

# Atlas funds

*Nurturing your investments*

Atlas Fund of Funds

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QUARTERLY REPORT

---

30 September 2012

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(UN-AUDITED)

OPENING  
to new **Horizons**



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.

## CONTENTS

ORGANISATION	2
CHAIRMAN'S REVIEW	3
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES	5
CONDENSED INTERIM INCOME STATEMENT	6
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME	7
CONDENSED INTERIM DISTRIBUTION STATEMENT	8
CONDENSED INTERIM CASH FLOW STATEMENT	9
CONDENSED INTERIM STATEMENT OF MOVEMENT IN CERTIFICATE HOLDERS' FUND	10
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS	11

# Atlas Fund of Funds

## ORGANISATION

### Management Company

Atlas Asset Management Limited

### Board of Directors of the Management Company

Chairman Mr. Yusuf H. Shirazi  
(Non-Executive Director)

Directors Mr. Tariq Amin  
(Independent Director)

Mr. M. Ashraf Janjua  
(Independent Director)

Mr. Frahim Ali Khan  
(Non-Executive Director)

Mr. Arshad P. Rana  
(Non-Executive Director)

Mr. Ali H. Shirazi  
(Non-Executive Director)

Chief Executive Officer Mr. M. Habib-ur-Rahman  
(Executive Director)

Company Secretary Ms Lilly R. Dossabhoy

### Board Committees

#### Audit Committee

Chairman Members Mr. Tariq Amin  
Mr. M. Ashraf Janjua  
Mr. Frahim Ali Khan

Secretary Ms Qurrat-ul-Ain Jafari

#### Human Resource Committee

Chairman Members Mr. Frahim Ali Khan  
Mr. M. Habib-ur-Rahman  
Mr. Ali H. Shirazi

Secretary Mr. Mohsin Ali Khan

#### Investment Committee

Chairman Members Mr. M. Habib-ur-Rahman  
Mr. Ali H. Shirazi  
Mr. Muhammad Abdul Samad  
Mr. Khalid Mahmood  
Mr. Muhammad Umar Khan  
(Secretary)

### Management Committee

Chairman Mr. M. Habib-ur-Rahman  
Members Ms Lilly R. Dossabhoy  
Mr. Muhammad Abdul Samad  
Mr. Abbas Sajjad

Secretary Mr. M. Irfan Dhedhi

### Risk Management Committee

Chairman Members Mr. Muhammad Abdul Samad  
Mr. Khalid Mahmood

Ms Qurrat-ul-Ain Jafari  
Secretary Mr. Muhammad Umar Khan  
Ms Zainab Hussain

### Trustee

MCB Financial Services Limited  
3rd Floor, Adamjee House, I. I. Chundrigar Road  
Karachi

### Chief Internal Auditor

Ms Qurrat-ul-Ain Jafari

### Auditors

A. F. Ferguson & Co.  
Chartered Accountants

### Legal Advisers

Mohsin Tayebaly & Co.

### Bankers

Bank Alfalah Limited  
Faysal Bank Limited  
Summit Bank Limited  
The Bank of Punjab

### Registered Office

Ground Floor, Federation House, Sharae Firdousi  
Clifton, Karachi - 75600

Tel: (92-21) 111-MUTUAL (6-888-25)  
(92-21) 35379501-04

Fax: (92-21) 35379280

Email: info@atlasfunds.com.pk

Website: www.atlasfunds.com.pk

The above information is as at 24 October 2012.

# First Quarter Report 2012-13

## CHAIRMAN'S REVIEW

It is my pleasure to present the un-audited financial statements of Atlas Fund of Funds (ATFF) for the first quarter ended 30 September 2012 of the FY 2012-13.

