

# Atlas funds

*Nurturing your investments*

Atlas Fund of Funds

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QUARTERLY REPORT

---

30 September 2011

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(UN-AUDITED)



Management Company

**Atlas Asset Management**

Rated AM2- by PACRA



### Vision

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

### Mission Statement

We are committed to offering our investors the best possible returns on a diverse range of products; to meeting not only the customers' current and future requirements, but also exceeding their expectations. We aim to be the company with which people prefer to do business. We are committed to providing a stimulating and challenging environment in which all our people can be valuable contributors to the achievement of our vision, while achieving career progression and job satisfaction. We recognize that our success comes from our people. We are committed to the highest ethical and fiduciary standards and firmly believe that by placing the best interests of our clients first, we will also serve the best interest of our employees, our shareholders, and the communities in which we operate.

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# Atlas Fund of Funds

## ORGANISATION

Management Company	Management Committee
Atlas Asset Management Limited	Chairman Mr. M. Habib-ur-Rahman Members Ms Lilly R. Dossabhoy Mr. Muhammad Abdul Samad Mr. Hassan Khan
Board of Directors of the Management Company	Secretary Mr. M. Irfan Dhedhi
Chairman Mr. Yusuf H. Shirazi Directors Mr. Tariq Amin Mr. M. Ashraf Janjua Mr. Frahim Ali Khan Mr. Arshad P. Rana Mr. Ali H. Shirazi	Trustee
Chief Executive Officer Mr. M. Habib-ur-Rahman	MCB Financial Services Limited 3rd Floor, Adamjee House, I. I. Chundrigar Road Karachi
Company Secretary Ms Lilly R. Dossabhoy	Chief Internal Auditor
Board Committees	Ms Qurrat-ul-Ain Jafari
Audit Committee	Auditors
Chairman Mr. Tariq Amin Members Mr. M. Ashraf Janjua Mr. Frahim Ali Khan	Ernst & Young Ford Rhodes Sidat Hyder Chartered Accountants
Secretary Mr. Imtiaz Ahmed Khan	Legal Advisers
Human Resource Committee	Mohsin Tayebaly & Co.
Chairman Mr. Frahim Ali Khan Members Mr. M. Habib-ur-Rahman Mr. Ali H. Shirazi	Bankers
Investment Committee	Bank Alfalah Limited Faysal Bank Limited Summit Bank Limited The Bank of Punjab
Chairman Mr. M. Habib-ur-Rahman Members Mr. Ali H. Shirazi Mr. Muhammad Abdul Samad Mr. Khalid Mahmood	Registered Office
Secretary Mr. Muhammad Umar Khan	Ground Floor, Federation House, Sharae Firdousi Clifton, Karachi - 75600 Tel: (92-21) 111-MUTUAL (6-888-25) (92-21) 35379501-04 Fax: (92-21) 35379280 Email: info@atlasfunds.com.pk Website: www.atlasfunds.com.pk

# First Quarter Report 2011-12

## CHAIRMAN'S REVIEW

It is my pleasure to present the un-audited financial statements of Atlas Fund of Funds for the three months period ended 30 September 2011 of the FY 2011-12.

### The Economy

The economy of Pakistan has been showing greater stability led by growth in exports, higher remittance, gradual buildup of foreign exchange reserves and decline in inflation. During the period July-September FY 12, the total exports stood at US\$ 6.0 billion, as compared to US\$ 5.06 billion last year. During July-September FY 11-12, foreign remittances reached the record level of US\$ 3.30 billion, which is 24.60% higher than the remittances during the corresponding period last year. The foreign exchange reserves of the country stood at US\$ 17.38 billion as of September, 2011, while current account during July-August FY 12 posted a deficit of US\$ 189 million, as compared to a deficit of US\$ 1.02 billion in the same period last year mainly on account of higher remittances. CPI inflation during July-September FY 12 averaged 11.5% as compared to 13.4% during July-September FY 11. The SBP reduced the policy rate in two successive policy decisions to 12% from 14% mainly on grounds of relatively contained government borrowing from the central bank and the reduced CPI inflation.

