

Atlas funds

Nurturing your investments

Atlas Fund of Funds

QUARTERLY REPORT

30 September 2015

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

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Atlas 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. Azam Faruque
(Independent Director)

Mr. Shamshad Nabi
(Independent Director)

Mr. Frahim Ali Khan
(Non-Executive Director)

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

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

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

Company Secretary Ms Qurrat-ul-Ain Jafari

Board Committees

Audit Committee

Chairman Mr. Azam Faruque

Members Mr. Shamshad Nabi
Mr. Frahim Ali Khan

Secretary Mr. M. Uzair Uddin Siddiqui

Board Evaluation Committee

Chairman Mr. Azam Faruque

Members Mr. Shamshad Nabi
Mr. Ali H. Shirazi

Secretary Mr. M. Habib-ur-Rahman

Human Resource & Remuneration Committee

Chairman Mr. Frahim Ali Khan

Members Mr. Ali H. Shirazi
Mr. M. Habib-ur-Rahman

Investment Committee

Chairman Mr. M. Habib-ur-Rahman

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

Secretary Mr. Muhammad Shakeel

Management Committee

Chairman Mr. M. Habib-ur-Rahman

Members Mr. Muhammad Abdul Samad
Ms Qurrat-ul-Ain Jafari
Mr. Abbas Sajjad
Mr. Khalid Mahmood

Secretary Mr. Muhammad Umar Khan

Risk Management Committee

Chairman Mr. M. Habib-ur-Rahman

Members Mr. Muhammad Abdul Samad
Ms Zainab Hussain

Secretary Syed Bilal Ejaz

Chief Internal Auditor

Mr. M. Uzair Uddin Siddiqui

Registered Office

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

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

Fax: (92-21) 35379280

Email: info@atlasfunds.com.pk

Website: www.atlasfunds.com.pk

First Quarter Report 2015-16

CHAIRMAN'S REVIEW

It is my pleasure to present to you the un-audited financial statements of Atlas Fund of Funds (Fund) for the first quarter ended 30 September 2015 of the FY 2015-16.

FINANCIAL REVIEW

1. Assets of the Fund

As of 30 September 2015, the total assets of the Fund stood at Rs.18,112,748. After excluding the value of units of the investee funds awaiting transfer to the certificate holders of the Fund, the value of the assets work out to Rs.15,659,636. The assets are placed in PLS savings account and units of Atlas Money Market Fund.

2. Amount unclaimed by Certificate Holders

The liabilities include Rs.4,476,318 unclaimed by Certificate Holders of the Fund in the form of (1) unclaimed dividends of Rs.1,029,256, (2) unclaimed proceeds on revocation of Rs.993,950 that was settled in cash and (3) unclaimed proceeds on revocation of Rs.2,453,112 that was settled by transfer of units of investee funds to certificate holders. During the period under review, Rs.5,973 was paid against settlement of revocation proceeds. There was no movement in (1) and (3) above. However, there is difference in value of units pending transfer to certificate holder on 30 September 2015 as compared with 30 June 2015. The Management Company is continually approaching certificate holders for reduction in amount of claim.

3. Petitions pending in the Honorable High Court of Sindh

The petitions filed in the Honorable Sindh High Court against Workers' Welfare Fund (WWF) and Federal Excise Duty (FED) are pending. As at 30 September 2015, the liability against these provisions stood at Rs.9,745,517.

4. Post revocation profit

During the period under review the Fund earned a net income of Rs.217,913. The aggregate post revocation profit stood at Rs.3,844,682 as on 30 September 2015.

WINDING-UP

The Fund shall continue to exist as a legal entity until the decision of the petitions and final distribution to Certificate Holders. The Fund has the resources to pay the certificate holders' claim, liabilities as decided by the Honorable High Court of Sindh and distribute the balance amount to Certificate Holders.

RATING

The Pakistan Credit Rating Agency Limited (PACRA) has maintained asset manager rating of Atlas Asset Management Limited (AAML) to "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.

