

# G · I · P · S

**Global Investment Performance Standards**

## **Compliant Report**

### **September 2013**



# Global Investment Performance Standards (GIPS)

## Introduction

The objective in developing and evolving GIPS is to establish them as the recognized standard for calculating and presenting investment performance around the world and for the GIPS standard to become a firm “passport” to market investment management services globally.

**Standardized Investment Performance:** Financial markets and the investment management industry have become increasingly global in nature. The growth in the types and number of financial entities, the globalization of investment process, and the increased competition among investment management firms demonstrate the need to standardize the calculation and presentation of investment performance.

**Global Passport:** Investment practices, regulation performance measurement, and reporting of performance vary considerably from country to country. By adhering to global standard, firms in countries with minimal or no investment performance standards will be able to compete for business on an equal footing with firms from countries with more developed standards.

**Investor Confidence:** Investment managers that adhere to investment performance standards help assure investors that the firm’s performance is complete and fairly presented. Both prospective and existing clients of investment firms benefit from the global investment performance standard by having a greater degree of confidence in the performance information presented to them.

## Key Benefits:-

- Enhanced ability to compare performance
- Consistency in calculation & presentation of performance results
- Full disclosure of important details on performance data
- Strengthened internal process & controls; improved risk management
- Increased transparency

## Atlas Asset Management Limited (AAML) GIPS Steering Committee

AAML GIPS Steering Committee has been established for decision making process to comply with the GIPS recommendations, including recommendations for any updates, Guidance Statements, interpretations, Questions & Answers (Q&As), and clarifications published by CFA Institute and the GIPS Executive Committee, which will be made available on the GIPS website ([www.gipsstandards.org](http://www.gipsstandards.org)) as well as in the GIPS Handbook.

AAML GIPS Steering Committee include the following:

- 1) Muhammad Umar Khan
- 2) Zainab Hussain
- 3) Faran-ul-Haq

# C o n t e n t s



1. Atlas Money Market Composite	05
2. Atlas Fixed Income Composite	07
3. Atlas Equity Composite	10
4. Atlas Gold Composite	13
5. Atlas Fund of Funds Composite	15



6. Atlas Islamic Income Composite	21
7. Atlas Islamic Equity Composite	23



8. APF Equity Sub Fund Composite	27
9. APF Debt Sub Fund Composite	30
10. APF Money Market Sub Fund Composite	33
11. APF Gold Sub Fund Composite	36
12. APIF Equity Sub Fund Composite	38
13. APIF Debt Sub Fund Composite	41
14. APIF Money Market Sub Fund Composite	44

# Atlas funds

*Nurturing your investments*

Atlas Money Market Composite

Atlas Fixed Income Composite

Atlas Equity Composite

Atlas Gold Composite

Atlas Fund of Funds Composite

“It takes twenty years to build a reputation and five minutes to ruin it. If you think about that, you'll do things differently.”

**Warren Buffett**

# 1. Atlas Money Market Composite

## Composite Details

Benchmark	50% Average of 3M PKRV + 50% 3M Deposit Rate of three scheduled banks (AA and above rated)
Creation Date	July 01, 2012
Reporting Currency	Pak Rupees

	Total Net Return (%)	Total Benchmark Return (%)	Number of Portfolios	Total Composite Assets at end of Period (mn)	Percentage of Firm's Assets (%)	Total Assets of the Firm at the end of Period (mn)
<b>3MFY14</b>	1.87%	1.88%	1	5,301	46.7%	11,355
<b>FY13</b>	9.02%	7.89%	1	3,853	39.5%	9,749

## Composite's Compound Annual Growth Rate (CAGR) since inception is 8.74%

### Compliance Statement

Atlas Asset Management Limited ("AAML" or the "firm") claims compliance with the Global Investment Performance Standards (GIPS) and has prepared and presented this report in compliance with the GIPS standards. The Firm AAML has not been independently verified.

### Firm Definition

AAML, sponsored by the Atlas Group of Companies is licensed to carry out Asset Management Services as Non-Banking Finance Company by Securities and Exchange Commission of Pakistan (Commission). The firm is also licensed by the Commission as Pension Fund Manager. The firm AAML includes all Collective Investment Schemes (including investment plans) and Voluntary Pension Schemes under its management.

### Policies

AAML policies for valuing portfolios, calculating performance and preparing compliant presentations are available on request.

### Composite Description

The investment objective of Atlas Money Market Composite is to provide its unit-holders competitive returns from a portfolio of low risk, short duration assets while maintaining high liquidity. It provides stable income stream with preservation of capital by investing in AA and above rated banks and short term Government Securities. **Currently the composite comprises of one portfolio i.e. Atlas Money Market Fund (AMF).** AMF was launched on January 20, 2010. Particulars of AMF performance since inception is as follows:

Period	Total Net Return (%)	Total Benchmark Return (%)
<b>3MFY14</b>	1.87%	1.88%
<b>FY13</b>	9.02%	7.89%
<b>FY12</b>	11.33%	9.40%
<b>FY11</b>	11.64%	9.82%
<b>FY10*</b>	4.48%	4.19%
<b>AMF's Compound Annual Growth Rate (CAGR) since inception is 10.42%</b>		

\* From January 20, 2010 to June 30, 2010

### Fees and Returns

Returns are calculated net of management fees (actual) and other expenses (which mainly includes custodial fee, trustee expense, SECP Fee, WWF and other levies).

### Fee Schedule

Management Fee is 0.85% of Annual Net Assets and presently there is no Front-end and Back-end load.

### Benchmark

The Benchmark for "Atlas Money Market Composite" is 50/50 composition as follows: 50% an average of "3-Month deposit rates of three scheduled banks (AA and above rated)" for the period of return; and 50% an average of "3 Month PKRV rate" for the period of return as available through Reuters and Financial Markets Association of Pakistan (FMA). Returns of the Benchmark are gross i.e. not net of withholding taxes. The Benchmark of the Composite does not require any rebalancing.

### List of Composites

A list of all composite descriptions is available on request.

### Composites Policies

Policies for valuing portfolios, calculating performance, and preparing compliant presentations is available on request.

## Significant Events

- a) The Finance Act 2008 introduced an amendment to the Worker's Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes/mutual funds (CISs) whose income exceeds Rs. 0.5 million in a tax year, have been brought within scope of the WWF ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the Honorable High Court of Sindh (SHC), challenging the applicability of WWF to the CISs, which is pending adjudication. However, pending the decision of the said Constitutional Petition, the Management Company, as a matter of abundant caution, has maintained the provision for WWF. The realized amount of WWF as at September 30, 2013 amounts to Rs. 25.5 million.
- b) During the period, through Sindh Sales Tax on Services Act 2011, general sales tax on fund management services has been imposed at the rate 16% effective July 01, 2011. Management fee charges during the period (stated above) does not include general sales tax.

## Minimum Portfolio Size

The minimum portfolio size for inclusion in the composite is as follows: For Portfolio/Fund: Rs. 100 Million per Fund (Minimum Regulatory Requirement to start a fund).

## Internal Dispersion

Since number of Portfolios in the composite is only one at the moment (less than five) therefore calculation of internal dispersion is not required.

## Ex-Post Standard Deviation

The three-year annualized ex-post standard deviation of the composite and benchmark is as follows:

Period	3-Yr Standard Deviation	
	Composite	Benchmark
3MFY14	0.53%	0.98%
FY13	0.48%	0.91%

## Key Assumptions

Following are the key assumptions used in portfolio valuation:

## Financial Instruments

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

## Revenue Recognition

Interest income on government securities is recognized using effective interest method at the rate of return implicit in the instrument. Interest income on bank balances, placements and deposits is recognized on an accrual basis. Gain or loss on sale of government securities is accounted for in the period in which it arises.

## Proprietary Assets in the Composite

Proprietary Assets in the composite contains investments of AAML, its Management Company.

## Taxation

- a) Under the provisions of Clause 99 of Part 1 of the Second Schedule to the Income Tax Ordinance, 2001, any income derived by the mutual fund shall be exempt from tax, if not less than ninety percent of its accounting income of that year, as reduced by capital gains whether realized or unrealized, is distributed amongst the unit or certificate holders or shareholders as the case may be.
- b) Under the provisions of Clause 47 (B) of Part 4 of the Second Schedule to the Income Tax Ordinance, 2001, the Fund's income namely, dividend, profit on government securities, return on deposits/ certificates of investment with banks/ financial institutions, profits from money market transactions, profit from Profit or Loss sharing accounts with banks of the Fund will not be subject to any withholding tax.
- c) Under the provisions of Clause 100(B) sub-section (2) of Income Tax Ordinance, 2001, mutual funds are exempt from capital gains tax.

## 2. Atlas Fixed Income Composite

### Composite Details

Benchmark	Average six (6) month KIBOR (Offer)
Creation Date	July 01, 2012
Reporting Currency	Pak Rupees

	Total Net Return (%)	Total Benchmark Return (%)	Number of Portfolios	Total Composite Assets at end of Period (mn)	Percentage of Firm's Assets (%)	Total Assets of the Firm at the end of Period (mn)
<b>3MFY14</b>	1.88%	2.26%	1	2,361	20.8%	11,355
<b>FY13</b>	9.58%	9.91%	1	1,956	20.1%	9,749

### Composite's Compound Annual Growth Rate (CAGR) since inception is 9.20%

#### Compliance Statement

Atlas Asset Management Limited ("AAML" or the "firm") claims compliance with the Global Investment Performance Standards (GIPS) and has prepared and presented this report in compliance with the GIPS standards. The Firm AAML has not been independently verified.

#### Firm Definition

AAML, sponsored by the Atlas Group of Companies is licensed to carry out Asset Management Services as Non-Banking Finance Company by Securities and Exchange Commission of Pakistan (Commission). The firm is also licensed by the Commission as Pension Fund Manager. The firm AAML includes all Collective Investment Schemes (including investment plans) and Voluntary Pension Schemes under its management.

#### Policies

AAML policies for valuing portfolios, calculating performance and preparing compliant presentations are available on request.

#### Composite Description

Atlas Fixed Income Composite aims at achieving a good rate of current income consistent with reasonable concern for principal and to provide the investors with liquidity. The composite invests mainly in high quality fixed income securities. In selecting debt instruments and government securities, the composite considers individual credit risks, with the understanding that market value of even high quality fixed rate securities can fluctuate with change in interest rate levels. The composite may also invest in Margin Trading (MT) and Spread Transactions (Ready Futures). **Currently the composite comprises of one**

**portfolio i.e. Atlas Income Fund (AIF).** AIF was launched on March 22, 2004. Particulars of AIF performance since inception is as follows:

Period	Total Net Return (%)	Total Benchmark Return (%)
<b>3MFY14</b>	1.88%	2.26%
<b>FY13</b>	9.58%	9.91%
<b>FY12</b>	6.06%	12.42%
<b>FY11</b>	7.24%	13.42%
<b>FY10</b>	9.98%	12.40%
<b>FY09</b>	6.91%	14.13%
<b>FY08</b>	9.44%	10.57%
<b>FY07</b>	10.23%	10.35%
<b>FY06</b>	11.46%	9.23%
<b>FY05</b>	9.79%	5.61%
<b>FY04*</b>	1.69%	0.73%
<b>AIF's Compound Annual Growth Rate (CAGR) since inception is 8.84%</b>		

\* From March 22, 2004 to June 30, 2004

#### Fees and Returns

Returns are calculated net of management fees (actual) and other expenses (which mainly includes custodial fee, trustee expense, SECP Fee, WWF and other levies).

#### Fee Schedule

Management Fee is 1.5% of Annual Net Assets with a discretionary 1.0% Front-end load. There is no Back-end load currently.

#### Benchmark

The Performance Benchmark for Atlas Fixed Income Composite is average six (6) month KIBOR (Offer) and returns of Benchmark are gross i.e. not net of withholding taxes.

## List of Composites

A list of all composite descriptions is available on request.

## Composites Policies

Policies for valuing portfolios, calculating performance, and preparing compliant presentations is available on request.