### Fund Operations

The Net Asset Value per certificate of the ATFF has increased by 4.62% from Rs.9.73 as on 30 June 2011 to Rs.10.18 as on 30 September 2011. During the period under review, the benchmark Closed End Funds Market Capitalization has decreased by 5.97% from Rs.13.1 billion as on 30 June 2011 to Rs.12.32 billion as on 30 September 2011.

Dividend Income and Interest Income stood at Rs.27.2 million and Rs.0.87 million respectively for the period under review. The Net Assets of the Fund stood at Rs.454 million as of 30 September 2011. The ATFF's total exposure in mutual funds was 84.1% of the Net Assets. The total investment in closed - end funds that are trading at attractive discounts stood at 32.81% of the Net Assets.

### Ratings

The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of "AM2-" (AM Two Minus), to Atlas Asset Management Limited (AAML) for the FY 2009-10. The rating denotes the Company's very strong capacity to manage the risks inherent in asset management and meets high investment management industry standards and benchmarks.

The rating of the Fund is pending since FY 2007-08 due to some issues in the categorization of the Fund. The Management Company has also referred the matter to the Mutual Funds Association of Pakistan, to enable resolution of the matter, however, there being no other fund in this category, rating is not presently facilitated by the rating agencies.

### Future Outlook

Currently, the key challenges faced by Pakistan's economy are being emanated from falling private investment, rising total debt due to a low tax to GDP ratio, energy deficit and circular debt issue. The SBP decision to reduce policy rate is expected to have a desirable impact on the demand for private sector credit, and resulting increase in fixed investment may help the productive capacity of the economy. However, an enduring expansion in the private sector credit would require more fiscal reforms. The efforts to overcome key challenges faced by the economy will largely depend upon prudent macroeconomic policies and their timely implementation, which in turn could lay the basis for sustainable economic growth.

The Fund is committed to prudent investment procedures and will continue to provide consistent long term returns to the investors.

چشم وا کرد و جهان دگرے پیداشد

(With eyes open, the world looks differently)

# Atlas Fund of Funds

## Acknowledgement

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

Karachi: 26 October 2011

Yusuf H. Shirazi  
Chairman

# First Quarter Report 2011-12

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED)  
AS AT 30 SEPTEMBER 2011

		30 September 2011 Un-audited	30 June 2011 Audited
	Note	----- Rupees -----	-----
<b>Assets</b>			
Bank balances	4	45,869,293	16,086,920
Investments	5	382,072,752	419,914,511
Dividend receivable		24,771,330	-
Interest accrued		360,501	451,996
Security deposits, prepayments and other receivable		7,904,329	7,723,976
<b>Total assets</b>		<b>460,978,205</b>	<b>444,177,403</b>
<b>Liabilities</b>			
Payable against purchase of securities		-	3,312,271
Payable to the management company		643,667	679,297
Payable to the trustee		65,412	65,633
Payable to the SECP		104,856	389,781
Accrued and other liabilities	6	5,415,515	4,743,473
Dividend payable		455,282	455,282
<b>Total liabilities</b>		<b>6,684,732</b>	<b>9,645,737</b>
<b>Net assets</b>		<b>454,293,473</b>	<b>434,531,666</b>
<b>Represented by:</b>			
<b>Certificate holders' Fund</b>			
Issued, subscribed and paid up [52,500,000 (30 June 2011: 52,500,000) certificates of Rs. 10/- each]		525,000,000	525,000,000
Repurchase of own certificates by the Fund [7,860,842 (30 June 2011: 7,860,842) certificates]	7	(38,414,346)	(38,414,346)
		486,585,654	486,585,654
Accumulated loss		(32,292,181)	(52,053,988)
		<b>454,293,473</b>	<b>434,531,666</b>
<b>Net asset value per certificate</b>		<b>10.18</b>	<b>9.73</b>

The annexed notes from 1 to 11 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited  
(Management Company)

M. Habib-ur-Rahman  
Chief Executive Officer

Yusuf H. Shirazi  
Chairman

Tariq Amin  
Director

# Atlas Fund of Funds

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)  
FOR THE QUARTER ENDED 30 SEPTEMBER 2011

