM Two Plus) [2018: AM2+ (AM Two Plus)] on 28 June 2019.

Furthermore, PACRA maintained the stability rating of "AA- (f)" (Double A minus) to the Fund [2018: "AA- (f)" (Double A minus)] on 17 October 2019 subsequently to the balance sheet date.
- 1.5 The titles to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited (CDC) as the Trustee of the Fund.

2 STATEMENT OF COMPLIANCE

These condensed interim financial statements has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Act, 2017, the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or directives issued by the SECP differ with the requirements of IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended 30 June 2019.

In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that these condensed interim financial statements give a true and fair view of the state of the Fund's affairs as at 30 September 2019.

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The comparatives in the condensed interim statement of assets and liabilities presented in the condensed interim financial statements as at 30 September 2019 have been extracted from the annual published audited financial statements of the Fund for the year ended 30 June 2019, whereas, the comparatives in the condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement have been extracted from the unaudited condensed interim financial statements of the Fund for the Quarter ended 30 September 2018.

3 ACCOUNTING POLICIES

3.1 The accounting policies applied for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual published financial statements of the Fund for the year ended 30 June 2019.

The preparation of these condensed interim financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

The significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to financial statements as at and for the year ended 30 June 2019.

The financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the year ended 30 June 2019.

4	CASH AND BANK BALANCES	Note	30 September	30 June
			2019	2019
			Un-audited	Audited
-----Rupees-----				
	Balances with banks in:			
	- Savings accounts	4.1	1,055,600,311	1,426,193,107
	- Current account	4.2	5,000	5,000
	Cheques in hand	4.2	75,000	-
			1,055,680,311	1,426,198,107

4.1 The rate of return on these accounts ranges between 6.00% and 14.40% (30 June 2019: 6.00% to 13.40%) per annum.

4.2 The denotes cheques received against issuance of units which were deposited and cleared in the bank account subsequently on 02 October 2019.

5	INVESTMENTS	Note	30 September	30 June
			2019	2019
			Un-audited	Audited
-----Rupees-----				
At fair value through profit or loss				
	Term finance certificates - listed	5.1 & 5.6	516,946,722	527,021,722
	Term finance certificates - unlisted	5.2 & 5.6	196,412,208	196,451,556
	Sukuk certificates	5.3 & 5.6	376,296,872	246,598,872
	Government Securities - Market Treasury Bills	5.4	-	49,710,307
	Government Securities - Pakistan Investment Bonds	5.5	968,326,031	607,712,573
			2,057,981,833	1,627,495,030

Atlas Income Fund

5.1 Term finance certificates - listed

(Certificates having a face value of Rs. 5,000 each unless stated otherwise)

Name of investee company	Number of Certificates				Rupees		Percentage	
	As at 01 July 2019	Purchased during the period	Disposed during the period	As at 30 September 2019	Carrying Value as at 30 September 2019	Market value as at 30 September 2019	Market Value as a percentage of total investments	Market Value as a percentage of net assets
BANKS								
Bank Alfalah Limited - V	38,463	-	-	38,463	191,814,981	191,814,981	9.32	6.19
Habib Bank Limited Tier - II (face value of Rs. 100,000 per certificate)	2,945	-	-	2,945	289,448,448	288,135,953	14.00	9.29
Soneri Bank Limited	9,428	-	2,000	7,428	35,936,020	36,995,722	1.80	1.19
	50,836	-	2,000	48,836	517,199,449	516,946,722	25.12	16.67
TELECOMMUNICATION								
Telecard Limited 5.7.1	4,000	-	-	4,000	-	-	-	-
PERSONAL GOODS								
Azgard Nine Limited 5.7.1	5,000	-	-	5,000	-	-	-	-
Total - 30 September 2019					517,199,449	516,946,722	25.12	16.67

5.2 Term finance certificates - Unlisted

(Certificates having a face value of Rs. 5,000 each unless stated otherwise)

Name of investee company	Number of Certificates				Rupees		Percentage	
	As at 01 July 2019	Purchased during the period	Disposed during the period	As at 30 September 2019	Carrying value as at 30 September 2019	Market value as at 30 September 2019	Market Value as a percentage of total investments	Market Value as a percentage of net assets
BANKS								
Askari Bank Limited - V	20,000	-	-	20,000	97,570,785	97,550,808	4.74	3.15
Bank AL Habib Limited	20,000	-	-	20,000	98,861,200	98,861,400	4.80	3.19
CHEMICALS								
Agritech Limited- I 5.6.1	2,000	-	-	2,000	-	-	-	-
Agritech Limited - II 5.6.1	8,000	-	-	8,000	-	-	-	-
Agritech Limited- IV 5.6.1	2,203	-	-	2,203	-	-	-	-
	12,203	-	-	12,203	-	-	-	-
CONSTRUCTION MATERIAL								
Gharibwal Cement Limited	-	-	-	-	-	-	-	-
PERSONAL GOODS								
Azgard Nine Limited-V 5.6.1	1,075	-	-	1,075	-	-	-	-
Total - 30 September 2019					196,431,985	196,412,208	9.54	6.34

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5.3 Sukuk certificates

Name of investee company	Number of Certificates				Rupees		Percentage	
	As at 01 July 2019	Purchased during the period	Disposed during the period	As at 30 September 2019	Carrying value as at 30 September 2019	Market value as at 30 September 2019	Market value as a percentage of total investments	Market value as a percentage of net assets
CHEMICALS								
Agritech Limited	4,060	-	-	4,060	-	-	-	-
BANKS								
Meezan Bank Limited Tier - II - Unlisted (face value of Rs. 1,000,000 per certificate)	47	-	-	47	46,998,872	46,998,872	2.28	1.52
FERTILIZERS								
Dawood Hercules Corporation Limited Sukuk 2 - Listed (Face Value Rs. 100,000)	2,000	-	-	2,000	179,640,000	179,298,000	8.71	5.78
POWER GENERATION AND DISTRIBUTION								
The Hub Power Company Limited - Listed (face value of Rs. 100,000 per certificate)	-	1,500	-	1,500	150,000,000	150,000,000	7.29	4.84
					376,638,872	376,296,872	18.28	12.14
Total - 30 September 2019								

5.4 Government Securities - Market Treasury Bills

Tenor	Face value (Rupees)				Rupees		Percentage		
	As at 01 July 2019	Purchased during the period	Disposed / Matured during the period	As at 30 September 2019	Carrying Value as at 30 September 2019	Market Value as at 30 September 2019	Market value as a percentage of total investments	Market value as a percentage of net assets	
3 months - T- Bills	50,000,000	2,150,000,000	2,200,000,000	-	-	-	-	-	
12 months - T- Bills	-	195,000,000	195,000,000	-	-	-	-	-	
					50,000,000	2,345,000,000	2,395,000,000	-	-

5.4.2 Market treasury bills carry purchase yield of Nil (30 June 2019: 12.44%) per annum and will mature on Nil (30 June 2019: 18 July 2019). The cost of these investments as on 30 September 2019 is Nil (30 June 2019: Rs. 49,244,750).

5.4.3 These include treasury bills amounting to Nil (face value: Nil) [30 June 2019: Rs. 49,714,671 (face value Rs. 50,000,000)] which have been pledged with the National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades which are due to mature on Nil (30 June 2019: 18 July 2019).

5.5 Government Securities - Pakistan Investment Bonds

Tenor	Face value (Rupees)				Rupees		Percentage					
	As at 01 July 2019	Purchased during the period	Disposed / Matured during the period	As at 30 September 2019	Carrying Value as at 30 September 2019	Market Value as at 30 September 2019	Market value as a percentage of total investments	Market value as a percentage of net assets				
3 Years	444,000,000	440,000,000	440,000,000	444,000,000	405,542,176	404,845,638	19.67	13.06				
5 Years	259,000,000	179,800,000	-	438,800,000	364,509,629	381,389,110	18.53	12.30				
10 Years	-	187,500,000	-	187,500,000	179,791,463	182,091,283	8.85	5.87				
					703,000,000	807,300,000	440,000,000	1,070,300,000	949,843,268	968,326,031	47.05	31.24

Atlas Income Fund

5.5.1 Pakistan Investment Bonds carry purchase yield of 12.14% to 14.59% (30 June 2019: 11.80% to 13.80%) per annum and will mature between 19 September 2021 and 22 Aug 2029 (30 June 2019: 12 July 2021 and 12 July 2023). The cost of these investments is Rs. 952,744,957 (2019: Rs.613,806,990).

5.6 Particulars of non-compliant investments

5.6.1 The Securities and Exchange Commission of Pakistan (SECP), vide its circular No. 16 dated 07 July 2010, prescribed certain disclosures for the schemes holding investments that are non-compliant either with the minimum investment criteria specified for the category assigned to such schemes or with the investment requirement of their constitutive documents. The following are the details of non-compliant investments:

Non-compliant investment	Type of Investment	Rupees			Percentage of	
		Value before provision	Provision held	Net carrying value	Net assets	Gross Asset
Listed						
Azgard Nine Limited	Term finance certificate	7,871,511	7,871,511	-	-	-
Telecard Limited	Term finance certificate	4,668,990	4,668,990	-	-	-
		12,540,501	12,540,501	-	-	-
Unlisted						
Agritech Limited-I	Term finance certificate	7,494,000	7,494,000	-	-	-
Agritech Limited-II	Term finance certificate	29,976,000	29,976,000	-	-	-
Agritech Limited-IV	Term finance certificate	11,015,000	11,015,000	-	-	-
Azgard Nine Limited-V	Term finance certificate	5,375,000	5,375,000	-	-	-
		53,860,000	53,860,000	-	-	-
Unlisted						
Agritech Limited	Sukuk certificate	15,225,000	15,225,000	-	-	-
	30 September 2019	81,625,501	81,625,501	-	-	-
	30 June 2019	81,625,501	81,625,501	-	-	-

5.6.2 The securities stated above have been classified as non-performing as per the requirements of SECP's Circular 1 of 2009 read with SECP's Circular 33 of 2012 dated 24 October 2012, and an aggregate provision of Rs. 81.63 million (30 June 2019: Rs 81.63 million), has been made in accordance with the provisioning requirements specified by the SECP.

	Note	30 September 2019 Un-audited	30 June 2019 Audited
-----Rupees-----			
6 PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY (RELATED PARTY)			
Remuneration of the Management Company	6.1	2,017,892	2,082,668
Sindh Sales Tax payable on remuneration of the Management Company	6.2	3,785,024	3,793,445
Federal Excise Duty payable on remuneration of the Management Company	6.3	23,582,971	23,582,971
Accounting and operational charges payable		252,237	260,334
		29,638,124	29,719,418

6.1 In accordance with the provisions of the NBFC Regulations, 2008 vide SRO 1160(1)/2015 dated 25 November 2015, the Management Company is entitled to receive a remuneration at the rate not exceeding 1.50% of the average annual net assets in case of income schemes. Previously, the Management Company was entitled to receive a remuneration during the first five years of the Fund, at the rate not exceeding 3% of the average annual net assets of the Fund and, thereafter, at the rate of 2% of such assets. Accordingly, the Management Company has charged its remuneration at the rate of 0.80% (30 June 2018: 0.80%) per annum of the average annual net assets of the year. The fee is payable to the Management Company monthly in arrears.

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- 6.2 During the year, an amount of Rs. 792,268 (2018: Rs. 1,553,508) was charged on account of sales tax on remuneration of the Management Company levied through Sindh Sales Tax on Services Act, 2011, and an amount of Rs. 800,689 (2018: Rs. 1,806,798) has been paid to the Management Company which acts as a collecting agent.
- 6.3 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from 13 June 2013. As the asset management services rendered by the Management Company of the Fund were already subject to provincial sales tax on services levied by the Sindh Revenue Board (as explained in note 6.2 above) which is being charged to the Fund, the Management Company was of the view that further levy of FED was not justified.

On 4 September 2013, a Constitutional Petition was filed in the Honourable Sindh High Court (SHC) jointly by various asset management companies, together with their representative Collective Investment Schemes through their trustees, challenging the levy of FED.

During the year ended 30 June 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

With effect from 01 July 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from 01 July 2016. However, as a matter of abundant caution the provision for FED made for the period from 13 June 2013 till 30 June 2016 amounting to Rs 23.583 million (30 June 2019: Rs 23.583 million) is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the said provision for FED not been recorded in the financial statements of the Fund, the net asset value of the Fund as at 30 September 2019 would have been higher by Rs. 4.05 per unit (30 June 2019: Rs. 4.05 per unit).

	Note	30 September	30 June
		2019	2019
		Un-audited	Audited
		-----Rupees-----	
7 ACCRUED AND OTHER LIABILITIES			
Auditors' remuneration payable		570,801	417,960
NCCPL charges payable		21,290	21,290
Printing charges payable		27,419	22,871
Transaction charges payable		35,273	22,223
Annual rating fee payable		108,691	-
Withholding tax payable		6,298	14,773,495
Capital gain tax Payable		114,798	896,938
Zakat payable		1,649	1,648
Other Payable		334,343	334,343
Provision for Sindh Workers' Welfare Fund	7.1	30,912,296	28,626,992
		32,132,858	45,117,760

- 7.1 As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) was 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. However, it may be stated that under the Companies Act, 2017 mutual funds are explicitly excluded from the definition of financial institution. Thereafter, MUFAP took up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF.

Atlas Income Fund

In view of the above developments regarding the applicability of WWF and SWWF on CISs / mutual funds, MUFAP has recommended the following to all its members on 12 January 2017:

- based on legal opinion, reverse the entire provision against WWF on 12 January 2017 held by the CISs till 30 June 2015; and
- as a matter of abundant caution, create provision in respect of SWWF on 12 January 2017 with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from 21 May 2015).

The above decisions were communicated to the SECP and the Pakistan Stock Exchange Limited on 12 January 2017 in response to which the SECP vide its letter dated 1 February 2017 advised MUFAP that the adjustments relating to the above should be prospective and supported by adequate disclosures in the financial statements of the CISs / mutual funds.

Accordingly, necessary adjustments in this respect were recorded in the books of the Fund on 12 January 2017 whereby the entire provision for WWF was reversed and the provision for SWWF was made for the period from 21 May 2015 to 12 January 2017. Thereafter, the provision for SWWF is being made by the Fund on a daily basis going forward.

Had the provision for SWWF not been recorded in these financial statements of the Fund, the net asset value of the Fund as at 30 September 2019 would have been higher by Rs. 5.31 per unit (30 June 2019: Rs. 4.92 per unit).

8 CONTINGENCIES AND COMMITMENTS

8.1 There were no contingencies and commitments outstanding as at 30 September 2019 and 30 June 2019.

9 ACCOUNTING AND OPERATIONAL CHARGES

Uptil 19 June 2019 in accordance with Regulation 60 of the NBFC Regulations, the Management Company was entitled to charge expenses related to registrar services, accounting, operations and valuation services, related to a Collective Investment Scheme (CIS) at the rate of 0.1% of the average annual net assets of the scheme or actual whichever is less. During the year, SECP vide SRO 639 dated 20 June 2019 has removed the maximum cap of 0.1%. Accordingly, the Management Company can now charge actual expenses related to registrar services, accounting, operations and valuation services to the CIS with effect from 20 June 2019.

However, the management continued to charge expenses at the rate of 0.1% of the average annual net assets of the Fund, being lower than actual expenses.

		For the Quarter Ended 30 September	
		2019	2018
10 INTEREST INCOME	Note	Un-audited	Un-audited
		----- Rupees -----	
Interest on:			
Saving and term deposits		24,008,078	22,441,945
Margin Trading System		1,384	10,509,400
Term finance certificates	10.1	23,784,188	25,147,574
Sukuk certificates		11,841,429	10,789,291
Government Securities - Market Treasury Bills		19,131,955	45,998,674
Government Securities - Pakistan Investment Bonds		16,067,440	-
Commercial Papers		-	688,117
		94,834,474	115,575,001

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10.1 This includes mark-up received on non-performing term finance certificates amounting to Rs. Nil (2018: Rs. Nil). Furthermore in accordance with the requirements specified by the SECP, mark-up on non performing securities amounting to Rs. 70.74 million (2018: Rs. 60.54 million) based on outstanding principal has not been recognised during the period.

11 EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 30 September 2019 is 1.49% (30 June 2019: 1.48%) which includes 0.43% (30 June 2019: 0.34%) representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 2% prescribed under the NBFC Regulations for a collective investment scheme categorised as an income scheme.

12 TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its net accounting income available for distribution for the year derived from sources other than capital gains, to the unitholders. The management intends to distribute at least 90% of the Fund's net accounting income available for distribution by the year end, as cash dividend, to the unit holders. Accordingly, no provision for taxation has been made in these condensed interim financial statements.

13 EARNINGS PER UNIT

Earnings per unit has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating loss per unit is not practicable.

14 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

	For the Quarter Ended 30 September	
	2019 Un-audited	2018 Un-audited
	-----Rupees-----	
14.1 Transactions for the period:		
Atlas Asset Management Limited (Management Company)		
Remuneration charged	6,094,369	11,950,059
Remuneration paid	6,159,145	13,898,438
Sindh Sales Tax on remuneration of the Management Company	792,268	1,553,508
Accounting and operational charges	761,796	1,493,758
Issue of 1 (2018: 4,607) units	304	2,363,371
Dividend declared	-	2,780,436
Central Depository Company of Pakistan Limited		
Remuneration of the Trustee	571,347	1,448,643
Remuneration paid	673,316	1,619,401
Sindh Sales Tax on remuneration of the Trustee	74,275	188,324
Settlement charges	3,012	151,400
Sindh Sales Tax on settlement charges	392	19,682
Atlas Insurance Limited		
Issue of Nil (2018: 40,860) units	-	21,000,000
Redemption of Nil (2018: 40,860) units	-	21,219,010
Atlas Foundation (Trust having common Director / Trustee)		
Issue of 615 (2018: 24,971) units	326,805	12,808,778
Redemption of 23,074 (2018: 32,857) units	12,000,000	17,000,000
Dividend declared	-	15,069,150
Atlas Honda Limited - Non-management Staff Gratuity Fund (Retirement benefit plan of group company)		
Issue of Nil (2018: 1,189) units	-	609,749
Dividend declared	-	609,749

Atlas Income Fund

	For the Quarter Ended 30 September	
	2019 Un-audited	2018 Un-audited
	-----Rupees-----	
Atlas Honda Limited - Employees Provident Fund (Retirement benefit plan of group company)		
Issue of Nil (2018: 8,239) units	-	4,226,251
Redemption of Nil (2018: 38,513) units	-	20,000,000
Dividend declared	-	4,226,251
Atlas Honda Limited		
Issue of 135 (2018: 42,589) units	71,923	21,846,207
Redemption of Nil (2018: 971,836) units	-	500,000,000
Dividend declared	-	25,701,145
Batool Benefit Trust (Trust having common Director / Trustee)		
Issue of Nil (2018: 3,483) units	-	1,786,481
Redemption of 14,079 (2018: 17,566) units	7,296,001	9,065,443
Dividend declared	-	2,101,742
Shirazi Investments (Private) Limited		
Issue of 1,983 (2018: 215,734) units	1,054,011	110,660,918
Redemption of Nil (2018: 386,115) units	-	200,000,000
Dividend declared	-	129,101,818
Honda Atlas Cars (Pakistan) Limited - Employees Gratuity Fund (Retirement benefit plan of group company)		
Issue of Nil (2018: 1,342) units	-	688,498
Dividend declared	-	688,498
Honda Atlas Cars (Pakistan) Limited - Employees Provident Fund (Retirement benefit plan of group company)		
Issue of Nil (2018: 5,524) units	-	2,833,710
Dividend declared	-	2,833,710
Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement Benefit Plan of a Group Company)		
Issue of Nil (2018: 1,246) units	-	639,299
Dividend declared	-	639,299
Shirazi Trading Co. (Private) Limited - Employees Provident Fund (Retirement Benefit Plan of a Group Company)		
Issue of Nil (2018: 1,161) units	-	595,374
Dividend declared	-	595,374
Honda Atlas Cars (Pakistan) Limited		
Issue of Nil (2018: 140,888) units	-	72,268,392
Redemption of Nil (2018: 2,412,080) units	-	1,250,000,000
Dividend declared	-	85,021,638
Honda Atlas Power Product (Pvt) Limited		
Issue of Nil (2018: 19,366) units	-	10,000,000
Redemption of Nil (2018: 19,366) units	-	10,026,531
Atlas Group of Companies - Management Staff Gratuity Fund		
Issue of Nil (2018: 1,449) units	-	743,026
Redemption of Nil (2018: 32,408) units	-	16,713,562
Dividend declared	-	743,026

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	For the Quarter Ended 30 September	
	2019 Un-audited	2018 Un-audited
	-----Rupees-----	
Key Management Personnel of Management Company		
Issue of Nil (2018: 12,033) units	-	6,173,269
Dividend declared	-	6,388,932
	30 September 2019 Un-audited	30 June 2019 Audited
	-----Rupees-----	
14.2 Investments / outstanding balances as at period end		
Atlas Asset Management Limited (Management Company)		
Remuneration payable to the Management Company	2,017,892	2,082,668
Sindh Sales Tax payable on remuneration of the Management Company	3,785,024	3,793,445
Federal Excise Duty payable on remuneration of the Management Company	23,582,971	23,582,971
Accounting and operational charges payable	252,237	260,334
Outstanding 89,032 (30 June 2019: 89,032) units - at net asset value	47,426,525	45,709,688
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration payable to the Trustee	189,178	291,147
Sindh Sales Tax payable on remuneration of the trustee	24,593	37,849
Settlement charges payable	3,000	5,000
Sindh Sales Tax payable on Settlement Charges	390	650
Atlas Foundation (Trust having common Director / Trustee)		
Outstanding 480,090 (30 June 2019 : 502,548) units - at net asset value	255,738,935	258,013,397
Atlas Honda Limited (Group Company)		
Outstanding 150,495 (30 June 2019: 150,360) units - at net asset value	80,167,142	77,196,122
Atlas Honda Limited - Non-management Staff Gratuity Fund (Retirement benefit plan of group company)		
Outstanding 28,520 (30 June 2019: 28,520) units - at net asset value	15,192,117	14,642,258
Batool Benefit Trust (Trust having common Director / Trustee)		
Outstanding 34,792 (30 June 2019: 48,871) units - at net asset value	18,533,284	25,090,969
Honda Atlas Cars (Pakistan) Limited - Employees Gratuity Fund (Retirement benefit plan of group company)		
Outstanding 32,203 (30 June 2019: 32,203) units - at net asset value	17,154,175	16,533,302
Honda Atlas Cars (Pakistan) Limited - Employees Provident Fund (Retirement benefit plan of group company)		
Outstanding 132,540 (30 June 2019: 132,540) units - at net asset value	70,602,945	68,047,566
Shirazi Investments (Private) Limited (Group company)		
Outstanding 3,921,694 (30 June 2019: 3,919,710) units - at net asset value	2,089,046,938	2,012,418,511
Key Management Personnel of Management Company		
Outstanding 306,999 (30 June 2019: 306,999) units -at net asset value	163,535,155	157,616,220
14.1	The transactions with related parties / connected persons are in the normal course of business at contracted rates and terms determined in accordance with market rates.	