### The Economy

Pakistan's current account marked a surplus of US\$ 432 million for the first quarter (July-September) of the FY 2012-13, as compared to a deficit of US\$ 1,339 million witnessed in corresponding period last year. This is primarily due to strong remittances; US\$ 3.6 billion received in July - September 2012 and receipt of US\$ 1.12 billion Coalition Support Funds in August 2012. On a positive side, trade deficit declined by 9.97% in the first quarter due to rise in exports by 4.26% YoY (US\$ 6.19 billion) and decline in imports by 2.4% YoY, (US\$ 10.85 billion) for the July- September FY 2012-13 period. The foreign exchange reserves of the country stood at US\$ 14.9 billion as of 28 September 2012. CPI inflation during July-September FY 2012-13 averaged 9.1% as compared to 11.5% during July-September FY 2011-12. The State Bank of Pakistan (SBP) continued with its policy of gradually easing discount rate to enhance growth with the reduction in CPI inflation. A declining inflation, together with weak growth in credit to private businesses, is the basic context in which SBP reduced its policy rate by 150 bps in August 2012 and later by 50 bps in October 2012, that is, from 12% to currently 10%.

### Fund Operations

The ATFF's Net Asset Value per certificate has increased by 10.08% to Rs.10.20 as of 30 September 2012. During the period under review, the benchmark Closed End Funds Market Capitalization has increased by 7% from Rs.14 billion as on 30 June 2012 to Rs.15 billion as on 30 September 2012.

As on 30 September 2012, the asset allocation reflected an 88.36% of Net Assets investment in closed-end and open end mutual funds. The investment in closed-end funds trading at discount stood at 44 % of the Net Assets. The market value of certificates of the Fund was Rs.8.15. The net asset value of the certificates, based on the market value of investment in closed-end funds stood at Rs.10.20. However, if the net asset values of the ATFF investments in closed end funds are considered, the net asset value of the certificates of ATFF works out to Rs.11.74. ATFF's Dividend Income and Interest Income stood at Rs.12.5 million and Rs.1.2 million respectively for the period under review. The Net Assets of the Fund stood at Rs.428.61 million as of 30 September 2012.

As per clause 65 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, an Asset Management Company managing a closed end fund shall, from the expiry of every five years from 21 November 2007 or the date of launch of the fund whichever is later, hold within one month of such period a meeting of the certificate holders to seek their approval (by special resolution) to convert the closed-end fund into an open-end scheme or revoke the closed-end scheme. Accordingly, the Management Company of the Fund has decided to hold the meeting of the certificate holders tentatively on 18 December 2012. As stated in the above paragraph, if the certificate holders of closed-end funds in which ATFF is invested and the certificate holders of ATFF resolve to convert the Funds into an open end fund, the true value of certificates of ATFF will realize, which is presently at substantial discount.

### Rating Update

#### • Management Company Rating

The Pakistan Credit Rating Agency Limited (PACRA) has maintained asset manager rating of Atlas Asset Management Limited (AAML) at "AM2-" (AM Two Minus). 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.

#### • Fund Rating

The rating of ATFF is pending as PACRA, the Rating Agency had proposed to place the Fund under "balanced closed-end Fund" category. "Balanced closed-end Fund" invests in a combination of equity and debt instruments. The investment objective of ATFF is to invest in other closed-end funds to take advantage of discount to NAV at which these funds trade at the stock exchange and in open end funds. Under Circular 7 of 2009 dated 6 March 2009 issued by the Securities and Exchange

# Atlas Fund of Funds

Commission of Pakistan on the categorization of open ended collective investment schemes (also applicable for closed end schemes), the proper placement of the Fund is under the category of "Fund of Funds Scheme", with the objective of investing in closed end schemes. Atlas Fund of Funds is the only fund in this category. The Management Company is of the view that Fund should be rated with other funds in the same category and in absence of other funds available in the category; the Fund should be rated against the bench mark, which in this case is the market capitalization of closed end funds. Had the investment objective of the Fund been to make investment in other open-end balanced funds or combination of open-end equity and debt funds, the categorization as balanced fund would have been justified. The Management Company referred the matter to MUFAP and the matter is still unresolved.