	Note	2011 ----- Rupees -----	2010 ----- Rupees -----
<b>Income</b>			
Dividend income		27,266,375	18,663,591
Interest income		869,949	834,521
Net (loss)/gain on investments at fair value through income statement (held-for-trading)			
Net gain on sale of investments		2,598,897	408,484
Net unrealised (loss)/gain on revaluation of investments		(7,553,809)	13,296,700
		(4,954,912)	13,705,184
Net gain on sale of available -for- sale investments		-	142,178
		23,181,412	33,345,474
<b>Expenses</b>			
Remuneration of the management company		1,971,464	1,779,378
Sindh Sales Tax on Services		315,434	-
Remuneration of the trustee		197,065	164,957
SECP annual fee		104,856	84,518
Annual rating fee		-	27,500
Annual listing fee		43,243	31,771
Securities transaction cost		208,893	88,696
Auditors' remuneration		60,000	51,250
Printing charges		95,875	87,500
CDC charges		16,875	16,875
Bank charges		2,598	1,552
Provision for Workers' Welfare Fund	6.1	403,302	620,230
		3,419,605	2,954,227
Net income for the period		19,761,807	30,391,247
Earnings per certificate - basic and diluted	8	0.44	0.62

The annexed notes from 1 to 11 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited  
(Management Company)

M. Habib-ur-Rahman  
Chief Executive Officer

Yusuf H. Shirazi  
Chairman

Tariq Amin  
Director



# First Quarter Report 2011-12

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE QUARTER ENDED 30 SEPTEMBER 2011

	2011	2010
	----- Rupees -----	
Net income for the period	19,761,807	30,391,247
Other comprehensive income		
Net unrealised gain on revaluation of available-for-sale investments arising during the period	-	889,355
Reclassification adjustment for gains included in income statement upon disposal of investments	-	(142,178)
	-	747,177
Total comprehensive income for the period	<u>19,761,807</u>	<u>31,138,424</u>

The annexed notes from 1 to 11 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited  
(Management Company)

M. Habib-ur-Rahman  
Chief Executive Officer

Yusuf H. Shirazi  
Chairman

Tariq Amin  
Director

# Atlas Fund of Funds

CONDENSED INTERIM DISTRIBUTION STATEMENT (UN-AUDITED)  
FOR THE QUARTER ENDED 30 SEPTEMBER 2011

	2011	2010
	----- Rupees -----	-----
Accumulated loss brought forward	(52,053,988)	(176,194,093)
Net income for the period	19,761,807	30,391,247
Accumulated loss carried forward	<u>(32,292,181)</u>	<u>(145,802,846)</u>

The annexed notes from 1 to 11 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited  
(Management Company)

M. Habib-ur-Rahman  
Chief Executive Officer

Yusuf H. Shirazi  
Chairman

Tariq Amin  
Director

# First Quarter Report 2011-12

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)  
FOR THE QUARTER ENDED 30 SEPTEMBER 2011

	Note	2011 ----- Rupees -----	2010 ----- Rupees -----
Cash flows from operating activities			
Net income for the period		19,761,807	30,391,247
Adjustments for:			
Dividend income		(27,266,375)	(18,663,591)
Interest income		(869,949)	(834,521)
Net gain on sale of investments		(2,598,897)	(408,484)
Net unrealised (loss)/gain on revaluation of investments		7,553,809	(13,296,700)
Net gain on sale of available for sale investments		-	(142,178)
		(23,181,412)	(33,345,474)
(Increase)/decrease in assets			
Security deposits, prepayments and other receivable		(180,353)	7,810,522
(Decrease)/increase in liabilities			
Payable against purchase of securities		(3,312,271)	(2,711,132)
Payable to the management company		(35,630)	1,779,378
Payable to the trustee		(221)	1,215
Payable to the SECP		(284,925)	(239,088)
Accrued and other liabilities		672,042	786,480
		(2,961,005)	(383,147)
		(6,560,963)	4,473,148
Dividend received			
		2,495,045	7,229,716
Interest received			
		961,444	834,150
Investments made during the period			
		(130,384,034)	(32,000,000)
Investments sold/redeemed during the period			
		163,270,881	24,203,911
Net cash inflow from operating activities		29,782,373	4,740,925
Cash flows from financing activities			
Repurchase of own certificates		-	(2,100,000)
Net increase in cash and cash equivalents		29,782,373	2,640,925
Cash and cash equivalents at the beginning of the period		16,086,920	34,071,782
Cash and cash equivalents at the end of the period	4	45,869,293	36,712,707