## Significant Events

- a) The Debt securities held by Collective Investment Schemes managed by AAML were re-priced during the year 2008-09 on SECP directive issued on November 05, 2008, applicable on mutual funds. The Directive enforced re-pricing of debt securities, due to absence of liquidity and price discovery in the debt market, by applying discount rates varying from 5% in case of AAA rated instruments to 30% for BBB rated and below. On 6 January 2009 the SECP issued Circular No. 1 of 2009 titled "Valuation of debt securities and provisioning criteria for non-performing debt securities." This Circular stipulated that from 10 January 2009, the pricing would be determined through a market price methodology as compiled by Mutual Fund Association of Pakistan (MUFAP). The valuation criteria takes into consideration a number of factors, such as "trading", "thinly trading" and "non-trading" status of the debt securities, rating and cash flows, besides liquidity factors.
- b) The Finance Act 2008 introduced an amendment to the Worker's Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes/mutual funds (CISs) whose income exceeds Rs. 0.5 million in a tax year, have been brought within scope of the WWF ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the Honorable High Court of Sindh (SHC), challenging the applicability of WWF to the CISs, which is pending adjudication. However, pending the decision of the said Constitutional Petition, the Management Company, as a matter of abundant caution, has maintained the provision for WWF. The realized amount of WWF as at September 30, 2013 amounts to Rs. 12.5 million.

- c) During the period, through Sindh Sales Tax on Services Act 2011, general sales tax on fund management services has been imposed at the rate 16% effective July 01, 2011. Management fee charges during the period (stated above) does not include general sales tax.

## Minimum Portfolio Size

The minimum portfolio size for inclusion in the composite is as follows: For Portfolio/Fund: Rs. 100 Million per Fund (Minimum Regulatory Requirement to start a fund).

## Internal Dispersion

Since number of Portfolios in the composite is only one at the moment (less than five) therefore calculation of internal dispersion is not required.

## Ex-Post Standard Deviation

The three-year annualized ex-post standard deviation of the composite and Benchmark is as follows:

Period	3-Yr Standard Deviation	
	Composite	Benchmark
3MFY14	3.22%	1.76%
FY13	3.48%	1.62%
FY12	3.59%	0.68%
FY11	5.19%	0.97%
FY10	4.76%	1.72%
FY09	4.69%	1.95%
FY08	0.63%	0.83%
FY07	0.94%	2.29%

## Key Assumptions

Following are the key assumptions used in portfolio valuation:

## Financial Instruments

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

### Revenue Recognition

Interest income on government securities and other debt securities is recognized using effective interest method at the rate of return implicit in the instrument. Interest income on bank balances, placements and deposits is recognized on an accrual basis. However, recognition of income on non-performing placements / deposits and securities is suspended in accordance with the SECP's Circular 1 of 2009 and the Fund's provisioning policy. Gain or loss on sale of government securities and other debt securities and derivatives is accounted for in the period in which it arises.

### Subjective Unobservable Inputs

Atlas Asset Management Limited uses subjective unobservable inputs for valuing some of its debt instruments like Term Finance Certificates/Sukuks. The criteria used for valuation is in accordance with the guidelines issued by Regulator through Circular 1 of 2009 (as amended from time to time) and unobservable inputs are disclosed through "Provisioning Policy" on the website of the Company.

### Proprietary Assets in the Composite

Proprietary Assets in the composite contains investments of AAML, its Management Company.

### Taxation

- a) Under the provisions of Clause 99 of Part 1 of the Second Schedule to the Income Tax Ordinance, 2001, any income derived by the mutual fund shall be exempt from tax, if not less than ninety percent of its accounting income of that year, as reduced by capital gains whether realized or unrealized, is distributed amongst the unit or certificate holders or shareholders as the case may be.
- b) Under the provisions of Clause 47 (B) of Part 4 of the Second Schedule to the Income Tax Ordinance, 2001, the Fund's income namely, dividend, profit on government securities, return on deposits/ certificates of investment with banks/ financial institutions, profits from money market transactions, profit from Profit or Loss sharing accounts with banks of the Fund will not be subject to any withholding tax.
- c) Under the provisions of Clause 100(B) sub-section (2) of Income Tax Ordinance, 2001, mutual funds are exempt from capital gains tax.

### 3. Atlas Equity Composite

#### Composite Details

Benchmark	KSE-100 index
Creation Date	July 01, 2012
Reporting Currency	Pak Rupees

	Total Net Return (%)	Total Benchmark Return (%)	Number of Portfolios	Total Composite Assets at end of Period (mn)	Percentage of Firm's Assets (%)	Total Assets of the Firm at the end of Period (mn)
<b>3MFY14</b>	5.64%	3.94%	1	1,131	10.0%	11,355
<b>FY13</b>	51.11%	52.20%	1	1,089	11.2%	9,749

**Composite's Compound Annual Growth Rate (CAGR) since inception is 45.29%**

#### Compliance Statement

Atlas Asset Management Limited ("AAML" or the "firm") claims compliance with the Global Investment Performance Standards (GIPS) and has prepared and presented this report in compliance with the GIPS standards. The Firm AAML has not been independently verified.

#### Firm Definition

AAML, sponsored by the Atlas Group of Companies is licensed to carry out Asset Management Services as Non-Banking Finance Company by Securities and Exchange Commission of Pakistan (Commission). The firm is also licensed by the Commission as Pension Fund Manager. The firm AAML includes all Collective Investment Schemes (including investment plans) and Voluntary Pension Schemes under its management.

#### Policies

AAML policies for valuing portfolios, calculating performance and preparing compliant presentations are available on request.

#### Composite Description

Atlas Equity Composite aims at achieving a good rate of current income consistent with the prospects of appreciation in the value of amount invested. The composite invests mainly in good quality listed equity securities. In selecting equity securities, the composite considers the reputation of the management, liquidity, profitability, dividend record and prospects of earning growth. The remaining net assets are invested in Cash and / or near cash instruments which include cash in bank accounts (excluding TDRs), and treasury bills not exceeding 90 days maturity. **Currently the composite comprises of one portfolio i.e. Atlas Stock Market Fund (ASMF).** ASMF was launched on November 23, 2004. Particulars of ASMF performance since inception is as follows:

Period	Total Net Return (%)	Total Benchmark Return (%)
<b>3MFY14</b>	5.64%	3.94%
<b>FY13</b>	51.11%	52.20%
<b>FY12</b>	22.95%	10.45%
<b>FY11</b>	40.07%	28.53%
<b>FY10</b>	24.86%	35.74%
<b>FY09</b>	-31.58%	-41.72%
<b>FY08</b>	-6.84%	-10.77%
<b>FY07</b>	29.39%	37.87%
<b>FY06</b>	32.52%	34.08%
<b>FY05*</b>	11.62%	35.10%
<b>ASMF's Compound Annual Growth Rate (CAGR) since inception is 17.55%</b>		

\* From November 23, 2004 to June 30, 2005

#### Fees and Returns

Returns are calculated net of management fees (actual) and other expenses (which mainly includes custodial fee, trustee expense, SECP Fee, WWF and other levies).

#### Fee Schedule

Management Fee is 2.0% of Annual Net Assets with a discretionary 2.0% Front-end load. There is no Back-end load currently.

#### Benchmark

The Performance Benchmark for Atlas Equity Composite is KSE-100 Index and returns of the Benchmark are gross i.e. not net of withholding taxes.

#### List of Composites

A list of all composite descriptions is available on request.

## Composites Policies

Policies for valuing portfolios, calculating performance, and preparing compliant presentations is available on request.

## Significant Events

- a) The stock markets across the globe witnessed heavy selling pressures during FY09. The KSE -100 index shed 41.7 % from 12,289 points on 30 June 2008 to 7,162 points on 30 June 2009. The temporary measures such as imposition of floor price mechanism failed to achieve the desired result. This brought equity market to a virtual halt, as buyers remained hesitant to buy securities at floor prices. Subsequent to the removal of floor on 15 December 2008, the KSE -100 index witnessed a sharp fall to hit a low of 4,815 points on 26 January 2009.
- b) The Finance Act 2008 introduced an amendment to the Worker's Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes/mutual funds (CISs) whose income exceeds Rs. 0.5 million in a tax year, have been brought within scope of the WWF ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the Honorable High Court of Sindh (SHC), challenging the applicability of WWF to the CISs, which is pending adjudication. However, pending the decision of the said Constitutional Petition, the Management Company, as a matter of abundant caution, has maintained the provision for WWF. The realized amount of WWF as at September 30, 2013 amounts to Rs. 18.9 million.
- c) During the period, through Sindh Sales Tax on Services Act 2011, general sales tax on fund management services has been imposed at the rate 16% effective July 01, 2011. Management fee charges during the period (stated above) does not include general sales tax.

## Minimum Portfolio Size

The minimum portfolio size for inclusion in the composite is as follows: For Portfolio/Fund: Rs.100 Million per Fund (Minimum Regulatory Requirement to start a fund).

## Internal Dispersion

Since number of Portfolios in the composite is only one at the moment (less than five) therefore calculation of internal dispersion is not required.

## Ex-Post Standard Deviation

The three-year annualized ex-post standard deviation of the composite and Benchmark is as follows:

Period	3-Yr Standard Deviation	
	Composite	Benchmark
3MFY14	17.57%	17.28%
FY13	17.47%	17.02%
FY12	19.09%	18.08%
FY11	34.63%	32.05%
FY10	35.56%	33.84%
FY09	34.65%	34.08%
FY08	19.45%	24.22%

## Key Assumptions

Following are the key assumptions used in portfolio valuation:

## Financial Instruments

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

## Revenue Recognition

Dividend income is recognized when the right to receive the dividend is established. Interest income on bank balances, placements and deposits is recognized on an accrual basis. Gain or loss on sale of securities is accounted for in the period in which it arises.

### Taxation

- a) Under the provisions of Clause 99 of Part 1 of the Second Schedule to the Income Tax Ordinance, 2001, any income derived by the mutual fund shall be exempt from tax, if not less than ninety percent of its accounting income of that year, as reduced by capital gains whether realized or unrealized, is distributed amongst the unit or certificate holders or shareholders as the case may be.
- b) Under the provisions of Clause 47 (B) of Part 4 of the Second Schedule to the Income Tax Ordinance, 2001, the Fund's income namely, dividend, profit on government securities, return on deposits/ certificates of investment with banks/ financial institutions, profits from money market transactions, profit from Profit or Loss sharing accounts with banks of the Fund will not be subject to any withholding tax.
- c) Under the provisions of Clause 100(B) sub-section (2) of Income Tax Ordinance, 2001, mutual funds are exempt from capital gains tax.

## 4. Atlas Gold Composite

### Composite Details

Benchmark	70% Daily closing Pakistani Rupee Gold Prices + 30% Deposit Rates of three scheduled banks (AA and above rated)
Creation Date	July 15, 2013
Reporting Currency	Pak Rupees

	Total Net Return (%)	Total Benchmark Return (%)	Number of Portfolios	Total Composite Assets at end of Period (mn)	Percentage of Firm's Assets (%)	Total Assets of the Firm at the end of Period (mn)
<b>3MFY14*</b>	1.10%	7.78%	1	228	2.0%	11,355

\* From July 15, 2013 to September 30, 2013

#### Compliance Statement

Atlas Asset Management Limited ("AAML" or the "firm") claims compliance with the Global Investment Performance Standards (GIPS) and has prepared and presented this report in compliance with the GIPS standards. The Firm AAML has not been independently verified.

#### Firm Definition

AAML, sponsored by the Atlas Group of Companies is licensed to carry out Asset Management Services as Non-Banking Finance Company by Securities and Exchange Commission of Pakistan (Commission). The firm is also licensed by the Commission as Pension Fund Manager. The firm AAML includes all Collective Investment Schemes under its management (including investment plans) and Voluntary Pension Schemes under its management.

#### Policies

AAML policies for valuing portfolios, calculating performance and preparing compliant presentations are available on request.

#### Composite Description

Atlas Gold Composite investment objective is to provide investors with capital appreciation through investment in Gold or Gold Futures Contracts traded on the Commodity Exchange. The composite will seek to invest at least 70% of the Net Assets in Gold or Gold Futures Contracts during the year based on quarterly average investments calculated in daily basis. The remaining Net Assets of the fund shall be invested in cash and near cash instruments which includes cash in bank accounts (excluding TDR), and treasury bills not exceeding 90 days maturity. Furthermore, at least 10% of the Net Assets of the fund shall remain invested in cash and near cash instruments at all times. **Currently the composite comprises of one portfolio i.e. Atlas Gold Fund (AGF).** AGF was launched on July 15, 2013.