15 FAIR VALUE MEASUREMENT

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

Atlas Income Fund

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

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 : inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 : inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at 30 September 2019, the Fund has investments 'at fair value through profit and loss' measured using level 2 valuation technique. Particulars regarding their cost and market value are given note 5.

16 GENERAL

Figures have been rounded off to the nearest Rupee.

17 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on 30 October 2019.

**For Atlas Asset Management Limited
(Management Company)**

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Frahim Ali Khan
Chairman

Tariq Amin
Director

Atlas Stock Market Fund

Corporate Information

Trustee

Central Depository Company of Pakistan Limited
99-B, Block 'B', S.M.C.H.S, Main Shahrah-e-Faisal,
Karachi - 74400

Auditors

EY Ford Rhodes
Chartered Accountants

Legal Advisers

Mohsin Tayebaly & Co.

Bankers

Bank Alfalah Limited
Faysal Bank Limited
Habib Bank Limited
MCB Bank Limited

Atlas Stock Market Fund

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED)

AS AT 30 SEPTEMBER 2019

ASSETS	Note	30 September	30 June
		2019	2019
		Un-audited	Audited
		-----Rupees-----	
Cash and bank balances	4	38,854,402	266,018,200
Investments	5	5,111,074,824	4,987,285,163
Dividend receivable		63,673,963	2,103,138
Profit receivable on bank balances		1,267,941	287,651
Receivable against sale of investments		243,115	53,064,695
Advances, deposits, prepayment and other receivables		13,550,574	13,529,987
Total assets		5,228,664,819	5,322,288,834
LIABILITIES			
Payable to Atlas Asset Management Limited - Management Company	6	32,630,801	33,820,284
Payable to the Central Depository Company of Pakistan Limited		544,116	601,378
Payable to the Securities and Exchange Commission of Pakistan		238,067	5,435,624
Payable against purchase of investments		1,320,000	-
Payable against redemption of units		294,920	196,835,046
Unclaimed dividend		401,733	401,733
Accrued expenses and other liabilities	7	40,778,221	40,756,887
Total liabilities		76,207,858	277,850,952
NET ASSETS		5,152,456,961	5,044,437,882
UNIT HOLDERS' FUNDS (AS PER STATEMENT ATTACHED)		5,152,456,961	5,044,437,882
CONTINGENCIES AND COMMITMENTS	8		
NUMBER OF UNITS IN ISSUE		10,868,972	10,009,549
NET ASSET VALUE PER UNIT		474.05	503.96

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Frahim Ali Khan
Chairman

Tariq Amin
Director

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CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)

FOR THE QUARTER ENDED 30 SEPTEMBER 2019

INCOME	Note	2019 -----Rupees-----	2018
Profit on bank balances		3,538,317	8,955,815
Dividend income		80,899,025	63,385,950
Capital loss on sale of investments - net		(8,276,048)	(9,675,730)
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		(329,838,830)	(109,915,387)
		(338,114,878)	(119,591,117)
Total income		(253,677,536)	(47,249,352)
EXPENSES			
Remuneration of Atlas Asset Management Limited - Management Company	6.1	23,809,239	28,762,547
Sindh sales tax on remuneration of the Management Company	6.2	3,095,201	3,739,131
Remuneration of Central Depository Company of Pakistan Limited - Trustee		1,441,828	1,690,182
Sindh sales tax on remuneration of the trustee		187,438	219,724
Annual fee to the Securities and Exchange Commission of Pakistan		238,092	1,366,221
Accounting and operational charges	9	1,190,462	1,438,127
Auditors' remuneration		136,213	141,901
Annual listing fee		6,913	6,932
Securities transaction cost		1,489,545	2,449,852
Printing charges		10,000	41,165
Legal and professional charges		98,053	28,080
Bank charges		8,372	14,584
Total expenses		31,711,356	39,898,446
Net loss for the period before taxation		(285,388,892)	(87,147,798)
Taxation	11	-	-
Net loss for the period after taxation		(285,388,892)	(87,147,798)
Loss per unit	12		

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Frahim Ali Khan
Chairman

Tariq Amin
Director

Atlas Stock Market Fund

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2019

	2019	2018
	-----Rupees-----	
Net loss for the period after taxation	(285,388,892)	(87,147,798)
Other comprehensive income / (loss)	-	-
Total comprehensive loss for the period	(285,388,892)	(87,147,798)

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Frahim Ali Khan
Chairman

Tariq Amin
Director

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CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2019

	30 September 2019		
	Capital value	Undistributed income	Net assets
	-----Rupees-----		
Capital value	4,841,549,792	-	4,841,549,792
Undistributed income brought forward			
- Realised income	-	1,073,009,596	1,073,009,596
- Unrealised loss	-	(870,121,506)	(870,121,506)
Net assets at the beginning of the period (Units outstanding: 10,009,549) (Rs. 503.96 per unit)	4,841,549,792	202,888,090	5,044,437,882
Issue of 1,193,384 units	547,662,817	-	547,662,817
Redemption of 333,961 units	(154,254,846)	-	(154,254,846)
Total comprehensive loss for the period	-	(285,388,892)	(285,388,892)
Net assets at end of the period (Units outstanding: 10,868,972) (Rs. 474.05 per unit)	5,234,957,763	(82,500,802)	5,152,456,961
Undistributed income carried forward			
- Realised income	-	1,017,507,001	-
- Unrealised loss	-	(1,100,007,803)	-
	-	(82,500,802)	-
	30 September 2018		
	Capital value	Undistributed income	Net assets
	-----Rupees-----		
Capital value	4,000,831,035	-	4,000,831,035
Undistributed income brought forward			
- Realised income	-	1,345,586,577	1,345,586,577
- Unrealised income	-	28,914,384	28,914,384
Net assets at the beginning of the period (Units outstanding: 8,657,936) (Rs. 620.86 per unit)	4,000,831,035	1,374,500,961	5,375,331,996
Issue of 1,554,127 units	976,032,273	-	976,032,273
Redemption of 469,909 units	(294,104,872)	-	(294,104,872)
Total comprehensive loss for the period	-	(87,147,798)	(87,147,798)
Net assets at end of the period (Units outstanding: 9,742,154) (Rs. 612.81 per unit)	4,682,758,436	1,287,353,163	5,970,111,599
Undistributed income carried forward			
- Realised income	-	1,347,092,195	-
- Unrealised loss	-	(59,739,032)	-
	-	1,287,353,163	-

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Frahim Ali Khan
Chairman

Tariq Amin
Director

Atlas Stock Market Fund

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE QUARTER ENDED 30 SEPTEMBER 2019

	Note	2019 -----Rupees-----	2018
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss for the period after taxation		(285,388,892)	(87,147,798)
Adjustments:			
Profit on bank balances		(3,538,317)	(8,955,815)
Dividend income		(80,899,025)	(63,385,950)
Capital loss on sale of investments - net		8,276,048	9,675,730
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		329,838,830	109,915,387
		(31,711,356)	(39,898,446)
Decrease in assets			
Receivable against sale of securities		52,821,580	1,483,060
Advances, deposits, prepayment and other receivables		(20,587)	8,604,432
		52,800,993	10,087,492
Increase in liabilities			
Payable to Atlas Asset Management Limited - Management Company		(1,189,483)	978,468
Payable to the Central Depository Company of Pakistan Limited		(57,262)	46,955
Payable to the Securities and Exchange Commission of Pakistan		(5,197,557)	(3,738,655)
Payable against purchase of investments		1,320,000	(12,833,654)
Accrued expenses and other liabilities		21,334	326,565
		(5,102,968)	(15,220,321)
Profit received on bank balances		2,558,027	7,710,915
Dividend received		19,328,200	20,400,150
Investments made during the period		(847,880,900)	(1,248,115,019)
Investments sold during the period		385,976,361	691,906,544
Net cash used in operating activities		(424,031,643)	(573,128,685)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net receipts from issuance of units		547,662,817	975,362,773
Net payments against redemption of units		(350,794,972)	(250,371,638)
Net cash generated from financing activities		196,867,845	724,991,135
Net (decrease) / increase in cash and cash equivalents		(227,163,798)	151,862,450
Cash and cash equivalents at the beginning of the period		266,018,200	503,609,049
Cash and cash equivalents at the end of the period	4	38,854,402	655,471,499

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Frahim Ali Khan
Chairman

Tariq Amin
Director

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NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE QUARTER ENDED 30 SEPTEMBER 2019

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Atlas Stock Market Fund (the Fund) is an open ended Mutual Fund constituted under a trust deed entered into on 29 May 2004 between Atlas Asset Management Limited (AAML) as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed has been revised through the First, Second, Third, Fourth, Fifth and Sixth Supplemental Trust Deeds dated 21 June 2005, 24 July 2006, 29 October 2007, 06 March 2008, 04 December 2009 and 23 May 2017 respectively, with the approval of the Securities and Exchange Commission of Pakistan (SECP). The Offering Document has been revised through the First, Second, Third, Fourth, Fifth, Sixth, Seventh, Eighth, Ninth, Tenth, Eleventh and Twelfth Supplements dated 21 June 2005, 24 July 2006, 29 October 2007, 06 March 2008, 04 December 2009, 14 October 2013, 24 March 2015, 03 August 2015, 29 September 2016, 02 June 2017, 25 May 2018 and 5 September 2019 respectively, with the approval of the SECP. The registered office of AAML is situated at Ground Floor, Federation House, Shahrae Firdousi, Clifton, Karachi.
- 1.2 The Fund has been categorised as an 'equity scheme' by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009. The Fund is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription at a par value of Rs. 500 per unit. Thereafter, the units are being offered to the public for subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.
- 1.3 According to the Trust Deed, the objective of the Fund is to provide investors one window facility to invest in a diversified portfolio of equity securities offering consistent returns and growth. The Fund aims to deliver this objective mainly by investing in equity securities of companies that are paying regular dividend, have growth prospects or are actively traded. Any amounts which have not been invested in equity securities may be invested in liquid instruments including bank deposits (excluding TDRs) and treasury bills not exceeding 90 days maturity. The investment objectives and policies are more fully defined in the Fund's Offering Document.
- 1.4 The Pakistan Credit Rating Agency Limited (PACRA) maintained the asset manager rating of the Management Company to AM2+ (AM Two Plus) [2018: AM2+ (AM Two Plus)] on 28 June 2019.
- 1.5 Titles to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.

2 STATEMENT OF COMPLIANCE

These condensed interim financial statements has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Act, 2017, the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or directives issued by the SECP differ with the requirements of IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended 30 June 2019.

Atlas Stock Market Fund

In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that these condensed interim financial statements give a true and fair view of the state of the Fund's affairs as at 30 September 2019.

The comparatives in the condensed interim statement of assets and liabilities presented in the condensed interim financial statements as at 30 September 2019 have been extracted from the annual published audited financial statements of the Fund for the year ended 30 June 2019, whereas, the comparatives in the condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement have been extracted from the unaudited condensed interim financial statements of the Fund for the quarter ended 30 September 2018.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies applied for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual published financial statements of the Fund for the year ended 30 June 2019.

The preparation of these condensed interim financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

The significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to financial statements as at and for the year ended 30 June 2019.

The financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the year ended 30 June 2019.

4 CASH AND BANK BALANCES	Note	30 September 2019	30 June 2019
		Un-audited	Audited
		-----Rupees-----	
Balances with banks:			
- in saving accounts	4.1	38,849,402	266,003,200
- in current account		5,000	50,000
- Cheques in hand		-	10,000
		38,854,402	266,063,200

4.1 The rate of return on these accounts ranges between 6.00% and 14.35% (30 June 2019: 6.00% and 13.15%) per annum.

5 INVESTMENTS	Note	30 September 2019	30 June 2019
		Un-audited	Audited
		-----Rupees-----	
At fair value through profit or loss			
-Investment in listed equity securities	5.1	5,111,074,824	4,987,285,163

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5.1 Listed equity securities

At fair value through profit or loss - equity securities

Shares of listed companies- fully paid ordinary shares with a face value of Rs. 10 each unless stated other wise

Name of Investee Company	Number of Shares					Rupees		Percentage		
	As at 01 July 2019	Purchases during the period	Bonus / Rights shares issued during the period	Sales during the period	As at 30 September 2019	Carrying value as at 30 September 2019	Market value as at 30 September 2019	Market Value as a percentage of total investments	Market Value as a percentage of net assets	Paid up capital of investee company

Investment Companies

Arif Habib Limited	533,800	-	-	397,523	136,277	4,310,442	3,694,469	0.07	0.07	0.21
	533,800	-	-	397,523	136,277	4,310,442	3,694,469	0.07	0.07	

Commercial Banks

Bank Al Habib Limited	4,191,700	574,000	-	60,000	4,705,700	363,645,205	314,387,817	6.15	6.10	0.42
Bank Alfalah Limited	5,336,000	1,464,000	-	70,000	6,730,000	289,753,670	275,526,200	5.39	5.35	0.38
Bankislami Pakistan Limited	-	1,397,500	-	-	1,397,500	16,117,805	15,358,525	0.30	0.30	0.14
Bankislami Pakistan Limited - LoR	-	-	139,750	-	139,750	-	139,750	0.00	0.00	0.01
Faysal Bank Limited	7,637,125	1,192,000	-	15,000	8,814,125	185,925,280	141,290,424	2.76	2.74	0.58
Habib Bank Limited	2,009,500	-	-	290,000	1,719,500	194,750,570	203,193,314	3.98	3.94	0.12
Habib Metropolitan Bank Limited	-	433,500	-	-	433,500	13,004,900	12,549,825	0.25	0.24	0.04
MCB Bank Limited	300	-	-	300	-	-	-	-	-	-
Meezan Bank Limited	1,444,635	664,500	-	-	2,109,135	177,709,662	151,942,085	2.97	2.95	0.16
The Bank Of Punjab	8,137,500	-	-	8,137,500	-	-	-	-	-	-
United Bank Limited (note 5.3)	2,294,000	250,000	-	95,000	2,449,000	357,752,789	338,525,270	6.62	6.57	0.20
	31,050,760	5,975,500	139,750	8,667,800	28,498,210	1,598,659,881	1,452,913,210	28.43	28.20	

Textile Spinning

Gadon Textile Mills Limited	8,700	-	-	1,700	7,000	968,380	910,000	0.02	0.02	0.02
	8,700	-	-	1,700	7,000	968,380	910,000	0.02	0.02	

Textile Composite

Gul Ahmed Textile Mills Limited	908,000	-	-	4,000	904,000	42,596,480	42,885,760	0.84	0.83	0.25
Interloop Limited	1,075,000	-	-	262,000	813,000	35,991,510	35,715,090	0.70	0.69	0.09
Kohinoor Textile Mills Limited	2,157,500	-	-	300,000	1,857,500	46,530,375	44,097,050	0.86	0.86	0.62
Nishat (Chunian) Limited	1,130,000	303,500	-	-	1,433,500	49,522,275	47,979,245	0.94	0.93	0.60
Nishat Mills Limited	-	261,000	-	-	261,000	22,165,114	21,924,000	0.43	0.43	0.07
	5,270,500	564,500	-	566,000	5,269,000	196,805,754	192,601,145	3.77	3.74	

Cement

Attock Cement Pakistan Limited	323,600	-	-	-	323,600	23,108,276	23,011,196	0.45	0.45	0.24
Cherat Cement Company Limited	859,000	-	-	-	859,000	26,594,640	24,206,620	0.47	0.47	0.49
D.G. Khan Cement Company Limited	805,000	500,000	-	-	1,305,000	68,663,810	63,083,700	1.23	1.22	0.30
Kohat Cement Company Limited	90	-	-	90	-	-	-	-	-	-
Lucky Cement Limited	471,350	50,000	-	30,000	491,350	185,317,618	168,105,576	3.29	3.26	0.15
	2,459,040	550,000	-	30,090	2,978,950	303,684,344	278,407,092	5.45	5.40	

Refinery

National Refinery Limited	42,400	-	-	42,400	-	-	-	-	-	-
	42,400	-	-	42,400	-	-	-	-	-	-

Power Generation & Distribution

K-Electric Limited (face value Rs. 3.5)	6,750,000	-	-	-	6,750,000	29,632,500	23,962,500	0.47	0.47	0.02
Lalpur Power Limited	300,000	-	-	-	300,000	3,900,000	3,444,000	0.07	0.07	0.08
Nishat Chunian Power Limited	619,000	-	-	-	619,000	10,776,790	10,739,650	0.21	0.21	0.17
Pakgen Power Limited	3,400,000	-	-	-	3,400,000	48,212,000	39,746,000	0.78	0.77	0.91
The Hub Power Company Limited	4,279,820	500,000	-	25,000	4,754,820	372,121,960	336,403,515	6.58	6.53	0.37
	15,348,820	500,000	-	25,000	15,823,820	464,643,250	414,295,665	8.11	8.04	

Oil & Gas Marketing Companies

Hascal Petroleum Limited	2,960	-	-	-	2,960	203,115	60,177	0.00	0.00	0.00
Pakistan State Oil Company Limited	1,270,460	130,000	-	-	1,400,460	233,530,627	220,558,445	4.32	4.28	0.36
Sui Northern Gas Pipelines Limited	625,200	95,000	-	-	720,200	49,680,073	44,364,320	0.87	0.86	0.11
	1,898,620	225,000	-	-	2,123,620	283,413,815	264,982,942	5.18	5.14	

Oil & Gas Exploration Companies

Mari Petroleum Company Limited	238,494	91,680	-	-	330,174	320,088,330	296,879,254	5.81	5.76	0.27
Oil & Gas Development Company Limited	3,584,900	300,000	-	50,000	3,834,900	500,629,903	471,807,747	9.23	9.16	0.09
Pakistan Oilfields Limited	593,620	130,000	-	-	723,620	289,974,891	274,903,238	5.38	5.34	0.25
Pakistan Petroleum Limited (note 5.3)	2,083,085	250,000	-	-	2,333,085	331,345,366	317,369,553	6.21	6.16	0.10
	6,500,099	771,680	-	50,000	7,221,779	1,442,038,490	1,360,959,792	26.63	26.41	

Engineering

International Industries Limited	932,900	370,500	123,340	-	1,426,740	101,670,193	98,915,884	1.94	1.92	1.08
International Steels Limited	510,000	200,000	-	-	710,000	28,224,425	28,215,400	0.55	0.55	0.16
Mughal Iron And Steel Industries Limited	4,725	-	-	-	4,725	118,881	132,206	0.00	0.00	0.00
	1,447,625	570,500	123,340	-	2,141,465	130,013,499	127,263,490	2.49	2.47	

Technology & Communications

Systems Limited	1,041,950	587,500	-	-	1,629,450	151,625,467	135,651,713	2.65	2.63	1.32
	1,041,950	587,500	-	-	1,629,450	151,625,467	135,651,713	2.65	2.63	

Atlas Stock Market Fund

Name of Investee Company	Number of Shares					Rupees		Percentage		
	As at 01 July 2019	Purchases during the period	Bonus / Rights shares issued during the period	Sales during the period	As at 30 September 2019	Carrying value as at 30 September 2019	Market value as at 30 September 2019	Market Value as a percentage of total investments	Market Value as a percentage of net assets	Paid up capital of investee company
Fertilizer										
Engro Corporation Limited	1,239,200	90,000	-	60,500	1,268,700	337,136,113	338,603,343	6.62	6.57	0.22
Engro Fertilizers Limited (note 5.3)	4,219,000	250,000	-	1,127,500	3,341,500	215,098,368	227,990,545	4.46	4.42	0.25
Fauji Fertilizer Company Limited	1,561,500	957,500	-	888,000	1,631,000	146,985,580	151,731,930	2.97	2.94	0.13
	7,019,700	1,297,500	-	2,076,000	6,241,200	699,220,061	718,325,818	14.05	13.94	
Pharmaceuticals										
Abbott Laboratories (Pakistan) Limited	43,000	46,000	-	3,000	86,000	34,395,470	30,261,680	0.59	0.59	0.09
AGP Limited	189,500	-	-	20,000	169,500	11,615,835	10,949,700	0.21	0.21	0.06
Ferozsons Laboratories Limited	201,100	-	-	10,000	191,100	21,368,802	23,570,274	0.46	0.46	0.63
Glaxosmithkline Pakistan Limited	209,000	-	-	-	209,000	19,923,970	20,101,620	0.39	0.39	0.18
The Searle Company Limited	355,414	-	-	114,000	241,414	35,381,636	33,368,243	0.65	0.65	0.11
	998,014	46,000	-	147,000	897,014	122,685,713	118,251,517	2.31	2.30	
Chemicals										
Engro Polymer & Chemicals Limited	-	118,000	-	118,000	-	-	-	-	-	-
	-	118,000	-	118,000	-	-	-	-	-	-
Paper & Board										
Cherat Packaging Limited	198,500	-	-	198,500	-	-	-	-	-	-
	198,500	-	-	198,500	-	-	-	-	-	-
Leather & Tanneries										
Bata Pakistan Limited	-	35,540	-	-	35,540	42,648,000	42,648,000	0.83	0.83	0.47
Service Industries Limited	125	-	-	125	-	-	-	-	-	-
	125	35,540	-	125	35,540	42,648,000	42,648,000	0.83	0.83	
Foods & Personal Care Products										
Al Shaheer Corporation Limited	15,608	-	-	-	15,608	196,558	169,971	0.00	0.00	0.01
Matco Foods Limited	245	-	-	245	-	-	-	-	-	-
	15,853	-	-	245	15,608	196,558	169,971	0.00	0.00	
Total as at 30 September 2019						5,440,913,654	5,111,074,824	100.00	99.20	
Total as at 30 June 2019						6,012,411,867	4,987,285,163			

5.2 The cost of listed equity securities as at 30 September 2019 is Rs. 6,211,082,627 (30 June 2019: Rs. 5,857,406,669).

5.3 The above investments include following shares which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with circular no. 11 dated 23 October 2007 issued by the SECP.