The annexed notes from 1 to 11 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited  
(Management Company)

M. Habib-ur-Rahman  
Chief Executive Officer

Yusuf H. Shirazi  
Chairman

Tariq Amin  
Director

# Atlas Fund of Funds

CONDENSED INTERIM STATEMENT OF MOVEMENT IN CERTIFICATE HOLDERS' FUND (UN-AUDITED)  
FOR THE QUARTER ENDED 30 SEPTEMBER 2011

	Note	Fund	Repurchased certificates	(Accumulated losses) Rupees	Unrealised gain on revaluation of available-for-sale investment	Total
Net assets as at 30 June 2010 [Rs.7.03 per certificate]		525,000,000	(10,113,886)	(176,194,093)	6,737,313	345,429,334
Repurchase of own certificates	7	-	(2,100,000)	-	-	(2,100,000)
Net income for the period		-	-	30,391,247	-	30,391,247
Other comprehensive income		-	-	-	747,177	747,177
Total comprehensive income for the period		-	-	30,391,247	747,177	31,138,424
Net assets as at 30 September 2010 [Rs.7.70 per certificate]		525,000,000	(12,213,886)	(145,802,846)	7,484,490	374,467,758
Cash dividend @ Re.0.22 per certificate declared on 12 October 2010		-	-	(10,700,615)	-	(10,700,615)
Repurchase of own certificates		-	(26,200,460)	-	-	(26,200,460)
Net income for the period		-	-	104,449,473	-	104,449,473
Other comprehensive loss		-	-	-	(7,484,490)	(7,484,490)
Total comprehensive income/(loss) for the period		-	-	104,449,473	(7,484,490)	96,964,983
Net assets as at 30 June 2011 [Rs.9.73 per certificate]		525,000,000	(38,414,346)	(52,053,988)	-	434,531,666
Repurchase of own certificates		-	-	-	-	-
Net income for the period		-	-	19,761,807	-	19,761,807
Other comprehensive income		-	-	-	-	-
Total comprehensive income for the period		-	-	19,761,807	-	19,761,807
Net assets as at 30 September 2011 [Rs.10.18 per certificate]		525,000,000	(38,414,346)	(32,292,181)	-	454,293,473

The annexed notes from 1 to 11 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited  
(Management Company)

M. Habib-ur-Rahman  
Chief Executive Officer

Yusuf H. Shirazi  
Chairman

Tariq Amin  
Director

# First Quarter Report 2011 -12

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE QUARTER ENDED 30 SEPTEMBER 2011

## 1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Atlas Fund of Funds (the Fund), is a closed end mutual fund established under a Trust Deed executed between Atlas Asset Management Limited (AAML) as management company and Central Depository Company of Pakistan Limited (CDC) as trustee on 29 May 2004. CDC voluntarily resigned on 23 February 2007 as trustee and MCB Financial Services Limited (MCBFSL) was appointed as the trustee with effect from that date. The Trust Deed was revised through the Deed of Change of Trustee and First Supplemental Trust Deed dated 23 February 2007 with the approval of SECP. The investment activities and administration of the Fund are managed by Atlas Asset Management Limited situated at Ground Floor, Federation House, Shahrae Firdousi, Clifton, Karachi.
- 1.2 The certificates of the Fund were offered for public subscription in December 2004. The certificates of the Fund are listed on the Karachi Stock Exchange (Guarantee) Limited.
- 1.3 According to the Trust Deed, the objective of the Fund is to provide investors one window facility to invest in a diversified portfolio of securities offering consistent return and growth. The Fund aims to deliver this objective mainly by investing in closed end mutual funds to take advantage of availability of such securities at discount to Net Asset Value (NAV). Depending upon the market opportunity, the management company may defer investment in closed end mutual funds and invest in open ended mutual funds, cash and/or near cash instruments including cash in bank accounts (excluding Term Deposit Receipts), and treasury bills not exceeding ninety days maturity. The investment objectives and policies are more fully defined in the Fund's offering document.