#### Fees and Returns

Returns are calculated net of management fees (actual) and other expenses (which mainly includes custodial fee, trustee expense, SECP Fee, Exchange charges, WWF, Sindh Sales Tax and other levies).

#### Fee Schedule

Management Fee is 1.5% of Annual Net Assets.

#### Benchmark

The Benchmark for Atlas Gold Composite is 70/30 composition as follows: 70% daily closing Pakistani rupee Gold prices; and 30% Deposit Rates of any three scheduled Banks (AA and above rated).

#### List of Composites

A list of all composite descriptions is available on request.

#### Composites Policies

Policies for valuing portfolios, calculating performance, and preparing compliant presentations is available on request.

#### Minimum Portfolio Size

The minimum portfolio size for inclusion in the composite is as follows: For Portfolio/Fund: Rs.100 Million per Fund (Minimum Regulatory Requirement to start a fund).

#### Internal Dispersion

Since number of Portfolios in the composite is only one at the moment (less than five) therefore calculation of internal dispersion is not required.

## Ex-Post Standard Deviation

The three-year annualized ex-post standard deviation of the composite and Benchmark is not presented because 36 monthly returns are not yet available.

## Key Assumptions

Following are the key assumptions used in portfolio valuation:

### Financial Instruments

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

### Revenue Recognition

Interest income on bank balances and deposits is recognised on an accrual basis. Gains or losses on sale of investments are included in the Income Statement in the period in which it arises.

### Taxation

- a) Under the provisions of Clause 99 of Part 1 of the Second Schedule to the Income Tax Ordinance, 2001, any income derived by the mutual fund shall be exempt from tax, if not less than ninety percent of its accounting income of that year, as reduced by capital gains whether realized or unrealized, is distributed amongst the unit or certificate holders or shareholders as the case may be.
- b) Under the provisions of Clause 47 (B) of Part 4 of the Second Schedule to the Income Tax Ordinance, 2001, the Fund's income namely profit on government securities, return on deposits/ certificates of investment with banks/ financial institutions, profits from money market transactions, profit from Profit or Loss sharing accounts with banks of the Fund will not be subject to any withholding tax.
- c) Under the provisions of Clause 100(B) sub-section (2) of Income Tax Ordinance, 2001, mutual funds are exempt from capital gains tax.

## 5. Atlas Fund of Funds Composite

### Composite Details

Benchmark	Market Capitalization of Closed End Funds
Creation Date	July 01, 2012
Termination Date	July 26, 2013 (See Note 'd' under Significant Events)
Reporting Currency	Pak Rupees

	Total Net Return (%)	Total Benchmark Return (%)	Number of Portfolios	Total Composite Assets at end of Period (mn)	Percentage of Firm's Assets (%)	Total Assets of the Firm at the end of Period (mn)
<b>FY13</b>	41.02%	69.44%	1	561	6.3%	9,749

Note: Return from July 01, 2013 till July 26, 2013 (Termination Date) is 4.86%.

### Composite's Compound Annual Growth Rate (CAGR) since inception is 41.02%

#### Compliance Statement

Atlas Asset Management Limited ("AAML" or the "firm") claims compliance with the Global Investment Performance Standards (GIPS) and has prepared and presented this report in compliance with the GIPS standards. The Firm AAML has not been independently verified.

#### Firm Definition

AAML, sponsored by the Atlas Group of Companies is licensed to carry out Asset Management Services as Non-Banking Finance Company by Securities and Exchange Commission of Pakistan (Commission). The firm is also licensed by the Commission as Pension Fund Manager. The firm AAML includes all Collective Investment Schemes (including investment plans) and Voluntary Pension Schemes under its management.

#### Policies

AAML policies for valuing portfolios, calculating performance and preparing compliant presentations are available on request.

#### Composite Description

Atlas Fund of Funds Composite invests in closed end mutual funds for taking advantage of the discount between NAV and market price. Moreover, the composite also invests in open end mutual funds, money market instruments or bank deposits. **Currently the composite comprises of one portfolio i.e. Atlas Fund of Funds (ATFF).** It is a closed-end fund and listed at the Karachi Stock Exchange. ATFF was launched on December 12, 2004. Particulars of ATFF performance since inception is as follows:

Period	Total Net Return (%)	Total Benchmark Return (%)
<b>FY13</b>	41.02%	69.44%
<b>FY12</b>	21.34%	7.64%
<b>FY11</b>	42.46%	38.26%
<b>FY10</b>	26.44%	26.46%
<b>FY09</b>	-45.64%	-72.00%
<b>FY08</b>	5.41%	9.42%
<b>FY07</b>	17.32%	20.48%
<b>FY06</b>	19.23%	30.62%
<b>FY05*</b>	5.30%	-2.81%
<b>ATFF's Compound Annual Growth Rate (CAGR) since inception is 11.83%</b>		

\* From December 12, 2004 to June 30, 2005

Note: Return from July 01, 2013 till July 26, 2013 (Termination Date) is 4.86%.

#### Fees and Returns

Returns are calculated net of management fees (actual) and other expenses (which mainly includes custodial fee, trustee expense, SECP Fee, WWF and other levies).

#### Fee Schedule

Management Fee is 2.0% of Annual Net Assets.

#### Benchmark

The Performance Benchmark for Atlas Fund of Funds Composite is Market Capitalization of Closed End Funds and returns of Benchmark are gross i.e. not net of withholding taxes.

#### List of Composites

A list of all composite descriptions is available on request.

### Composites Policies

Policies for valuing portfolios, calculating performance, and preparing compliant presentations is available on request.

### Significant Events

- a) The stock markets across the globe witnessed heavy selling pressures during FY09. The KSE -100 index shed 41.7 % from 12,289 points on 30 June 2008 to 7,162 points on 30 June 2009. The temporary measures such as imposition of floor price mechanism failed to achieve the desired result. This brought equity market to a virtual halt, as buyers remained hesitant to buy securities at floor prices. Subsequent to the removal of floor on 15 December 2008, the KSE -100 index witnessed a sharp fall to hit a low of 4,815 points on 26 January 2009.
- b) The Finance Act 2008 introduced an amendment to the Worker's Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes/mutual funds (CISs) whose income exceeds Rs. 0.5 million in a tax year, have been brought within scope of the WWF ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the Honorable High Court of Sindh (SHC), challenging the applicability of WWF to the CISs, which is pending adjudication. However, pending the decision of the said Constitutional Petition, the Management Company, as a matter of abundant caution, has maintained the provision for WWF. The realized amount of WWF as at June 30, 2013 amounts to Rs. 9.0 million.
- c) During the period, through Sindh Sales Tax on Services Act 2011, general sales tax on fund management services has been imposed at the rate 16% effective July 01, 2011. Management fee charges during the period (stated above) does not include general sales tax.
- d) Pursuant to the requirements of Regulation 65 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations, 2008), as amended through SRO 1492(1)/2012 dated 26 December 2012, the Management Company of the Fund convened the General Meeting of the Certificate holders on 30 January 2013, wherein the Management Company placed before the Certificate Holders two resolutions for adopting one of

them through simple majority, subject to the final approval of the Commission. Resolution A related to revocation and winding up of the Fund and Resolution B related to converting the Closed-end fund to an Open-ended scheme. ATFF was launched to invest in Closed-end funds to take advantage of discount between Net Asset Value (NAV) and market price of investee Closed-end funds. As all Closed-end funds were to be converted into Open-ended funds pursuant to Regulation 65, the objective of launching the fund was achieved. The Certificate holders of the Fund, through simple majority of 54.11% in value of the Certificate holders voting at the meeting by casting vote in person, or by proxy, or in writing through post, approved Resolution A for the revocation and winding up of the Fund.

The Securities & Exchange Commission of Pakistan (the Commission), through their letter no.SCD/AMCW/ATFF/519/2013 dated May 3, 2013, approved the Revocation of the Fund, to be completed latest by July 31, 2013 and joint report on revocation by Management Company and Trustee be submitted to the Commission by August 15, 2013, subject to certain conditions and procedures prescribed therein. In their approval, the Commission directed that the certificates of the Fund be delisted and trading therein be suspended simultaneously from the date of issue of notice to the Certificate holders informing them of the revocation process and payment procedure thereon. The Commission later extended the date of revocation, including submission of report to August 31, 2013 to enable the Management Company to realize receivables, including dividends, redemption proceeds of closed end funds (converted into open end funds) and others before the revocation date for distribution to certificate holders.

The Board of Directors of the Management Company of the Fund, in their meeting held on May 16, 2013 approved the revocation process of the Fund in the light of the Commission's approval. Following the Board meeting, application was made to the Karachi Stock Exchange (Guarantee) Limited (KSE), for the de-listing of the Fund's certificates and suspension of trading. Trading in the certificates of the Fund at the KSE has been suspended effective May 23, 2013, and the remaining formalities relating to de-listing of the certificates of the Fund shall be complied within due course, after the completion of the revocation process of the Fund.

The Commission, in their approval, further directed the Management Company to obtain consents from the Certificate holders of the Fund, enabling them to exercise their option as to whether to receive the proportionate proceeds of the Fund's investments in Closed End Funds (CEFs) in cash, after deduction of applicable back end load, or whether to receive proportionate units of the investee CEFs of the Fund, after their respective conversions to open end funds as approved by the Commission. The investee Closed-end funds on conversion to Open-ended funds had announced that back-end load would be applied on redemption within one year after conversion of Closed-end funds to Open-ended funds. Pursuant to such directive, the Management Company, in their notice to the Certificate holders specifying the revocation process of the Fund, has obtained the consents of the Certificate holders accordingly. Out of the total certificate holders, 69 certificate holders holding 37,124,812 certificates or 88.39% of the certificates outstanding have decided to receive proportionate units of the investee CEF. No back end load will be applicable on redemption of these units if redeemed after one year. The remaining 516 certificate holders holding 4,875,188 certificate or 11.61% of the certificates outstanding will receive proportionate proceeds of the Fund's investments in Closed End Funds (CEFs) in cash, after deduction by the investee funds of applicable back end load.

For the purpose of settlement to certificate holders' income and expenses were taken up to July 26, 2013. Till that date all dividend income accruing to ATFF and all expenses, including revocation expenses have been accounted for in the accounts. Only income from mark up on PLS account accruing after this date remains to be accounted for. The following amounts are being retained in bank account as of September 30, 2013 with the Trustee of ATFF against specific provisions made:

- |  |                  |
|--|------------------|
| a. Liabilities provided but being contested -  | Rs. 9,671,501/-  |
| b. Accrued and other liabilities -             | Rs. 966,070/-    |
| c. Amount not claimed by certificate holders - | Rs. 2,866,067/-  |
| d. Status of transfer of investee funds -      | Rs. 19,342,982/- |

The Management Company has set aside amount due in respect of WWF. Subject to the decision of the Honorable High Court of Sindh, the amount will be paid to the government or distributed amongst Certificate Holders.

In view of the revocation of the Fund, it does not remain a going concern. The Management Company believes that such revocation will not have any material impact on the carrying amounts of assets and liabilities for the reason that such values are not materially different from the expected realizable / settlement amounts of the assets and liabilities of the Fund.

### Minimum Portfolio Size

The minimum portfolio size for inclusion in the composite is as follows: For Portfolio/Fund: Rs. 100 Million per Fund (Minimum Regulatory Requirement to start a fund).

### Internal Dispersion

Since number of Portfolios in the composite is only one at the moment (less than five) therefore calculation of internal dispersion is not required.

### Ex-Post Standard Deviation

The three-year annualized ex-post standard deviation of the composite and Benchmark is as follows:

Period	3-Yr Standard Deviation	
	Composite	Benchmark
FY13	10.09%	26.22%
FY12	15.69%	26.87%
FY11	31.53%	48.59%
FY10	31.82%	49.16%
FY09	29.09%	49.42%
FY08	12.13%	18.08%

### Key Assumptions

Following are the key assumptions used in portfolio valuation:

### Financial Instruments

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

### Revenue Recognition

Income on PLS accounts is recognized on an accrual basis. Dividend income is recognized when the right to receive the dividend is established. Gain or loss on sale of equity securities is accounted for in the period in which it arises.