## Future Outlook

In order to achieve sustainable economic growth in the medium term, it is imperative to encourage investment by bringing comprehensive reforms in the energy and fiscal sectors. This would involve effective policies to broaden the tax base and to increase revenues, tackling the circular debt to resolve the prevailing energy crisis, and human development. There is also a need to improve financial inflows in order to further build foreign exchange reserves. The SBP decision to reduce policy rate is expected to have a desirable impact on the demand for private sector credit and investment in the economy. A durable solution to the energy sector problems would help in lowering inflation on more sustainable basis.

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

ملت سے رابطہ استوار رکھ

(Let us continue to enforce our social responsibility)

## 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: 24 October 2012

Yusuf H. Shirazi  
Chairman

# First Quarter Report 2012-13

## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED) AS AT 30 SEPTEMBER 2012

		30 September 2012 Un-audited	30 June 2012 Audited
	Note	----- Rupees -----	-----
<b>Assets</b>			
Bank balances	4	73,203,931	11,509,118
Receivable against sale of securities		2,500,000	3,348,504
Investments	5	378,730,077	409,172,937
Dividend receivable		12,497,316	-
Interest accrued		506,706	302,229
Security deposits, prepayments and other receivable		7,932,286	7,723,976
<b>Total assets</b>		<b>475,370,316</b>	<b>432,056,764</b>
<b>Liabilities</b>			
Payable against purchase of securities		-	37,240
Payable to the management company		586,233	575,743
Payable to the trustee		66,680	62,013
Payable to the SECP		107,901	396,970
Accrued and other liabilities	6	7,230,840	6,360,098
Dividend payable		38,771,507	971,507
<b>Total liabilities</b>		<b>46,763,161</b>	<b>8,403,571</b>
<b>Net assets</b>		<b>428,607,155</b>	<b>423,653,193</b>
<b>Represented by:</b>			
<b>Certificate holders' Fund</b>			
Issued, subscribed and paid up [52,500,000 (30 June 2012: 52,500,000) certificates of Rs.10/- each]		525,000,000	525,000,000
Repurchase of own certificates by the Fund [10,500,000 (30 June 2012: 10,500,000) certificates]	7	(59,789,212)	(59,789,212)
		465,210,788	465,210,788
<b>Accumulated loss</b>		<b>(36,603,633)</b>	<b>(41,557,595)</b>
		<b>428,607,155</b>	<b>423,653,193</b>
<b>Net asset value per certificate</b>		<b>10.20</b>	<b>10.09</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 2012

	Note	2012 ----- Rupees	2011 ----- Rupees
<b>Income</b>			
Dividend income		12,497,316	27,266,375
Interest income		1,198,820	869,949
Net gain / (loss) on investments at fair value through income statement (held-for-trading)			
Net gain on sale of investments		10,659,959	2,598,897
Net unrealised gain / (loss) on revaluation of investments		21,997,902	(7,553,809)
		32,657,861	(4,954,912)
		46,353,997	23,181,412
<b>Expenses</b>			
Remuneration of the management company		1,825,158	1,971,464
Sindh Sales Tax on Remuneration of the Management Company		292,025	315,434
Remuneration of the trustee		201,887	197,065
SECP annual fee		107,901	104,856
Annual listing fee		52,562	43,243
Securities transaction cost		62,916	208,893
Auditors' remuneration		37,695	60,000
Printing charges		126,250	95,875
CDC charges		16,875	16,875
Bank charges		4,236	2,598
Provision for Workers' Welfare Fund	6.1	872,530	403,302
		3,600,035	3,419,605
Net income for the period		42,753,962	19,761,807
Earnings per certificate - basic and diluted	8	1.02	0.44

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 2012-13

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE QUARTER ENDED 30 SEPTEMBER 2012

	2012	2011
	----- Rupees -----	
Net income for the period	42,753,962	19,761,807
Other comprehensive income	-	-
Total comprehensive income for the period	<u>42,753,962</u>	<u>19,761,807</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 2012