زندگانی کی حقیقت کوہ کن سے جا کے پوچھ
جوئے شیر و تیشہ و سنگِ گراں ہے زندگی

(Life is both hard and joy)

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: 28 October 2015

Yusuf H. Shirazi
Chairman

Atlas Fund of Funds

Corporate Information

Trustee

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

Auditors

A. F. Ferguson & Co.
Chartered Accountants

Legal Advisers

Mohsin Tayebaly & Co.

Bankers

Bank Alfalah Limited
Faysal Bank Limited
Summit Bank Limited

First Quarter Report 2015 -16

STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED)

AS AT 30 SEPTEMBER 2015

		30 September 2015	30 June 2015
	Note	----- Rupees -----	----- Rupees -----
ASSETS			
Bank balances			
In PLS Savings Account		1,254,373	14,421,866
In Dividend accounts		-	1,029,256
		1,254,373	15,451,122
Investment in Atlas Money Market Fund	5	14,400,163	-
Profit receivable on bank balances		5,100	30,944
Units of investee funds awaiting transfer to certificate holders	6	2,453,112	2,577,872
Total Assets		18,112,748	18,059,938
LIABILITIES			
Unclaimed Dividends		1,029,256	1,029,256
Payable to certificate holders:			
Settlement of proceeds on revocation			
Cash settlement		993,950	999,923
Transfer of units of investee funds (contra)		2,453,112	2,577,872
		3,447,062	3,577,795
Liability in respect of post revocation profits	7	3,844,682	3,626,769
		7,291,744	7,204,564
Liabilities against pending petitions in the Honourable Sindh High Court	8	9,745,517	9,745,517
Accrued and other liabilities	9	46,231	80,601
Total Liabilities		18,112,748	18,059,938

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

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

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Azam Faruque
Director

Atlas Fund of Funds

INCOME STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2015

	30 September 2015	30 September 2014
Note	-----	Rupees -----
INCOME		
Profit on bank deposits	93,072	29,727
Unrealised gain on revaluation of investments - net	150,163	274,026
	243,235	303,753
EXPENSES		
Auditors' remuneration	25,148	12,500
Bank charges	174	1,975
Provision for Workers' Welfare Fund	-	5,786
	25,322	20,261
Net income for the period before taxation	217,913	283,492
Taxation	-	-
Payable to certificate holders in respect of post revocation profits	(217,913)	(283,492)
Net income for the period after taxation	-	-

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

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Azam Faruque
Director

First Quarter Report 2015-16

DISTRIBUTION STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2015

	30 September 2015	30 September 2014
	----- Rupees -----	
Undistributed income brought forward	-	-
Cash dividend: nil (2014: Rs.1.82 per certificate declared on 4 July 2013)	-	-
Net income for the year - after taxation	-	-
Less: Income distributed to the certificate holders as part of final settlement upon revocation of the Fund	-	-
Undistributed income carried forward	-	-

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

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Azam Faruque
Director

Atlas Fund of Funds

NOTES TO THE INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE QUARTER ENDED 30 SEPTEMBER 2015

