

Atlas funds

Nurturing your investments

Atlas Fund of Funds

THIRD QUARTER REPORT

31 March 2013

(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.

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 STATEMENT OF MOVEMENT IN CERTIFICATE HOLDERS' FUND	9
---	---

CONDENSED INTERIM CASH FLOW STATEMENT	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. Azam Faruque
(Independent Director)
Mr. Shamshad Nabi
(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. Azam Faruque
Mr. Shamshad Nabi
Mr. Frahim Ali Khan

Secretary Ms Qurrat-ul-Ain Jafari

Human Resource & Remuneration 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)
Mr. Fawad Javaid

Management Committee

Chairman Members Mr. M. Habib-ur-Rahman
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
Mr. Muhammad Umar Khan

Secretary 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

Third 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 nine months period ended 31 March 2013 of the FY 2012-13.

THE ECONOMY

During the period July-March FY 2012-13, total exports stood at US\$ 18 billion. The foreign exchange reserves of the country stood at US\$ 12.2 billion as on 29 March 2013. Foreign remittances reached a record level of US\$ 10.35 billion, which is an increase of 6.35% YoY compared to the corresponding period last year. CPI inflation for the period averaged at 8% as compared to 10.8% recorded during the corresponding period last year. The SBP lowered its policy rate by a cumulative 250 basis points (bps) to 9.50% during current FY. Lower than expected inflation allowed the SBP to focus on encouraging private investment expenditures in the economy by adopting softer monetary policy stance. During July-February FY 2012-13, loans to private businesses have increased by Rs.173.3 billion as opposed to Rs.56.8 billion during the same period of last year.

FUND OPERATIONS

The Net Asset Value per certificate of ATFF has increased by 22.42% to Rs.11.35 as of 31 March 2013. During the period under review, the benchmark Closed End Funds Market Capitalization increased by 23.49% from Rs.14 billion as on 30 June 2012 to Rs.17.4 billion as on 31 March 2013. The ATFF's total exposure in Mutual Funds was 81.34% of the Net Assets. The total investment in closed-end funds that are trading at discount stood at 41.09% of the Net Assets. ATFF's Dividend income and Interest income stood at Rs.31.02 million and Rs.4.19 million respectively for the period under review. The Net Assets of the Fund stood at Rs.476.63 million as of 31 March 2013.

REVOCATION AND WINDING UP OF THE FUND

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, to seek their approval to convert the closed end fund into an open end scheme, or to revoke the closed end scheme. In the General Meeting, 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 the Resolution for the revocation and winding up of the Fund, in compliance with Regulation 65 of the NBFC Regulations, 2008.

On 14 February 2013, in line with the decision of the Certificate holders, an application for the revocation and winding up of the Fund was submitted to the Securities and Exchange Commission of Pakistan (the Commission) for their approval, which is presently under their review and consideration. The Management Company shall undertake its further responsibilities towards the revocation and winding up proceedings of the Fund in the manner as may be prescribed by the Commission, following their approval.

RATINGS

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 very 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.

Atlas Fund of Funds

FUTURE OUTLOOK

Growth in workers' remittances helped lower the current account deficit, and the inflation is expected to be well below target level. The private sector credit growth remains subdued as government's large financing need diverted the credit from the private sector, which is an impediment to growth in the economy. Going forward, there is a need to ensure improved resources for energy requirements with foremost resolution of the persistent circular debt. Furthermore, fiscal reforms need to be implemented to ensure better tax collection and reduced borrowing from the banking system. This will not only help the economy on the fiscal side but also help improve foreign inflows, build foreign exchange reserves and achieve sustainable growth in the economy.

The Fund is committed to prudent investment procedures and will continue to provide better value on winding up.