### Proprietary Assets in the Composite

Proprietary Assets in the composite contains investments of AAML, its Management Company.

### Taxation

- a) Under the provisions of Clause 99 of Part 1 of the Second Schedule to the Income Tax Ordinance, 2001, any income derived by the mutual fund shall be exempt from tax, if not less than ninety percent of its accounting income of that year, as reduced by capital gains whether realized or unrealized, is distributed amongst the unit or certificate holders or shareholders as the case may be.
- b) Under the provisions of Clause 47 (B) of Part 4 of the Second Schedule to the Income Tax Ordinance, 2001, the Fund's income namely, dividend, profit on government securities, return on deposits/ certificates of investment with banks/ financial institutions, profits from money market transactions, profit from Profit or Loss sharing accounts with banks of the Fund will not be subject to any withholding tax.
- c) Under the provisions of Clause 100(B) sub-section (2) of Income Tax Ordinance, 2001, mutual funds are exempt from capital gains tax.



Atlas Islamic Income Composite

Atlas Islamic Equity Composite

“How many millionaires do you know who have become wealthy by investing in savings accounts? I rest my case.”

**Robert G. Allen**

## 6. Atlas Islamic Income Composite

### Composite Details

Benchmark	Average six months profit rate of three Islamic Banks
Creation Date	July 01, 2012
Reporting Currency	Pak Rupees

	Total Net Return (%)	Total Benchmark Return (%)	Number of Portfolios	Total Composite Assets at end of Period (mn)	Percentage of Firm's Assets (%)	Total Assets of the Firm at the end of Period (mn)
<b>3MFY14</b>	1.86%	1.69%	1	504	4.4%	11,355
<b>FY13</b>	8.65%	6.91%	1	531	5.4%	9,749

**Composite's Compound Annual Growth Rate (CAGR) since inception is 8.44%**

#### Compliance Statement

Atlas Asset Management Limited ("AAML" or the "firm") claims compliance with the Global Investment Performance Standards (GIPS) and has prepared and presented this report in compliance with the GIPS standards. The Firm AAML has not been independently verified.

#### Firm Definition

AAML, sponsored by the Atlas Group of Companies is licensed to carry out Asset Management Services as Non-Banking Finance Company by Securities and Exchange Commission of Pakistan (Commission). The firm is also licensed by the Commission as Pension Fund Manager. The firm AAML includes all Collective Investment Schemes (including investment plans) and Voluntary Pension Schemes under its management.

#### Policies

AAML policies for valuing portfolios, calculating performance and preparing compliant presentations are available on request.

#### Composite Description

The Composite's primary objective is to provide investors with a good and stable rate of current income in a Shariah Compliant manner. A secondary objective is to take advantage of opportunities to realize capital appreciation. The Composite seeks 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. **Currently the composite comprises of one portfolio i.e. Atlas Islamic Income Fund (AIIF).** AIIF was launched on October 14, 2008. Particulars of AIIF performance since inception is as follows:

Period	Total Net Return (%)	Total Benchmark Return (%)
<b>3MFY14</b>	1.86%	1.69%
<b>FY13</b>	8.65%	6.91%
<b>FY12</b>	10.11%	7.70%
<b>FY11</b>	9.90%	7.91%
<b>FY10</b>	9.22%	7.14%
<b>FY09*</b>	8.26%	8.27%
<b>AIIF's Compound Annual Growth Rate (CAGR) since inception is 9.68%</b>		

\* From October 14, 2008 to June 30, 2009

#### Fees and Returns

Returns are calculated net of management fees (actual) and other expenses (which mainly includes custodial fee, trustee expense, SECP Fee, WWF and other levies).

#### Fee Schedule

Management Fee is 1.0% of Annual Net Assets with a discretionary 1.0% Front-end load. There is no Back-end load currently.

#### Benchmark

The Performance Benchmark for Atlas Islamic Income Composite is the most recently published average six months profit rate of three Islamic Banks in the country and returns of Benchmark are gross i.e. not net of withholding taxes.

#### List of Composites

A list of all composite descriptions is available on request.

#### Composites Policies

Policies for valuing portfolios, calculating performance, and preparing compliant presentations is available on request.

## Significant Events

- a) The Finance Act 2008 introduced an amendment to the Worker's Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes/mutual funds (CISs) whose income exceeds Rs. 0.5 million in a tax year, have been brought within scope of the WWF ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the Honorable High Court of Sindh (SHC), challenging the applicability of WWF to the CISs, which is pending adjudication. However, pending the decision of the said Constitutional Petition, the Management Company, as a matter of abundant caution, has maintained the provision for WWF. The realized amount of WWF as at September 30, 2013 amounts to Rs. 3.5 million.
- b) During the period, through Sindh Sales Tax on Services Act 2011, general sales tax on fund management services has been imposed at the rate 16% effective July 01, 2011. Management fee charges during the period (stated above) does not include general sales tax.

## Minimum Portfolio Size

The minimum portfolio size for inclusion in the composite is as follows: For Portfolio/Fund: Rs. 100 Million per Fund (Minimum Regulatory Requirement to start a fund).

## Internal Dispersion

Since number of Portfolios in the composite is only one at the moment (less than five) therefore calculation of internal dispersion is not required.

## Ex-Post Standard Deviation

The three-year annualized ex-post standard deviation of the composite and Benchmark is as follows:

Period	3-Yr Standard Deviation	
	Composite	Benchmark
3MFY14	0.74%	0.49%
FY13	0.73%	0.47%
FY12	0.54%	0.13%

## Key Assumptions

Following are the key assumptions used in portfolio valuation:

## Financial Instruments

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

## Revenue Recognition

Markup income on Government Securities is recognized using effective markup method at the rate of return implicit in the instrument. Income on bank balances and deposits is recognized on an accrual basis. Gain or loss on sale of Shariah compliant debt securities and derivatives is accounted for in the year in which it arises.

## Subjective Unobservable Inputs

Atlas Asset Management Limited uses subjective unobservable inputs for valuing some of its debt instruments like Term Finance Certificates/Sukuks. The criteria used for valuation is in accordance with the guidelines issued by Regulator through Circular 1 of 2009 (as amended from time to time) and unobservable inputs are disclosed through "Provisioning Policy" on the website of the Company.

## Proprietary Assets in the Composite

Proprietary Assets in the composite contains investments of AAML, its Management Company.

## Taxation

- a) Under the provisions of Clause 99 of Part 1 of the Second Schedule to the Income Tax Ordinance, 2001, any income derived by the mutual fund shall be exempt from tax, if not less than ninety percent of its accounting income of that year, as reduced by capital gains whether realized or unrealized, is distributed amongst the unit or certificate holders or shareholders as the case may be.
- b) Under the provisions of Clause 47 (B) of Part 4 of the Second Schedule to the Income Tax Ordinance, 2001, the Fund's income namely, dividend, profit on government securities, return on deposits/ certificates of investment with banks/ financial institutions, profits from money market transactions, profit from Profit or Loss sharing accounts with banks of the Fund will not be subject to any withholding tax.
- c) Under the provisions of Clause 100(B) sub-section (2) of Income Tax Ordinance, 2001, mutual funds are exempt from capital gains tax.

## 7. Atlas Islamic Equity Composite

### Composite Details

Benchmark	KMI-30 index
Creation Date	July 01, 2012
Reporting Currency	Pak Rupees

	Total Net Return (%)	Total Benchmark Return (%)	Number of Portfolios	Total Composite Assets at end of Period (mn)	Percentage of Firm's Assets (%)	Total Assets of the Firm at the end of Period (mn)
<b>3MFY14</b>	2.37%	0.30%	1	1,040	9.2%	11,355
<b>FY13</b>	48.67%	54.41%	1	1,012	10.4%	9,749

**Composite's Compound Annual Growth Rate (CAGR) since inception is 39.85%**

#### Compliance Statement

Atlas Asset Management Limited ("AAML" or the "firm") claims compliance with the Global Investment Performance Standards (GIPS) and has prepared and presented this report in compliance with the GIPS standards. The Firm AAML has not been independently verified.

#### Firm Definition

AAML, sponsored by the Atlas Group of Companies is licensed to carry out Asset Management Services as Non-Banking Finance Company by Securities and Exchange Commission of Pakistan (Commission). The firm is also licensed by the Commission as Pension Fund Manager. The firm AAML includes all Collective Investment Schemes (including investment plans) and Voluntary Pension Schemes under its management.

#### Policies

AAML policies for valuing portfolios, calculating performance and preparing compliant presentations are available on request.

#### Composite Description

Atlas Islamic Equity Composite enables Unit holders to participate in a diversified portfolio of Shariah Compliant securities such as equities, profit bearing securities and other Shariah Compliant securities available outside Pakistan. The Management Company manages the composite with the objective of maximizing Unit Holders' returns on their Investments while at all times observing prudent investment practices, the highest professional standards, all applicable laws, and the Islamic Shariah as advised by the Shariah Board. **Currently the composite comprises of one portfolio i.e. Atlas Islamic Stock Fund (AISF).** AISF was launched on January 15, 2007. Particulars of AISF performance since inception is as follows:

Period	Total Net Return (%)	Total Benchmark Return (%)
<b>3MFY14</b>	2.37%	0.30%
<b>FY13</b>	48.67%	54.41%
<b>FY12</b>	27.51%	13.57%
<b>FY11</b>	43.77%	43.66%
<b>FY10</b>	25.14%	45.11%
<b>FY09</b>	-22.68%	-35.77%
<b>FY08</b>	1.40%	0.92%
<b>FY07*</b>	3.56%	18.38%
<b>AISF's Compound Annual Growth Rate (CAGR) since inception is 16.79%</b>		

\* From January 15, 2007 to June 30, 2007

#### Fees and Returns

Returns are calculated net of management fees (actual) and other expenses (which mainly includes custodial fee, trustee expense, SECP Fee, WWF and other levies).

#### Fee Schedule

Management Fee is 2.0% of Annual Net Assets with a discretionary 1.0% Front-end load. There is no Back-end load currently.

#### Benchmark

The Performance Benchmark for Atlas Islamic Equity Composite is currently 'KMI- 30 Index'. Before June 2010 the Performance Benchmark for Atlas Islamic Equity Composite was Dow Jones - JS Pakistan Islamic Index. Returns of Benchmark are gross i.e. not net of withholding taxes.

#### List of Composites

A list of all composite descriptions is available on request.

## Composites Policies

Policies for valuing portfolios, calculating performance, and preparing compliant presentations is available on request.

## Significant Events

- a) The stock markets across the globe witnessed heavy selling pressures during FY09. The KSE -100 index shed 41.7 % from 12,289 points on 30 June 2008 to 7,162 points on 30 June 2009. The temporary measures such as imposition of floor price mechanism failed to achieve the desired result. This brought equity market to a virtual halt, as buyers remained hesitant to buy securities at floor prices. Subsequent to the removal of floor on 15 December 2008, the KSE -100 index witnessed a sharp fall to hit a low of 4,815 points on 26 January 2009.
- b) The Finance Act 2008 introduced an amendment to the Worker's Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes/mutual funds (CISs) whose income exceeds Rs. 0.5 million in a tax year, have been brought within scope of the WWF ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the Honorable High Court of Sindh (SHC), challenging the applicability of WWF to the CISs, which is pending adjudication. However, pending the decision of the said Constitutional Petition, the Management Company, as a matter of abundant caution, has maintained the provision for WWF. The realized amount of WWF as at September 30, 2013 amounts to Rs. 13.6 million.
- c) During the period, through Sindh Sales Tax on Services Act 2011, general sales tax on fund management services has been imposed at the rate 16% effective July 01, 2011. Management fee charges during the period (stated above) does not include general sales tax.

## Minimum Portfolio Size

The minimum portfolio size for inclusion in the composite is as follows: For Portfolio/Fund: Rs. 100 Million per Fund (Minimum Regulatory Requirement to start a fund).

## Internal Dispersion

Since number of Portfolios in the composite is only one at the moment (less than five) therefore calculation of internal dispersion is not required.