	Quantity		Market value	
	30 September 2019	30 June 2019	30 September 2019	30 June 2019
	Un-audited	Audited	Un-audited	Audited
	-----Number of Shares-----		-----Rupees-----	
Engro Fertilizers Limited	425,000	425,000	28,997,750	27,187,250
United Bank Limited	100,000	100,000	13,823,000	14,187,250
Pakistan Petroleum Limited	297,000	297,000	40,400,910	42,895,710
	822,000	822,000	83,221,660	84,270,210

6 PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY (RELATED PARTY)

	Note	-----Rupees-----	
		30 September 2019	30 June 2019
		Un-audited	Audited
Remuneration of the Management Company	6.1	7,931,040	8,940,042
Sindh sales tax payable on remuneration of the Management Company	6.2	4,000,080	4,131,252
Federal Excise Duty payable on remuneration of the Management Company	6.3	20,301,988	20,301,988
Accounting and operational charges payable	9	397,693	447,002
		32,630,801	33,820,284

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- 6.1 As per the amendments made in the NBFC Regulations, 2008 vide SRO 1160 (1) / 2015 dated 25 November 2015, the Management Company is entitled to a remuneration equal to an amount not exceeding 2% of the average annual net assets in case of equity schemes. Previously, the Management Company was entitled to receive a remuneration during the first five years of the Fund, at a rate not exceeding 3% of the average annual net assets of the Fund and thereafter, at a rate of 2% of such assets. Accordingly, the Management Company has charged its remuneration at a rate of 2% (30 June 2019: 2%) per annum of the average annual net assets of the Fund for the year. The fee is payable to the Management Company monthly in arrears.
- 6.2 During the year, an amount of Rs. 3,095,201 (2018: Rs. 3,739,131) was charged on account of sales tax on remuneration of Management Company levied through Sindh Sales Tax on Services Act, 2011, and an amount of Rs. 3,226,373 (2018: Rs. 3,631,351) has been paid to the Management Company which acts as the collecting agent.
- 6.3 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from 13 June 2013. As the asset management services rendered by the Management Company of the Fund were already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund, the Management Company was of the view that further levy of FED was not justified.

On 4 September 2013, a Constitutional Petition was filed in the Honourable Sindh High Court (SHC) jointly by various asset management companies, together with their representative Collective Investment Schemes through their trustees, challenging the levy of FED.

During the year ended 30 June 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

With effect from 1 July 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from 1 July 2016. However, as a matter of abundant caution the provision for FED made for the period from 13 June 2013 till 30 June 2016 amounting to Rs 20.302 million (30 June 2019: Rs 20.302 million) is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the said provision for FED not been recorded in the financial statements of the Fund, the net asset value of the Fund as at 30 September 2019 would have been higher by Rs. 1.87 (30 June 2019: Rs 2.03) per unit.

7 ACCRUED EXPENSES AND OTHER LIABILITIES	Note	30 September	30 June
		2019	2019
		Un-audited	Audited
		-----Rupees-----	
Auditors' remuneration payable		510,433	374,220
Printing charges payable		32,419	30,909
NCCPL charges payable		30,000	30,000
Withholding and capital gain tax payable		302,171	370,634
Zakat payable		9,426	9,426
Sales Load Payable		1,130	1,130
Transaction charges payable		1,057,109	1,105,035
Provision for Sindh Workers' Welfare Fund	7.1	38,835,533	38,835,533
		40,778,221	40,756,887

- 7.1 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, was 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 had taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF.

Atlas Stock Market Fund

In view of the above developments regarding the applicability of WWF and SWWF on CISs / mutual funds, MUFAP has recommended the following to all its members on 12 January 2017:

- based on legal opinion, the entire provision against WWF held by the CISs till 30 June 2015 should be reversed on 12 January 2017; and
- as a matter of abundant caution, the provision in respect of SWWF should be made with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from 21 May 2015) on 12 January 2017.

Accordingly, necessary adjustments in this respect were recorded in the books of the Fund on 12 January 2017 whereby the entire provision for WWF was reversed and the provision for SWWF was made for the period from 21 May 2015 to 12 January 2017. Thereafter, the provision for SWWF is being made by the Fund on a daily basis going forward.

The above decisions were communicated to the SECP and the Pakistan Stock Exchange Limited on 12 January 2017 in response to which the SECP vide its letter dated 1 February 2017 advised MUFAP that the adjustments relating to the above should be prospective and supported by adequate disclosures in the financial statements of the CISs / mutual funds.

Had the provision for SWWF not been recorded in these financial statements, the net asset value of the Fund as at 30 September 2019 would have been higher by Rs. 3.57 per unit (30 June 2019: Rs. 3.88 per unit)

8 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 30 September 2019 and 30 June 2019.

9 ACCOUNTING AND OPERATIONAL CHARGES

Uptil June 19, 2019 in accordance with Regulation 60 of the NBFC Regulations, the Management Company was entitled to charge expenses related to registrar services, accounting, operations and valuation services, related to a Collective Investment Scheme (CIS) at the rate of 0.1% of the average annual net assets of the scheme or actual whichever is less. During the year, SECP vide SRO 639 dated 20 June 2019 has removed the maximum cap of 0.1%. Accordingly, the Management Company can now charge actual expenses related to registrar services, accounting, operations and valuation services to the CIS with effect from 20 June 2019.

However, the management continued to charge expenses at the rate of 0.1% of the average annual net assets of the Fund, being lower than actual expenses.

10 EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 30 September 2019 is 2.66% (30 June 2019: 2.76%) which includes 0.32% (30 June 2019: 0.40%) representing government levies on the Fund such as sales taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 4% prescribed under the NBFC Regulations for a collective investment scheme categorised as an equity scheme.

11 TAXATION

11.1 The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its net accounting income available for distribution for the year derived from sources other than capital gains, to the unitholders. The management intends to distribute at least 90% of the Fund's net accounting income available for distribution by the year end, as cash dividend, to the unit holders. Accordingly, no provision for taxation has been made in these condensed interim financial statements.

11.2 During the year ended 30 June 2014, the Additional Commissioner Inland Revenue amended the return of income filed by the Fund in respect of Tax Years 2012 under Section 120 of the Income Tax Ordinance, 2001. The tax assessing officer concluded that bonus issues declared by the Fund should not have been considered as distribution of the accounting income while claiming exemption available under Clause 99 of Part 1 of the Second Schedule to the Income Tax Ordinance, 2001, as the Fund had not deducted withholding tax from bonus distributions. Consequently, the tax assessing officer raised demands aggregating to Rs. 48.146 million (including Rs. 2.653 million relating to Workers' Welfare Fund) on the Fund. Similar amendments were made to returns filed by several mutual funds in the industry.

This industry issue was examined by legal experts and tax advisors and there was unanimity of view that under the provisions of Clause 99 applicable upto 30 June 2014, the tax department's contentions were primarily erroneous and not tenable under the law. Subsequently, through the Finance Act, 2014, an amendment was made in Clause 99, whereby issuance of bonus units would not be considered towards distribution of

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90% of income, and only cash dividend would be taken into consideration for computation of 90% distribution to claim exemption. Appropriate appellate and executive remedies were adopted to resolve the matter.

During the year ended 30 June 2015, the Commissioner Inland Revenue - Appeals (CIR - Appeals) decided the matter in favour of the Fund and annulled the assessment order but maintained the levy of WWF. The Fund filed an appeal in the Appellate Tribunal Inland Revenue (ATIR) against the order of the CIR - Appeals with respect to the maintenance of levy of WWF. The tax assessing officer also filed an appeal in the ATIR against the order of annulment of assessment order passed by the CIR - Appeals. On March 14, 2017, ATIR upheld the decision of Commissioner (Appeals).

In respect of the levy of WWF, the Honourable Supreme Court had held the amendments made by the Finance Acts 2006 and 2008 to be unlawful and ultra vires the Constitution as detailed in note 11.1. Therefore, the ATIR has remanded back the matter to the Taxation Officer with the directions to decide the issue following the recent judgment of the Apex Court. Based on the opinion of the tax advisors of the Fund, the management believes that the levy of WWF will be deleted upon re-adjudication in light of the judgement of the Honourable Supreme Court.

12 LOSS PER UNIT

Loss per unit has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating loss per unit is not practicable.

13 TRANSACTIONS WITH CONNECTED PERSONS / OTHER RELATED PARTIES

	For the Quarter Ended	
	2019	2018
	Un-audited	Un-audited
	-----Rupees-----	
13.1 Details of transaction with related parties during the period are as follows:		
Atlas Asset Management Limited (Management Company)		
Remuneration of the Management Company	23,809,239	28,762,547
Remuneration paid	24,818,241	27,933,464
Sindh Sales Tax on remuneration of the Management Company	3,095,201	3,739,131
Accounting and operational charges	1,190,462	1,438,127
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration of the Trustee	1,441,828	1,690,182
Remuneration paid	1,492,502	1,648,629
Sindh Sales Tax on remuneration of the trustee	187,438	219,724
Settlement charges	56,468	73,823
Sindh Sales Tax on settlement charges	7,341	9,597
Atlas Battery Limited (Group Company)		
Redemption of 5 (2018: 447) units	2,347	270,210
Atlas Insurance Limited (Group Company)		
Issue of Nil (2018: 65,137) units	-	38,000,000
Redemption of Nil (2018: 75,670) units	-	46,375,116
Atlas Insurance Limited - Staff Provident Fund Trust (Retirement Benefit plan of a Group Company)		
Redemption of Nil (2018: 11,703) units	-	7,006,159
Atlas Group of Companies Management Staff Gratuity Fund (Retirement Benefit plan of a Group Company)		
Issue of 10,521 (2018: Nil) units	5,000,000	-
Atlas Honda Limited		
Redemption of 1,146 (2018: 157,626) units	537,873	100,000,000
Shirazi Investments (Private) Limited (Group Company)		
Issue of Nil (2018: 318,612) units	-	199,252,873
Sindh General Provident Investment Fund		
Issue 1,099,069 (2018: Nil) units	504,000,000	-
Directors and their close family members and key management personnel of the Management Company		
Issue 1,169 (2018: 5,432) units	554,726	3,419,810
Redemption of 449 (2018: 89,958) units	219,369	56,999,365

Atlas Stock Market Fund

13.2 Details of balances with related parties as at the period / year end are as follows:

	30 September 2019 Un-audited	30 June 2019 Audited
	-----Rupees-----	
Atlas Asset Management Limited (Management Company)		
Remuneration payable to the management company	7,931,040	8,940,042
Sindh Sales tax payable on remuneration of the Management Company	4,000,080	4,131,252
Federal Excise Duty payable on remuneration of the Management Company	20,301,988	20,301,988
Accounting and operational charges payable	397,693	447,002
Outstanding 148,895 (30 June 2019: 148,895) units - at net asset value	70,583,800	75,037,644
Central Depository Company of Pakistan Limited (Trustee)		
Trustee fee payable	478,519	529,193
Sindh Sales tax payable on remuneration of trustee	62,207	68,795
Settlement charges payable	3,000	3,000
Sindh Sales tax payable on settlement charges	390	390
Atlas Battery Limited (Group Company)		
Outstanding Nil (30 June 2019: 5) units - at net asset value	-	2,557
Atlas Honda Limited (Group Company)		
Outstanding 27,734 (30 June 2019: 26,587) units - at net asset value	13,147,318	13,399,315
Atlas Foundation (Group Company)		
Outstanding 869,075 (30 June 2019: 869,075) units - at net asset value	411,985,307	437,981,619
Atlas Group of Companies Management Staff Gratuity Fund (Retirement Benefit plan of a Group Company)		
Outstanding 127,382 (30 June 2019: 116,860) units - at net asset value	60,385,503	58,893,643
Atlas Honda Limited - Employees Provident Fund (Retirement Benefit plan of a Group Company)		
Outstanding 97,797 (30 June 2019: 97,797) units - at net asset value	46,360,695	49,286,059
Atlas Honda Limited - Non Management Staff Gratuity Fund (Retirement Benefit plan of a Group Company)		
Outstanding 21,791 (30 June 2019: 21,791) units - at net asset value	10,330,087	10,981,917
Batools Benefit Trust (Trust having common Director / Trustee)		
Outstanding 210,096 (30 June 2019: 210,096) units - at net asset value	99,595,959	105,880,474
Honda Atlas Cars (Pakistan) Limited - Employees Gratuity Fund (Retirement Benefit plan of a Group Company)		
Outstanding 31,394 (30 June 2019: 31,394) units - at net asset value	14,882,372	15,821,451
Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement Benefit plan of a Group Company)		
Outstanding 21,886 (30 June 2019: 21,886) units - at net asset value	10,375,229	11,029,907
Shirazi Investments (Private) Limited (Group Company)		
Outstanding 4,539,013 (30 June 2019: 4,539,013) units - at net asset value	2,151,718,883	2,287,492,549
Sindh General Provident Investment Fund		
Outstanding 1,283,591 (30 June 2019: Nil) units - at net asset value	608,486,369	-
Directors and their close family members and key management personnel of the Management Company		
Outstanding 633,611 (30 June 2019: 632,891) units - at net asset value	300,363,312	318,953,167

First Quarter Report 2019-20

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

14 FAIR VALUE MEASUREMENT

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

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

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

Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

The Fund only invests in listed equity securities the fair values of which are based on level 1 valuation technique.

15 GENERAL

Figures have been rounded off to the nearest Rupee.

16 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on 30 October 2019.

**For Atlas Asset Management Limited
(Management Company)**

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Frahim Ali Khan
Chairman

Tariq Amin
Director

www.jamapunji.pk

 **Jama
Punji**








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notifications, corporate and
regulatory actions)
-  Jama Punji application for
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-  Online Quizzes



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Securities and Exchange
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*Mobile apps are also available for download for android and ios devices

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Landhi, Karachi.

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Atlas Islamic Income Fund

Atlas Islamic Stock Fund

Atlas Islamic Fund of Funds

Atlas Islamic Dedicated Stock Fund

QUARTER REPORT

30 SEPTEMBER 2019

(UN-AUDITED)



Management Company

Atlas Asset Management

**Rated AM2+ by PACRA
(as of June 28, 2019)**



Vision

To be a market leader in providing quality fund management services with customer satisfaction as our premier goal.

Mission Statement

We are committed to offering our investors the best possible risk adjusted returns on a diverse range of products, providing a stimulating and challenging environment for our employees, and committing to the highest ethical and fiduciary standards. We firmly believe that by placing the best interests of our clients first, we will also serve the best interest of our employees, our shareholders and the communities in which we operate.

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ORGANISATION

Management Company

Atlas Asset Management Limited

Board of Directors of the Management Company

Chairman Mr. Frahim Ali Khan
(*Non-Executive Director*)

Directors Mr. Tariq Amin
(*Independent Director*)
Ms Zehra Naqvi
(*Independent Director*)
Mr. Iftikhar H. Shirazi*
(*Non-Executive Director*)
Mr. Ali H. Shirazi
(*Non-Executive Director*)
Mr. M. Habib-ur-Rahman
(*Non-Executive Director*)

Chief Executive Officer Mr. Muhammad Abdul Samad
(*Executive Director*)

Company Secretary Ms Zainab Kazim

Board Committees

Audit Committee

Chairman Mr. Tariq Amin
Members Mr. Frahim Ali Khan
Mr. M. Habib-ur-Rahman

Secretary Mr. M. Uzair Uddin Siddiqui

Human Resource & Remuneration Committee

Chairman Mr. Frahim Ali Khan
Members Mr. Ali H. Shirazi
Mr. Muhammad Abdul Samad
Secretary Ms Zainab Kazim

Investment Committee

Chairman Mr. Muhammad Abdul Samad
Members Mr. Ali H. Shirazi
Mr. Khalid Mahmood
Mr. Muhammad Umar Khan
Mr. Fawad Javaid
Secretary Mr. Faran-ul-Haq

Management Committee

Chairman Mr. Muhammad Abdul Samad
Members Mr. Khalid Mahmood
Ms Qurrat-ul-Ain Jafari
Ms Mishaal H. Shirazi
Mr. Tariq Ahmed Siddiqui
Ms Ayesha Farooq
Ms Zainab Kazim
Secretary Mr. Muhammad Umar Khan

Risk Management Committee

Chairman Mr. Muhammad Abdul Samad
Members Mr. Khalid Mahmood
Secretary Mr. Shaikh Owais Ahmed

Chief Financial Officer

Ms Qurrat-ul-Ain Jafari

Chief Internal Auditor

Mr. M. Uzair Uddin Siddiqui

Registered Office

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Website: www.atlasfunds.com.pk

*Subject to SECP Approval
The Above information is as at 30 October 2019

First Quarter Report 2019-20

CHAIRMAN'S REVIEWS

It is my pleasure to present you the un-audited financial statements of Atlas Islamic Income Fund (AIIF), Atlas Islamic Stock Fund (AISF), Atlas Islamic Dedicated Stock Fund (AIDSF) and Atlas Islamic Fund of Funds (AIFOF) for the three months period ended September 30, 2019 of FY 2019-20.

THE ECONOMY

The external sector continued to show significant improvement in the Current Account Deficit specifically driven by contraction in Imports. Pakistan's Imports for Jul-Sep FY20 stood at US\$ 11.25 billion compared to US\$ 14.17 billion in same period last year while Exports for the period Jul-Sep FY20 stood at US\$ 5.52 billion as compared to US\$ 5.37 billion reported in the same period last year. During Jul-Sep FY20, the Current Account Deficit was recorded at US\$ 1.55 billion as compared to US\$ 4.29 billion in the same period last year. The reduction in Current Account Deficit together with foreign inflows provided support to Foreign Exchange Reserves, which as of September 27, 2019 stood at US\$ 15.00 billion with State Bank of Pakistan's share of US\$ 7.74 billion. Foreign Remittances for the period July-Sep FY20 stood at US\$ 5.48 billion, recording a decline of 1.43% against same period last year. Due to the impact of exchange rate depreciation, adjustments in utility prices and increase in food prices, CPI inflation for the period July- Sep FY20 averaged at 10.08%. During the quarter, the Federal Board of Revenue provisionally collected Rs. 960 billion tax revenue against a target of Rs. 1,071 billion registering a shortfall of 10.36%. The State Bank of Pakistan in its latest monetary policy announcement on September 16, 2019 decided to keep policy rate unchanged at 13.25%.

FUND OPERATIONS - AIIF

The Net Asset Value per unit of Atlas Islamic Income Fund (AIIF) increased by 3.07% to Rs. 519.40 as on September 30, 2019, this works out to 12.18% on an annualized basis. The AIIF's total exposure in Sukuk was 13.79% and the remaining 86.21% in high yielding Shariah Compliant Bank Deposits/Others. The Net Assets of the Fund stood at Rs. 1.43 billion, with 2.76 million units outstanding as on September 30, 2019.

FUND OPERATIONS - AISF

The Net Asset Value per unit of Atlas Islamic Stock Fund (AISF) decreased by 5.63% to Rs. 405.67 as on September 30, 2019. The benchmark KMI-30 index decreased by 5.48% during the same period. The KMI-30 index decreased from 54,118.51 points as on June 28, 2019 to 51,150.82 points as on September 30, 2019. AISF strategy will continue to focus on dividend plays and stocks which are trading at relatively cheap multiples with earnings growth prospects. AISF's equity portfolio exposure was mainly in Oil & Gas Exploration, Fertilizer, Islamic Commercial Banks and Power Generation & Distribution Companies. The Net Assets of the Fund stood at Rs. 1.18 billion, with 2.90 million units outstanding as on September 30, 2019.

FUND OPERATIONS - AIDSF

The Net Asset Value per unit of Atlas Islamic Dedicated Stock Fund (AIDSF) decreased by 5.77% to Rs. 389.78 as on September 30, 2019. The benchmark KMI-30 index decreased by 5.48% during the same period. The KMI-30 index decreased from 54,118.51 points as on June 28, 2019 to 51,150.82 points as on September 30, 2019. AIDSF strategy will continue to focus on dividend plays and stocks which are trading at relatively cheap multiples with earnings growth prospects. AIDSF's equity portfolio exposure was mainly in Oil & Gas Exploration, Fertilizer, Islamic Commercial Banks and Cement Companies. The Net Assets of the Fund stood at Rs. 284.18 million, with 0.73 million units outstanding as on September 30, 2019.

FUND OPERATIONS - AIFOF

The Net Asset Value of Atlas Aggressive Allocation Islamic Plan (AAAIP) decreased by 2.75% to Rs.431.69 as on September 30, 2019. AAAIP was 25.62% and 72.87% invested in AIIF and AIDSF respectively. The Net Asset Value of Atlas Moderate Allocation Islamic Plan (AMAIP) decreased by 0.94% to Rs.461.08 as on September 30, 2019. AMAIP was 45.34% and 52.37% invested in AIIF and AIDSF respectively. The Net Asset Value of Atlas Conservative Allocation Islamic Plan (ACAIP) increased by 1.22% to Rs. 501.38 as on September 30, 2019. ACAIP was 70.79% and 28.17% invested in AIIF and AIDSF respectively. The Net Asset Value of Atlas Islamic Capital Preservation Plan (AICPP) increased by 0.63% to Rs. 491.04 as on September 30, 2019. AICPP was 68.31% and 29.84% invested in AIIF and AIDSF respectively. The Net Assets of AIFOF stood at Rs. 748.54 million as on September 30, 2019.

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MUTUAL FUND TAXATION

WORKER'S WELFARE FUND (WWF)

Against the decision of the Honorable Supreme Court of Pakistan (SCP) that declared the amendments made in the Finance Acts 2006 and 2008 pertaining to WWF as illegal citing that WWF was not in the nature of tax and could, therefore, not have been introduced through money bills, the Federal Board of Revenue (FBR) has filed a review petition in the SCP, which is pending for hearing. The Mutual Funds Association of Pakistan (MUFAP) consulted both legal and tax advisors who gave the opinion that the judgment has removed the very basis on which the demands were raised, therefore, there was no longer any liability against the mutual funds under the WWF Ordinance. Based on legal opinion, the entire provision against WWF held by the Mutual Funds and Voluntary Pension Funds till June 30, 2015 were reversed on January 12, 2017.

SINDH WORKER'S WELFARE FUND (SWWF)

As a consequence of the 18th amendment to the Constitution of Pakistan, Workers' Welfare Fund became a provincial subject. In May, 2015 the Sindh Assembly passed the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) imposing SWWF on many entities, including financial institutions.

The Sindh Revenue Board (SRB) demanded the SWWF from mutual funds on the plea that mutual funds are defined as financial institution under The Financial Institutions (Recovery of Finances) Ordinance, 2001. MUFAP has collectively on behalf of asset management companies contested that mutual funds are not financial institutions or industrial establishments but were pass through investment vehicles and did not employ workers. Mutual funds are also not included in the definition of financial institutions in the Companies Act, 2017. MUFAP has taken up the matter with the Sindh Finance Division for resolution of the matter.

Although, based on legal opinion, SWWF is not applicable on mutual funds MUFAP has recommended that the provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from May 21, 2015). Accordingly, the provision for SWWF is being made on a daily basis going forward.

FEDERAL EXCISE DUTY (FED)

The Finance Act, 2013 imposed Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from June 13, 2013 and this was withdrawn on June 30, 2016. On September 04, 2013 a constitutional petition was filed in SHC jointly by various AMCs, challenging the levy of FED. In a separate petition the Honorable Sindh High Court declared that the FED was unconstitutional and cannot be charged where provinces are collecting sales tax. The Federation has filed an appeal in the Honorable Supreme Court of Pakistan. However, without prejudice, the mutual funds and pension funds have on prudent basis maintained the provision for FED till June 30, 2016.