ستاروں سے آگے جہاں اور بھی ہیں
(There is a world beyond the stars)

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: 25 April 2013

Yusuf H. Shirazi
Chairman

Third Quarter Report 2012-13

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED) AS AT 31 MARCH 2013

	Note	31 March 2013 Un-audited -----	30 June 2012 Audited -----
		Rupees	
ASSETS			
Bank balances	4	89,814,744	11,509,118
Investments	5	387,699,981	409,172,937
Dividend receivable		5,527,388	-
Receivable against sale of investments		-	3,348,504
Interest accrued		681,072	302,229
Deposits, prepayments and other receivables		2,793,413	7,723,976
Total assets		486,516,598	432,056,764
LIABILITIES			
Payable to Atlas Asset Management Limited - Management Company		665,356	575,743
Payable to MCB Financial Services Limited - Trustee		71,510	62,013
Annual fee payable to the Securities and Exchange Commission of Pakistan		324,993	396,970
Dividend payable		762,809	971,507
Payable against purchase of investments		-	37,240
Accrued expenses and other liabilities	6	8,063,238	6,360,098
Total liabilities		9,887,906	8,403,571
NET ASSETS		476,628,692	423,653,193
Represented by:			
CERTIFICATE HOLDERS' FUND			
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]		(59,789,212)	(59,789,212)
		465,210,788	465,210,788
Undistributed income / (accumulated losses)	7	11,417,904	(41,557,595)
		476,628,692	423,653,193
CONTINGENCIES AND COMMITMENTS			
NET ASSET VALUE PER CERTIFICATE		11.35	10.09

The annexed notes from 1 to 13 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

Azam Faruque
Director

Atlas Fund of Funds

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2013

Note	For the Nine Months Ended		For the Quarter Ended	
	31 March		31 March	
	2013	2012	2013	2012
	Rupees			
INCOME				
Profit on bank deposits	4,192,665	2,382,538	1,621,824	476,197
Dividend income	31,021,677	32,055,351	5,527,388	-
Gain on sale of investments - net	20,147,974	14,515,409	6,057,371	11,583,057
Unrealised gain on revaluation of investments-net	45,978,684	29,498,682	9,072,137	45,704,536
	66,126,658	44,014,091	15,129,508	57,287,593
	101,341,000	78,451,980	22,278,720	57,763,790
EXPENSES				
Remuneration of Atlas Asset Management Limited - Management Company	5,468,243	5,413,775	1,862,859	1,731,718
Sindh sales tax on Management Company's remuneration	874,919	866,204	298,058	277,075
Remuneration of MCB Financial Services Limited - Trustee	606,995	561,414	205,228	183,762
Annual fees - Securities and Exchange Commission of Pakistan	324,993	296,083	110,456	96,702
Auditors' remuneration	122,995	192,000	53,500	65,000
Annual listing fee	157,685	129,728	52,561	43,243
Printing charges	439,190	480,312	252,600	126,250
Securities transaction cost	193,628	439,925	57,485	172,775
CDC charges	50,625	50,625	16,875	16,875
Certificate Holders' General Meeting costs	465,045	-	465,045	-
Bank charges	8,622	7,002	2,902	2,376
Provision for Workers' Welfare Fund 6.1	1,852,561	1,400,298	378,023	1,100,960
	10,565,501	9,837,366	3,755,592	3,816,736
Net income for the period before taxation	90,775,499	68,614,614	18,523,128	53,947,054
Taxation 9	-	-	-	-
Net income for the period after taxation	90,775,499	68,614,614	18,523,128	53,947,054
Earnings per certificate - basic and diluted 10	2.16	1.54	0.44	1.21

The annexed notes from 1 to 13 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

Azam Faruque
Director

Third Quarter Report 2012-13

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2013

	For the Nine Months Ended		For the Quarter Ended	
	31 March 2013	2012	31 March 2013	2012
	----- Rupees -----			
Net income for the period after taxation	90,775,499	68,614,614	18,523,128	53,947,054
Other comprehensive income/(loss)	-	-	-	-
Total comprehensive income for the period	90,775,499	68,614,614	18,523,128	53,947,054