## Ex-Post Standard Deviation

The three-year annualized ex-post standard deviation of the composite and Benchmark is as follows:

Period	3-Yr Standard Deviation	
	Composite	Benchmark
3MFY14	15.68%	16.91%
FY13	15.59%	15.99%
FY12	16.89%	16.90%
FY11	32.29%	32.72%
FY10	32.93%	33.76%

**Note :** Benchmark changed from Dow Jones - JS Pakistan Islamic Index to KMI - 30 in June 2010.

## Key Assumptions

Following are the key assumptions used in portfolio valuation:

## Financial Instruments

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

## Revenue Recognition

Income on PLS accounts is recognized on an accrual basis. Dividend income is recognized when the right to receive the dividend is established. Gain or loss on sale of equity securities is accounted for in the period in which it arises.

## Proprietary Assets in the Composite

Proprietary Assets in the composite contains investments of AAML, its Management Company.

## Taxation

- a) Under the provisions of Clause 99 of Part 1 of the Second Schedule to the Income Tax Ordinance, 2001, any income derived by the mutual fund shall be exempt from tax, if not less than ninety percent of its accounting income of that year, as reduced by capital gains whether realized or unrealized, is distributed amongst the unit or certificate holders or shareholders as the case may be.
- b) Under the provisions of Clause 47 (B) of Part 4 of the Second Schedule to the Income Tax Ordinance, 2001, the Fund's income namely, dividend, profit on government securities, return on deposits/ certificates of investment with banks/ financial institutions, profits from money market transactions, profit from Profit or Loss sharing accounts with banks of the Fund will not be subject to any withholding tax.
- c) Under the provisions of Clause 100(B) sub-section (2) of Income Tax Ordinance, 2001, mutual funds are exempt from capital gains tax.



APF Equity Sub Fund Composite

APF Debt Sub Fund Composite

APF Money Market Sub Fund Composite

APF Gold Sub Fund Composite

APIF Equity Sub Fund Composite

APIF Debt Sub Fund Composite

APIF Money Market Sub Fund Composite

“Take time to gather up the past so that you will be able to draw from your experience and invest them in the future.”

**Jim Rohn**

## 8. APF Equity Sub Fund Composite

### Composite Details

Creation Date	July 01, 2012
Reporting Currency	Pak Rupees

	Total Net Return (%)	Number of Portfolios	Total Composite Assets at end of Period (mn)	Percentage of Firm's Assets (%)	Total Assets of the Firm at the end of Period (mn)
<b>3MFY14</b>	6.15%	1	125	1.1%	11,355
<b>FY13</b>	52.48%	1	111	1.1%	9,749

**Composite's Compound Annual Growth Rate (CAGR) since inception is 46.90%**

#### Compliance Statement

Atlas Asset Management Limited ("AAML" or the "firm") claims compliance with the Global Investment Performance Standards (GIPS) and has prepared and presented this report in compliance with the GIPS standards. The Firm AAML has not been independently verified.

#### Firm Definition

AAML, sponsored by the Atlas Group of Companies is licensed to carry out Asset Management Services as Non-Banking Finance Company by Securities and Exchange Commission of Pakistan (Commission). The firm is also licensed by the Commission as Pension Fund Manager. The firm AAML includes all Collective Investment Schemes (including investment plans) and Voluntary Pension Schemes under its management.

#### Policies

AAML policies for valuing portfolios, calculating performance and preparing compliant presentations are available on request.

#### Composite Description

The objective of APF Equity Sub-Fund Composite is to achieve long term capital growth. It shall invest primarily in equity securities, with at least ninety percent (90%) of net assets shall remain invested in listed equity securities during the year based on quarterly average investment calculated on a daily basis. **Currently the composite comprises of one portfolio i.e. APF Equity Sub Fund.** APF Equity Sub Fund was launched on July 01, 2007. Particulars of APF Equity Sub Fund performance since inception is as follows:

Period	Total Net Return (%)
<b>3MFY14</b>	6.15%
<b>FY13</b>	52.48%
<b>FY12</b>	16.72%
<b>FY11</b>	29.73%
<b>FY10</b>	20.71%
<b>FY09</b>	-17.31%
<b>FY08</b>	0.96%
<b>APF Equity Sub Fund's Compound Annual Growth Rate (CAGR) since inception is 15.53%</b>	

APF Equity Sub Fund is a constituent of Atlas Pension Fund (APF). APF serves as a primary savings vehicle for retirement savings (i.e. pension savings) for individuals and is created as a Pension Fund under the Voluntary Pension System Rules 2005 having an umbrella structure composed of numerous Sub-Funds in the form of unit trust schemes under its wing, where contributions received from the participants shall be allocated in accordance with the allocation scheme selected by the participants.

#### Fees and Returns

Returns are calculated net of management fees (actual) and other expenses (which mainly includes custodial fee, trustee expense, SECP Fee, WWF and other levies).

#### Fee Schedule

Management Fee is 1.5% of Annual Net Assets with a discretionary 3.0% Front-end load. There is no Back-end load currently.

## Benchmark

The Commission, under the Voluntary Pension System Rules 2005, may measure performance of Pension Fund Manager by using specified benchmark to take corrective measures for Voluntary Pension Schemes as may be considered necessary by the Commission where the investment return are found to be consistently below the specified benchmark, as measured on a three years rolling average basis.

For this purpose, the index (to be developed) of the weighted average investment return of all sub-funds for all Pension Fund Managers shall be calculated by the Commission within ninety days of the end of each financial year.

The benchmark for the investment performance of APF Equity Sub Fund shall be the return of the index (as stated above) less 500 basis points.

## List of Composites

A list of all composite descriptions is available on request.

## Composites Policies

Policies for valuing portfolios, calculating performance, and preparing compliant presentations is available on request.

## Significant Events

- The stock markets across the globe witnessed heavy selling pressures during FY09. The KSE -100 index shed 41.7 % from 12,289 points on 30 June 2008 to 7,162 points on 30 June 2009. The temporary measures such as imposition of floor price mechanism failed to achieve the desired result. This brought equity market to a virtual halt, as buyers remained hesitant to buy securities at floor prices. Subsequent to the removal of floor on 15 December 2008, the KSE -100 index witnessed a sharp fall to hit a low of 4,815 points on 26 January 2009.
- The Finance Act 2008 introduced an amendment to the Worker's Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes/mutual funds (CISs) whose income exceeds Rs. 0.5 million in a tax year, have been brought within scope of the WWF ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the Honorable High Court of Sindh (SHC), challenging the applicability of WWF to the CISs, which is pending adjudication. However, pending the decision of the said Constitutional Petition, the Management Company, as a matter of abundant caution, has maintained the provision for WWF. The realized amount of WWF as at September 30, 2013 amounts to Rs. 1.3 million.

- During the period, through Sindh Sales Tax on Services Act 2011, general sales tax on fund management services has been imposed at the rate 16% effective July 01, 2011. Management fee charges during the period (stated above) does not include general sales tax.

## Minimum Portfolio Size

The minimum portfolio size for inclusion in the composite is as follows: For Portfolio/Fund: Rs. 50 Million per Sub Fund (Minimum Regulatory Requirement to start a sub fund). Securities and Exchange Commission of Pakistan (SECP) may modify this requirement where the company registered as Pension Fund Manager has adequate solvency margin and track record for the last three years of the annual return on the funds being managed by the said company.

## Internal Dispersion

Since number of Portfolios in the composite is only one at the moment (less than five) therefore calculation of internal dispersion is not required.

## Ex-Post Standard Deviation

The three-year annualized ex-post standard deviation of the composite is as follows:

Period	3-Yr Standard Deviation
	Composite
3MFY14	17.47%
FY13	17.38%
FY12	18.34%
FY11	30.56%
FY10	31.00%

## Key Assumptions

Following are the key assumptions used in portfolio valuation:

## Financial Instruments

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

### Revenue Recognition

Income on PLS accounts is recognized on an accrual basis. Dividend income is recognized when the right to receive the dividend is established. Gain or loss on sale of equity securities is accounted for in the period in which it arises.

### Proprietary Assets in the Composite

Proprietary Assets in the composite contains investments of AAML, its Management Company.

### Taxation

- a) As provided in Clause 57 (1) (viii) of the Part 1 of the 2nd Schedule of the Income Tax Ordinance, 2001, the income of APF Equity Sub Fund Composite is exempt from tax.
- b) Under the provisions of Clause 47 (B) of Part 4 of the Second Schedule to the Income Tax Ordinance, 2001, the Pension Fund's income namely, dividend, profit on government securities, return on deposits/certificates of investment with banks/ financial institutions, profits from money market transactions, profit from Profit or Loss sharing accounts with banks of the Pension Fund will not be subject to any withholding tax.

## 9. APF Debt Sub Fund Composite

### Composite Details

Creation Date	July 01, 2012
Reporting Currency	Pak Rupees

	Total Net Return (%)	Number of Portfolios	Total Composite Assets at end of Period (mn)	Percentage of Firm's Assets (%)	Total Assets of the Firm at the end of Period (mn)
<b>3MFY14</b>	1.54%	1	134	1.2%	11,355
<b>FY13</b>	8.47%	1	128	1.3%	9,749

**Composite's Compound Annual Growth Rate (CAGR) since inception is 8.02%**

#### Compliance Statement

Atlas Asset Management Limited ("AAML" or the "firm") claims compliance with the Global Investment Performance Standards (GIPS) and has prepared and presented this report in compliance with the GIPS standards. The Firm AAML has not been independently verified.

#### Firm Definition

AAML, sponsored by the Atlas Group of Companies is licensed to carry out Asset Management Services as Non-Banking Finance Company by Securities and Exchange Commission of Pakistan (Commission). The firm is also licensed by the Commission as Pension Fund Manager. The firm AAML includes all Collective Investment Schemes (including investment plans) and Voluntary Pension Schemes under its management.

#### Policies

AAML policies for valuing portfolios, calculating performance and preparing compliant presentations are available on request.

#### Composite Description

The objective of APF Debt Sub Fund Composite is to provide income along with capital preservation. APF Debt Sub Fund Composite shall invest primarily in tradable debt securities with the weighted average duration of the investment portfolio not exceeding five years. **Currently the composite comprises of one portfolio i.e. APF Debt Sub Fund.** APF Debt Sub Fund was launched on July 01, 2007. Particulars of APF Debt Sub Fund performance since inception is as follows:

Period	Total Net Return (%)
<b>3MFY14</b>	1.54%
<b>FY13</b>	8.47%
<b>FY12</b>	10.16%
<b>FY11</b>	9.64%
<b>FY10</b>	8.98%
<b>FY09</b>	9.07%
<b>FY08</b>	7.50%
<b>APF Debt Sub Fund's Compound Annual Growth Rate (CAGR) since inception is 8.85%</b>	

APF Debt Sub Fund is a constituent of Atlas Pension Fund (APF). APF serves as a primary savings vehicle for retirement savings (i.e. pension savings) for individuals and is created as a Pension Fund under the Voluntary Pension System Rules 2005 having an umbrella structure composed of numerous Sub-Funds in the form of unit trust schemes under its wing, where contributions received from the participants shall be allocated in accordance with the allocation scheme selected by the participants.

#### Fees and Returns

Returns are calculated net of management fees (actual) and other expenses (which mainly includes custodial fee, trustee expense, SECP Fee, WWF and other levies).

#### Fee Schedule

Management Fee is 1.5% of Annual Net Assets with a discretionary 3.0% Front-end load. There is no Back-end load currently.

#### Benchmark

The Commission, under the Voluntary Pension System Rules 2005, may measure performance of Pension Fund Manager by using specified benchmark to take corrective measures for Voluntary Pension Schemes as may be considered necessary by the Commission where the investment return are found to be consistently below the specified benchmark, as measured on a three years rolling average basis.

## APF Debt Sub Fund Composite

For this purpose, the index (to be developed) of the weighted average investment return of all sub-funds for all Pension Fund Managers shall be calculated by the Commission within ninety days of the end of each financial year.

The benchmark for the investment performance of APF Debt Sub Fund shall be the return of the index (as stated above) less 200 basis points.

### List of Composites

A list of all composite descriptions is available on request.

### Composites Policies

Policies for valuing portfolios, calculating performance, and preparing compliant presentations is available on request.