WITHHOLDING TAX

With effect from July 01, 2015, FBR has required all entities whose income are exempt from income tax to obtain income tax exemption certificates from concerned Commissioner of Income Tax (CIT) by virtue of provision in section 159 of the Income Tax Ordinance, 2001 (Ordinance). So far, Mutual Funds and approved Pension Funds were automatically allowed exemption from withholding tax by virtue of clause 47(B) of Part IV of the Second Schedule to Ordinance. The Company along with other AMCs filed a petition in the Honorable Sindh High Court against the new requirement of FBR. The Honorable Sindh High Court decided that the requirement of obtaining exemption certificate will apply to those entities as well whose income are otherwise exempt from tax. Thereafter, the company has filed a petition in the Supreme Court of Pakistan, on April 20, 2016 and the hearing is still pending. In the meanwhile Mutual Funds are obtaining exemption certificates from Commissioner of Income Tax. However, any tax withheld is refundable.

RATINGS

- **ASSET MANAGER RATING**

The Pakistan Credit Rating Agency (PACRA) maintained asset manager rating of Atlas Asset Management Limited (AAML) to "AM2+" (AM Two Plus). The rating denotes high quality as the asset manager meets high investment management industry standards and benchmarks with noted strengths in several of the rating factors.

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• FUND STABILITY RATING - AIIF

PACRA has assigned a stability rating of "AA- (f)" (Double A Minus - fund rating) to the fund. The fund's rating denotes a strong capacity to manage relative stability in returns and low exposure to risks.

FUTURE OUTLOOK

Post induction of Pakistan into IMF's US\$ 6 billion program, macro-economic adjustments have been targeted including a free-float exchange rate regime, broadening of tax base and monetary tightening to stabilize the economy. Exchange rate adjustments have resulted in Real Effective Exchange Rate (REER) to come down at 92.7 in August-19 that helped in reducing Current Account Deficit to US\$ 1.55 billion during July-Sep 2019 compared to US\$ 4.29 billion in the same period last year. Provisional tax collection during the quarter was Rs. 960 billion that has increased by 15% compared to last year despite slowdown in the economy. On the external front, worker's remittances, lending commitments from multilateral institutions and IMF's extended fund facility will help in meeting Pakistan's financing needs. However, debt servicing by the government amid high interest rates will keep fiscal side under pressure despite improvements in tax collection. CPI inflation is likely to average between 11% - 12% for FY20. Going forward, government's focus towards Exports, commencement of China Pakistan Economic Corridor second phase and increased Public Sector Development Program outlay will be instrumental for increment in economic activity.

SAD DEMISE OF THE FOUNDER AND CHAIRMAN OF ATLAS GROUP

On October 20, 2019, the Founder and Chairman of Atlas Group, Mr. Yusuf H. Shirazi, left for his heavenly abode. On behalf of the Board of Directors, I would like to place on record deep sorrow and grief on his passing away. He was a visionary with brilliant business acumen and will always be remembered as the most successful and leading first generation entrepreneur of Pakistan. He established leading companies and built organizations for social development. He founded various institutions that changed the lives of millions and shaped the course of Pakistan's industrial growth. He fostered several enduring foreign relationships and influenced all of us with his exemplary principles. Atlas Group's extended family and committed partners is a legacy of his values and work ethics. We are determined and committed to uphold and grow his rich legacy.

بڑی مشکل سے ہوتا ہے جن میں دیدہ و رپیدا

ACKNOWLEDGEMENT

I would like to thank the Securities and Exchange Commission of Pakistan, the Board of Directors, and the Group Executive Committee for their help, support and guidance. I also thank the financial institutions and the unit holders for their help, support and the confidence reposed in the Fund and the Chief Executive Officer, Mr. Muhammad Abdul Samad and his management team for their hard work, dedication, and sincerity of purpose.

Karachi : 30 October 2019

Frahim Ali Khan
Chairman

Atlas Islamic Income Fund

Corporate Information

Trustee

Central Depository Company of Pakistan Limited
99-B, Block 'B', S.M.C.H.S, Main Shahrah-e-Faisal,
Karachi - 74400

Shariah Advisor

Dr. Mufti Muhammad Wasih Fasih Butt

Auditors

EY Ford Rhodes
Chartered Accountants

Legal Advisers

Mohsin Tayebaly & Co.

Bankers

Al-Baraka Bank (Pakistan) Limited
Allied Bank Limited - Islamic Banking
Askari Bank Limited - Islamic Banking
Bank Al Habib Limited - Islamic Banking
BankIslami Pakistan Limited
Dubai Islamic Bank Pakistan Limited
Faysal Bank Limited - Islamic Banking
Habib Bank Limited - Islamic Banking
MCB Bank Limited - Islamic Banking
Meezan Bank Limited
Soneri Bank Limited - Islamic Banking

First Quarter Report 2019-20

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED) AS AT 30 SEPTEMBER 2019

	Note	30 September 2019 Un-Audited -----Rupees-----	30 June 2019 Audited
ASSETS			
Cash and Bank balances	4	1,228,125,022	1,308,448,955
Investments	5	199,903,853	99,898,800
Markup accrued	6	21,517,512	15,086,559
Security deposit, prepayment and other receivables		599,529	578,941
Total assets		1,450,145,916	1,424,013,255
LIABILITIES			
Payable to Atlas Asset Management Limited - Management Company	7	2,540,969	2,465,344
Payable to Central Depository Company of Pakistan Limited - Trustee		104,712	180,998
Payable to the Securities and Exchange Commission of Pakistan		74,470	701,274
Payable against redemption of units		8,637,837	19,806,934
Dividend payable		62,457	390,184
Accrued expenses and other liabilities	8	6,402,471	8,242,302
Total liabilities		17,822,916	31,787,036
NET ASSETS		1,432,323,000	1,392,226,219
UNIT HOLDERS' FUNDS (AS PER STATEMENT ATTACHED)		1,432,323,000	1,392,226,219
CONTINGENCIES AND COMMITMENTS	9		
NUMBER OF UNITS IN ISSUE		2,757,672	2,762,766
NET ASSET VALUE PER UNIT		519.40	503.92

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Frahim Ali Khan
Chairman

Tariq Amin
Director

Atlas Islamic Income Fund

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2019

	Note	2019 -----Rupees-----	2018
Income			
Markup income	11	47,899,772	14,214,508
Net unrealised appreciation / (diminution) on remeasurement of investments classified as 'financial assets at fair value through profit or loss'		310,653	(339,200)
Total income		48,210,425	13,875,308
Expenses			
Remuneration of Atlas Asset Management Limited - Management Company	7.1	1,117,039	607,877
Sindh Sales Tax on remuneration of the Management Company	7.2	145,215	79,024
Remuneration of Central Depository Company of Pakistan Limited - Trustee		279,260	344,464
Sindh Sales Tax on Remuneration of the Trustee		36,304	44,780
Annual fees - Securities and Exchange Commission of Pakistan		74,469	151,969
Accounting and operational charges	10	372,346	202,625
Auditors' remuneration		65,154	73,439
Securities transaction cost		29,426	1,695
Annual listing fee		6,912	6,932
Annual rating fee		75,490	77,697
Printing charges		10,900	25,199
Shariah Advisory Fee		45,000	42,915
Bank charges		20,984	7,185
Legal and professional charges		118,033	46,440
Provision for Sindh Workers' Welfare Fund		916,278	243,261
Total expenses		3,312,810	1,955,502
Net income for the period before taxation		44,897,615	11,919,806
Taxation	13	-	-
Net income for the period after taxation		44,897,615	11,919,806
Earning per unit	14		
Allocation of net income for the period:			
- Net income for the period after taxation		44,897,615	11,919,806
- Income already paid on units redeemed		(5,175,319)	(2,181,169)
		39,722,296	9,738,637
Accounting income available for distribution:			
- Relating to capital gains		310,653	-
- Excluding capital gains		39,411,643	9,738,637
		39,722,296	9,738,637

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Frahim Ali Khan
Chairman

Tariq Amin
Director

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CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2019

	2019	2018
	-----Rupees-----	
Net income for the period after taxation	44,897,615	11,919,806
Other comprehensive income	-	-
Total comprehensive income for the period	44,897,615	11,919,806

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Frahim Ali Khan
Chairman

Tariq Amin
Director

Atlas Islamic Income Fund

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2019

	30 September 2019		
	Capital value	Undistributed income	Net assets
	-----Rupees-----		
Capital value	1,384,052,950	-	1,384,052,950
Undistributed income brought forward			
- Realised income	-	8,274,469	8,274,469
- Unrealised loss	-	(101,200)	(101,200)
Net assets at the beginning of the period (Units outstanding: 2,762,766) (Rs. 503.92 per unit)	1,384,052,950	8,173,269	1,392,226,219
Issue of 684,502 units	349,817,526	-	349,817,526
Redemption of 689,596 units	(349,443,041)	(5,175,319)	(354,618,360)
Total comprehensive income for the period	-	44,897,615	44,897,615
Net assets at end of the period (Units outstanding: 2,757,672) (Rs. 519.40 per unit)	1,384,427,435	47,895,565	1,432,323,000
Undistributed income carried forward			
- Realised income	-	52,931,155	-
- Unrealised loss	-	(5,035,590)	-
	-	47,895,565	-
	30 September 2018		
	Capital value	Undistributed income	Net assets
	-----Rupees-----		
Capital value	838,131,601	-	838,131,601
Undistributed income brought forward			
- Realised income	-	33,308,312	33,308,312
- Unrealised income	-	782,300	782,300
Net assets at the beginning of the period (Units outstanding: 1,653,270) (Rs. 527.57 per unit)	838,131,601	34,090,612	872,222,213
Issue of 312,437 units	157,953,381	-	157,953,381
Redemption of 634,160 units	(319,495,884)	(2,181,169)	(321,677,053)
Refund of Capital	(12,427,235)	-	(12,427,235)
Cash distribution for year ended 30 June 2018 at Rs. 24.50 per unit declared on 06 July 2018	-	(28,077,890)	(28,077,890)
Total comprehensive income for the period	-	11,919,806	11,919,806
Net assets at end of the period (Units outstanding: 1,331,547) (Rs. 510.62 per unit)	664,161,863	15,751,359	679,913,222
Undistributed income carried forward			
- Realised income	-	15,308,259	-
- Unrealised income	-	443,100	-
	-	15,751,359	-

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Frahim Ali Khan
Chairman

Tariq Amin
Director

First Quarter Report 2019-20

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2019

	Note	For the Quarter Ended	
		30 September	
		2019	2018
		-----Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the period after taxation		44,897,615	11,919,806
Adjustment for:			
Markup income		(47,899,772)	(14,214,508)
Net unrealised (appreciation) / diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		(310,653)	339,200
Provision for Sindh Workers' Welfare Fund		916,278	243,261
		(47,294,147)	(13,632,047)
Increase in assets			
Security deposit, prepayment and other receivables		(20,588)	(20,568)
Decrease in liabilities			
Payable to Atlas Asset Management Limited - Management Company		75,625	(55,032)
Payable to Central Depository Company of Pakistan Limited		(76,286)	(24,086)
Payable to the Securities and Exchange Commission of Pakistan		(626,804)	(735,579)
Dividend payable		(327,727)	-
Accrued expenses and other liabilities		(2,756,109)	(478,289)
		(3,711,301)	(1,292,986)
Markup received		41,468,819	11,750,321
Investments sold / matured during the period		5,000,000	-
Net cash (used in) / generated from operating activities		(64,354,002)	8,724,526
CASH FLOWS FROM FINANCING ACTIVITIES			
Net receipts from issuance of units		349,817,526	157,953,381
Net payments against redemption of units		(365,787,457)	(322,171,081)
Refund of Capital		-	(12,427,235)
Cash payout against distribution		-	(28,077,890)
Net cash used in financing activities		(15,969,931)	(204,722,825)
Net decrease in cash and cash equivalents		(80,323,933)	(195,998,299)
Cash and cash equivalents at the beginning of the period		1,308,448,955	776,625,525
Cash and cash equivalents at the end of the period	4	1,228,125,022	580,627,226

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Frahim Ali Khan
Chairman

Tariq Amin
Director

Atlas Islamic Income Fund

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE QUARTER ENDED 30 SEPTEMBER 2019

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Atlas Islamic Income Fund (the Fund) is an open ended Fund constituted under a trust deed entered into on 7 May 2008 between Atlas Asset Management Limited (AAML) as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the trustee. The Trust Deed has been revised through the First, Second and third Supplemental Trust Deeds dated 23 June 2010, 12 November 2010 and 23 May 2017 respectively with the approval of the Securities and Exchange Commission of Pakistan (SECP). Furthermore, the offering document of the Fund has been revised through the First, Second, Third, Fourth, Fifth, Sixth and Seventh supplements dated 23 June 2010, 12 November 2010, 20 September 2013, 24 March 2015, 3 August 2015, 30 September 2016 and 02 June 2017 respectively with the approval of the SECP. The investment activities and administration of the Fund are managed by AAML whose registered office is situated at Ground Floor, Federation House, Shahrah-e-Firdousi, Clifton, Karachi.
- 1.2 The Fund has been categorised as a 'shariah compliant income scheme' by the Board of Directors of the Management Company pursuant to the provision contained in Circular 07 of 2009. The units of the Fund were initially offered for public subscription at a par value of Rs 500 per unit. Thereafter, the units are being offered to the public for subscription on a continuous basis since 14 October 2008, and are transferable and redeemable by surrendering them to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited.
- 1.3 According to the Trust Deed, the objective of the Fund is to provide investors with a good and stable rate of current income consistent with long term preservation of capital in a Shariah Compliant manner. A secondary objective is to take advantage of opportunities to realise capital appreciation. The Fund shall seek to provide the investors with a rate of return consistent with a broadly diversified portfolio of long medium, and short term, high quality Islamic income instruments.
- 1.4 The Pakistan Credit Rating Agency Limited (PACRA) maintained the asset manager rating of the Management Company to AM2+ (AM Two Plus) [2018: AM2+ (AM Two Plus)] on 28 June 2019.

Moreover, PACRA maintained the stability rating of the Fund at "AA- (f)" [2018: "AA- (f)"] on 17 October 2019 subsequently to the balance sheet date.

- 1.5 Titles to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited (CDC) as the Trustee of the Fund.

2 STATEMENT OF COMPLIANCE

These condensed interim financial statements has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017, the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or directives issued by the SECP differ with the requirements of IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended 30 June 2019.

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In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that these condensed interim financial statements give a true and fair view of the state of the Fund's affairs as at 30 September 2019.

The comparatives in the condensed interim statement of assets and liabilities presented in the condensed interim financial statements as at 30 September 2019 have been extracted from the annual published audited financial statements of the Fund for the year ended 30 June 2019, whereas, the comparatives in the condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement have been extracted from the unaudited condensed interim financial statements of the Fund for the Quarter ended 30 September 2018.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies applied for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual published financial statements of the Fund for the year ended 30 June 2019.

The preparation of these condensed interim financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

The significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to financial statements as at and for the year ended 30 June 2019.

The financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the year ended 30 June 2019.

4 CASH AND BANK BALANCES	Note	30 September 2019	30 June 2019
		Un-audited	Audited
		-----Rupees-----	
In local currency			
- Profit and loss sharing accounts	4.1	1,226,478,022	1,306,013,955
- Current account		5,000	5,000
- Cheques in hand	4.2	1,642,000	2,430,000
		1,228,125,022	1,308,448,955

4.1 The rate of return on these profit & loss sharing accounts ranges between 6.00% to 14.25% (30 June 2019: 6.00% to 13.00%) per annum.

4.2 The denotes cheques received against issuance of units which were deposited and cleared in the bank account subsequently on 02 October 2019.

5 INVESTMENTS	Note	30 September 2019	30 June 2019
		Un-audited	Audited
		-----Rupees-----	
At fair value through profit or loss			
Debt securities - Sukuk certificates (unlisted)	5.1	199,903,853	99,898,800
		199,903,853	99,898,800

Atlas Islamic Income Fund

5.1 Debt securities - Sukuk certificates

Particulars	Note	Number of Certificates				Rupees			Percentage of	
		As at 01 July 2019	Acquired during the period	Disposed during the period	As at 30 September 2019	Carrying Value as at 30 September 2019	Market Value as at 30 September 2019	Unrealised appreciation as at 30 September 2019	Market Value as a percentage of total investments	Market Value as a percentage of net assets
BANKS										
Meezan Bank Limited (unlisted) (Face Value Rs. 1,000,000)	5.1.1	50	-	-	50	49,998,800	49,998,800	-	25.01	3.49
Fertilizers										
Dawood Hercules Corporation Limited Sukuk 1 (listed) (Face Value Rs. 90,000)	5.1.2	-	560	-	560	49,694,400	50,090,090	395,690	25.06	3.50
Dawood Hercules Corporation Limited Sukuk 2 (listed) (Face Value Rs. 100,000)	5.1.3	500	-	-	500	44,900,000	44,814,963	(85,037)	22.42	3.13
Power Generation & Distribution										
The Hub Power Company Limited (Listed) (Face Value Rs. 100,000)	5.1.4	-	500	-	500	55,000,000	55,000,000	-	27.51	3.84
Total - September 30, 2019						199,593,200	199,905,853	310,653	100.00	13.96
Total - June 30, 2019						100,782,300	99,898,800	(883,500)	100.00	7.18

5.1.1 These certificates carry mark-up at the rate of 6 months KIBOR plus 0.50% (30 June 2019: 6 months KIBOR plus 0.50%) per annum, and are due to mature by 22 September 2026 (30 June 2019: 22 September 2026).

5.1.2 These certificates carry mark-up at the rate of 3 months KIBOR plus 1.00% per annum, and are due to mature by 16 November 2022.

5.1.3 These certificates carry mark-up at the rate of 3 months KIBOR plus 1.00% (30 June 2019: 3 months KIBOR plus 1.00%) per annum, and are due to mature by 01 March 2023 (30 June 2019: 01 March 2023).

5.1.4 These certificates carry mark-up at the rate of 3 months KIBOR plus 1.90% per annum, and are due to mature by 28 August 2023.

6 MARKUP ACCRUED	Note	30 September 2019	30 June 2019
		Un-audited	Audited
		-----Rupees-----	
Mark-up accrued on:			
- Profit and loss sharing accounts		18,422,351	12,603,754
- Sukuk certificates		3,095,161	2,482,805
		21,517,512	15,086,559
7 PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY (RELATED PARTY)			
Remuneration of the Management Company	7.1	368,661	316,981
Sindh Sales Tax payable on remuneration of the Management Company	7.2	315,520	308,801
Federal Excise Duty payable on remuneration of the Management Company	7.3	1,733,901	1,733,901
Accounting and operational charges payable	10	122,887	105,661
		2,540,969	2,465,344

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- 7.1 During the quarter ended 30 September 2019 the Management Company has charged its remuneration at the rate of 0.30% (30 June 2019: 0.30%) per annum of the average annual net assets of the Fund for the period. The fee is payable to the Management Company monthly in arrears.
- 7.2 During the period, an amount of Rs. 145,215 (2018: Rs.79,024) was charged on account of sales tax on management fee levied through Sindh Sales Tax on Services Act, 2011, and an amount of Rs. 138,496 (2018: 83,914) has been paid to the Management Company which acts as the collecting agent.
- 7.3 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from 13 June 2013. As the asset management services rendered by the Management Company of the Fund were already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund as explained in note 7.2 above, the Management Company was of the view that further levy of FED was not justified.

On 4 September 2013, a Constitutional Petition was filed in the Honourable Sindh High Court (SHC) jointly by various asset management companies, together with their representative Collective Investment Schemes through their trustees, challenging the levy of FED.

During the year ended 30 June 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

With effect from 1 July 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from 1 July 2016. However, as a matter of abundant caution the provision for FED made for the period from 13 June 2013 till 30 June 2016 amounting to Rs 1.734 million (30 June 2019: Rs 1.734 million) is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the said provision for FED not been recorded in the financial statements of the Fund, the net asset value of the Fund as at 30 September 2019 would have been higher by Re. 0.63 per unit (30 June 2019: Re. 0.63 per unit).

	30 September 2019	30 June 2019
	Un-audited	Audited
Note	-----Rupees-----	
8 ACCRUED EXPENSES AND OTHER LIABILITIES		
Auditors' remuneration payable	261,174	196,020
Printing charges payable	46,360	45,954
Payable to Shariah Advisor	45,000	45,000
Withholding tax payable	488,393	3,410,753
Provision for Sindh Workers' Welfare Fund	4,961,098	4,044,820
Annual rating fee payable	75,490	-
Transaction charges payable	25,200	-
Zakat payable	19,589	19,589
Other payable	480,167	480,166
	6,402,471	8,242,302

Atlas Islamic Income Fund

8.1 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.

In view of the above developments regarding the applicability of WWF and SWWF on CISs / mutual funds, MUFAP has recommended the following to all its members on 12 January 2017:

- based on legal opinion, the entire provision against WWF held by the CISs till 30 June 2015 should be reversed on 12 January 2017; and
- as a matter of abundant caution, the provision in respect of SWWF should be made with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from 21 May 2015) on 12 January 2017.

Accordingly, on 12 January 2017 the provision for WWF was reversed and the provision for SWWF was made for the period from 21 May 2015 to 12 January 2017. Thereafter, the provision is being made on a daily basis going forward.

The above decisions were communicated to the SECP and the Pakistan Stock Exchange Limited on 12 January 2017 and the SECP vide its letter dated 01 February 2017 has advised MUFAP that the adjustments relating to the above should be prospective and supported by adequate disclosures in the financial statements of the CISs/ mutual funds.

Had the provision for SWWF not been recorded in the financial statements of the Fund for the period from May 21, 2015 to September 30, 2019, the net asset value of the Fund as at September 30, 2019 would have been higher by Rs. 1.80 per unit (30 June 2019: Rs. 1.46 per unit).

9 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 30 September 2019 and 30 June 2019.

10 ACCOUNTING AND OPERATIONAL CHARGES

Uptil 19 June 2019 in accordance with Regulation 60 of the NBFC Regulations, the Management Company was entitled to charge expenses related to registrar services, accounting, operations and valuation services, related to a Collective Investment Scheme (CIS) at the rate of 0.1% of the average annual net assets of the scheme or actual whichever is less. During the year, SECP vide SRO 639 (I) /2019 dated 20 June 2019 has removed the maximum cap of 0.1%. Accordingly, the Management Company can now charge actual expenses related to registrar services, accounting, operations and valuation services to the CIS with effect from 20 June 2019.

However, the management continued to charge expenses at the rate of 0.1% of the average annual net assets of the Fund, being lower than actual expenses.

11 MARKUP INCOME

Mark-up income on:

- Profit and loss sharing accounts
- Sukuk certificates

For the Quarter Ended 30 September	
2019	2018
Un-audited	Un-audited
-----Rupees-----	
42,612,676	12,244,933
5,287,096	1,969,575
47,899,772	14,214,508

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12 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 30 September 2019 is 0.89% (30 June 2019: 0.97%) after netting off 0.32% (30 June 2019: 0.31%) representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 2% prescribed under the NBFC Regulations for a collective investment scheme categorised as a shariah compliant income scheme.

13 TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unitholders. The management intends to distribute at least 90% of the Fund's net accounting income earned by the year end, as cash dividend, to the unit holders. Accordingly, no provision for taxation has been made in these condensed interim financial statements.

14 EARNINGS PER UNIT

Earnings per unit has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating loss per unit is not practicable.