1. LEGAL STATUS

- 1.1 Atlas Fund of Funds (the Fund), is a closed end mutual fund managed by Atlas Asset Management Limited (AAML) as management company, with MCB Financial Services Limited (MCBFSL) as the trustee. As per the decision of the certificate holders of the Fund in the general meeting held on 30 January 2013 to revoke the Fund, and the approval of the Securities and Exchange Commission of Pakistan (the Commission) through their letter no. SCD/AMCW/ATFF/519/2013 dated 3 May 2013 read with letter no. NBFC/AMCW/ATFF/662/2013 dated 26 July 2013, the process of revocation of the Fund was completed and the final report on the revocation of the Fund was submitted jointly by the Management Company and the Trustee to the Commission on 30 August 2013.
- 1.2 Following the approval for revocation of the Fund, the Management Company of the Fund carried out the process of disposal of assets and liabilities and based on net assets of Rs.495.66 million appearing in the books of the Fund as at 26 July 2013, issued the settlement proceeds to the certificate holders, as reported in note 25.2 of the audited financial statements of the Fund for the FY 2012-13, excluding the amount retained in respect of the provisions for Workers' Welfare Fund and Federal Excise Duty, as detailed in note 7 below, against which the petitions filed in the Honourable Sindh High Court are pending. The Fund shall continue to exist as a legal entity until the decision of these petitions. In view of the above, the Fund is not a going concern and the financial statements have been prepared on liquidation basis. The use of liquidation basis of accounting did not have any impact on the values of assets and liabilities of the Fund determined in accordance with the basis of preparation of the interim financial statements as disclosed in note 2 and 3 below.
- 1.3 The post revocation activities and administration of the Fund are being managed by Atlas Asset Management Limited situated at Ground Floor, Federation House, Shahrae Firdousi, Clifton, Karachi.
- 1.4 The Commission, through their letter no. NBFC - II/DD/AAML/724/2013 dated 24 September 2013 in response to the final report on the revocation of the Fund, required the Management Company to report to the Commission on quarterly basis, the status of the pending petitions in the Honourable Sindh High Court in respect of Workers' Welfare Fund (WWF) and Federal Excise Duty (FED) on quarterly basis, which are being complied with by the Management Company. The hearing of both these petitions is so far pending.
- 1.5 The Management Company of the Fund, in their final joint report on revocation with the Trustee of the Fund, had sought the approval of the Commission to invest the amount representing liability against provisions for WWF and FED, pending the decision of the Honourable Sindh High Court and other liabilities, in Atlas Money Market Fund (AMF), an open ended fund managed by the Management Company. The Commission, in their letter no. NBFC - II/DD/AAML/724/2013 dated 24 September 2013, on the basis of endorsement of the proposal by the Trustee, has allowed the Management Company to retain such amount with banks, or invest in the AMF, after ensuring the best interests of the certificate holders and compliance to regulatory framework. The Management Company of the Fund has utilized such option after analyzing the beneficial impact of the same for the certificate holders.
- 1.6 Following the completion of revocation formalities, the certificates of the Fund were de-listed from the Karachi Stock Exchange with effect from 16 September 2013.

2. BASIS OF PRESENTATION

These financial statements have been prepared solely for the purpose of submission to the taxation authorities. These financial statements comprise of statements of assets and liabilities, income statement and distribution statement alongwith the notes forming part thereof for the year ended June 30, 2015.

3. BASIS OF PREPARATION

- 3.1 These special purpose financial statements have been prepared in accordance with the accounting policies as mentioned in note 4 below. These policies are consistent with the recognition principle specified under approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, 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 Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the NBFC Rules, the NBFC Regulations or directives issued by SECP differ with the requirements of IFRS, the requirements of the NBFC Rules, the NBFC Regulations or the directives issued by SECP prevail. The disclosures have been limited as these are special purpose financial statements as stated in note 2 above.

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3.2 In response to the request of the Management Company regarding relaxation of the requirements of Regulation 38(f) and 38(g) of the NBFC Regulations, 2008, the Commission, through their letter no.SCD/AMCW/AAML/ ATFF/849/2014 dated 16 January 2014, granted approval to the Management Company to publish electronically, by uploading on the Management Company's website, an un-audited statement of net assets in abridged form to the certificate holders on quarterly basis, together with the status of pending petitions, subject to intimation thereof to the certificate holders through press notice on half yearly and annual basis, and transmission via email to those certificate holders whose email addresses are available with the Management Company.

The management company has prepared these financial statements for the purposes of meeting these regulatory requirements.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended 30 June 2015.

5. INVESTMENTS

Note 30 September 2015 30 June 2015
-----Rupees-----

At fair value through profit or loss - Held for trading 5.1 14,400,163 -

5.1	Name of Mutual Fund	Number of units				Rupees		
		As at 1 July 2015	Purchases during the period	Bonus during the period	Redeemed during the period	As at 30 September 2015	Carrying Cost	Market Value
	Atlas Money Market Fund	-	28,120	-	-	28,120	<u>14,250,000</u>	<u>14,400,163</u>

This investment had been made in line with the approval granted by the Securities and Exchange Commission of Pakistan vide their letter no. NBFC - II/DD/AAML/724/2013 dated 24 September 2013. During the year ended 30 June 2015, the fund has divested from Atlas Money Market Fund. The funds realised have been placed in bank account.