## 2. BASIS OF PREPARATION

- 2.1 These condensed interim financial statements have been prepared in accordance with International Accounting Standard - 34 "Interim Financial Reporting" as applicable in Pakistan.
- 2.2 These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the Fund for the year ended 30 June 2011.

## 3. ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed interim financial statements are consistent with those of the previous financial year.

	30 September 2011	30 June 2011
	Un-audited	Audited
Note	-----	-----
	Rupees	

## 4. BANK BALANCES

In current accounts - dividend accounts		455,282	455,282
In PLS saving accounts	4.1	45,414,011	15,631,638
		<u>45,869,293</u>	<u>16,086,920</u>

- 4.1 The rate of return on these accounts ranges between 5% and 11.75% (30 June 2011: 5% and 11.50%) per annum.

## 5. INVESTMENTS

At fair value through income statement (held-for-trading)	5.1	<u>382,072,752</u>	<u>419,914,511</u>
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# Atlas Fund of Funds

## 5.1 Investments - at fair value through income statement (held-for-trading)

Number of shares / certificates / units					Rupees		Percentage of		
At the beginning of the period	Acquired during the period	Bonus during the period	Disposed/ redeemed during the period	At the end of the period	Market Value	Total investment	Net assets	Paid-up Capital/Net asset value of Investee company	

### 5.1.1 CLOSED-ENDED MUTUAL FUNDS

#### EQUITY INVESTMENT INSTRUMENTS (Face value of Rs. 10/- each unless stated otherwise)

Managed by AKD Investment Management Limited

##### Golden Arrow Selected Stocks Fund

Limited	3,000,000	-	-	-	3,000,000	9,090,000	2.38	2.00	1.97
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(Face value Rs. 5/- per share)

Managed by Al-Meezan Investment Management Limited

Meezan Balanced Fund	3,650,000	17,903	-	-	3,667,903	33,011,127	8.64	7.27	3.06
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Managed by JS Investments Limited

JS Value Fund Limited	1,325,000	-	-	-	1,325,000	6,227,500	1.63	1.37	1.12
JS Growth Fund	4,788,976	4,962	-	-	4,793,938	29,099,204	7.62	6.41	1.51

6,113,976 4,962 - - 6,118,938 35,326,704 9.25 7.78

Managed by PICIC Asset Management Company Limited

PICIC Energy Fund	2,425,974	1,574,026	-	-	4,000,000	27,960,000	7.32	6.15	4.00
PICIC Growth Fund	1,313,550	436,450	-	-	1,750,000	21,315,000	5.58	4.69	0.62
PICIC Investment Fund	4,000,000	300,000	-	-	4,300,000	22,360,000	5.85	4.92	1.51

7,739,524 2,310,476 - - 10,050,000 71,635,000 18.75 15.77

149,062,831 39.01 32.81

### OPEN-ENDED MUTUAL FUNDS

(Face value of Rs. 10/- each unless stated otherwise)

Managed by Al-Meezan Investment Management Limited

Al-Meezan Mutual Fund Limited	2,948,995	200,000	-	-	3,148,995	30,693,254	8.03	6.76	1.83
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Managed By Atlas Asset Management Limited

(Related party)

Atlas Income Fund (Related party) (Face value Rs. 500/- per unit)	-	20,523	-	-	20,523	10,007,594	2.62	2.20	1.39
Atlas Islamic Income Fund (Related party) (Face value Rs. 500/- per unit)	-	19,402	-	-	19,402	10,007,761	2.62	2.20	2.25
Atlas Islamic Stock Fund (Related party) (Face value Rs. 500/- per unit)	19,904	138,169	6,873	55,191	109,754	35,045,490	9.17	7.71	14.92
Atlas Money Market Fund (Related party) (Face value Rs. 500/- per unit)	48,403	59,683	1,450	59,798	49,738	25,008,456	6.55	5.50	0.69
Atlas Stock Market Fund (Related party) (Face value Rs. 500/- per unit)	70,317	54,290	23,140	147,747	-	-	-	-	-