15 TRANSACTIONS WITH CONNECTED PERSONS / CONNECTED PERSONS

15.1 <u>Details of transactions with related parties during the period are as follows:</u>	For the Quarter Ended	
	30 September	
	2019	2018
	Un-audited	Un-audited
	-----Rupees-----	
Atlas Asset Management Limited (Management Company)		
Remuneration of the Management Company	1,117,039	607,877
Remuneration paid to the Management Company	1,065,359	645,491
Sindh Sales Tax on remuneration of the Management Company	145,215	79,024
Accounting and operational charges	372,346	202,625
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration of the Trustee	279,260	344,464
Remuneration paid to the Trustee	346,770	365,779
Sindh Sales Tax on remuneration of the Trustee	36,304	44,780
Settlement charges	3,740	1,500
Sindh Sales Tax on settlement charges	486	195
Atlas Honda Limited (Group Company)		
Issue of Nil (2018: 1) units	-	675
Dividend declared	-	733
Shirazi Investments (Private) Limited (Group Company)		
Issue of 32 (2018: 4,716) units	16,628	2,372,638
Dividend declared	-	2,791,339
Shirazi Trading Company (Private) Limited Employees Provident Fund (Retirement benefit plan of a Group Company)		
Issue of Nil (2018: 1,042) units	-	524,024
Dividend declared	-	524,024

Atlas Islamic Income Fund

For the Quarter Ended
30 September

	Note	For the Quarter Ended 30 September	
		2019 Un-audited	2018 Un-audited
		-----Rupees-----	
Atlas Insurance Limited Window Takaful Operations			
Issue of 78,570 (2018: 1,338) units		40,000,000	673,226
Dividend declared		-	792,031
Honda Atlas Power Product (Pvt) Limited (Group Company)			
Issue of Nil (2018: 1,695) units		-	852,838
Redemption of Nil (2018: 41,015) units		-	20,728,635
Dividend declared		-	963,345
Chevron Pakistan Lubricants (Private) Gratuity Fund (Unit Holder with more than 10% holding)			
	15.3		
Issue of Nil (2018: 7,813) units		-	3,930,512
Dividend declared		-	3,930,512
Hamdard Laboratories (WAQF) Pakistan (Unit Holder with more than 10% holding)			
	15.3		
Issue of Nil (2018: 5,447) units		-	2,740,009
Dividend declared		-	3,223,540
Atlas Islamic Capital Preservation Plan (Atlas Islamic Fund of Fund)			
Redemption of 34,163 (2018: Nil) units		17,700,000	-
Atlas Aggressive Allocation Islamic Plan (Atlas Islamic Fund of Fund)			
Redemption of 13,208 (2018: Nil) units		6,800,000	-
Atlas Moderate Allocation Islamic Plan (Atlas Islamic Fund of Fund)			
Redemption of 15,848 (2018: Nil) units		8,150,000	-
Atlas Conservative Allocation Islamic Plan (Atlas Islamic Fund of Fund)			
Redemption of 16,881 (2018: Nil) units		8,700,000	-
Directors and their close family members and key management personnel of the management company			
Issue of 393 (2018: 5,041) units		200,000	2,553,574
Redemption of 392 (2018: 11,461) units		200,000	5,788,920
Dividend declared		-	384,959
		30 September 2019	30 June 2019
		Un-audited	Audited
		-----Rupees-----	

15.2 Details of balances with related parties as at the period as follows:

Atlas Asset Management Limited (Management Company)			
Remuneration payable to the Management Company		368,661	316,981
Sindh Sales Tax payable on Remuneration of the Management Company		315,520	308,801
Federal Excise Duty payable on Remuneration of the Management Company		1,733,901	1,733,901
Accounting and operational charges payable		122,887	105,661

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	30 September 2019	30 June 2019
	Un-audited	Audited
	-----Rupees-----	
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration payable to the Trustee	92,165	159,675
Sindh Sales Tax payable on Remuneration of the trustee	11,982	20,758
Settlement charges payable	500	500
Sindh Sales Tax payable on settlement charges	65	65
Atlas Honda Limited (Group Company)		
Outstanding 33 (30 June 2019: 33) units - at net asset value	17,390	16,871
Honda Atlas Power Product (Pvt) Limited (Group Company)		
Outstanding 66 (30 June 2019: 66) units - at net asset value	34,214	33,194
Shirazi Investments (Private) Limited (Group Company)		
Outstanding 3,982 (30 June 2019: 3,950) units - at net asset value	2,068,162	1,990,351
Atlas Insurance Limited Window Takaful Operations		
Outstanding 78,570 (30 June 2019: Nil) units - at net asset value	40,809,271	-
Atlas Aggressive Allocation Islamic Plan (Atlas Islamic Fund of Fund)		
Outstanding 44,742 (30 June 2019: 57,950) units - at net asset value	23,239,023	29,202,014
Atlas Islamic Capital Preservation Plan (Atlas Islamic Fund of Fund)		
Outstanding 570,774 (30 June 2019: 604,937) units - at net asset value	296,460,073	304,840,054
Atlas Moderate Allocation Islamic Plan (Atlas Islamic Fund of Fund)		
Outstanding 90,477 (30 June 2019: 106,325) units - at net asset value	46,993,670	53,579,077
Atlas Conservative Allocation Islamic Plan (Atlas Islamic Fund of Fund)		
Outstanding 166,003 (30 June 2019: 182,884) units - at net asset value	86,222,074	92,159,042
Directors and their close family members and key management personnel of the Management Company		
Outstanding 4,775 (30 June 2019: 4,774) units - at net asset value	2,479,966	2,405,794

15.3 Holding being less than 10% in reporting period, disclosure is not applicable.

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

16 FAIR VALUE MEASUREMENT

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

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

Fair value of government securities is determined by reference to the rates announced by Financial Market Association of Pakistan and fair value of corporate sukuks is determined on the basis of rates announced by MUFAP. The fair value of financial assets and liabilities of the Fund, other than government securities, approximates their carrying amount due to short term maturities of these instruments.

Atlas Islamic Income Fund

Fair value hierarchy

The Fund uses the following hierarchy for disclosure of the fair value of financial instruments by valuation technique:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at 30 September 2019 and 30 June 2019, the Fund had financial assets at fair value through profit or loss measured using the level 2 valuation technique.

17 GENERAL

Figures have been rounded off to the nearest Rupee.

18 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on 30 October 2019.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Frahim Ali Khan
Chairman

Tariq Amin
Director

Atlas Islamic Stock Fund

Corporate Information

Trustee

Central Depository Company of Pakistan Limited
99-B, Block 'B', S.M.C.H.S, Main Shahrah-e-Faisal
Karachi - 74400

Shariah Advisor

Dr. Mufti Muhammad Wasih Fasih Butt

Auditors

EY Ford Rhodes
Chartered Accountants

Legal Advisers

Mohsin Tayebaly & Co.

Bankers

Al-Baraka Bank (Pakistan) Limited
Bank Alfalah Limited - Islamic Banking
Bank Al Habib Limited - Islamic Banking
BankIslami Pakistan Limited
Dubai Islamic Bank Pakistan Limited
Habib Bank Limited - Islamic Banking

Atlas Islamic Stock Fund

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED) AS AT 30 SEPTEMBER 2019

		30 September 2019	30 June 2019
		Un-audited	Audited
	Note	----- Rupees -----	----- Rupees -----
ASSETS			
Bank balances	4	26,908,880	156,269,884
Investments	5	1,160,204,308	1,193,804,060
Profit receivable on bank balances		743,108	1,045,961
Receivable against sale of investments		-	72,714,091
Dividend receivable		18,110,709	541,157
Security deposits, prepayment and other receivables		5,218,007	5,197,419
Total assets		1,211,185,012	1,429,572,572
LIABILITIES			
Payable to Atlas Asset Management Limited - Management Company	6	14,174,944	14,879,795
Payable to Central Depository Company of Pakistan Limited - Trustee		199,676	235,939
Payable to the Securities and Exchange Commission of Pakistan		56,266	1,563,199
Payable against redemption of units		3,995,596	190,404,182
Accrued expenses and other liabilities	7	17,627,464	17,495,849
Total liabilities		36,053,946	224,578,964
NET ASSETS		1,175,131,066	1,204,993,608
UNIT HOLDERS' FUNDS (AS PER STATEMENT ATTACHED)		1,175,131,066	1,204,993,608
CONTINGENCIES AND COMMITMENTS	8		
NUMBER OF UNITS IN ISSUE		2,896,740	2,803,109
NET ASSET VALUE PER UNIT		405.67	429.88

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Frahim Ali Khan
Chairman

Tariq Amin
Director

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CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2019

	Note	2019 ----- Rupees -----	2018 ----- Rupees -----
INCOME			
Profit on bank balances		1,825,976	3,858,724
Dividend income		18,726,350	20,357,635
Capital (loss) / gain on sale of investments - net		(3,469,254)	25,085,550
Net unrealized diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		(76,396,456)	(18,854,286)
		(79,865,710)	6,231,264
		(59,313,384)	30,447,623
EXPENSES			
Remuneration of Atlas Asset Management Limited - Management Company	6.1	5,629,120	10,078,494
Sindh sales tax on remuneration of the Management Company	6.2	731,786	1,310,204
Remuneration of Central Depository Company of Pakistan Limited - Trustee		532,821	755,979
Sindh sales tax on remuneration of the Trustee		69,267	98,277
Annual fee - Securities and Exchange Commission of Pakistan		56,266	478,728
Accounting and operational charges	9	281,457	503,924
Shariah advisory fee		75,000	75,616
Auditors' remuneration		74,112	80,951
Securities transaction cost		295,872	781,513
Annual listing fee		6,912	6,780
Printing charges		10,000	62,338
Legal and professional charges		98,053	28,080
Bank charges		4,559	2,631
Provision for Sindh Workers Welfare Fund		-	323,682
		7,865,225	14,587,197
Net (loss) / income for the period before taxation		(67,178,609)	15,860,426
Taxation	11	-	-
Net (loss) / income for the period after taxation		(67,178,609)	15,860,426
(Loss) / earning per unit	12		
Allocation of net income for the period:			
- Net income for the period after taxation			15,860,426
- Income already paid on units redeemed			(14,760,581)
			1,099,845
Accounting income available for distribution:			
- Relating to capital gains			-
- Excluding capital gains			1,099,845
			1,099,845

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Frahim Ali Khan
Chairman

Tariq Amin
Director

Atlas Islamic Stock Fund

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2019

	2019	2018
	----- Rupees -----	
Net (loss) / income for the period after taxation	(67,178,609)	15,860,426
Other comprehensive income	-	-
Total comprehensive (loss) / income for the period	<u>(67,178,609)</u>	<u>15,860,426</u>

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Frahim Ali Khan
Chairman

Tariq Amin
Director

Atlas Islamic Stock Fund

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2019

	Note	2019 -----Rupees-----	2018
CASH FLOW FROM OPERATING ACTIVITIES			
Net (loss) / income for the period after taxation		(67,178,609)	15,860,426
Adjustments for:			
Profit on bank balances		(1,825,976)	(3,858,724)
Dividend income		(18,726,350)	(20,357,635)
Capital losses / (gain) on sale of investments - net		3,469,254	(25,085,550)
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		76,396,456	18,854,286
Provision for Sindh Workers Welfare Fund		-	323,682
		59,313,384	(30,123,941)
Decrease in assets			
Receivable against sale of investments		72,714,091	-
Security deposits, prepayment and other receivables		(20,588)	3,680,598
		72,693,503	3,680,598
Decrease in liabilities			
Payable to Atlas Asset Management Limited - Management Company		(704,851)	(980,862)
Payable to Central Depository Company of Pakistan Limited - Trustee		(36,263)	(8,661)
Payable to the Securities and Exchange Commission of Pakistan		(1,506,933)	(1,830,927)
Payable against purchase of investments		-	(2,222,506)
Accrued expenses and other liabilities		(260,420)	325,171
		(2,508,467)	(4,717,785)
Profit received on bank balances		2,128,829	4,308,507
Dividend received		1,156,798	1,450,500
Investments made during the period		(105,100,214)	(257,892,383)
Investments sold during the period		58,834,256	630,584,389
Net cash generated from operating activities		19,339,480	363,150,311
CASH FLOWS FROM FINANCING ACTIVITIES			
Net receipts from issuance of units		108,535,176	222,716,391
Net payments against redemption of units		(257,235,660)	(642,008,708)
Net cash used in from financing activities		(148,700,484)	(419,292,317)
Net decrease in cash and cash equivalents during the period		(129,361,004)	(56,142,006)
Cash and cash equivalents at the beginning of the period		156,269,884	314,771,568
Cash and cash equivalents at the end of the period	4	26,908,880	258,629,562

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Frahim Ali Khan
Chairman

Tariq Amin
Director

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NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE QUARTER ENDED 30 SEPTEMBER 2019

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Atlas Islamic Stock Fund (the Fund) is an open-ended collective investment scheme constituted under a trust deed entered into on 12 September 2006 between Atlas Asset Management Limited (AAML) as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed has been revised through the First, Second, Third, Fourth and Fifth Supplemental Trust Deeds dated 29 October 2007, 6 March 2008, 4 December 2009, 23 June 2010 and 23 May 2017, respectively with the approval of the Securities and Exchange Commission of Pakistan (SECP). In addition, the Offering Document of the Fund was also revised through the First, Second, Third, Fourth, Fifth, Sixth, Seventh, Eighth, Ninth and Tenth Supplements dated 29 October 2007, 6 March 2008, 4 December 2009, 23 June 2010, 20 September 2013, 24 March 2015, 29 September 2016, 2 June 2017, 25 May 2018 and 05 September 2019 respectively, with the approval of the SECP. The investment activities and administration of the Fund are managed by AAML whose registered office is situated at Ground Floor, Federation House, Shahrah-e-Firdousi, Clifton, Karachi.
- 1.2 The Fund has been categorised as a 'shariah compliant equity scheme' by the Board of Directors of the Management Company pursuant to the provision contained in Circular 07 of 2009. The Fund is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription at a par value of Rs. 500 per unit. Thereafter, the units are being offered to the public for subscription on a continuous basis from 15 January 2007 and are transferable and redeemable by surrendering them to the Fund.
- 1.3 According to the Trust Deed, the objective of the Fund is to provide one window facility to investors to invest in diversified and professionally managed investment portfolio of shariah compliant securities such as equities, cash and/or near cash Shariah Compliant instruments including cash in bank accounts (excluding term deposit receipts) and Shariah Compliant government securities not exceeding 90 days' maturity. The investment objectives and policies are fully defined in the Fund's Offering Document.
- 1.4 The Pakistan Credit Rating Agency Limited (PACRA) maintained the asset manager rating of the Management Company to AM2+ (AM Two Plus) [2018: AM2+ (AM Two Plus)] on 28 June 2019.
- 1.5 The titles of the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.

2 STATEMENT OF COMPLIANCE

These condensed interim financial statements has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Act, 2017, the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or directives issued by the SECP differ with the requirements of IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended 30 June 2019.

Atlas Islamic Stock Fund

In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that this condensed interim financial statements give a true and fair view of the state of the Fund's affairs as at 30 September 2019.

The comparatives in the condensed interim statement of assets and liabilities presented in the condensed interim financial statements as at 30 September 2019 have been extracted from the annual published audited financial statements of the Fund for the year ended 30 June 2019, whereas, the comparatives in the condensed interim income statement, condensed interim statement of comprehensive income, condensed interim distribution statement, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement have been extracted from the unaudited condensed interim financial statements of the Fund for the Quarter ended 30 September 2018.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies applied for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual published financial statements of the Fund for the year ended 30 June 2019.

The preparation of these condensed interim financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

The significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to financial statements as at and for the year ended 30 June 2019.

The financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the year ended 30 June 2019.

		30 September 2019	30 June 2019
	Note	Un-audited	Audited
		-----Rupees-----	
4 BANK BALANCES			
In local currency			
- Profit and loss sharing accounts	4.1	26,770,332	155,671,677
- Current account		83,548	78,207
- Cheque in hand	4.2	55,000	520,000
		26,908,880	156,269,884

4.1 The rate of return on these profit and loss sharing accounts ranges between 6.00% to 12.70% (30 June 2019: 6.00% to 12.30%) per annum.

4.2 The denotes cheques received against issuance of units which were deposited and cleared in the bank account subsequently on 02 October 2019.

		30 September 2019	30 June 2019
	Note	Un-audited	Audited
		-----Rupees-----	
5 INVESTMENTS			
At fair value through profit or loss			
-Listed equity securities	5.1	1,160,204,308	1,193,804,060
		1,160,204,308	1,193,804,060

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5.1 Listed equity securities

Shares of listed companies - fully paid ordinary shares with a face value of Rs 10 each unless stated other wise.

Name of Investee Company	Number of Shares					Rupees		Percentage		
	As at 01 July 2019	Purchases during the period	Bonus / Right shares during the period	Sales during the period	As at 30 September 2019	Carrying value as at 30 September 2019	Market value as at 30 September 2019	Market Value as a percentage of total investments	Market Value as a percentage of net assets	Paid up capital of investee company

At fair value through profit or loss - Listed equity securities

Inv. Bank/Inv. Companies/Securities Co.

Dawood Hercules Corporation Limited	200,000	-	-	-	200,000	22,248,000	24,200,000	2.09	2.06	0.04
	200,000	-	-	-	200,000	22,248,000	24,200,000	2.09	2.06	

BANKS

Bankislami Pakistan Limited	1,111,000	995,000	-	-	2,106,000	24,076,080	23,144,940	1.99	1.97	0.21
Bankislami Pakistan Limited - LoR	-	-	210,600	-	210,600	-	210,600	0.02	0.02	0.02
Meezan Bank Limited	1,530,692	75,000	-	-	1,605,692	139,002,615	115,674,052	9.97	9.84	0.12
	2,641,692	1,070,000	210,600	-	3,922,292	163,078,695	139,029,592	11.98	11.83	

TEXTILE COMPOSITE

Interloop Limited	351,438	-	-	265,500	85,938	3,804,475	3,775,256	0.33	0.32	0.01
Kohinoor Textile Mills Limited	680,500	-	-	129,000	551,500	13,815,075	13,092,610	1.13	1.11	0.18
Nishat Mills Limited	80,000	35,000	-	-	115,000	10,213,170	9,660,000	0.83	0.82	0.03
	1,111,938	35,000	-	394,500	752,438	27,832,720	26,527,866	2.29	2.25	

CEMENT

Attock Cement Pakistan Limited	143,900	-	-	-	143,900	10,275,899	10,232,729	0.88	0.87	0.10
Cheerat Cement Company Limited	215,000	-	-	-	215,000	6,656,400	6,058,700	0.52	0.52	0.12
D.G. Khan Cement Company Limited	239,000	46,000	-	-	285,000	15,602,050	13,776,900	1.19	1.17	0.07
Kohat Cement Company Limited	142,950	-	-	-	142,950	7,509,164	6,578,559	0.57	0.56	0.07
Lucky Cement Limited (See note 5.3)	184,900	-	-	-	184,900	70,348,903	63,259,837	5.45	5.38	0.06
	925,750	46,000	-	-	971,750	110,392,416	99,906,725	8.61	8.50	

POWER GENERATION & DISTRIBUTION

K-Electric Limited (Face value Rs. 3.5)	3,200,000	-	-	-	3,200,000	14,048,000	11,360,000	0.98	0.97	0.01
The Hub Power Company Limited (See note 5.3)	1,328,280	-	-	50,000	1,278,280	100,664,550	90,438,310	7.80	7.70	0.10
	4,528,280	-	-	50,000	4,478,280	114,712,550	101,798,310	8.78	8.67	

OIL & GAS MARKETING COMPANIES

Attock Petroleum Limited	50,400	5,500	-	-	55,900	15,950,758	17,217,200	1.48	1.47	0.06
Pakistan State Oil Company Limited (See note 5.3)	377,800	-	-	12,000	365,800	62,050,654	57,609,842	4.97	4.90	0.09
Sui Northern Gas Pipelines Limited	199,700	50,000	-	-	249,700	17,382,338	15,381,520	1.33	1.31	0.04
	627,900	55,500	-	12,000	671,400	95,383,750	90,208,562	7.78	7.68	

OIL & GAS EXPLORATION COMPANIES

Mari Petroleum Company Limited	69,965	18,700	-	-	88,665	86,862,466	79,724,021	6.87	6.78	0.07
Oil & Gas Development Company Limited	1,131,000	-	-	1,131,000	1,131,000	148,715,190	139,146,930	11.99	11.84	0.03
Pakistan Oilfields Limited	183,700	16,000	-	-	199,700	80,439,141	75,866,030	6.54	6.46	0.07
Pakistan Petroleum Limited (See note 5.3)	702,725	26,000	-	-	728,725	104,718,472	99,128,462	8.54	8.44	0.03
	2,087,390	60,700	-	-	2,148,090	420,735,269	393,865,443	33.94	33.52	

ENGINEERING

International Industries Limited	244,500	65,500	31,000	-	341,000	24,304,875	23,641,530	2.04	2.01	0.26
International Steels Limited	100,000	250,000	-	-	350,000	14,075,165	13,909,000	1.20	1.18	0.08
	344,500	315,500	31,000	-	691,000	38,380,040	37,550,530	3.24	3.19	

TECHNOLOGY & COMMUNICATIONS

Systems Limited	226,200	-	-	226,200	-	-	-	-	-	-
	226,200	-	-	226,200	-	-	-	-	-	-

FERTILIZER

Engro Corporation Limited	456,000	-	-	52,700	403,300	107,116,480	107,636,737	9.28	9.16	0.07
Engro Fertilizers Limited	1,150,000	19,500	-	10,000	1,159,500	74,226,912	79,112,685	6.82	6.73	0.09
	1,606,000	19,500	-	62,700	1,562,800	181,343,392	186,749,422	16.10	15.89	

Atlas Islamic Stock Fund

Name of Investee Company	Number of Shares					Rupees		Percentage		
	As at 01 July 2019	Purchases during the period	Bonus / Right shares during the period	Sales during the period	As at 30 September 2019	Carrying value as at 30 September 2019	Market value as at 30 September 2019	Market Value as a percentage of total investments	Market Value as a percentage of net assets	Paid up capital of investee company
PHARMACEUTICALS										
Abbott Laboratories (Pakistan) Limited	10,000	31,800	-	-	41,800	15,396,879	14,708,584	1.27	1.25	0.04
AGP Limited	61,000	-	-	17,000	44,000	3,015,320	2,842,400	0.24	0.24	0.02
Ferozsons Laboratories Limited	44,100	-	-	-	44,100	4,931,262	5,439,294	0.47	0.46	0.15
Glaxosmithkline Pakistan Limited	59,000	-	-	-	59,000	5,624,470	5,674,620	0.49	0.48	0.02
The Searle Company Limited	70,230	38,000	-	17,000	91,230	13,595,394	12,609,811	1.09	1.07	0.04
	244,330	69,800	-	34,000	280,130	42,563,325	41,274,709	3.56	3.50	
CHEMICALS										
Engro Polymer & Chemicals Limited	2,000	220,500	-	-	222,500	6,289,220	5,462,375	0.47	0.46	0.02
	2,000	220,500	-	-	222,500	6,289,220	5,462,375	0.47	0.46	
PAPER & BOARD										
Cherat Packaging Limited	14,600	-	-	14,600	-	-	-	-	-	-
	14,600	-	-	14,600	-	-	-	-	-	-
LEATHER & TANNERIES										
Bata Pakistan Limited	-	11,300	-	-	11,300	13,559,500	13,560,000	1.15	1.15	0.15
	-	11,300	-	-	11,300	13,559,500	13,560,000	1.15	1.15	
FOODS & PERSONAL CARE PRODUCTS										
Al Shaheer Corporation Limited	6,499	-	-	-	6,499	81,887	70,774	0.01	0.01	-
National Foods Limited (Face value Rs. 5)	900	-	-	900	-	-	-	-	-	-
	7,399	-	-	900	6,499	81,887	70,774	0.01	0.01	
Total as at 30 September 2019						<u>1,236,600,764</u>	<u>1,160,204,308</u>	<u>100.00</u>	<u>98.71</u>	
Total as at 30 June 2019						<u>1,426,864,317</u>	<u>1,193,804,060</u>			

- 5.2 The cost of listed equity securities as at 30 September 2019 is Rs. 1,435,107,906 (30 June 2019: Rs. 1,401,267,137).
- 5.3 The above investments include following shares which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with circular no. 11 dated 23 October 2007 issued by the SECP.