### Significant Events

- a) The Debt securities held by Collective Investment Schemes managed by AAML were re-priced during the year 2008-09 on SECP directive issued on November 05, 2008, applicable on mutual funds. The Directive enforced re-pricing of debt securities, due to absence of liquidity and price discovery in the debt market, by applying discount rates varying from 5% in case of AAA rated instruments to 30% for BBB rated and below. On 6 January 2009 the SECP issued Circular No. 1 of 2009 titled "Valuation of debt securities and provisioning criteria for non-performing debt securities." This Circular stipulated that from 10 January 2009, the pricing would be determined through a market price methodology as compiled by Mutual Fund Association of Pakistan (MUFAP). The valuation criteria takes into consideration a number of factors, such as "trading", "thinly trading" and "non-trading" status of the debt securities, rating and cash flows, besides liquidity factors.
- b) The Finance Act 2008 introduced an amendment to the Worker's Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes/mutual funds (CISs) whose income exceeds Rs. 0.5 million in a tax year, have been brought within scope of the WWF ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the Honorable High Court of Sindh (SHC), challenging the applicability

of WWF to the CISs, which is pending adjudication. However, pending the decision of the said Constitutional Petition, the Management Company, as a matter of abundant caution, has maintained the provision for WWF. The realized amount of WWF as at September 30, 2013 amounts to Rs. 0.5 million.

- c) During the period, through Sindh Sales Tax on Services Act 2011, general sales tax on fund management services has been imposed at the rate 16% effective July 01, 2011. Management fee charges during the period (stated above) does not include general sales tax.

### Minimum Portfolio Size

The minimum portfolio size for inclusion in the composite is as follows: For Portfolio/Fund: Rs. 50 Million per Sub Fund (Minimum Regulatory Requirement to start a sub fund). Securities and Exchange Commission of Pakistan (SECP) may modify this requirement where the company registered as Pension Fund Manager has adequate solvency margin and track record for the last three years of the annual return on the funds being managed by the said company.

### Internal Dispersion

Since number of Portfolios in the composite is only one at the moment (less than five) therefore calculation of internal dispersion is not required.

### Ex-Post Standard Deviation

The three-year annualized ex-post standard deviation of the composite is as follows:

Period	3-Yr Standard Deviation
	Composite
3MFY14	1.45%
FY13	1.46%
FY12	1.72%
FY11	1.80%
FY10	1.19%

### Key Assumptions

Following are the key assumptions used in portfolio valuation:

### Financial Instruments

All financial assets and financial liabilities are recognized at the time when the Fund becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the

contractual rights to receive cash flows related to the asset expire. Financial liabilities are derecognized when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gain or loss on derecognition of the financial assets and financial liabilities is taken to income currently.

### Revenue Recognition

Interest income on government securities and other debt securities is recognized using effective interest method at the rate of return implicit in the instrument. Interest income on bank balances, placements and deposits is recognized on an accrual basis. However, recognition of income on non-performing placements / deposits and securities is suspended in accordance with the SECP's Circular 1 of 2009 and the Fund's provisioning policy. Gain or loss on sale of government securities and other debt securities and derivatives is accounted for in the period in which it arises.

### Subjective Unobservable Inputs

Atlas Asset Management Limited uses subjective unobservable inputs for valuing some of its debt instruments like Term Finance Certificates/Sukuks. The criteria used for valuation is in accordance with the guidelines issued by Regulator through Circular 1 of 2009 (as amended from time to time) and unobservable inputs are disclosed through "Provisioning Policy" on the website of the Company.

### Proprietary Assets in the Composite

Proprietary Assets in the composite contains investments of AAML, its Management Company.

### Taxation

- a) As provided in Clause 57 (1) (viii) of the Part 1 of the 2nd Schedule of the Income Tax Ordinance, 2001, the income of APF Debt Sub Fund Composite is exempt from tax.
- b) Under the provisions of Clause 47 (B) of Part 4 of the Second Schedule to the Income Tax Ordinance, 2001, the Pension Fund's income namely, dividend, profit on government securities, return on deposits/ certificates of investment with banks/ financial institutions, profits from money market transactions, profit from Profit or Loss sharing accounts with banks of the Pension Fund will not be subject to any withholding tax.

## 10. APF Money Market Fund Composite

### Composite Details

Creation Date	July 01, 2012
Reporting Currency	Pak Rupees

	Total Net Return (%)	Number of Portfolios	Total Composite Assets at end of Period (mn)	Percentage of Firm's Assets (%)	Total Assets of the Firm at the end of Period (mn)
<b>3MFY14</b>	1.66%	1	114	1.0%	11,355
<b>FY13</b>	8.15%	1	106	1.0%	9,749

**Composite's Compound Annual Growth Rate (CAGR) since inception is 7.87%**

#### Compliance Statement

Atlas Asset Management Limited ("AAML" or the "firm") claims compliance with the Global Investment Performance Standards (GIPS) and has prepared and presented this report in compliance with the GIPS standards. The Firm AAML has not been independently verified.

#### Firm Definition

AAML, sponsored by the Atlas Group of Companies is licensed to carry out Asset Management Services as Non-Banking Finance Company by Securities and Exchange Commission of Pakistan (Commission). The firm is also licensed by the Commission as Pension Fund Manager. The firm AAML includes all Collective Investment Schemes (including investment plans) and Voluntary Pension Schemes under its management.

#### Policies

AAML policies for valuing portfolios, calculating performance and preparing compliant presentations are available on request.

#### Composite Description

The objective of APF Money Market Sub Fund Composite is to provide regular income along with capital preservation. APF Money Market Sub Fund Composite shall invest primarily in short term debt securities with the weighted average time to maturity of net assets not exceeding ninety days. **Currently the composite comprises of one portfolio i.e. APF Money Market Sub Fund.** APF Money Market Sub Fund was launched on July 01, 2007. Particulars of APF Money Market Sub Fund performance since inception is as follows:

Period	Total Net Return (%)
<b>3MFY14</b>	1.66%
<b>FY13</b>	8.15%
<b>FY12</b>	10.35%
<b>FY11</b>	10.80%
<b>FY10</b>	9.51%
<b>FY09</b>	9.91%
<b>FY08</b>	7.24%
<b>APF Money Market Sub Fund's Compound Annual Growth Rate (CAGR) since inception is 9.21%</b>	

APF Money Market Sub Fund is a constituent of Atlas Pension Fund (APF). APF serves as a primary savings vehicle for retirement savings (i.e. pension savings) for individuals and is created as a Pension Fund under the Voluntary Pension System Rules 2005 having an umbrella structure composed of numerous Sub-Funds in the form of unit trust schemes under its wing, where contributions received from the participants shall be allocated in accordance with the allocation scheme selected by the participants.

#### Fees and Returns

Returns are calculated net of management fees (actual) and other expenses (which mainly includes custodial fee, trustee expense, SECP Fee, WWF and other levies).

#### Fee Schedule

Management Fee is 1.5% of Annual Net Assets with a discretionary 3.0% Front-end load. There is no Back-end load currently.

## Benchmark

The Commission, under the Voluntary Pension System Rules 2005, may measure performance of Pension Fund Manager by using specified benchmark to take corrective measures for Voluntary Pension Schemes as may be considered necessary by the Commission where the investment return are found to be consistently below the specified benchmark, as measured on a three years rolling average basis.

For this purpose, the index (to be developed) of the weighted average investment return of all sub-funds for all Pension Fund Managers shall be calculated by the Commission within ninety days of the end of each financial year.

The benchmark for the investment performance of APF Money Market Sub Fund shall be the return of the index (as stated above) less 150 basis points.

## List of Composites

A list of all composite descriptions is available on request.

## Composites Policies

Policies for valuing portfolios, calculating performance, and preparing compliant presentations is available on request.

## Significant Events

- a) The Finance Act 2008 introduced an amendment to the Worker's Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes/mutual funds (CISs) whose income exceeds Rs. 0.5 million in a tax year, have been brought within scope of the WWF ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the Honorable High Court of Sindh (SHC), challenging the applicability of WWF to the CISs, which is pending adjudication. However, pending the decision of the said Constitutional Petition, the Management Company, as a matter of abundant caution, has maintained the provision for WWF. The realized amount of WWF as at September 30, 2013 amounts to Rs. 0.5 million.
- b) During the period, through Sindh Sales Tax on Services Act 2011, general sales tax on fund management services has been imposed at the rate 16% effective July 01, 2011. Management fee charges during the period (stated above) does not include general sales tax.

## Minimum Portfolio Size

The minimum portfolio size for inclusion in the composite is as follows: For Portfolio/Fund: Rs. 50 Million per Sub Fund (Minimum Regulatory Requirement to start a sub fund). Securities and Exchange Commission of Pakistan (SECP) may modify this requirement where the company registered as Pension Fund Manager has adequate solvency margin and track record for the last three years of the annual return on the funds being managed by the said company.

## Internal Dispersion

Since number of Portfolios in the composite is only one at the moment (less than five) therefore calculation of internal dispersion is not required.

## Ex-Post Standard Deviation

The three-year annualized ex-post standard deviation of the composite is as follows:

Period	3-Yr Standard Deviation
	Composite
3MFY14	0.49%
FY13	0.45%
FY12	0.34%
FY11	0.36%
FY10	0.45%

## Key Assumptions

Following are the key assumptions used in portfolio valuation:

## Financial Instruments

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

## Revenue Recognition

Interest income on government securities is recognized using effective interest method at the rate of return implicit in the instrument. Interest income on bank balances, placements and deposits is recognized on an accrual basis. Gain or loss on sale of government securities is accounted for in the period in which it arises.

## APF Money Market Fund Composite

### Proprietary Assets in the Composite

Proprietary Assets in the composite contains investments of AAML, its Management Company.

### Taxation

- a) As provided in Clause 57 (1) (viii) of the Part 1 of the 2nd Schedule of the Income Tax Ordinance, 2001, the income of APF Money Market Sub Fund Composite is exempt from tax.
  
- b) Under the provisions of Clause 47 (B) of Part 4 of the Second Schedule to the Income Tax Ordinance, 2001, the Pension Fund's income namely, dividend, profit on government securities, return on deposits/ certificates of investment with banks/ financial institutions, profits from money market transactions, profit from Profit or Loss sharing accounts with banks of the Pension Fund will not be subject to any withholding tax.

## 11. APF Gold Sub Fund Composite

### Composite Details

Creation Date	July 16, 2013
Reporting Currency	Pak Rupees

	Total Net Return (%)	Number of Portfolios	Total Composite Assets at end of Period (mn)	Percentage of Firm's Assets (%)	Total Assets of the Firm at the end of Period (mn)
3MFY14*	1.15%	1	32	0.3%	11,355

\*From July 16, 2013 to September 30, 2013

#### Compliance Statement

Atlas Asset Management Limited ("AAML" or the "firm") claims compliance with the Global Investment Performance Standards (GIPS) and has prepared and presented this report in compliance with the GIPS standards. The Firm AAML has not been independently verified.

#### Firm Definition

AAML, sponsored by the Atlas Group of Companies is licensed to carry out Asset Management Services as Non-Banking Finance Company by Securities and Exchange Commission of Pakistan (Commission). The firm is also licensed by the Commission as Pension Fund Manager. The firm AAML includes all Collective Investment Schemes under its management (including investment plans) and Voluntary Pension Schemes under its management.

#### Policies

AAML policies for valuing portfolios, calculating performance and preparing compliant presentations are available on request.

#### Composite Description

APF Gold Sub Fund Composite investment objective is to provide investors with capital appreciation through investment in Gold or Gold Futures Contracts traded on the Commodity Exchange. The composite will seek to invest at least 70% of the Net Assets in Gold or Gold Futures Contracts during the year based on quarterly average investments calculated in daily basis. The

remaining Net Assets of the fund shall be invested in cash and near cash instruments which includes cash in bank accounts (excluding TDR), and treasury bills not exceeding 90 days maturity. Furthermore, at least 10% of the Net Assets of the fund shall remain invested in cash and near cash instruments at all times. **Currently the composite comprises of one portfolio i.e. APF Gold Sub Fund.** APF Gold Sub Fund was launched on July 16, 2013.