6. UNITS OF INVESTEE FUNDS AWAITING TRANSFER TO CERTIFICATE HOLDERS

Note 30 September 2015 30 June 2015
-----Rupees-----
6.1 2,453,112 2,577,872

6.1 This represents the portion awaiting transfer of units of the investee funds to the certificate holders, against which executed transfer deeds have been issued to them at the time of final settlement upon revocation. The total settlement in this form aggregated to Rs.223.61 million of which transfers aggregating Rs.222.19 million (30 June 2015: Rs.222.19 million) have already been executed. The remaining transfers are awaiting submission of the executed transfer deeds by the certificate holders to the relevant asset management companies managing the investee funds.

As at 30 September 2015, the market value of these units aggregates to Rs.2.453 million (2015: Rs.2.578 million), based on the net asset value of the investee funds, as per the breakup below. The valuation gain of Rs.1.032 million (2015: Rs.1.157 million) relates to the respective certificate holders whose units are still pending transfer.

Name of Fund	Total units outstanding	Market value at the time of transfer	Market value as at 30 September 2015	Unrealised gain on revaluation of investments - net
JS Growth Fund	4,495	351,043	677,100	326,057
JS Value Fund	4,016	377,700	699,220	321,520
Meezan Balanced Fund	33,581	303,818	486,259	182,441
PICIC Energy Fund	52,019	388,259	590,533	202,274
	<u>94,111</u>	<u>1,420,820</u>	<u>2,453,112</u>	<u>1,032,292</u>

Atlas Fund of Funds

The outstanding units shown above includes units received from investee funds subsequent to revocation as follows:

	As bonus issue	On reinvestment of dividend
JS Growth Fund	1,383	24
JS Value Fund	1,008	81
Meezan Balanced Fund	7,553	1,742
PICIC Energy Fund	19,558	-

		30 September 2015	30 June 2015
7. LIABILITY IN RESPECT OF POST REVOCATION PROFITS	Note	-----Rupees-----	
	7.1	<u>3,844,682</u>	<u>3,626,769</u>

7.1 In terms of the settlement process communicated to certificate holders, profit on bank balances and investments retained pending settlement of pending petitions is payable to the certificate holders after the decision of the Honourable Sindh High Court.

		30 September 2015	30 June 2015
8. LIABILITIES AGAINST PENDING PETITIONS IN THE HONORABLE SINDH HIGH COURT	Note	-----Rupees-----	
Provision for Workers' Welfare Fund		9,554,259	9,554,259
Provision for Federal Excise Duty		<u>191,258</u>	<u>191,258</u>
	8.1	<u>9,745,517</u>	<u>9,745,517</u>

8.1 As at 30 September 2015, the amount representing the aggregate liability against provisions for Workers' Welfare Fund (WWF) and Federal Excise Duty (FED) against which the Fund has filed petitions in the Honourable Sindh High Court has been deposited in the bank account. The hearing of the petitions remains pending.

		30 September 2015	30 June 2015
9. ACCRUED AND OTHER LIABILITIES		-----Rupees-----	
Auditors' remuneration payable		15,030	50,000
Sindh sales tax payable on remuneration of the Management Company		30,601	30,601
Withholding tax payable		600	-
		<u>46,231</u>	<u>80,601</u>

10. GENERAL

Figures have been rounded off to the nearest Rupee.

11. AUTHORISATION OF ISSUE

These financial statements were authorized for issue by the Board of Directors of the Management Company on 28 October 2015.

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

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Azam Faruque
Director

Karachi Head Office

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

Ph: (92-21) 35379501- 04

Fax: (92-21) 35379280

Savings Center Karachi

Faiyaz Centre, Ground Floor,
Shahra-e-Faisal (opp. FTC building),
Karachi-74400.

Ph: (92-21) 34522601-02

Fax: (92-21) 34522603

Lahore Office

C/o. Atlas Honda Limited,
1-Mcleod Road, Lahore.

Ph: (92-42) 37364904

Fax: (92-42) 37351119

Rawalpindi Office

C/o. Atlas Honda Limited,
60, Bank Road, Saddar,
Rawalpindi.

Tel: (92-51) 5856411

Fax: (92-51) 5120497

Savings Center Abbottabad

Office # 5, First Floor,
Al- Fateh Shopping Center
(opp Radio Station),
Abbottabad.

Ph : (92-992) 408186