	Number of shares		Market value	
	30 September 2019	30 June 2019	30 September 2019	30 June 2019
	Un-audited	Audited	Un-audited	Audited
	----- Rupees -----			
Lucky Cement Limited	75,000	75,000	25,659,750	28,535,250
Pakistan Petroleum Limited	135,000	135,000	18,364,050	19,498,050
Pakistan State Oil Company Limited	110,000	110,000	17,323,900	18,659,300
The Hub Power Company Limited	200,000	200,000	14,150,000	15,750,000
	520,000	520,000	75,497,700	82,442,600

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		30 September 2019 Un-audited	30 June 2019 Audited
	Note	----- Rupees -----	-----
6 PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY (RELATED PARTY)			
Remuneration of the Management Company	6.1	1,834,745	2,432,078
Sindh Sales Tax payable on remuneration of the Management Company	6.2	1,795,077	1,872,730
Federal Excise Duty payable on remuneration of the Management Company	6.3	10,453,385	10,453,385
Accounting and operational charges payable	9	91,737	121,602
		14,174,944	14,879,795

- 6.1** As per the amendments made in the NBFC Regulations, 2008 vide SRO 1160(1)/2015 dated 25 November 2015, the Management Company is entitled to a remuneration equal to an amount not exceeding 2% of the average annual net assets in case of equity schemes. Previously the Management Company was entitled to receive a remuneration during the first five years of the Fund, at the rate not exceeding 3% of the average annual net assets of the Fund and, thereafter at the rate of 2% of such assets. During the quarter ended 30 September 2019, the Management Company has charged its remuneration at the rate of 2% (30 June 2019: 2%) per annum of the average annual net assets of the Fund. The fee is payable to the Management Company monthly in arrears.
- 6.2** During the year, an amount of Rs. 731,786 (2018: Rs. 1,310,204) was charged on account of sales tax on remuneration of Management Company levied through Sindh Sales Tax on Services Act, 2011, and an amount of Rs. 809,439 (2018: Rs. 1,418,265) has been paid to the Management Company which acts as the collecting agent.
- 6.3** The Finance Act, 2013 has enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from 13 June 2013. As the asset management services rendered by the Management Company of the Fund are already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund as explained in note 6.2 above, the Management Company is of the view that further levy of FED is not justified.

On 4 September 2013, a Constitutional Petition was filed in the Honourable Sindh High Court (SHC) jointly by various asset management companies, together with their representative Collective Investment Schemes through their trustees, challenging the levy of FED.

During the year ended 30 June 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

With effect from 1 July 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from 1 July 2016. However, as a matter of abundant caution the provision for FED made for the period from 13 June 2013 till 30 June 2016 amounting to Rs 10.453 million (30 June 2019: Rs 10.453 million) is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the said provision for FED not been recorded in the financial statements of the Fund, the net asset value of the Fund as at 30 September 2019 would have been higher by Rs 3.61 per unit (30 June 2019: Rs 3.73 per unit).

Atlas Islamic Stock Fund

		30 September 2019	30 June 2019
		Un-audited	Audited
	Note	----- Rupees -----	
7 ACCRUED EXPENSES AND OTHER LIABILITIES			
Auditors' remuneration payable		286,869	212,760
Printing charges payable		80,040	80,403
Ranking fee payable		140,000	140,000
Charity payable	7.1	901,946	509,911
Transaction charges payable		92,783	381,863
Withholding and capital gain tax payable		275,319	333,678
Payable to Shariah Advisor		75,000	75,000
Provision for Sindh Workers' Welfare Fund	7.2	15,491,187	15,491,187
Zakat payable		1,063	1,063
Sale load Payable		13,273	-
Others		269,984	269,984
		17,627,464	17,495,849

7.1 The Shariah Advisor of the Fund, has certified an amount of Rs. 901,946 (30 June 2019: Rs. 1,361,154) against dividend income, as Shariah non-compliant income during the period, which has accordingly been marked to charity.

7.2 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.

In view of the above developments regarding the applicability of WWF and SWWF on CISs / mutual funds, MUFAP has recommended the following to all its members on 12 January 2017:

- based on legal opinion, the entire provision against WWF held by the CISs till 30 June 2015 should be reversed on 12 January 2017; and
- as a matter of abundant caution, the provision in respect of SWWF should be made with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from 21 May 2015) on 12 January 2017.

Accordingly, necessary adjustments in this respect were recorded in the books of the Fund on 12 January 2017 whereby the entire provision for WWF was reversed and the provision for SWWF was made for the period from 21 May 2015 to 12 January 2017. Thereafter, the provision for SWWF is being made by the Fund on a daily basis going forward.

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The above decisions were communicated to the SECP and the Pakistan Stock Exchange Limited on 12 January 2017 in response to which the SECP vide its letter dated 1 February 2017 advised MUFAP that the adjustments relating to the above should be prospective and supported by adequate disclosures in the financial statements of the CISs / mutual funds.

Had the provision for SWWF not been recorded in these financial statements of the Fund, the net asset value of the Fund as at 30 September 2019 would have been higher by Rs. 5.35 per unit (30 June 2019: Rs. 5.53 per unit)

8 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 30 September 2019 and as at 30 June 2019.

9 ACCOUNTING AND OPERATIONAL CHARGES

Uptil 19 June 2019 in accordance with Regulation 60 of the NBFC Regulations, the Management Company was entitled to charge expenses related to registrar services, accounting, operations and valuation services, related to a Collective Investment Scheme (CIS) at the rate of 0.1% of the average annual net assets of the scheme or actual whichever is less. During the year, SECP vide SRO 639 dated 20 June 2019 has removed the maximum cap of 0.1%. Accordingly, the Management Company can now charge actual expenses related to registrar services, accounting, operations and valuation services to the CIS with effect from 20 June 2019.

However, the management continued to charge expenses at the rate of 0.1% of the average annual net assets of the Fund, being lower than actual expenses.

10 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 30 September 2019 is 2.80% (30 June 2019: 2.87%) which includes 0.33% (30 June 2019: 0.42%) representing government levies on the Fund such as sales taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 4% prescribed under the NBFC Regulations for a collective investment scheme categorised as an equity scheme.

11 TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its net accounting income available for distribution for the year derived from sources other than capital gains, to the unitholders. The management intends to distribute at least 90% of the Fund's net accounting income available for distribution by the year end, as cash dividend, to the unit holders. Accordingly, no provision for taxation has been made in these condensed interim financial statements.

12 LOSS PER UNIT

Loss per unit has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating loss per unit is not practicable.

Atlas Islamic Stock Fund

13 TRANSACTIONS WITH CONNECTED PERSONS / OTHER RELATED PARTIES

For the Quarter Ended	
30 September	
2019	2018
Un-audited	Un-audited
-----Rupees-----	

13.1 Details of transactions with related parties during the period are as follows:

Atlas Asset Management Limited (Management Company)		
Remuneration of the Management Company	5,629,120	10,078,494
Remuneration paid	6,226,453	10,909,734
Sindh sales tax on remuneration of the Management Company	731,786	1,310,204
Accounting and operational charges	281,457	503,924
Issue of 99 (2018: Nil) units	39,723	-
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration of the Trustee	532,821	755,979
Remuneration paid	562,913	797,541
Sindh sales tax on remuneration of the Trustee	69,267	98,277
Settlement charges	22,525	77,314
Sindh sales tax on settlement charges	2,928	10,050
Atlas Battery Limited (Group company)		
Redemption of Nil (2018: 871,997) units	-	471,388,683
Atlas Group of Companies, Management Staff Gratuity Fund (Retirement benefit plan of group company)		
Issue of 12,294 (2018: Nil) units	5,000,000	-
Atlas Honda Limited (Group Company)		
Issue of 534 (2018: Nil) units	214,321	-
Atlas Insurance Limited (Group company)		
Issue of Nil (2018: 67,992) units	-	34,000,000
Atlas Insurance Limited Staff Provident Fund Trust (Retirement benefit plan of group company)		
Redemption of Nil (2018: 11,314) units	-	5,743,918
Sindh General Provident Investment Fund		
Issue of 84,735 (2018: Nil) units	33,000,000	-
Directors and their close family members and key management personnel of the Management Company		
Issue of units 8,845 (2018: 9,568) units	3,563,529	4,874,185
Redemption of 6,874 (2018: 22,988) units	2,817,785	12,579,612

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13.2 Details of balances with related parties as at the period / year end are as follows:	Note	30 September	30 June
		2019	2019
		Un-audited	Audited
		-----Rupees-----	
Atlas Asset Management Limited (Management Company)			
Remuneration payable to the Management Company		1,834,745	2,432,078
Sindh Sales Tax payable on remuneration of the management company		1,795,077	1,872,730
Federal Excise Duty payable on remuneration of the Management Company		10,453,385	10,453,385
Accounting and operational charges payable		91,737	121,602
Outstanding 179 (30 June 2019: 80) units at net asset value		72,450	34,266
Central Depository Company of Pakistan Limited (Trustee)			
Remuneration payable to the Trustee		173,704	203,796
Sindh sales tax payable on remuneration of the Trustee		22,582	26,493
Settlement charges payable		3,000	5,000
Sindh sales tax payable on settlement charges		390	650
Atlas Foundation (Group company)			
Outstanding 103,650 (30 June 2019: 103,650) units - at net asset value		42,047,581	44,556,940
Atlas Group of Companies, Management Staff Gratuity Fund (Retirement benefit plan of group company)			
Outstanding 149,068 (30 June 2019: 136,774) units - at net asset value		60,472,325	58,796,279
Atlas Honda Limited (Group Company)			
Outstanding 175,943 (30 June 2019: 175,409) units - at net asset value		71,374,691	75,404,914
Batools Benefit Trust (Trust having common Director / Trustee)			
Outstanding 109,377 (30 June 2019: 109,377) units - at net asset value		44,370,954	47,018,970
Atlas Honda Limited Employee Provident Fund (Retirement benefit plan of group company)			
Outstanding 114,549 (30 June 2019: 114,549) units - at net asset value		46,469,048	49,242,276
Shirazi Investments (Private) Limited -Employee Provident Fund			
Outstanding 25,607 (30 June 2019: 25,607) units - at net asset value		10,387,961	11,007,904
Sindh Province Pension Fund			
Outstanding 444,287 (30 June 2019: Nil) units - at net asset value	13.4	180,233,713	-
Sindh General Provident Investment Fund			
Outstanding 301,279 (30 June 2019: Nil) units - at net asset value	13.4	122,219,787	-
Directors and their close family members and key management personnel of the Management Company			
Outstanding 145,352 (30 June 2019: 143,381) units - at net asset value		58,964,767	61,636,372

Atlas Islamic Stock Fund

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

13.4 Holding more than 10% in current reporting period

14 FAIR VALUE MEASUREMENTS

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

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

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

Fair value hierarchy

Following hierarchy is used in determining and disclosing the fair value of the following financial instruments by valuation technique:

- Level 1: quoted prices in active markets for identical assets.
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The Fund recognises equity securities at fair value which is determined using the rate at which they are quoted on the Stock Exchange (level 1). Fair value of remaining financial assets is not significantly different from their carrying value.

15 GENERAL

Figures have been rounded off to the nearest Rupee.

16 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on 30 October 2019.

**For Atlas Asset Management Limited
(Management Company)**

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Frahim Ali Khan
Chairman

Tariq Amin
Director

Atlas Islamic Fund of Funds

Corporate Information

Trustee

Central Depository Company of Pakistan Limited
99-B, Block 'B', S.M.C.H.S, Main Shahrah-e-Faisal
Karachi - 74400

Shariah Advisor

Dr. Mufti Muhammad Wasih Fasih Butt

Auditors

EY Ford Rhodes
Chartered Accountants

Legal Advisers

Bawancy & Partners

Bankers

Al-Baraka Bank (Pakistan) Limited
Allied Bank Limited - Islamic Banking
Bank Al Habib Limited - Islamic Banking
BankIslami Pakistan Limited
Dubai Islamic Bank Pakistan Limited

Atlas Islamic Fund of Funds

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED) AS AT 30 SEPTEMBER 2019

Note	30 September 2019 (Un Audited)					30 June 2019 (Audited)					
	Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Capital Preservation	Total	Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Capital Preservation	Total	
	Islamic Plan	Islamic Plan	Islamic Plan	Plan		Islamic Plan	Islamic Plan	Islamic Plan	Plan		
Rupees											
ASSETS											
Bank balances	4	1,097,330	2,109,693	968,074	7,546,569	11,721,666	1,216,018	1,268,212	2,021,345	7,825,894	12,331,469
Investments - net	5	89,330,530	101,271,708	120,537,772	425,955,788	737,095,798	91,821,576	102,133,006	118,967,823	423,128,705	736,051,110
Profit receivable on deposit with banks		45,493	49,725	72,790	239,596	407,604	28,826	29,473	39,541	235,529	333,369
Prepaid and other receivables		13,230	11,894	13,641	52,410	91,175	10,673	9,063	10,318	40,550	70,604
Deferred Formation cost	6	210,125	210,125	210,125	210,125	840,500	224,215	224,215	224,215	224,215	896,860
Total assets		90,696,708	103,653,145	121,802,402	434,004,488	750,156,743	93,301,308	103,663,969	121,263,242	431,454,893	749,683,412
LIABILITIES											
Payable to Atlas Asset Management Company - Management Company	7	288,459	290,040	292,765	328,848	1,200,112	289,269	290,209	293,107	328,355	1,200,940
Payable to the Central Depository Company of Pakistan Limited - Trustee		5,721	6,548	7,831	27,761	47,861	8,847	9,747	11,246	40,315	70,155
Payable to the Securities and Exchange Commission of Pakistan		4,432	5,036	6,018	21,414	36,900	46,308	49,506	54,200	141,709	291,723
Accrued expenses and other liabilities	8	40,506	43,815	77,528	172,425	334,274	32,520	35,311	37,080	82,617	187,528
Total liabilities		339,118	345,439	384,142	550,448	1,619,147	376,944	384,773	395,633	592,996	1,750,346
NET ASSETS		90,357,590	103,307,706	121,418,260	433,454,040	748,537,596	92,924,364	103,279,196	120,867,609	430,861,897	747,933,066
UNIT HOLDER'S FUND (AS PER STATEMENT ATTACHED)		90,357,590	103,307,706	121,418,260	433,454,040	748,537,596	92,924,364	103,279,196	120,867,609	430,861,897	747,933,066
NUMBER OF UNITS IN ISSUE		209,313	224,054	242,167	882,721		209,341	221,897	244,021	882,926	
NET ASSET VALUE PER UNIT		431.69	461.08	501.38	491.04		443.89	465.44	495.32	487.99	
FACE VALUE PER UNIT		500.00	500.00	500.00	500.00		500.00	500.00	500.00	500.00	
Contingencies and Commitments	9										

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

**For Atlas Asset Management Limited
(Management Company)**

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Frahim Ali Khan
Chairman

Tariq Amin
Director

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CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2019

30 September 2019					
Note	Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan	Total
	-----Rupees-----				
INCOME					
Profit on deposits with banks	36,913	42,308	61,319	244,594	385,134
Capital gain on sale of investments at fair value through income statement - net	148,365	168,766	198,367	494,684	1,010,182
Net unrealised (diminution) / appreciation on re-measurement of investments 'classified as 'financial assets 'at fair value through profit or loss'	(2,639,412)	(1,030,064)	1,371,581	2,332,398	34,503
Total income	(2,491,047)	(861,298)	1,569,948	2,827,082	1,044,685
EXPENDITURE					
Payable to Atlas Asset Management Company '- Management Company	7.1	2,665	3,355	4,573	19,194
Sindh sales tax on remuneration of the Management Company	7.2	346	436	594	2,495
Accounting & Operational charges		22,281	25,301	30,211	107,191
Remuneration to the Central Depository Company of Pakistan Limited		15,597	17,711	21,148	75,034
Sindh sales tax on remuneration of the Trustee		2,028	2,302	2,749	9,754
Annual fee - Securities and Exchange Commission of Pakistan		4,456	5,060	6,042	21,438
Auditor's remuneration		6,508	7,391	8,827	31,318
Amortization of preliminary expenses and floatation costs		14,090	14,090	14,090	14,090
Annual Listing fee		861	966	1,121	3,982
Printing charges		2,570	2,500	2,585	2,500
Legal and Professional Charges		28,300	28,300	28,300	28,300
Shariah advisory fee		1,514	1,719	2,053	7,282
Bank charges		321	751	378	2,013
Provision for Sindh Workers' Welfare Fund	8.1	-	-	30,172	54,942
Total expenses		101,537	109,882	152,843	379,533
Net (loss) / income for the period before taxation		(2,555,671)	(928,872)	1,478,424	2,692,143
Taxation	11	-	-	-	-
Net (loss) / income for the period after taxation		(2,555,671)	(928,872)	1,478,424	2,692,143
(Loss) / Earnings per unit	12	(12.21)	(4.15)	6.10	3.05
Allocation of net (loss) for the period:					
Net (loss) / income for the period after taxation			1,478,424	2,692,143	
Income already paid on units redeemed			(5,785)	-	
			1,472,639	2,692,143	
Accounting income / loss available for distribution:					
-Relating to capital gains			1,569,948	2,827,082	
-Excluding capital gains			(97,309)	(134,939)	
			1,472,639	2,692,143	

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

**For Atlas Asset Management Limited
(Management Company)**

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Frahim Ali Khan
Chairman

Tariq Amin
Director

Atlas Islamic Fund of Funds

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2019

	30 September 2019				
	Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan	Total
	-----Rupees-----				
Net (loss) / income for the period	(2,555,671)	(928,872)	1,478,424	2,692,143	686,024
Other Comprehensive income	-	-	-	-	-
Total comprehensive (loss) / income for the period	(2,555,671)	(928,872)	1,478,424	2,692,143	686,024

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Frahim Ali Khan
Chairman

Tariq Amin
Director

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CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2019

	30 September 2019				Total
	Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Capital Preservation	
	Islamic Plan	Islamic Plan	Islamic Plan	Plan	
	-----Rupees-----				
Capital Value	104,540,396	110,899,450	122,090,277	445,401,742	782,931,865
Un distributed Income					
- Realised income	2,080,513	3,831,669	6,563,967	13,706,840	26,182,989
- Unrealised loss	(13,696,545)	(11,451,923)	(7,786,635)	(28,246,685)	(61,181,788)
Net assets at the beginning of the period	92,924,364	103,279,196	120,867,609	430,861,897	747,933,066
(Units: AAAIP 209,341, AMAIP 221,897, ACAIP 244,021 & AICPP 882,926)					
Issue of units					
Capital value (at net assets value per unit at the beginning of period)					
Aggressive - units 9	4,045	-	-	-	4,045
Moderate - units 2,259	-	1,003,695	-	-	1,003,695
Conservative - units 1	-	-	214	-	214
Preservation - units Nil	-	-	-	-	-
Total proceed on issuance of units	4,045	1,003,695	214	-	1,007,954
Redemption of units					
Capital value (at net assets value per unit at the beginning of period)					
Aggressive - units 37	(15,148)	-	-	-	(15,148)
Moderate - units 102	-	(46,313)	-	-	(46,313)
Conservative - units 1,855	-	-	(922,202)	-	(922,202)
Preservation - units 205	-	-	-	(100,000)	(100,000)
Amount paid out of Element of income					
- Relating to Net Income for the period after taxation	-	-	(5,785)	-	(5,785)
	(15,148)	(46,313)	(927,987)	(100,000)	(1,089,448)
Total Comprehensive (loss) / income for the period	(2,555,671)	(928,872)	1,478,424	2,692,143	686,024
Net assets at the end of the period	90,357,590	103,307,706	121,418,260	433,454,040	748,537,596
(Units: AAAIP 209,313, AMAIP 224,054, ACAIP 242,167 & AICPP 882,721)					
Capital Value	104,529,293	111,856,832	121,168,289	445,301,742	782,856,156
Un distributed Income					
- Realised income	1,976,188	3,697,237	6,416,986	13,856,682	25,947,093
- Unrealised loss	(16,147,891)	(12,246,363)	(6,167,015)	(25,704,384)	(60,265,653)
Net assets at the end of the period	90,357,590	103,307,706	121,418,260	433,454,040	748,537,596
Net assets value per unit at beginning of the period	443.89	465.44	495.32	487.99	
Net assets value per unit at end of the period	431.69	461.08	501.38	491.04	

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

**For Atlas Asset Management Limited
(Management Company)**

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Frahim Ali Khan
Chairman

Tariq Amin
Director

Atlas Islamic Fund of Funds

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2019

30 September 2019					
Note	Aggressive	Moderate	Conservative	Islamic	Total
	Allocation	Allocation	Allocation	Capital	
	Islamic	Islamic	Islamic	Preservation	
	Plan	Plan	Plan	Plan	
-----Rupees-----					
CASH FLOWS FROM OPERATING ACTIVITIES					
Net (loss) / income for the period after taxation	(2,555,671)	(928,872)	1,478,424	2,692,143	686,024
Adjustments for:					
Profit on deposits with banks	(36,913)	(42,308)	(61,319)	(244,594)	(385,134)
Gain on sale of investments at fair value through income statement - net	(148,365)	(168,766)	(198,367)	(494,684)	(1,010,182)
Net unrealised diminution / (appreciation) on re-measurement of investments 'classified as 'financial assets 'at fair value through profit or loss	2,639,412	1,030,064	(1,371,581)	(2,332,398)	(34,503)
Provision for Sindh Workers' Welfare Fund	-	-	30,172	54,942	85,114
	(101,537)	(109,882)	(122,671)	(324,591)	(658,681)
Decrease in assets					
Prepaid and other receivables	(2,557)	(2,831)	(3,323)	(11,860)	(20,571)
Deferred Formation cost	14,090	14,090	14,090	14,090	56,360
	11,533	11,259	10,767	2,230	35,789
Decrease in liabilities					
Payable to Atlas Asset Management Company - Management Company	(810)	(169)	(342)	493	(828)
Payable to Central Depository Company of Pakistan Limited - Trustee	(3,126)	(3,199)	(3,415)	(12,554)	(22,294)
Payable to the Securities and Exchange Commission of Pakistan	(41,876)	(44,470)	(48,182)	(120,295)	(254,823)
Accrued expenses and other liabilities	7,986	8,504	10,276	34,866	61,632
	(37,826)	(39,334)	(41,663)	(97,490)	(216,313)
Interest received	20,246	22,056	28,070	240,526	310,898
Dividend received	-	-	-	-	-
Investments made during the period	(6,800,000)	(8,150,000)	(8,700,000)	(17,700,000)	(41,350,000)
Investments sold during the period	6,800,000	8,150,000	8,700,000	17,700,000	41,350,000
	20,246	22,056	28,070	240,526	310,898
Net cash used in operating activities	(107,584)	(115,901)	(125,497)	(179,325)	(528,307)
CASH FLOWS FROM FINANCING ACTIVITIES					
Receipts against issuance of units	4,044	1,003,695	213	-	1,007,952
Payments against redemption of units	(15,148)	(46,313)	(927,987)	(100,000)	(1,089,448)
	(11,104)	957,382	(927,774)	(100,000)	(81,496)
Net cash (used in) / generated from financing activities	(11,104)	957,382	(927,774)	(100,000)	(81,496)
Net (decrease) / increase in cash and cash equivalents	(118,688)	841,481	(1,053,271)	(279,325)	(609,803)
Cash and cash equivalents at the beginning of the period	1,216,018	1,268,212	2,021,345	7,825,894	12,331,469
Cash and cash equivalents at the end of the period	1,097,330	2,109,693	968,074	7,546,569	11,721,666

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

**For Atlas Asset Management Limited
(Management Company)**

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Frahim Ali Khan
Chairman

Tariq Amin
Director

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NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE QUARTER ENDED 30 SEPTEMBER 2019

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Atlas Islamic Fund of Funds (the Fund) is an open-ended Fund constituted under a trust deed entered into on 20 August 2018 between Atlas Asset Management Limited (AAML) as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the trustee. The offering document of the Fund has been revised through the First supplements dated 05 September 2019 with the approval of the SECP. The investment activities and administration of the Fund are managed by AAML is situated at Ground Floor, Federation House, Shahrae Firdousi, Clifton, Karachi.
- 1.2 The Fund is an open-ended Shariah compliant fund of funds and is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered to public (IPO) on January 07, 2019. Subsequent to the Initial Public Offering, the offer of units of the Allocation Plans at the Initial Offer Price discontinued. The units of the Allocation Plans could then be purchased at their Offer Price and redeemed at the Redemption Price, which shall be calculated on the basis of Net Asset Value (NAV) of each Allocation Plan. The duration of the fund is perpetual, however, the allocation plans may have a set time frame. Each Allocation Plan will announce separate NAVs which will rank pari passu inter se according to the number of units of the respective Allocation Plans. Units are offered for public subscription on a continuous basis. However, term-based plans, may be offered for a limited subscription period.