Period	Total Net Return (%)
3MFY14*	1.15%

\*From July 16, 2013 to September 30, 2013

#### Fees and Returns

Returns are calculated net of management fees (actual) and other expenses (which mainly includes custodial fee, trustee expense, SECP Fee, Exchange charges, WWF and other levies).

#### Fee Schedule

Management Fee is 1.5% of Annual Net Assets.

#### Benchmark

The Commission, under the Voluntary Pension System Rules 2005, may measure performance of Pension Fund Manager by using specified benchmark to take corrective measures for Voluntary Pension Schemes as may be considered necessary by the Commission where the investment return are found to be consistently below the specified benchmark, as measured on a three years rolling average basis.

For this purpose, the index (to be developed) of the weighted average investment return of all sub-funds for all Pension Fund Managers shall be calculated by the Commission within ninety days of the end of each financial year.

The benchmark for the investment performance of APF Gold Sub Fund is not specified.

### List of Composites

A list of all composite descriptions is available on request.

### Composites Policies

Policies for valuing portfolios, calculating performance, and preparing compliant presentations is available on request.

### Significant Events

- a) The Finance Act 2008 introduced an amendment to the Worker's Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes/mutual funds (CISs) whose income exceeds Rs. 0.5 million in a tax year, have been brought within scope of the WWF ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the Honorable High Court of Sindh (SHC), challenging the applicability of WWF to the CISs, which is pending adjudication. However, pending the decision of the said Constitutional Petition, the Management Company, as a matter of abundant caution, has maintained the provision for WWF. The realized amount of WWF as at September 30, 2013 amounts to Rs. 9 thousand.
- b) During the period, through Sindh Sales Tax on Services Act 2011, general sales tax on fund management services has been imposed at the rate 16% effective July 01, 2011. Management fee charges during the period (stated above) does not include general sales tax.

### Minimum Portfolio Size

The minimum portfolio size for inclusion in the composite is as follows: For Portfolio/Fund: Rs. 50 Million per Sub Fund (Minimum Regulatory Requirement to start a sub fund). Securities and Exchange Commission of Pakistan (SECP) may modify this requirement where the company registered as Pension Fund Manager has adequate solvency margin and track record for the last three years of the annual return on the funds being managed by the said company.

### Internal Dispersion

Since number of Portfolios in the composite is only one at the moment (less than five) therefore calculation of internal dispersion is not required.

### Ex-Post Standard Deviation

The three-year annualized ex-post standard deviation of the composite and Benchmark is not presented because 36 monthly returns are not yet available.

### Key Assumptions

Following are the key assumptions used in portfolio valuation:

### Financial Instruments

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

### Revenue Recognition

Interest income on bank balances and deposits is recognised on an accrual basis. Gains or losses on sale of investments are included in the Income Statement in the period in which it arises.

### Proprietary Assets in the Composite

Proprietary Assets in the composite contains investments of AAML, its Management Company.

### Taxation

- 1) As provided in Clause 57 (1) (viii) of the Part 1 of the 2nd Schedule of the Income Tax Ordinance, 2001, the income of APF Gold Sub Fund Composite is exempt from tax.
- 2) Under the provisions of Clause 47 (B) of Part 4 of the Second Schedule to the Income Tax Ordinance, 2001, the Pension Fund's income namely, dividend, profit on government securities, return on deposits/ certificates of investment with banks/ financial institutions, profits from money market transactions, profit from Profit or Loss sharing accounts with banks of the Pension Fund will not be subject to any withholding tax.

## 12. APIF Equity Sub Fund Composite

### Composite Details

Creation Date	July 01, 2012
Reporting Currency	Pak Rupees

	Total Net Return (%)	Number of Portfolios	Total Composite Assets at end of Period (mn)	Percentage of Firm's Assets (%)	Total Assets of the Firm at the end of Period (mn)
<b>3MFY14</b>	3.15%	1	147	1.3%	11,355
<b>FY13</b>	49.02%	1	135	1.3%	9,749

**Composite's Compound Annual Growth Rate (CAGR) since inception is 40.97%**

#### Compliance Statement

Atlas Asset Management Limited ("AAML" or the "firm") claims compliance with the Global Investment Performance Standards (GIPS) and has prepared and presented this report in compliance with the GIPS standards. The Firm AAML has not been independently verified.

#### Firm Definition

AAML, sponsored by the Atlas Group of Companies is licensed to carry out Asset Management Services as Non-Banking Finance Company by Securities and Exchange Commission of Pakistan (Commission). The firm is also licensed by the Commission as Pension Fund Manager. The firm AAML includes all Collective Investment Schemes (including investment plans) and Voluntary Pension Schemes under its management.

#### Policies

AAML policies for valuing portfolios, calculating performance and preparing compliant presentations are available on request.

#### Composite Description

The objective of APIF Equity Sub Fund Composite is to achieve long term capital growth. APIF Equity Sub Fund Composite invests primarily in equity securities (as approved by the Shariah Advisor) with at least ninety percent (90%) of net assets shall remain invested in listed equity securities during the year based on quarterly average investment calculated on a daily basis. **Currently the composite comprises of one portfolio i.e. APIF Equity Sub Fund.** APIF Equity Sub Fund was launched on November 06, 2007. Particulars of APIF Equity Sub Fund performance since inception is as follows:

Period	Total Net Return (%)
<b>3MFY14</b>	3.15%
<b>FY13</b>	49.02%
<b>FY12</b>	30.05%
<b>FY11</b>	39.45%
<b>FY10</b>	22.88%
<b>FY09</b>	-1.88%
<b>FY08*</b>	-1.82%
<b>APIF Equity Sub Fund's Compound Annual Growth Rate (CAGR) since inception is 22.41%</b>	

\* From November 06, 2007 to June 30, 2008

APIF Equity Sub Fund is a constituent of Atlas Pension Islamic Fund (APIF). APIF serves as a Shariah Compliant primary savings vehicle for retirement savings (i.e. pension savings) for individuals and is created as a Pension Fund under the Voluntary Pension System Rules 2005 having an umbrella structure composed of numerous Sub-Funds in the form of unit trust schemes under its wing, where contributions received from the participants shall be allocated in accordance with the allocation scheme selected by the participants.

#### Fees and Returns

Returns are calculated net of management fees (actual) and other expenses (which mainly includes custodial fee, trustee expense, SECP Fee, WWF and other levies).

#### Fee Schedule

Management Fee is 1.5% of Annual Net Assets with a discretionary 3.0% Front-end load. There is no Back-end load currently.

#### Benchmark

The Commission, under the Voluntary Pension System Rules 2005, may measure performance of Pension Fund Manager by using specified benchmark to take corrective measures for

## APIF Equity Sub Fund Composite

Voluntary Pension Schemes as may be considered necessary by the Commission where the investment return are found to be consistently below the specified benchmark, as measured on a three years rolling average basis.

For this purpose, the index (to be developed) of the weighted average investment return of all sub-funds for all Pension Fund Managers shall be calculated by the Commission within ninety days of the end of each financial year.

The benchmark for the investment performance of APIF Equity Sub Fund shall be the return of the index (as stated above) less 500 basis points.

### List of Composites

A list of all composite descriptions is available on request.

### Composites Policies

Policies for valuing portfolios, calculating performance, and preparing compliant presentations is available on request.

### Significant Events

- a) The stock markets across the globe witnessed heavy selling pressures during FY09. The KSE -100 index shed 41.7 % from 12,289 points on 30 June 2008 to 7,162 points on 30 June 2009. The temporary measures such as imposition of floor price mechanism failed to achieve the desired result. This brought equity market to a virtual halt, as buyers remained hesitant to buy securities at floor prices. Subsequent to the removal of floor on 15 December 2008, the KSE -100 index witnessed a sharp fall to hit a low of 4,815 points on 26 January 2009.
- b) The Finance Act 2008 introduced an amendment to the Worker's Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes/mutual funds (CISs) whose income exceeds Rs. 0.5 million in a tax year, have been brought within scope of the WWF ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the Honorable High Court of Sindh (SHC), challenging the applicability of WWF to the CISs, which is pending adjudication. However, pending the decision of the said Constitutional

Petition, the Management Company, as a matter of abundant caution, has maintained the provision for WWF. The realized amount of WWF as at September 30, 2013 amounts to Rs. 1.8 million.

- c) During the period, through Sindh Sales Tax on Services Act 2011, general sales tax on fund management services has been imposed at the rate 16% effective July 01, 2011. Management fee charges during the period (stated above) does not include general sales tax.

### Minimum Portfolio Size

The minimum portfolio size for inclusion in the composite is as follows: For Portfolio/Fund: Rs. 50 Million per Sub Fund (Minimum Regulatory Requirement to start a sub fund). Securities and Exchange Commission of Pakistan (SECP) may modify this requirement where the company registered as Pension Fund Manager has adequate solvency margin and track record for the last three years of the annual return on the funds being managed by the said company.

### Internal Dispersion

Since number of Portfolios in the composite is only one at the moment (less than five) therefore calculation of internal dispersion is not required.

### Ex-Post Standard Deviation

The three-year annualized ex-post standard deviation of the composite is as follows:

Period	3-Yr Standard Deviation
	Composite
3MFY14	16.04%
FY13	15.83%
FY12	16.80%
FY11	28.79%

### Key Assumptions

Following are the key assumptions used in portfolio valuation:

### Financial Instruments

All financial assets and financial liabilities are recognized at the time when the Fund becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the contractual rights to receive cash flows related to the asset expire. Financial liabilities are derecognized when they are extinguished, that is, when the obligation specified in the contract is discharged,

cancelled, or expires. Any gain or loss on derecognition of the financial assets and financial liabilities is taken to income currently.

### **Revenue Recognition**

Income on PLS accounts is recognized on an accrual basis. Dividend income is recognized when the right to receive the dividend is established. Gain or loss on sale of equity securities is accounted for in the period in which it arises.

### **Proprietary Assets in the Composite**

Proprietary Assets in the composite contains investments of AAML, its Management Company.

### **Taxation**

- a) As provided in Clause 57 (1) (viii) of the Part 1 of the 2nd Schedule of the Income Tax Ordinance, 2001, the income of APIF Equity Sub Fund Composite is exempt from tax.
- b) Under the provisions of Clause 47 (B) of Part 4 of the Second Schedule to the Income Tax Ordinance, 2001, the Pension Fund's income namely, dividend, profit on government securities, return on deposits/ certificates of investment with banks/ financial institutions, profits from money market transactions, profit from Profit or Loss sharing accounts with banks of the Pension Fund will not be subject to any withholding tax.

## 13. APIF Debt Sub Fund Composite

### Composite Details

Creation Date	July 01, 2012
Reporting Currency	Pak Rupees

	Total Net Return (%)	Number of Portfolios	Total Composite Assets at end of Period (mn)	Percentage of Firm's Assets (%)	Total Assets of the Firm at the end of Period (mn)
<b>3MFY14</b>	1.75%	1	132	1.2%	11,355
<b>FY13</b>	7.79%	1	130	1.3%	9,749

**Composite's Compound Annual Growth Rate (CAGR) since inception is 7.66%**

#### Compliance Statement

Atlas Asset Management Limited ("AAML" or the "firm") claims compliance with the Global Investment Performance Standards (GIPS) and has prepared and presented this report in compliance with the GIPS standards. The Firm AAML has not been independently verified.

#### Firm Definition

AAML, sponsored by the Atlas Group of Companies is licensed to carry out Asset Management Services as Non-Banking Finance Company by Securities and Exchange Commission of Pakistan (Commission). The firm is also licensed by the Commission as Pension Fund Manager. The firm AAML includes all Collective Investment Schemes (including investment plans) and Voluntary Pension Schemes under its management.

#### Policies

AAML policies for valuing portfolios, calculating performance and preparing compliant presentations are available on request.