	2012	2011
	----- Rupees -----	
Accumulated loss brought forward	(41,557,595)	(52,053,988)
Cash dividend at the rate of Re.0.90 per certificate declared on 05 September 2012	(37,800,000)	-
Net income for the period	42,753,962	19,761,807
Accumulated loss carried forward	<u>(36,603,633)</u>	<u>(32,292,181)</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 2012-13

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)  
FOR THE QUARTER ENDED 30 SEPTEMBER 2012

	Note	2012 ----- Rupees -----	2011 ----- Rupees -----
Cash flows from operating activities			
Net income for the period		42,753,962	19,761,807
Adjustments for:			
Dividend income		(12,497,316)	(27,266,375)
Interest income		(1,198,820)	(869,949)
Net gain on sale of investments		(10,659,959)	(2,598,897)
Net unrealised gain on revaluation of investments		(21,997,902)	7,553,809
		(46,353,997)	(23,181,412)
Decrease/(increase) in assets			
Receivable against sale of securities		848,504	-
Security deposits, prepayments and other receivable		(208,310)	(180,353)
		640,194	(180,353)
Increase/(decrease) in liabilities			
Payable against purchase of securities		(37,240)	(3,312,271)
Payable to the management company		10,490	(35,630)
Payable to the trustee		4,667	(221)
Payable to the SECP		(289,069)	(284,925)
Accrued and other liabilities		870,742	672,042
		559,590	(2,961,005)
		(2,400,251)	(6,560,963)
Dividend received		-	2,495,045
Interest received		994,343	961,444
Investments made during the period		(213,405,423)	(130,384,034)
Investments sold/redeemed during the period		276,506,144	163,270,881
Net cash inflow from operating activities		61,694,813	29,782,373
Net increase in cash and cash equivalents		61,694,813	29,782,373
Cash and cash equivalents at the beginning of the period		11,509,118	16,086,920
Cash and cash equivalents at the end of the period	4	73,203,931	45,869,293

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 2012

	Fund	Repurchased certificates	(Accumulated losses)	Total
	Rupees			
Net assets as at 30 June 2011 [Rs.9.73 per certificate]	525,000,000	(38,414,346)	(52,053,988)	434,531,666
Net income for the period	-	-	19,761,807	19,761,807
Other comprehensive income for the period	-	-	-	-
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
Cash dividend at the rate of Rs.1.50 per certificate declared on 20 September 2011	-	-	(66,958,737)	(66,958,737)
Repurchase of own certificates	-	(21,374,866)	-	(21,374,866)
Net income for the period	-	-	57,693,323	57,693,323
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	57,693,323	57,693,323
Net assets as at 30 June 2012 [Rs.10.09 per certificate]	525,000,000	(59,789,212)	(41,557,595)	423,653,193
Cash dividend at the rate of Re.0.90 per certificate declared on 05 September 2012	-	-	(37,800,000)	(37,800,000)
Net income for the period	-	-	42,753,962	42,753,962
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	42,753,962	42,753,962
Net assets as at 30 September 2012 [Rs.10.20 per certificate]	525,000,000	(59,789,212)	(36,603,633)	428,607,155

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 2012-13

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2012

### 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.
- 1.4 As per clause 65 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, an Asset Management Company managing a closed end fund shall, from the expiry of five years from 21 November 2007 or the date of launch of the fund whichever is later, hold within one month of such period a meeting of the certificate holders to seek their approval (by special resolution) to convert the closed end fund into an open end scheme or revoke the closed end scheme. Accordingly, the Management Company of the Fund has decided to hold the meeting of the certificate holders tentatively on 18 December 2012.

The future operations of the Fund are dependent on the above referred approval from the Certificate holders of the Fund, who may decide in favour of conversion to open end fund, or revocation of the Fund. The Management Company believes that the revocation of the Fund 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. Accordingly, these financial statements have been prepared on a going concern basis.