The annexed notes from 1 to 13 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

Azam Faruque
Director

Atlas Fund of Funds

CONDENSED INTERIM DISTRIBUTION STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS ENDED 31 MARCH 2013

	For the Nine Months Ended	
	31 March 2013	31 March 2012
	----- Rupees -----	
Accumulated losses brought forward	(41,557,595)	(52,053,988)
Cash dividend at the rate of Re.0.90 per certificate declared on 5 September 2012 (2011: Rs.1.50 per certificate declared on 20 September 2011)	(37,800,000)	(66,958,737)
Net income for the period after taxation	90,775,499	68,614,614
Undistributed income/(accumulated loss) carried forward	<u>11,417,904</u>	<u>(50,398,111)</u>

The annexed notes from 1 to 13 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

Azam Faruque
Director

Third Quarter Report 2012-13

CONDENSED INTERIM STATEMENT OF MOVEMENT IN CERTIFICATE HOLDERS' FUND (UN-AUDITED)
FOR THE NINE MONTHS ENDED 31 MARCH 2013

	Fund	Repurchased certificates	Undistributed Income / (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
Cash dividend at the rate of Rs.1.50 per certificate declared on 20 September 2011	-	-	(66,958,737)	(66,958,737)
Net income for the period after taxation	-	-	68,614,614	68,614,614
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	68,614,614	68,614,614
Net assets as at 31 March 2012 (Rs.9.77 per certificate)	525,000,000	(38,414,346)	(50,398,111)	436,187,543
Repurchase of own certificates	-	(21,374,866)	-	(21,374,866)
Net income for the period after taxation	-	-	8,840,516	8,840,516
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	8,840,516	8,840,516
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 5 September 2012	-	-	(37,800,000)	(37,800,000)
Net income for the period after taxation	-	-	90,775,499	90,775,499
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	90,775,499	90,775,499
Net assets as at 31 March 2013 [Rs.11.35 per certificate]	525,000,000	(59,789,212)	11,417,904	476,628,692

The annexed notes from 1 to 13 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

Azam Faruque
Director

Atlas Fund of Funds

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS ENDED 31 MARCH 2013

	Note	For the Nine Months Ended	
		31 March 2013	31 March 2012
		Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the period after taxation		90,775,499	68,614,614
Adjustments:			
Profit on bank deposits		(4,192,665)	(2,382,538)
Dividend income		(31,021,677)	(32,055,351)
Gain on sale of investments - net		(20,147,974)	(14,515,409)
Unrealised gain on revaluation of investments - net		(45,978,684)	(29,498,682)
		(101,341,000)	(78,451,980)
		(10,565,501)	(9,837,366)
(Increase) / decrease in assets			
Receivable against sale of investments		3,348,504	-
Deposits, prepayments and other receivables		4,930,563	(60,117)
		8,279,067	(60,117)
Increase / (decrease) in liabilities			
Payable to Atlas Asset Management Limited - Management Company		89,613	(71,275)
Payable to MCB Financial Services Limited - Trustee		9,497	(724)
Annual fee payable to the Securities and Exchange Commission of Pakistan		(71,977)	(93,698)
Payable against purchase of investments		(37,240)	(3,312,271)
Accrued expenses and other liabilities		1,703,140	1,499,121
		1,693,033	(1,978,847)
Profit received on bank deposits		3,813,822	2,695,004
Dividend received		25,494,289	32,055,351
Investments made during the period		(446,071,042)	(284,936,923)
Investments sold / redeemed during the period		533,670,656	319,354,364
Net cash generated from operating activities		116,314,324	57,291,466
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(38,008,698)	(66,429,711)
Net cash used in financing activities		(38,008,698)	(66,429,711)
Net increase/(decrease) in cash and cash equivalents during the period		78,305,626	(9,138,245)
Cash and cash equivalents at beginning of the period		11,509,118	16,086,920
Cash and cash equivalents at end of the period	4	89,814,744	6,948,675

The annexed notes from 1 to 13 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

Azam Faruque
Director

Third Quarter Report 2012-13

NOTES TO AND FORMING PART OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE MONTHS ENDED 31 MARCH 2013

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 Application of Regulation 65 of NBFC Regulations, 2008

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, to seek their approval to convert the closed end fund into an open end scheme, or to revoke the closed end scheme. In the General Meeting, 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 the Resolution for the revocation and winding up of the Fund, in compliance with Regulation 65 of the NBFC Regulations, 2008.