#### Composite Description

APIF Debt Sub Fund Composite invests primarily in tradable debt securities (as approved by the Shariah Advisor) with the weighted average duration of the investment portfolio not exceeding ten years. **Currently the composite comprises of one portfolio i.e. APIF Debt Sub Fund.** APIF Debt Sub Fund was launched on November 06, 2007. Particulars of APIF Debt Sub Fund performance since inception is as follows:

Period	Total Net Return (%)
<b>3MFY14</b>	1.75%
<b>FY13</b>	7.79%
<b>FY12</b>	6.98%
<b>FY11</b>	5.79%
<b>FY10</b>	9.79%
<b>FY09</b>	10.37%
<b>FY08*</b>	4.50%
<b>APIF Debt Sub Fund's Compound Annual Growth Rate (CAGR) since inception is 7.96%</b>	

\* From November 06, 2007 to June 30, 2008

APIF Debt Sub Fund is a constituent of Atlas Pension Islamic Fund (APIF). APIF serves as a Shariah Compliant primary savings vehicle for retirement savings (i.e. pension savings) for individuals and is created as a Pension Fund under the Voluntary Pension System Rules 2005 having an umbrella structure composed of numerous Sub-Funds in the form of unit trust schemes under its wing, where contributions received from the participants shall be allocated in accordance with the allocation scheme selected by the participants.

#### Fees and Returns

Returns are calculated net of management fees (actual) and other expenses (which mainly includes custodial fee, trustee expense, SECP Fee, WWF and other levies).

#### Fee Schedule

Management Fee is 1.5% of Annual Net Assets with a discretionary 3.0% Front-end load. There is no Back-end load currently.

### Benchmark

The Commission, under the Voluntary Pension System Rules 2005, may measure performance of Pension Fund Manager by using specified benchmark to take corrective measures for Voluntary Pension Schemes as may be considered necessary by the Commission where the investment return are found to be consistently below the specified benchmark, as measured on a three years rolling average basis.

For this purpose, the index (to be developed) of the weighted average investment return of all sub-funds for all Pension Fund Managers shall be calculated by the Commission within ninety days of the end of each financial year.

The benchmark for the investment performance of APIF Debt Sub Fund shall be the return of the index (as stated above) less 200 basis points.

### List of Composites

A list of all composite descriptions is available on request.

### Composites Policies

Policies for valuing portfolios, calculating performance, and preparing compliant presentations is available on request.

### Significant Events

- a) The Debt securities held by Collective Investment Schemes managed by AAML were re-priced during the year 2008-09 on SECP directive issued on November 05, 2008, applicable on mutual funds. The Directive enforced re-pricing of debt securities, due to absence of liquidity and price discovery in the debt market, by applying discount rates varying from 5% in case of AAA rated instruments to 30% for BBB rated and below. On 6 January 2009 the SECP issued Circular No. 1 of 2009 titled "Valuation of debt securities and provisioning criteria for non-performing debt securities." This Circular stipulated that from 10 January 2009, the pricing would be determined through a market price methodology as compiled by Mutual Fund Association of Pakistan (MUFAP). The valuation criteria takes into consideration a number of factors, such as "trading", "thinly trading" and "non-trading" status of the debt securities, rating and cash flows, besides liquidity factors.
- b) The Finance Act 2008 introduced an amendment to the Worker's Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes/mutual funds (CISs) whose

income exceeds Rs. 0.5 million in a tax year, have been brought within scope of the WWF ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the Honorable High Court of Sindh (SHC), challenging the applicability of WWF to the CISs, which is pending adjudication. However, pending the decision of the said Constitutional Petition, the Management Company, as a matter of abundant caution, has maintained the provision for WWF. The realized amount of WWF as at September 30, 2013 amounts to Rs. 0.5 million.

- c) During the period, through Sindh Sales Tax on Services Act 2011, general sales tax on fund management services has been imposed at the rate 16% effective July 01, 2011. Management fee charges during the period (stated above) does not include general sales tax.

### Minimum Portfolio Size

The minimum portfolio size for inclusion in the composite is as follows: For Portfolio/Fund: Rs. 50 Million per Sub Fund (Minimum Regulatory Requirement to start a sub fund). Securities and Exchange Commission of Pakistan (SECP) may modify this requirement where the company registered as Pension Fund Manager has adequate solvency margin and track record for the last three years of the annual return on the funds being managed by the said company.

### Internal Dispersion

Since number of Portfolios in the composite is only one at the moment (less than five) therefore calculation of internal dispersion is not required.

### Ex-Post Standard Deviation

The three-year annualized ex-post standard deviation of the composite is as follows:

Period	3-Yr Standard Deviation
	Composite
3MFY14	1.12%
FY13	1.31%
FY12	1.36%
FY11	1.23%

### Key Assumptions

Following are the key assumptions used in portfolio valuation:

### Financial Instruments

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

### Revenue Recognition

Interest income on government securities and other debt securities is recognized using effective interest method at the rate of return implicit in the instrument. Interest income on bank balances, placements and deposits is recognized on an accrual basis. However, recognition of income on non-performing placements / deposits and securities is suspended in accordance with the SECP's Circular 1 of 2009 and the Fund's provisioning policy. Gain or loss on sale of government securities and other debt securities and derivatives is accounted for in the period in which it arises.

### Subjective Unobservable Inputs

Atlas Asset Management Limited uses subjective unobservable inputs for valuing some of its debt instruments like Term Finance Certificates/Sukuks. The criteria used for valuation is in accordance with the guidelines issued by Regulator through Circular 1 of 2009 (as amended from time to time) and unobservable inputs are disclosed through "Provisioning Policy" on the website of the Company.

### Proprietary Assets in the Composite

Proprietary Assets in the composite contains investments of AAML, its Management Company.

### Taxation

- a) As provided in Clause 57 (1) (viii) of the Part 1 of the 2nd Schedule of the Income Tax Ordinance, 2001, the income of APIF Debt Sub Fund Composite is exempt from tax.

- b) Under the provisions of Clause 47 (B) of Part 4 of the Second Schedule to the Income Tax Ordinance, 2001, the Pension Fund's income namely, dividend, profit on government securities, return on deposits/ certificates of investment with banks/ financial institutions, profits from money market transactions, profit from Profit or Loss sharing accounts with banks of the Pension Fund will not be subject to any withholding tax.

## 14. APIF Money Market Sub Fund Composite

### Composite Details

Creation Date	July 01, 2012
Reporting Currency	Pak Rupees

	Total Net Return (%)	Number of Portfolios	Total Composite Assets at end of Period (mn)	Percentage of Firm's Assets (%)	Total Assets of the Firm at the end of Period (mn)
<b>3MFY14</b>	1.70%	1	106	0.9%	11,355
<b>FY13</b>	7.12%	1	102	1.0%	9,749

**Composite's Compound Annual Growth Rate (CAGR) since inception is 7.08%**

#### Compliance Statement

Atlas Asset Management Limited ("AAML" or the "firm") claims compliance with the Global Investment Performance Standards (GIPS) and has prepared and presented this report in compliance with the GIPS standards. The Firm AAML has not been independently verified.

#### Firm Definition

AAML, sponsored by the Atlas Group of Companies is licensed to carry out Asset Management Services as Non-Banking Finance Company by Securities and Exchange Commission of Pakistan (Commission). The firm is also licensed by the Commission as Pension Fund Manager. The firm AAML includes all Collective Investment Schemes (including investment plans) and Voluntary Pension Schemes under its management.

#### Policies

AAML policies for valuing portfolios, calculating performance and preparing compliant presentations are available on request.

#### Composite Description

APIF Money Market Sub Fund Composite invests primarily in short term debt securities (as approved by the Shariah Advisor) with the weighted average time to maturity of the assets upto one year, and the time to maturity of Shariah Compliant Government securities such as Government of Pakistan Ijarah Sukuks upto three years. **Currently the composite comprises of one portfolio i.e. APIF Money Market Sub Fund.** APIF Money Market Sub Fund was launched on November 06, 2007. Particulars of APIF Money Market Sub Fund performance since inception is as follows:

Period	Total Net Return (%)
<b>3MFY14</b>	1.70%
<b>FY13</b>	7.12%
<b>FY12</b>	9.61%
<b>FY11</b>	9.79%
<b>FY10</b>	9.21%
<b>FY09</b>	11.00%
<b>FY08*</b>	4.41%
<b>APIF Money Market Sub Fund's Compound Annual Growth Rate (CAGR) since inception is 8.96%</b>	

\* From November 06, 2007 to June 30, 2008

APIF Money Market Sub Fund is a constituent of Atlas Pension Islamic Fund (APIF). APIF serves as a Shariah Compliant primary savings vehicle for retirement savings (i.e. pension savings) for individuals and is created as a Pension Fund under the Voluntary Pension System Rules 2005 having an umbrella structure composed of numerous Sub-Funds in the form of unit trust schemes under its wing, where contributions received from the participants shall be allocated in accordance with the allocation scheme selected by the participants.

#### Fees and Returns

Returns are calculated net of management fees (actual) and other expenses (which mainly includes custodial fee, trustee expense, SECP Fee, WWF and other levies).

#### Fee Schedule

Management Fee is 1.5% of Annual Net Assets with a discretionary 3.0% Front-end load. There is no Back-end load currently.

# APIF Money Market Sub Fund Composite

## Benchmark

The Commission, under the Voluntary Pension System Rules 2005, may measure performance of Pension Fund Manager by using specified benchmark to take corrective measures for Voluntary Pension Schemes as may be considered necessary by the Commission where the investment return are found to be consistently below the specified benchmark, as measured on a three years rolling average basis.

For this purpose, the index (to be developed) of the weighted average investment return of all sub-funds for all Pension Fund Managers shall be calculated by the Commission within ninety days of the end of each financial year.

The benchmark for the investment performance of APIF Money Market Sub Fund shall be the return of the index (as stated above) less 150 basis points.

## List of Composites

A list of all composite descriptions is available on request.

## Composites Policies

Policies for valuing portfolios, calculating performance, and preparing compliant presentations is available on request.

## Significant Events

- a) The Finance Act 2008 introduced an amendment to the Worker's Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes/mutual funds (CISs) whose income exceeds Rs. 0.5 million in a tax year, have been brought within scope of the WWF ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the Honorable High Court of Sindh (SHC), challenging the applicability of WWF to the CISs, which is pending adjudication. However, pending the decision of the said Constitutional Petition, the Management Company, as a matter of abundant caution, has maintained the provision for WWF. The realized amount of WWF as at September 30, 2013 amounts to Rs. 0.5 million.
- b) During the period, through Sindh Sales Tax on Services Act 2011, general sales tax on fund management services has been imposed at the rate 16% effective July 01, 2011. Management fee charges during the period (stated above) does not include general sales tax.

## Minimum Portfolio Size

The minimum portfolio size for inclusion in the composite is as follows: For Portfolio/Fund: Rs. 50 Million per Sub Fund (Minimum Regulatory Requirement to start a sub fund). Securities and Exchange Commission of Pakistan (SECP) may modify this requirement where the company registered as Pension Fund Manager has adequate solvency margin and track record for the last three years of the annual return on the funds being managed by the said company.

## Internal Dispersion

Since number of Portfolios in the composite is only one at the moment (less than five) therefore calculation of internal dispersion is not required.

## Ex-Post Standard Deviation

The three-year annualized ex-post standard deviation of the composite is as follows:

Period	3-Yr Standard Deviation
	Composite
3MFY14	0.84%
FY13	0.83%
FY12	0.75%
FY11	0.67%

## Key Assumptions

Following are the key assumptions used in portfolio valuation:

## Financial Instruments

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

## Revenue Recognition

Interest income on government securities is recognized using effective interest method at the rate of return implicit in the instrument. Interest income on bank balances, placements and deposits is recognized on an accrual basis. Gain or loss on sale of government securities is accounted for in the period in which it arises.

## APIF Money Market Sub Fund Composite

### Proprietary Assets in the Composite

Proprietary Assets in the composite contains investments of AAML, its Management Company.

### Taxation

- a) As provided in Clause 57 (1) (viii) of the Part 1 of the 2nd Schedule of the Income Tax Ordinance, 2001, the income of APIF Money Market Sub Fund Composite is exempt from tax.
  
- b) Under the provisions of Clause 47 (B) of Part 4 of the Second Schedule to the Income Tax Ordinance, 2001, the Pension Fund's income namely, dividend, profit on government securities, return on deposits/ certificates of investment with banks/ financial institutions, profits from money market transactions, profit from Profit or Loss sharing accounts with banks of the Pension Fund will not be subject to any withholding tax.





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Compliant Report - September 2013

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