### 2. BASIS OF MEASUREMENT

These condensed interim financial statements have been prepared in accordance with International Accounting Standard - 34 "Interim Financial Reporting", the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and directives issued by the SECP. In case where requirements differ, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the requirements of the said directives prevail.

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 2012.

### 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.

# Atlas Fund of Funds

		30 September 2012	30 June 2012
		Un-audited	Audited
Note	-----	Rupees	-----

## 4. BANK BALANCES

In current accounts - dividend accounts		971,507	971,507
In PLS saving accounts	4.1	72,232,424	10,537,611
		<u>73,203,931</u>	<u>11,509,118</u>

4.1 The rate of return on these accounts ranges between 6% and 9.50% (30 June 2012: 6% and 12%) per annum.

## 5. INVESTMENTS

At fair value through income statement (held-for-trading)	5.1	<u>378,730,077</u>	<u>409,172,937</u>
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### 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 investments	Net of 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	-	-	1,116,500	1,883,500	9,474,005	2.50	2.21	1.24
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(Face value Rs.5/- per share)

Managed by Al-Meezan Investment Management Limited

##### Meezan Balanced Fund

	4,167,903	-	-	4,167,903	52,098,788	13.76	12.16	1.74
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Managed by JS Investments Limited

##### JS Value Fund Limited

	5,077,957	-	-	5,077,957	42,654,839	11.26	9.95	2.14
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##### JS Growth Fund

	5,527,388	-	-	5,527,388	41,787,053	11.03	9.75	0.87
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	10,605,345	-	-	10,605,345	84,441,892	22.29	19.70
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Managed by PICIC Asset Management Company Limited

##### PICIC Energy Fund

	5,144,160	30,000	-	-	5,174,160	41,651,988	11.00	9.72	2.59
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	<u>187,666,673</u>	<u>49.55</u>	<u>43.79</u>
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#### 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

	3,148,995	-	589,148	3,738,143	-	-	-	-	-
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Managed By Atlas Asset Management

Limited (Related party)

##### Atlas Income Fund (Related party)

	21,700	-	-	-	21,700	11,224,590	2.96	2.62	1.04
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(Face value Rs.500/- per unit)

##### Atlas Islamic Income Fund (Related party)

	-	49,114	-	49,114	-	-	-	-	-
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(Face value Rs.500/- per unit)

##### Atlas Islamic Stock Fund (Related party)

	73,412	148,118	14,107	121,492	114,146	42,142,746	11.13	9.83	8.85
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(Face value Rs.500/- per unit)

##### Atlas Money Market Fund (Related party)

	73,849	158,398	788	233,035	-	-	-	-	-
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(Face value Rs.500/- per unit)

##### Atlas Stock Market Fund (Related party)

	61,166	146,353	11,492	111,601	107,410	41,621,306	10.99	9.71	6.18
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(Face value Rs.500/- per unit)

	230,127	501,982	26,387	515,242	243,256	94,988,642	25.08	22.16
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# First Quarter Report 2012-13

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 investments	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 Habib Asset Management Limited									
First Habib Cash Fund	104,266	-	3,802	-	108,069	10,821,488	2.86	2.52	0.31
(Face value Rs.100/- per unit)									
Managed By Lakson Investments Limited									
Lakson Income Fund	381,360	-	12,996	-	394,355	39,683,934	10.48	9.26	2.73
(Face value Rs.100/- per unit)									
Lakson Money Market Fund	376,215	-	12,353	-	388,568	38,911,997	10.27	9.08	0.44
(Face value Rs.100/- per unit)									
	757,575	-	25,348	-	782,923	78,595,931	20.75	18.34	
Managed By National Investment Trust Limited									
NIT Government Bond Fund	582,728	-	64,823	-	647,551	6,657,343	1.76	1.55	0.20
						191,063,404	50.45	44.58	
5.1.2						378,730,077	100.00	88.36	