The objective of the Fund is to generate return on investments as per the respective Allocation Plan by investing in Shariah complaint mutual funds in line with the risk tolerance of the investor. The Management Company has appointed Dr. Mufti Muhammad Wasie Fasih Butt as its Shariah Advisor to ensure that the activities of the Funds are in compliance with the principles of Shariah.

The investment objectives and policies of each allocation plan are as follows;

Atlas Aggressive Allocation Islamic Plan (AAAIP)

The "Aggressive Allocation Islamic Plan" is a Shariah Compliant Allocation Plan under the Atlas Islamic Fund of Funds and primarily aims to provide capital appreciation. It shall invest at least 65% and 25% of its net assets in Shariah Compliant Equity Funds and Islamic Income schemes, respectively, while the remaining portion is allocated to Shariah compliant bank deposits (excluding TDRs) in Islamic banks / Islamic windows of commercial banks and GOP Ijara Sukuk not exceeding 90 days remaining maturity. This Allocation Plan is suitable for Investors having a relatively higher risk tolerance and/or wish to save for long term.

Atlas Moderate Allocation Islamic Plan (AMAIP)

The "Moderate Allocation Islamic Plan" is a Shariah Compliant Allocation Plan under the Atlas Islamic Fund of Funds and primarily aims to provide a mix of capital appreciation and stable returns. It shall invest at least 45% and 45% of its net assets in Shariah Compliant Equity Funds and Islamic Income schemes, respectively, while the remaining portion is allocated to Shariah compliant bank deposits (excluding TDRs) in Islamic banks / Islamic windows of commercial banks and GOP Ijara Sukuk not exceeding 90 days remaining maturity. This Allocation Plan is suitable for Investors having a relatively moderate risk tolerance and/or wish to medium for long term.

Atlas Conservative Allocation Islamic Plan (ACAIP)

The "Conservative Allocation Islamic Plan" is a Shariah Compliant Allocation Plan under the Atlas Islamic Fund of Funds and primarily aims to provide stable returns. It shall invest at least 20% and 70% of its net assets in Shariah Compliant Equity Funds and Islamic Income schemes, respectively, while the remaining portion is allocated to Shariah compliant bank deposits (excluding TDRs) in Islamic banks / Islamic windows of commercial banks and GOP Ijara Sukuk not exceeding 90 days remaining maturity. This Allocation Plan is suitable for Investors having a relatively low risk tolerance and/or wish to save for short to medium term.

Atlas Islamic Fund of Funds

Atlas Islamic Capital Preservation Plan (AICPP)

The Atlas Islamic Capital Preservation Plan is a Shariah Compliant Allocation Plan under the Atlas Islamic Fund of Funds and primarily aims to earn a potentially high return through dynamic asset allocation between Shariah Compliant Equities, Shariah Compliant Income based Collective Investment Schemes and Shariah Compliant saving Accounts & Term Deposits, while aiming to provide capital preservation upon maturity of the allocation plan.

- 1.3 The Pakistan Credit Rating Agency Limited (PACRA) maintained the asset manager rating of the Management Company to AM2+ (AM Two Plus) [2018: AM2+ (AM Two Plus)] on 28 June 2019. The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.
- 1.4 The titles to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited (CDC) as the Trustee of the Fund.

2 STATEMENT OF COMPLIANCE

These condensed interim financial statements has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Act, 2017, the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or directives issued by the SECP differ with the requirements of IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended 30 June 2019.

In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that this condensed interim financial statements give a true and fair view of the state of the Fund's affairs as at 30 September 2019.

The comparatives in the condensed interim statement of assets and liabilities presented in the condensed interim financial statements as at 30 September 2019 have been extracted from the annual published audited financial statements of the Fund for the year ended 30 June 2019.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual published financial statements of the Fund for the year ended 30 June 2019.

The preparation of these condensed interim financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

The significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to financial statements as at and for the year ended 30 June 2019.

The financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the year ended 30 June 2019.

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4 BANK BALANCES

		30 September 2019 (Un Audited)				
		Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan	Total
In local currency	Note	-----Rupees-----				
Profit and loss sharing accounts	4.1	1,097,330	2,109,693	968,074	7,546,569	11,721,666
		<u>1,097,330</u>	<u>2,109,693</u>	<u>968,074</u>	<u>7,546,569</u>	<u>11,721,666</u>

		30 June 2019 (Audited)				
		Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan	Total
In local currency		-----Rupees-----				
Profit and loss sharing accounts	4.1	1,216,018	1,268,212	2,021,345	7,825,894	12,331,469
		<u>1,216,018</u>	<u>1,268,212</u>	<u>2,021,345</u>	<u>7,825,894</u>	<u>12,331,469</u>

4.1 The rate of return on these profit and loss sharing accounts ranges between 6.00% to 12.70% (30 June 2019: 4.00% to 12.30%) per annum.

5 INVESTMENTS

		30 September 2019 (Un Audited)				
		Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan	Total
At fair value through profit or loss	Note	-----Rupees-----				
Units of Mutual Funds - listed	5.1	89,330,530	101,271,708	120,537,772	425,955,788	737,095,798
		<u>89,330,530</u>	<u>101,271,708</u>	<u>120,537,772</u>	<u>425,955,788</u>	<u>737,095,798</u>

		30 June 2019 (Audited)				
		Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan	Total
At fair value through profit or loss	Note	-----Rupees-----				
Units of Mutual Funds - listed	5.1	91,821,576	102,133,006	118,967,823	423,128,705	736,051,110
		<u>91,821,576</u>	<u>102,133,006</u>	<u>118,967,823</u>	<u>423,128,705</u>	<u>736,051,110</u>

Atlas Islamic Fund of Funds

5.1 At fair value through profit or loss - Listed equity securities.

5.1.1 Units of Mutual Funds

Name of the investee company	As at 01 July 2019	Purchases during the period	Sales during the period	As at 30 September 2019	Carrying Value as at 30 September 2019	Market Value as at 30 September 2019	Appreciation/ (diminution) as at 30 September 2019	Market Value as a % of net assets of Plan	Market Value as a % of total value of investments of Plan
	-----Number of shares-----				-----Rupees-----			-----%age-----	
Aggressive Allocation Plan									
Atlas Islamic Income Fund	57,950	-	13,208	44,742	22,532,993	23,239,023	706,030	25.72	26.01
Atlas Islamic Dedicated Stock Fund	151,414	18,147	-	169,561	69,436,948	66,091,507	(3,345,441)	73.14	73.99
	209,364	18,147	13,208	214,303	91,969,942	89,330,530	(2,639,412)	98.86	100.00
Moderate Allocation Plan									
Atlas Islamic Income Fund	106,325	-	15,848	90,477	45,565,946	46,993,670	1,427,724	45.49	46.40
Atlas Islamic Dedicated Stock Fund	117,448	21,805	-	139,253	56,735,827	54,278,038	(2,457,789)	52.54	53.60
	223,773	21,805	15,848	229,730	102,301,772	101,271,708	(1,030,064)	98.03	100.00
Conservative Allocation Plan									
Atlas Islamic Income Fund	182,885	-	16,881	166,003	83,602,543	86,222,074	2,619,531	71.01	71.53
Atlas Islamic Dedicated Stock Fund	64,938	23,100	-	88,039	35,563,647	34,315,698	(1,247,949)	28.26	28.47
	247,823	23,100	16,881	254,042	119,166,191	120,537,772	1,371,581	99.27	100.00
Islamic Capital Preservation Plan									
Atlas Islamic Income Fund	604,937	-	34,163	570,774	287,453,258	296,460,073	9,006,815	68.39	69.60
Atlas Islamic Dedicated Stock Fund	286,381	45,847	-	332,228	136,170,132	129,495,715	(6,674,417)	29.88	30.40
	891,318	45,847	34,163	903,002	423,623,390	425,955,788	2,332,398	98.27	100.00
Total as at 30 September 2019	1,572,278	108,899	80,100	1,601,077	737,061,294	737,095,798	34,503		
Total as at 30 June 2019	-	1,632,450	60,172	1,572,278	797,232,898	736,051,110	(61,181,788)		

6 DEFERRED FORMATION COST

30 September 2019 (Un Audited)

	Note	Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan	Total
		-----Rupees-----				
Opening balance	6.1	224,215	224,215	224,215	224,215	896,860
Less: Amortization for the period		14,090	14,090	14,090	14,090	56,360
		210,125	210,125	210,125	210,125	840,500

30 June 2019 (Audited)

	Note	Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan	Total
		-----Rupees-----				
Opening balance	6.1	280,268	280,268	280,268	280,268	1,121,072
Less: Amortization for the period		56,053	56,053	56,053	56,053	224,212
		224,215	224,215	224,215	224,215	896,860

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6.1 Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of the operations of the Fund. These are being amortized over a period of five years commencing from the end of the initial offering period in accordance with the Trust Deed of the Fund and the NBFC Regulations.

7 PAYABLE TO THE ATLAS ASSET MANAGEMENT LIMITED - Management Company

		30 September 2019 (Un Audited)				
		Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Capital	
		Islamic Plan	Islamic Plan	Islamic Plan	Preservation Plan	Total
Note		-----Rupees-----				
Remuneration of the Management Company	7.1	848	1,321	1,397	6,220	9,786
Sindh Sales Tax on remuneration of the Management Company	7.2	110	172	182	809	1,273
Front and backend load payable to the Management Company		-	-	1,017	6,455	7,472
Preliminary expenses and floatation charges payable		280,268	280,268	280,268	280,268	1,121,072
Accounting and operational charges reimbursable by the Fund		7,233	8,279	9,901	35,096	60,509
		288,459	290,040	292,765	328,848	1,200,112

		30 June 2019 (Audited)				
		Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Capital	
		Islamic Plan	Islamic Plan	Islamic Plan	Preservation Plan	Total
Note		-----Rupees-----				
Remuneration of the Management Company	7.1	1,037	1,162	1,656	7,483	11,338
Sindh Sales Tax on remuneration of the Management Company	7.2	134	152	214	972	1,472
Front and backend load payable to the Management Company		-	-	1,016	3,955	4,971
Preliminary expenses and floatation charges payable		280,268	280,268	280,268	280,268	1,121,072
Accounting and operational charges reimbursable by the Fund		7,830	8,627	9,953	35,677	62,087
		289,269	290,209	293,107	328,355	1,200,940

7.1 In accordance with the provisions of the NBFC Regulations, No Management fee in case of investment is made in CIS of Atlas Asset Management Limited (AAML). However, the AAML shall charge a management fee of 1% of average annual net assets in case investment is made in Cash/ Near Cash instruments, savings and term deposits made with Islamic banks or Islamic banking windows of commercial banks.

7.2 During the period, an amount of Rs. 3,871 was charged on account of sales tax on remuneration of the Management Company levied through Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 4,070 has been paid to the Management Company which acts as a collecting agent.

8 ACCRUED EXPENSES AND OTHER LIABILITIES

		30 September 2019 (Un Audited)				
		Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Capital	
		Islamic Plan	Islamic Plan	Islamic Plan	Preservation Plan	Total
Note		-----Rupees-----				
Auditors' remuneration payable		34,011	36,544	40,141	95,946	206,642
Withholding and capital gain tax payable		133	693	147	8,893	9,866
Shariah advisory fee payable		1,922	2,106	2,369	6,170	12,567
Printing charges payable		4,440	4,472	4,699	6,474	20,085
Provision for Sindh Workers' Welfare Fund	8.1	-	-	30,172	54,942	85,114
		40,506	43,815	77,528	172,425	334,274

Atlas Islamic Fund of Funds

30 June 2019 (Audited)

	Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Capital Preservation	Total
	Islamic Plan	Islamic Plan	Islamic Plan	Plan	
	-----Rupees-----				
Auditors' remuneration payable	27,503	29,153	31,314	64,627	152,597
Withholding and capital gain tax payable	302	1,126	261	4,116	5,805
Shariah advisory fee payable	1,960	2,113	2,336	6,088	12,497
Printing charges payable	2,755	2,919	3,169	7,786	16,629
	32,520	35,311	37,080	82,617	187,528

8.1 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, was 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 had taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs / mutual funds, MUFAP recommended that as a matter of abundant caution, provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from May 21, 2015).

In the repealed Companies Ordinance, 1984 and the now applicable Companies Act, 2017, mutual funds have not been included in the definition of "financial institutions". The MUFAP has held the view that SWWF is applicable on Asset Management Companies and not on mutual funds.

The net asset value of the Fund as at 30 September 2019 would have been higher by Re. 0.12 per unit, Re. 0.06 per unit for Conservative Allocation Islamic Plan and Islamic Capital Preservation Plan respectively.

9 CONTINGENCIES AND COMMITMENTS

There were no other contingencies and commitments outstanding as at September 30, 2019 and 30 June 2019.

10 TOTAL EXPENSE RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan, the total expense ratio of the Fund is as follows :

30 September 2019 (Un Audited)

	Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Capital Preservation
	Islamic Plan	Islamic Plan	Islamic Plan	Plan
Total expense ratio	0.45	0.43	0.50	0.35
Government Levies and SECP Fee	0.03	0.03	0.03	0.03

30 June 2019 (Audited)

	Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Capital Preservation
	Islamic Plan	Islamic Plan	Islamic Plan	Plan
Total expense ratio	0.35	0.34	0.32	0.23
Government Levies and SECP Fee	0.06	0.06	0.05	0.06

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11 TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its net accounting income available for distribution for the year derived from sources other than capital gains, to the unitholders. The management intends to distribute at least 90% of the Fund's net accounting income available for distribution by the year end, as cash dividend, to the unit holders. Accordingly, no provision for taxation has been made in these condensed interim financial statements.

12 EARNING PER UNIT

Earning per unit has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating earnings per unit is not practicable.

13 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons include Atlas Asset Management Limited being the Management Company, the Central Depository Company Limited being the Trustee, other collective investment schemes managed by the Management Company, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the Fund, directors and their close family members and key management personnel of the Management Company.

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, other charges and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

Remuneration to the Management Company and the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.

The details of transactions carried out by the Fund with connected persons during the period and balances with them at the period / year end are as follows:

	30 September 2019 (Un Audited)				Total
	Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan	
13.1 Details of transaction with related parties during the period are as follows:	-----Rupees-----				
Atlas Asset Management Limited (Management Company)					
Remuneration for the period	2,665	3,355	4,573	19,194	29,787
Sindh sales tax on remuneration of the Management Company	346	436	594	2,495	3,871
Remuneration paid	2,854	3,196	4,832	20,457	31,339
Formation cost	14,090	14,090	14,090	14,090	56,360
Accounting & operational charges	22,281	25,301	30,211	107,191	184,984
Issuance in amounts	4,045	3,695	-	-	7,740
Issue of units	9	8	-	-	17
Central Depository Company of Pakistan Limited					
Remuneration of the Trustee	15,597	17,711	21,148	75,034	129,490
Sindh Sales Tax on remuneration of the Trustee	2,028	2,302	2,749	9,754	16,833
Remuneration paid	18,364	20,542	24,171	86,144	149,221
Atlas Islamic Dedicated Stock Fund					
Purchase in Rupees	6,800,000	8,150,000	8,700,000	17,700,000	41,350,000
Purchase of units	18,147	21,805	23,100	45,847	108,899
Atlas Islamic Income Fund					
Redemption in Rupees	6,800,000	8,150,000	8,700,000	17,700,000	41,350,000
Redemption of units	13,208	15,848	16,881	34,163	80,100
Directors and their close family members and key management personnel of the Management Company					
Redemption in Rupees	2,998	-	-	-	2,998
Redemption of units	7	-	-	-	7

Atlas Islamic Fund of Funds

13.2 Details of balances with related parties as at the period / year end are as follows:

	30 September 2019 (Un Audited)				
	Aggressive	Moderate	Conservative	Islamic	Total
	Allocation	Allocation	Allocation	Capital	
	Islamic	Islamic	Islamic	Preservation	
Plan	Plan	Plan	Plan		
-----Rupees-----					
Atlas Asset Management Limited (Management Company)					
Remuneration payable to the management company	848	1,321	1,397	6,220	9,786
Sindh Sales tax payable on remuneration of the Management Company	110	172	182	809	1,273
Front and backend load payable to the Management Company	-	-	1,017	6,455	7,472
Preliminary expenses and floatation charges payable	280,268	280,268	280,268	280,268	1,121,072
Accounting and operational charges payable	7,233	8,279	9,901	35,096	60,509
Outstanding amount - at net asset value	4,377,025	4,669,072	19,923,248	-	28,969,344
Outstanding units	10,139	10,126	39,737	-	60,002
Central Depository Company of Pakistan Limited (Trustee)					
Trustee fee payable	5,063	5,795	6,930	24,567	42,355
Sindh Sales tax payable on remuneration of trustee	658	753	901	3,194	5,506
Shirazi Investments (Private) Limited - Group Company					
Outstanding amount - at net asset value	85,508,593	91,971,952	100,095,016	194,583,028	472,158,589
Outstanding units	198,079	199,471	199,639	396,267	993,456
Atlas Honda Limited - Group Company					
Outstanding amount - at net asset value	-	-	-	194,583,028	194,583,028
Outstanding units	-	-	-	396,267	396,267
Atlas Islamic Dedicated Stock Fund					
Outstanding amount - at net asset value	66,091,507	54,278,037	34,315,689	129,495,715	284,180,948
Outstanding units	169,561	139,253	88,039	332,228	729,080
Atlas Islamic Income Fund					
Outstanding amount - at net asset value	23,239,023	46,993,670	86,222,074	296,460,073	452,914,841
Outstanding units	44,742	90,477	166,003	570,774	871,996
Directors and their close family members and key management personnel of the Management Company					
Outstanding amount - at net asset value	-	2,302,131	-	3,435,868	5,737,999
Outstanding units	-	4,993	-	6,997	11,990

	30 June 2019 (Audited)				
	Aggressive	Moderate	Conservative	Islamic	Total
	Allocation	Allocation	Allocation	Capital	
	Islamic	Islamic	Islamic	Preservation	
Plan	Plan	Plan	Plan		
-----Rupees-----					
Atlas Asset Management Limited (Management Company)					
Remuneration payable to the management company	1,037	1,162	1,656	7,483	11,338
Sindh Sales tax payable on remuneration of the Management Company	134	152	214	972	1,472
Front and backend load payable to the Management Company	-	-	1,016	3,955	4,971
Preliminary expenses and floatation charges payable	280,268	280,268	280,268	280,268	1,121,072
Accounting and operational charges payable	7,830	8,627	9,953	35,677	62,087
Outstanding amount - at net asset value	4,496,533	4,709,470	19,682,443	-	28,888,445
Outstanding units	10,130	10,118	39,737	-	59,985
Central Depository Company of Pakistan Limited (Trustee)					
Trustee fee payable	7,830	8,626	9,953	35,677	62,086
Sindh Sales tax payable on remuneration of trustee	1,017	1,121	1,293	4,638	8,069
Shirazi Investments (Private) Limited - Group Company					
Outstanding amount - at net asset value	87,925,153	92,841,644	98,885,203	193,374,413	473,026,414
Outstanding units	198,079	199,471	199,639	396,267	993,456

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30 June 2019 (Audited)

	Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan	Total
-----Rupees-----					
Atlas Honda Limited - Group Company					
Outstanding amount - at net asset value	-	-	-	193,374,413	193,374,413
Outstanding units	-	-	-	396,267	396,267
Atlas Islamic Dedicated Stock Fund					
Outstanding amount - at net asset value	67,211,233	54,664,997	26,860,400	139,751,064	288,487,694
Outstanding units	151,414	117,448	64,938	286,381	620,181
Atlas Islamic Income Fund					
Outstanding amount - at net asset value	25,723,323	49,488,001	90,586,534	295,203,236	461,001,094
Outstanding units	57,950	106,325	182,885	604,937	952,097
Directors and their close family members and key management personnel of the Management Company					
Outstanding amount - at net asset value	3,018	2,323,900	-	3,414,527	5,741,445
Outstanding units	7	4,993	-	6,997	11,997

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

14 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

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

The fair value of financial assets and liabilities traded in active markets (i.e. listed equity shares) are based on the quoted market prices at the close of trading on the reporting date. The quoted market price used for financial assets held by the Fund is current bid price.