On 14 February 2013, in line with the decision of the Certificate holders, an application for the revocation and winding up of the Fund was submitted to the Securities and Exchange Commission of Pakistan (the Commission) for their approval, which is presently under their review and consideration. The Management Company shall undertake its further responsibilities towards the revocation and winding up proceedings of the Fund in the manner as may be prescribed by the Commission, following their approval.

In view of the fact that the Certificate holders have decided to revoke 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.

2. BASIS OF PREPARATION

- 2.1 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.

Atlas Fund of Funds

2.2 Standards, interpretations and amendments to published approved accounting standards that are effective in the current period

The following new standards and amendments to existing standards are mandatory for the first time for the financial period beginning on or after 1 July 2012:

The Fund has adopted the following amendments to IFRSs which became effective for the current period:

IAS 1 – Presentation of Financial Statements – Presentation of items of other comprehensive income (Amendment)

IAS 12 – Income Taxes - Recovery of Underlying Assets (Amendment)

The adoption of the above amendments did not have any effect on the condensed interim financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual published financial statements of the Fund for the year ended 30 June 2012.

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

The significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to financial statements as at and for the year ended 30 June 2012.

The financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the year ended 30 June 2012.

		31 March 2013	30 June 2012
	Note	Un-audited	Audited
		----- Rupees -----	
4. BANK BALANCES			
In local currency			
- Profit and loss sharing accounts	4.1	89,051,935	10,537,611
- Current account - Dividend accounts		762,809	971,507
		<u>89,814,744</u>	<u>11,509,118</u>

4.1 The rate of return on these profit and loss sharing accounts ranges between 6% and 8.75% (30 June 2012: 6% and 12%) per annum.

5. INVESTMENTS

At fair value through profit or loss (held for trading)	5.1	<u>387,699,981</u>	<u>409,172,937</u>
---	-----	--------------------	--------------------

Third Quarter Report 2012-13

5.1 Financial assets

At fair value through profit or loss

Number of shares / certificates / units					Rupees		Percentage of		
As at 01 July 2012	Purchases during the period	Bonus during the period	Sales / redeemed during the period	As at 31 March 2013	Carrying cost	Market Value	Market Value as a percentage of Investments	Market Value as a percentage of net assets	Market Value as a percentage of 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	-	-	-	-	-
--------------	-----------	---	---	-----------	---	---	---	---	---

(Face value Rs.5/- per share)

Managed by Al-Meezan Investment Management Limited

Meezan Balanced Fund	4,167,903	-	-	4,167,903	43,179,475	49,556,367	12.78	10.40	1.74
----------------------	-----------	---	---	-----------	------------	------------	-------	-------	------

Managed by JS Investments Limited

JS Value Fund Limited	5,077,957	-	-	5,077,957	37,475,323	52,810,753	13.62	11.08	2.14
JS Growth Fund	5,527,388	-	-	5,527,388	40,902,671	45,600,951	11.76	9.57	0.87
	10,605,345	-	-	10,605,345	78,377,994	98,411,704	25.38	20.65	

Managed by PICIC Asset Management Company Limited

PICIC Energy Fund	5,144,160	30,000	-	5,174,160	40,307,006	47,860,980	12.34	10.04	2.59
-------------------	-----------	--------	---	-----------	------------	------------	-------	-------	------

161,864,475 195,829,051 50.51 41.09

5.1.2 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	-	-	-	-	-
---------	-----------	---	---------	-----------	---	---	---	---	---