5.1.2 The cost of above investments is Rs.366,076,730 (30 June 2012: Rs.413,127,388).

Note	30 September 2012	30 June 2012
	Un-audited	Audited
	----- Rupees -----	-----

## 6. ACCRUED AND OTHER LIABILITIES

Auditors' remuneration payable		60,000	191,171
Printing charges payable		499,250	373,000
Settlement charges		15,823	24,500
Withholding tax payable		10,132	-
Sindh Sales Tax on remuneration of the Management Company		93,797	92,119
Provision for Workers' Welfare Fund	6.1	6,551,838	5,679,308
		<u>7,230,840</u>	<u>6,360,098</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.

# Atlas Fund of Funds

6.1 In the year 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 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.6,551,838 (30 June 2012: Rs.5,679,308) in these condensed interim financial statements. Had the same not been made the net asset value per unit of the Fund would have been higher by Re.0.16 (30 June 2012: Re.0.14) per unit.

## 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.

For the Quarter Ended	
30 September 2012	30 September 2011
Un-audited	Un-audited
----- Rupees -----	

## 8. EARNINGS PER CERTIFICATE - basic and diluted

Net income for the period (Rupees)	42,753,962	19,761,807
Weighted average number of certificates outstanding during the period (Number of certificates)	42,000,000	44,639,158
Earnings per certificate (Rupees) - basic and diluted	1.02	0.44

## 9. TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

### 9.1 Transactions for the period

Atlas Asset Management Limited (Management Company)		
Remuneration charged	1,825,158	1,971,464
Remuneration paid	1,814,668	2,007,094
Sindh Sales Tax on Remuneration of the Management Company	292,025	315,434
MCB Financial Services Limited (Trustee)		
Trustee fee	201,887	197,065
Trustee fee paid	197,220	197,286
Atlas Income Fund (under common management)		
Investments Nil (2011: 20,523) units	-	10,000,000



# First Quarter Report 2012-13

For the Quarter Ended	
30 September 2012	30 September 2011
Un-audited	Un-audited
----- Rupees -----	

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

Atlas Islamic Income Fund (under common management)		
Investments 49,114 (2011: 19,402) units	25,000,000	10,000,000
Redemption 49,114 (2011: Nil) units	25,028,658	-
Atlas Islamic Stock Fund (under common management)		
Investment 148,118 (2011: 138,169) units	53,007,998	43,000,000
Redemption 121,492 (2011: 55,191) units	42,677,876	17,000,000
Bonus 14,107 (2011: 6,873) units	4,588,280	2,089,916
Atlas Money Market Fund (under common management)		
Investments 158,398 (2011: 59,683) units	80,000,000	30,000,000
Redemption 233,035 (2011: 59,798) units	117,659,724	30,129,945
Bonus 788 (2011: 1,450) units	396,495	728,041
Atlas Stock Market Fund (under common management)		
Investments 146,353 (2011: 54,290) units	55,163,425	17,129,945
Redemption 111,601 (2011: 147,747) units	41,795,442	48,634,895
Bonus 11,492 (2011: 23,140) units	3,975,820	7,734,852

30 September 2012	30 June 2012
Un-audited	Audited
----- Rupees -----	

## 9.2 Outstanding balances as at period / year end

Atlas Asset Management Limited (Management Company)		
Remuneration payable to the management company	586,233	575,743
Sindh Sales Tax payable on Remuneration of the Management Company	93,797	92,119
Certificates held 7,498,578 (30 June 2012: 7,139,822) at market value	61,040,061	62,473,443
Dividend payable	6,740,620	-
MCB Financial Services Limited (Trustee)		
Trustee fee payable	66,680	62,013
<u>Key Management Personnel of Management Company</u>		
Certificates held 468,976 (30 June 2012: 396,176) at market value	3,822,154	3,466,540
Dividend payable	422,078	-

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 period's figures have been reclassified/re-arranged 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 24 October 2012.

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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