Financials assets which are tradeable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimate fair value of all other financial assets and liabilities is considered not significantly different from book value.

14.1 Fair value hierarchy

Following hierarchy is used in determining and disclosing the fair value on the following financial instruments by valuation technique:

Level 1: quoted prices in active markets for identical assets.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques for which inputs which have a significant effect on the recorded fair value that are not based on observable market data.

Fair values of investments in units of mutual funds are determined based on redemption prices disclosed at the Mutual Funds Association of Pakistan (MUFAP) as at the close of the business days which is considered as Level 2 valuation. Fair value of remaining financial assets is not significantly different from their carrying value.

Atlas Islamic Fund of Funds

15 GENERAL

Figures have been rounded off to the nearest Rupee.

16 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on 30 October 2019.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Frahim Ali Khan
Chairman

Tariq Amin
Director

Atlas Islamic Dedicated Stock Fund

Corporate Information

Trustee

Central Depository Company of Pakistan Limited
99-B, Block 'B', S.M.C.H.S, Main Shahrah-e-Faisal
Karachi - 74400

Shariah Advisor

Dr. Mufti Muhammad Wasih Fasih Butt

Auditors

EY Ford Rhodes
Chartered Accountants

Legal Advisers

Bawaney & Partners

Bankers

Al-Baraka Bank (Pakistan) Limited
BankIslami Pakistan Limited

Atlas Islamic Dedicated Stock Fund

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED) AS AT 30 SEPTEMBER 2019

		30 September 2019	30 June 2019
	Note	Un-audited -----Rupees -----	Audited
ASSETS			
Bank balances	4	513,315	4,490,047
Investments	5	277,322,874	248,332,196
Receivable against sale of investments		516,250	932,900
Profit receivable on bank balances		53,737	21,465
Dividend receivable		4,109,810	431,875
Deferred formation cost		833,003	888,860
Advances, deposits, prepayment and other receivables		3,506,954	3,515,578
Total assets		286,855,943	258,612,921
LIABILITIES			
Payable to Atlas Asset Management Limited - Management Company	6	1,595,988	1,624,414
Payable to Central Depository Company of Pakistan Limited - Trustee		52,085	54,810
Payable to the Securities and Exchange Commission of Pakistan		12,282	104,474
Payable against purchase of investments		520,496	-
Accrued expenses and other liabilities	7	490,940	302,079
Total liabilities		2,671,791	2,085,777
NET ASSETS		284,184,152	256,527,144
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		284,184,152	256,527,144
CONTINGENCIES AND COMMITMENTS	8		
		-----Number of units-----	
NUMBER OF UNITS IN ISSUE		729,080	620,181
		-----Rupees-----	
NET ASSET VALUE PER UNIT		389.78	413.63

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Frahim Ali Khan
Chairman

Tariq Amin
Director

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CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2019

	Note	2019 ---- Rupees ----
INCOME		
Profit on bank balances		139,151
Dividend income		4,191,835
Capital loss on sale of investments - net		(624,282)
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		(15,138,906)
		(15,763,188)
Total loss		(11,432,202)
EXPENSES		
Remuneration of Atlas Asset Management Limited - Management Company	6.1	1,230,497
Sindh Sales Tax on remuneration of the Management Company	6.2	159,965
Remuneration of the Central Depository Company of Pakistan Limited - Trustee		123,049
Sindh Sales Tax on remuneration of the Trustee		15,996
Annual fee to the Securities and Exchange Commission of Pakistan		12,282
Accounting and operational charges		61,554
Shariah advisory fee		12,500
Auditors' remuneration		55,652
Annual listing fee		31,402
Securities transaction cost		290,407
Printing and postage charges		10,000
Legal and professional charges		113,200
Amortization of formation cost		55,857
Bank charges		2,958
Total expenses		2,175,319
Net loss for the period before taxation		(13,607,521)
Taxation	11	-
Net loss for the period after taxation		(13,607,521)
Loss per unit	12	

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Frahim Ali Khan
Chairman

Tariq Amin
Director

Atlas Islamic Dedicated Stock Fund

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2019

	2019 ---- Rupees ----
Net loss for the period after taxation	(13,607,521)
Other comprehensive (loss) / income	-
Total comprehensive loss for the period	<u><u>(13,607,521)</u></u>

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Frahim Ali Khan
Chairman

Tariq Amin
Director

First Quarter Report 2019-20

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2019

	30 September 2019		
	Capital value	Undistributed income	Total
	-----Rupees-----		
Capital value	308,793,987	-	308,793,987
Undistributed income brought forward			
- Realised loss	-	(3,739,329)	(3,739,329)
- Unrealised loss	-	(48,527,514)	(48,527,514)
Net assets at the beginning of the period (Units outstanding: 620,181) (Rs. 413.63 per unit)	308,793,987	(52,266,843)	256,527,144
Issue of 108,899 units	41,350,000	-	41,350,000
Redemption of Nil units	-	-	-
Total comprehensive loss for the period	-	(13,607,521)	(13,607,521)
Shariah non-compliant income set-aside for charity	-	(85,471)	(85,471)
Net assets at end of the period (Units outstanding: 729,080) (Rs. 389.78 per unit)	350,143,987	(65,959,835)	284,184,152
Undistributed income carried forward			
- Realised loss	-	(4,824,320)	-
- Unrealised loss	-	(61,135,515)	-
	-	(65,959,835)	-

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
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Frahim Ali Khan
Chairman

Tariq Amin
Director

Atlas Islamic Dedicated Stock Fund

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2019

30 September 2019
Un-audited
Note ----- Rupees -----

CASH FLOWS FROM OPERATING ACTIVITIES

Net loss for the period before taxation	(13,607,521)
Adjustments for:	
Mark-up on bank deposits with banks	(139,151)
Dividend income	(4,191,835)
Capital loss on sale of investments - net	624,282
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	15,138,906
Amortization of formation cost	55,857
	11,488,059
Decrease in assets	
Receivable against sale of investments	416,650
Advances, deposits, prepayment and other receivables	8,624
	425,274
Increase in liabilities	
Payable to Atlas Asset Management Limited - Management Company	(28,426)
Payable to the Central Depository Company of Pakistan Limited - Trustee	(2,725)
Payable to the Securities and Exchange Commission of Pakistan	(92,192)
Payable against purchase of investments	520,496
Accrued expenses and other liabilities	103,390
	500,543
Profit received on bank balances	106,879
Dividend received	513,900
Investments made during the period	(52,952,442)
Investments sold during the period	8,198,576
	(44,133,087)
Net cash used in operating activities	(45,326,732)
CASH FLOWS FROM FINANCING ACTIVITIES	
Amount received on issue of units	41,350,000
Payment against redemption of units	-
Net cash generated from financing activities	41,350,000
Net decrease in cash and cash equivalents	(3,976,732)
Cash and cash equivalents at the beginning of the period	4,490,047
Cash and cash equivalents at the end of the period	513,315

4

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Frahim Ali Khan
Chairman

Tariq Amin
Director

First Quarter Report 2019-20

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE QUARTER ENDED 30 SEPTEMBER 2019

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Atlas Islamic Dedicated Stock Fund (the Fund) is an open-ended shariah compliant scheme constituted under a trust deed entered into on 03 September 2018 between Atlas Asset Management Limited (AAML) as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The offering document of the Fund has been revised through the First and Second supplements date 8 August 2019 and 5 September 2019 respectively with the approval of SECP. The investment activities and administration of the Fund are managed by AAML whose registered office is situated at Ground Floor, Federation House, Shahrah-e-Firdousi, Clifton, Karachi. The Fund was authorised by the Securities and Exchange Commission of Pakistan as a unit trust scheme on 09 October 2018.
- 1.2 The Fund is an open-ended Shariah compliant fund and is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered to public (IPO) on January 10, 2019. The units are transferable and can also be redeemed by surrendering to the Fund.
- 1.3 According to the Trust Deed, the principal activity of the Fund is to provide capital appreciation to investors schemes by investing in Shariah Compliant equity securities.
- 1.4 The Pakistan Credit Rating Agency Limited (PACRA) maintained the asset manager rating of the Management Company to AM2+ (AM Two Plus) on 28 June 2019.
- 1.5 The titles of the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.

2 STATEMENT OF COMPLIANCE

These condensed interim financial statements has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Act, 2017, the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or directives issued by the SECP differ with the requirements of IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended 30 June 2019.

In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that this condensed interim financial statements give a

Atlas Islamic Dedicated Stock Fund

true and fair view of the state of the Fund's affairs as at 30 September 2019.

The comparatives in the condensed interim statement of assets and liabilities presented in the condensed interim financial statements as at 30 September 2019 have been extracted from the annual published audited financial statements of the Fund for the year ended 30 June 2019.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual published financial statements of the Fund for the year ended 30 June 2019.

The preparation of these condensed interim financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

The significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to financial statements as at and for the year ended 30 June 2019.

The financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the year ended 30 June 2019.

		30 September 2019 Un-audited	30 June 2019 Audited
	Note	-----Rupees -----	
4 BANK BALANCES			
Balances with banks in:			
- Profit and loss sharing accounts	4.1	513,315	4,490,047
		<u>513,315</u>	<u>4,490,047</u>

4.1 The rate of return on these profit and sharing accounts range between 11.50% to 12.70% (30 June 2019: 6.00% to 11.00%) per annum.

5 INVESTMENTS

Fainancial assets at fair value through profit or loss account

- Listed equity securities	5.1	277,322,874	248,332,196
		<u>277,322,874</u>	<u>248,332,196</u>

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5.1 At fair value through profit or loss - Listed equity securities

Shares of listed companies - fully paid up ordinary shares with a face value of Rs 10 each unless stated otherwise.

Name of Investee Company	Note	Number of shares					Rupees		Percentage		
		As at 01 July 2019	Purchases during the period	Bonus / right shares issued during the period	Sales during the period	As at 30 September 2019	Carrying cost as at 30 September 2019	Market value as at 30 September 2019	Market value as a percentage of total investments	Market value as a percentage of net assets	Paid-up value of shares held as a percentage of total paid up capital of the Investee Company
Inv. Bank/Inv. Companies/Securities Co.											
Dawood Hercules Corporation Limited		23,800	-	-	-	23,800	2,647,512	2,879,800	1.04	1.01	-
		23,800	-	-	-	23,800	2,647,512	2,879,800	1.04	1.01	
Banks											
BankIslami Pakistan Limited		241,000	240,000	-	-	481,000	5,533,700	5,286,190	1.91	1.86	0.05
BankIslami Pakistan Limited - Letter of Right		-	-	48,100	-	48,100	-	48,100	0.02	0.02	-
Mezzan Bank Limited		308,400	79,500	-	-	387,900	33,005,684	27,944,316	10.08	9.83	0.03
		549,400	319,500	48,100	-	917,000	38,539,384	33,278,606	12.01	11.71	
Textile Composite											
Interloop Limited		67,500	-	-	37,000	30,500	1,350,235	1,339,865	0.48	0.47	-
Kohinoor Textile Mills Limited		140,000	-	-	30,000	110,000	2,755,500	2,611,400	0.94	0.92	0.04
Nishat Mills Limited		26,100	37,000	-	-	63,100	5,187,377	5,300,400	1.91	1.87	0.02
		233,600	37,000	-	67,000	203,600	9,293,112	9,251,665	3.33	3.26	
Cement											
Attock Cement Pakistan Limited		21,600	-	-	-	21,600	1,542,456	1,535,976	0.55	0.54	0.02
Cheer Cement Company Limited		48,500	-	-	-	48,500	1,501,560	1,366,730	0.49	0.48	0.03
D.G. Khan Cement Company Limited		80,500	29,500	-	-	110,000	5,935,865	5,317,400	1.92	1.87	0.03
Lucky Cement Limited		37,900	8,000	-	-	45,900	17,183,949	15,703,767	5.66	5.53	0.01
Maple Leaf Cement Factory Limited		35,000	-	-	35,000	-	-	-	-	-	-
		223,500	37,500	-	35,000	226,000	26,163,830	23,923,873	8.62	8.42	
Power Generation & Distribution											
K-Electric Limited (face value Rs. 3.5)		528,500	-	-	-	528,500	2,320,115	1,876,175	0.68	0.66	-
The Hub Power Company Limited		263,903	-	-	-	263,903	20,782,361	18,671,137	6.73	6.57	0.02
		792,403	-	-	-	792,403	23,102,476	20,547,312	7.41	7.23	
Oil & Gas Marketing Companies											
Attock Petroleum Limited		14,400	4,000	-	-	18,400	5,294,229	5,667,200	2.04	1.99	0.02
Pakistan State Oil Company Limited		69,500	7,000	-	7,000	69,500	11,753,478	10,945,535	3.95	3.85	0.02
Sui Northern Gas Pipelines Limited		43,000	17,000	-	-	60,000	3,993,515	3,696,000	1.33	1.30	0.01
		126,900	28,000	-	7,000	147,900	21,041,222	20,308,735	7.32	7.14	
Oil & Gas Exploration Companies											
Mair Petroleum Company Limited		13,280	7,600	-	-	20,880	20,108,309	18,774,461	6.77	6.61	0.02
Oil & Gas Development Company Limited	6.3	234,500	30,000	-	-	264,500	34,497,876	32,541,435	11.73	11.45	0.01
Pakistan Oilfields Limited		41,000	7,000	-	-	48,000	19,272,294	18,235,200	6.58	6.42	0.02
Pakistan Petroleum Limited	6.3	167,200	25,000	-	-	192,200	27,410,736	26,144,966	9.43	9.20	0.01
		455,980	69,600	-	-	525,580	101,289,215	95,696,062	34.51	33.68	
Engineering											
International Industries Limited		56,800	33,000	-	-	89,800	6,885,776	6,779,087	2.44	2.39	0.07
International Steels Limited		21,000	40,000	-	-	61,000	2,460,835	2,424,140	0.87	0.85	0.01
		77,800	73,000	-	-	150,800	9,346,611	9,203,227	3.31	3.24	
Fertilizer											
Engro Corporation Limited	6.3	95,420	17,500	-	13,900	99,020	26,323,231	26,427,448	9.53	9.30	0.02
Engro Fertilizers Limited		279,000	30,000	-	-	309,000	19,935,030	21,083,070	7.60	7.42	0.02
		374,420	47,500	-	13,900	408,020	46,258,261	47,510,518	17.13	16.72	
Pharmaceuticals											
Abbott Laboratories (Pakistan) Limited		-	7,200	-	-	7,200	2,412,000	2,533,536	0.91	0.89	0.01
AGP Limited		8,500	-	-	-	8,500	582,505	549,100	0.20	0.19	-
Ferozsons Laboratories Limited		14,000	-	-	-	14,000	1,565,480	1,726,760	0.62	0.61	0.05
Glaxosmithkline Pakistan Limited		12,500	-	-	-	12,500	1,191,625	1,202,250	0.43	0.42	-
The Searle Company Limited		25,000	5,000	-	2,000	28,000	4,115,871	3,870,160	1.40	1.36	0.01
		60,000	12,200	-	2,000	70,200	9,867,481	9,881,806	3.56	3.47	
Chemicals											
Engro Polymer & Chemicals Limited		50,000	25,000	-	-	75,000	1,912,676	1,841,250	0.67	0.65	0.01
		50,000	25,000	-	-	75,000	1,912,676	1,841,250	0.67	0.65	
Paper & Board											
Cheerat Packaging Limited		5,400	-	-	5,400	-	-	-	-	-	-
		5,400	-	-	5,400	-	-	-	-	-	
Leather & Tanneries											
Bata Pakistan Limited		-	2,500	-	-	2,500	3,000,000	3,000,000	1.09	1.06	0.03
		-	2,500	-	-	2,500	3,000,000	3,000,000	1.09	1.06	
Total as at 30 September 2019							292,461,780	277,322,874	100.00	97.59	
Total as at 30 June 2019							296,859,710	248,332,196			

Atlas Islamic Dedicated Stock Fund

5.2 The cost of listed equity securities as at 30 September 2019 is Rs. 338,458,389 (30 June 2019: 296,859,710).

5.3 The above investments include following shares which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with circular no. 11 dated 23 October 2007 issued by the SECP.

	30 September 2019	30 June 2019	30 September 2019	30 June 2019
	Un-audited	Audited	Un-audited	Audited
	Number of shares		Market value (Rupees)	
Engro Corporation Limited	4,500	4,500	1,201,005	1,195,200
Oil & Gas Development Company Limited	50,000	50,000	6,151,500	6,574,500
Pakistan Petroleum Limited	30,000	30,000	4,080,900	4,332,900
	84,500	84,500	11,433,405	12,102,600

		30 September 2019	30 June 2019
		Un-audited	Audited
	Note	-----Rupees -----	
6 PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY - (RELATED PARTY)			
Remuneration of the Management Company	6.1	410,918	453,033
Sindh Sales Tax payable on remuneration of the Management Company	6.2	53,419	56,554
Formation cost payable		1,111,075	1,111,075
Accounting and operational charges	9	20,576	21,752
		1,595,988	1,642,414

6.1 During the quarter ended 30 September 2019 the Management Company has charged its remuneration at the rate of 2% (30 June 2019: 2%) per annum of the average annual net assets of the Fund for the period. The fee is payable to the Management Company monthly in arrears.

6.2 During the period, an amount of Rs. 159,965 was charged on account of sales tax on remuneration of Management Company levied through Sindh Sales Tax on Services Act, 2011, and an amount of Rs. 163,100 has been paid to the Management Company which acts as the collecting agent.

		30 September 2019	30 June 2019
		Un-audited	Audited
	Note	-----Rupees -----	
7 ACCRUED EXPENSES AND OTHER LIABILITIES			
Auditors' remuneration payable		190,651	134,999
Printing charges payable		13,514	5,959
Charity payable	7.1	176,421	90,950
Transaction charges payable		51,607	44,263
Withholding tax payable		46,247	13,408
Payable to Shariah Advisor		12,500	12,500
		490,940	302,079

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7.1 The Shariah Advisor of the Fund, has certified an amount of Rs.176,421 (30 June 2019: Rs. 108,857) against dividend income, as Shariah non-compliant income during the period, which has accordingly been marked to charity.

8 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 30 September 2019 and 30 June 2019.

9 ACCOUNTING AND OPERATIONAL CHARGES

Uptil 19 June 2019 in accordance with Regulation 60 of the NBFC Regulations, the Management Company was entitled to charge expenses related to registrar services, accounting, operations and valuation services, related to a Collective Investment Scheme (CIS) at the rate of 0.1% of the average annual net assets of the scheme or actual whichever is less. During the year, SECP vide SRO 639 (I) /2019 dated 20 June 2019 has removed the maximum cap of 0.1%. Accordingly, the Management Company can now charge actual expenses related to registrar services, accounting, operations and valuation services to the CIS with effect from 20 June 2019.

However, the management continued to charge expenses at the rate of 0.1% of the average annual net assets of the Fund, being lower than actual expenses.

10 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 30 September 2019 is 3.48% (30 June 2019: 1.67%) which includes 0.34% (30 June 2019: 0.25%) representing government levies on the Fund such as sales taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 4% prescribed under the NBFC Regulations for a collective investment scheme categorised as an equity scheme.

11 TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its net accounting income available for distribution for the year derived from sources other than capital gains, to the unitholders. The management intends to distribute at least 90% of the Fund's net accounting income available for distribution by the year end, as cash dividend, to the unit holders. Accordingly, no provision for taxation has been made in these condensed interim financial statements.

12 LOSS PER UNIT

Loss per unit has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating loss per unit is not practicable.

13 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

Connected persons include Atlas Asset Management Limited being the Management Company, the Central Depository Company Limited being the Trustee, other collective investment schemes managed by the Management Company, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the Fund, directors and their close family members and key management personnel of the Management Company.

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, other charges and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

Remuneration to the Management Company and the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.

Atlas Islamic Dedicated Stock Fund

The details of transactions carried out by the Fund with connected persons during the period and balances with them at the period / year end are as follows:

	30 September 2019	
	Un-audited	
	----- Rupees -----	
13.1 Transactions during the period		
Atlas Asset Management Limited (Management Company)		
Remuneration of the Management Company		1,230,497
Sindh Sales Tax on remuneration of the Management Company		159,965
Remuneration paid		1,272,612
Formation cost		55,857
Accounting and operational charges		61,554
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration of the Trustee		123,049
Sindh Sales Tax on remuneration of the Trustee		15,996
Remuneration paid		125,460
Settlement charges		1,713
Sindh sales tax on settlement charges		223
Atlas Aggressive Allocation Islamic Plan		
Issue of 18,147 units		6,800,000
Atlas Moderate Allocation Islamic Plan		
Issue of 21,805 units		8,150,000
Atlas Conservative Allocation Islamic Plan		
Issue of 23,100 units		8,700,000
Atlas Islamic Capital Preservation Plan		
Issue of 45,847 units		17,700,000
	30 September 2019	30 June 2019
	Un-audited	Audited
	-----Rupees -----	
13.2 Balances as at period / year end		
Atlas Asset Management Limited (Management Company)		
Remuneration payable to the Management Company	410,918	453,033
Sindh Sales Tax payable on remuneration of the management company	53,419	56,554
Formation cost payable	1,111,075	1,111,075
Accounting and operational charges payable	20,576	21,752
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration payable to the Trustee	41,093	43,504
Sindh sales tax payable on remuneration of the Trustee	5,342	5,656
Settlement charges payable	5,000	5,000
Sindh sales tax payable on settlement charges	650	650
Atlas Aggressive Allocation Islamic Plan		
Outstanding 169,561 (30 June 2019: 151,414) units at net asset value	66,091,507	62,629,378
Atlas Moderate Allocation Islamic Plan		
Outstanding 139,253 (30 June 2019: 117,448) units at net asset value	54,278,037	48,579,954
Atlas Conservative Allocation Islamic Plan		
Outstanding 88,039 (30 June 2019: 64,938) units at net asset value	34,315,689	26,860,400
Atlas Islamic Capital Preservation Plan		
Outstanding 332,228 (30 June 2019: 286,381) units at net asset value	129,495,715	118,455,813

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

14 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

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

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

14.1 Fair value hierarchy

Following hierarchy is used in determining and disclosing the fair value of the following financial instruments by valuation technique:

Level 1: quoted prices in active markets for identical assets.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The Fund recognises equity securities at fair value which is determined using the rate at which they are quoted on Pakistan Stock Exchange Limited (Level 1). Fair value of remaining financial assets is not significantly different from their carrying value.

15 GENERAL

Figures have been rounded off to the nearest Rupee unless otherwise stated.

16 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on 30 October 2019.

**For Atlas Asset Management Limited
(Management Company)**

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Frahim Ali Khan
Chairman








Tariq Amin
Director



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