138,624 292,067 31,463 262,736 199,418 80,069,301 20.96 17.63

Managed By Habib Asset Management Limited

First Habib Cash Fund	329,985	-	9,897	339,882	-	-	-	-	-
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(Face value Rs. 100/- per unit)

Managed By HBL Asset Management Limited

HBL Islamic Stock Fund (Face value Rs. 100/- per unit)	50,095	-	769	-	50,865	5,432,297	1.42	1.20	1.89
HBL Money Market Fund (Face value Rs. 100/- per unit)	242,881	-	7,408	250,288	-	-	-	-	-
HBL Stock Fund (Face value Rs. 100/- per unit)	183,006	-	19,813	-	202,820	19,278,836	5.05	4.24	1.06

475,982 - 27,990 250,288 253,684 24,711,133 6.47 5.44

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Note	Number of shares / certificates / units					Rupees	Percentage of		
	At the beginning of the period	Acquired during the period	Bonus during the period	Disposed/ redeemed during the period	At the end of the period	Market Value	Total investment	Net assets	Paid-up Capital/Net asset value of Investee company
OPEN-ENDED MUTUAL FUNDS (Continued...)									
(Face value of Rs. 10/- each unless stated otherwise)									
Managed By JS Investments Limited									
JS Cash Fund (Face value Rs. 100/- per unit)	210,175	-	13,126	67,561	155,741	15,802,995	414	3.48	0.93
Managed By Lakson Investments Limited									
Lakson Income Fund (Face value Rs. 100/- per unit)	370,400	-	14,096	-	384,497	38,604,073	10.10	8.50	3.80
Lakson Money Market Fund (Face value Rs. 100/- per unit)	356,570	-	13,821	-	370,391	37,065,885	9.70	8.16	0.75
	726,970	-	27,917	-	754,888	75,669,958	19.81	16.66	
Managed By National Investment Trust Limited									
NIT Government Bond Fund	529,256	-	53,472	-	582,728	6,063,280	1.59	1.33	0.22
						233,009,921	60.99	51.29	
5.1.2						382,072,752	100.00	84.10	

5.1.2 The cost of the above investments is Rs.484,119,338 (30 June 2011: Rs.504,517,709).

Note	30 September 2011	30 June 2011
	Un-audited	Audited
	Rupees	
6. ACCRUED AND OTHER LIABILITIES		
Auditors' remuneration payable	251,707	191,707
Printing charges payable	329,050	233,175
Settlement charges	19,500	20,000
Withholding tax payable	10,378	-
Rating fee payable	200,000	200,000
Sindh Sales Tax on Services payable	102,987	-
Provision for Workers' Welfare Fund	4,501,893	4,098,591
	<u>5,415,515</u>	<u>4,743,473</u>

6.1 The Finance Act 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes / Mutual Funds (CISs) / Pension Funds whose income exceeds Rs.0.5 million in a tax year, have been brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a Constitutional Petition has been filed by certain CISs through their trustees in the Honorable High Court of Sindh (SHC), challenging the applicability of WWF to the CISs / Pension Funds, which is pending adjudication. However, without prejudice to the above, the Management Company made a provision for WWF contribution in the annual financial statements for the year ended 30 June 2010.

Subsequent to the year ended 30 June 2010, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) which stated that mutual funds are not liable to contribute to WWF on the basis of their income. In December 2010 the Ministry filed its response against the

# Atlas Fund of Funds

Constitutional Petition requesting the Court to dismiss the same, whereafter, show cause notices were issued by Federal Board of Revenue (FBR) to several mutual funds (CISs) / Pension Funds for the collection of WWF. In respect of such show cause notices, certain mutual funds (CISs)/ Pension Funds have been granted stay by Honorable SHC on the basis of the pending Constitutional Petition as referred above.