Managed By Atlas Asset Management Limited

(Related party)

Atlas Income Fund

(Related party)	21,700	-	536	22,236	-	-	-	-	-
-----------------	--------	---	-----	--------	---	---	---	---	---

(Face value Rs.500/- per unit)

Atlas Islamic Income Fund

(Related party)	-	146,825	1,619	68,856	79,588	40,000,000	40,836,850	10.53	8.57	6.28
-----------------	---	---------	-------	--------	--------	------------	------------	-------	------	------

(Face value Rs.500/- per unit)

Atlas Islamic Stock Fund

(Related party)	73,412	174,888	14,107	224,122	38,286	13,929,447	16,141,280	4.16	3.39	2.74
-----------------	--------	---------	--------	---------	--------	------------	------------	------	------	------

(Face value Rs.500/- per unit)

Atlas Money Market Fund

(Related party)	73,849	253,098	1,413	328,360	-	-	-	-	-
-----------------	--------	---------	-------	---------	---	---	---	---	---

(Face value Rs.500/- per unit)

Atlas Stock Market Fund

(Related party)	61,166	347,475	11,492	344,404	75,729	32,365,194	34,824,882	8.99	7.30	4.36
-----------------	--------	---------	--------	---------	--------	------------	------------	------	------	------

(Face value Rs.500/- per unit)

230,127 922,286 29,167 987,978 193,603 86,294,641 91,803,012 23.68 19.26

Atlas Fund of Funds

Number of shares / certificates / units					Rupees		Percentage of		
As at 01 July 2012	Purchases during the period	Bonus during the period	Sales / redeemed during the period	As at 31 March 2013	Carrying cost	Market Value	Market Value as a percentage of Investments	Market Value as a percentage of net assets	Market Value as a percentage of Paid-up Capital / Net asset value of Investee company

5.1.2 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	-	8,250	-	112,517	10,535,185	11,263,173	2.91	2.36	0.30
(Face value Rs.100/- per unit)										

Managed By HBL Asset Management Limited

HBL Money Market Fund	-	395,235	2,986	398,221	-	-	-	-	-	-
(Face value Rs.100/- per unit)										

Managed By Lakson Investments Limited

Lakson Income Fund	381,360	-	30,686	-	411,746	38,642,338	41,358,112	10.67	8.67	2.28
(Face value Rs.100/- per unit)										
Lakson Money Market Fund	376,215	-	28,286	-	404,502	37,928,444	40,491,999	10.44	8.50	0.48
(Face value Rs.100/- per unit)										
	757,575	-	58,672	-	816,248	76,570,782	81,850,111	21.11	17.17	

Managed By National Investment Trust Limited

NIT Government Bond Fund	582,728	-	64,823	-	647,551	6,456,214	6,954,634	1.79	1.46	0.18
						179,856,822	191,870,930	49.49	40.26	

Total Investment at fair value through profit or loss as at 31 March 2013

341,721,297	387,699,981	100.00	81.34
-------------	-------------	--------	-------

Total Investment at fair value through profit or loss as at 30 June 2012

369,942,191	409,172,937
-------------	-------------

31 March 2013
Un-audited

30 June 2012
Audited

Note ----- Rupees -----

6. ACCRUED EXPENSES AND OTHER LIABILITIES

Auditors' remuneration payable	96,012	191,171
Printing charges payable	311,400	373,000
Settlement charges	17,500	24,500
Sindh Sales Tax on remuneration of the Management Company	106,457	92,119
Provision for Workers' Welfare Fund	6.1 7,531,869	5,679,308
	8,063,238	6,360,098

Third Quarter Report 2012-13

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 has been providing for WWF contribution since the financial year ended 30 June 2010.

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.