Subsequent to the year ended 30 June 2011, the Honorable Lahore High Court (LHC) in a Constitutional Petition relating to the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006, and the Finance Act, 2008, has declared the said amendments as unlawful and unconstitutional. The Management Company is hopeful that the decision of the LHC, will lend further support to the Constitutional Petition which is pending in the SHC. However, pending the decision of the said Constitutional Petition, the Management Company, as a matter of abundant caution, has decided to continue to maintain the provision for WWF amounting to Rs.4,501,893/- in these financial statements.

## 7. REPURCHASE OF OWN CERTIFICATES

This represents investment made by the Fund in its own certificates, as permitted under Regulation 55(11) of the NBFC Regulations, read with SECP's Circular 14 of 2009 dated 04 May 2009, and as approved by the SECP vide their letter no.NBFC/MF-RS/AFOF/221/2009 dated 13 February 2009. These certificates shall be available for resale subsequently, in accordance with the requirements prescribed under Circular 14 of 2009, with the approval of Board of Directors of the Management Company.

For the Quarter Ended	
30 September 2011	30 September 2010
Un-audited	Un-audited
----- Rupees -----	

## 8. EARNINGS PER CERTIFICATE - basic and diluted

Net income for the period (Rupees)	19,761,807	30,391,247
Weighted average number of certificates outstanding during the period (Number of certificates)	44,639,158	48,639,158
Earnings per certificate (Rupees) - basic and diluted	0.44	0.62

For the Quarter Ended	
30 September 2011	30 September 2010
Un-audited	Un-audited
----- Rupees -----	

## 9. TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

### 9.1 Transactions for the period

Atlas Asset Management Limited (Management Company)		
Remuneration charged	1,971,464	1,779,378
Remuneration paid	2,007,094	-
MCB Financial Services Limited (Trustee)		
Trustee fee	197,065	164,957
Atlas Income Fund (under common management)		
Investments 20,523 (2010: Nil) units	10,000,000	-



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For the Quarter Ended	
30 September 2011	30 September 2010
Un-audited	Un-audited
----- Rupees -----	

## 9.1 Transactions for the period (Continued...)

Atlas Islamic Income Fund (under common management)		
Investments 19,402 (2010: Nil) units	10,000,000	-
Bonus Nil (2010: 1,559) units	-	800,000
Redemption Nil (2010: 1,599) units	-	810,154
Atlas Islamic Stock Fund (under common management)		
Investments 138,169 (2010: Nil) units	43,000,000	-
Redemption 55,191 (2010: Nil) units	17,000,000	-
Bonus 6,873 (2010: Nil) units	2,089,916	-
Atlas Money Market Fund (under common management)		
Investments 59,683 (2010: Nil) units	30,000,000	-
Redemption 59,798 (2010: Nil) units	30,129,945	-
Bonus 1,450 (2010: Nil) units	728,041	-
Atlas Stock Market Fund (under common management)		
Investments 54,290 (2010: Nil) units	17,129,945	-
Redemption 147,747 (2010: Nil) units	48,634,895	-
Bonus 23,140 (2010: 19,878) units	7,734,852	6,304,869

30 September 2011	30 June 2011
Un-audited	Audited
----- Rupees -----	

## 9.2 Outstanding balances as at period / year end

Atlas Asset Management Limited (Management Company)		
Payable to the management company	643,667	679,297
Certificates held 6,152,525 (30 June 2011: 6,152,525) at market value	42,021,746	39,991,413
MCB Financial Services Limited (Trustee)		
Trustee fee payable	65,412	65,633
Key Management Personnel of Management Company		
Certificates held 336,176 (30 June 2011: 321,676) at market value	2,296,082	2,090,894

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

# Atlas Fund of Funds

## 10. GENERAL

- 10.1 Figures have been rounded off to the nearest Rupee.
- 10.2 Certain prior year's figures have been reclassified/rearranged for the purpose of comparison. However, there were no material reclassifications to report.

## 11. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the management company on 26 October 2011.

For Atlas Asset Management Limited  
(Management Company)

M. Habib-ur-Rahman  
Chief Executive Officer

Yusuf H. Shirazi  
Chairman

Tariq Amin  
Director

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