In March 2013, the Hon'ble SHC, comprising of a three member bench, in their judgement on various Constitutional Petitions challenging the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006, and the Finance Act, 2008, held that WWF is a tax and consequently, the amendments introduced in the Workers' Welfare Fund Ordinance, 1971 through Finance Act, 2006 and 2008 respectively (Money Bills) do not suffer from any constitutional or legal infirmity. This judgement was in contrast to the July 2011 single member bench decision of the Hon'ble Lahore High Court which had held such amendments as unlawful and unconstitutional. For the CISs and Pension Funds, the issue of chargeability or otherwise of WWF levy to the CISs / Pension Funds is pending before the Hon'ble SHC.

In view of the pending decision, the Management Company of the Fund, as a matter of abundant caution, has decided to continue to maintain the provision for WWF amounting to Rs.7,531,869 (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.0.18 (30 June 2012: Re.0.14) per unit.

7. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 31 March 2013.

8. 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 09 May 2009, and as approved by the SECP vide their letter no.NBFC/MF-RS/AFOF/221/2009 dated 13 February 2009.

9. TAXATION

The Fund's income is exempt from Income Tax as per Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the certificate holders. Further, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income, other than unrealized capital gains to the certificate holders. The management intends to distribute at least 90% of the Fund's net accounting income earned by the year end, if any, to the certificate holders. Accordingly, no provision has been made for taxation in these condensed interim financial statements.

10. EARNINGS PER CERTIFICATE - basic and diluted

	For the Nine Months Ended		For the Quarter Ended	
	31 March		31 March	
	2013	2012	2013	2012
	Un-audited		Un-audited	
	----- Rupees -----			
Net income for the period after taxation (Rupees)	90,775,499	68,614,614	18,523,128	53,947,054
Weighted average number of certificates outstanding during the period (Number of certificates)	42,000,000	44,639,158	42,000,000	44,639,158
Earnings per certificate (Rupees) - basic and diluted	2.16	1.54	0.44	1.21

Atlas Fund of Funds

For the Nine Months Ended
 31 March 31 March
 2013 2012
 Un-audited Un-audited
 ----- Rupees -----

11. TRANSACTIONS WITH CONNECTED PERSONS / OTHER RELATED PARTIES

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

Atlas Asset Management Limited (Management Company)		
Remuneration of the Management Company	5,468,243	5,413,775
Remuneration paid	5,378,630	5,485,050
Dividend paid	6,740,620	9,228,788
Sindh Sales Tax on Remuneration of the Management Company	874,919	866,204
 MCB Financial Services Limited (Trustee)		
Trustee fee	606,995	561,414
Trustee fee paid	597,498	562,138
 Atlas Income Fund (Fund under common management)		
Investments Nil (2012: 20,523) units	-	10,000,000
Redemption 22,236 (2012: Nil) units	11,254,351	-
Bonus 536 (2012: Nil) units	271,246	-
 Atlas Islamic Income Fund (Fund under common management)		
Investments 146,825 (2012: 48,678) units	75,000,000	25,000,000
Redemption 68,856 (2012: 20,336) units	35,114,932	10,263,531
Bonus 1,619 (2012: 934) units	818,682	471,182
 Atlas Islamic Stock Fund (Fund under common management)		
Investment 174,888 (2012: 235,313) units	63,094,271	78,000,000
Redemption 224,122 (2012: 164,945) units	82,677,876	56,543,202
Bonus 14,107 (2012: 6,873) units	4,588,280	2,089,916
 Atlas Money Market Fund (Fund under common management)		
Investments 253,098 (2012: 59,683) units	128,000,000	30,000,000
Redemption 328,360 (2012: 109,536) units	165,851,335	55,196,594
Bonus 1,413 (2012: 1,450) units	712,187	728,041
 Atlas Stock Market Fund (Fund under common management)		
Investments 347,475 (2012: 182,550) units	139,742,770	60,393,476
Redemption 344,404 (2012: 229,075) units	140,066,852	76,813,328
Bonus 11,492 (2012: 23,140) units	3,975,820	7,734,852
 <u>Key Management Personnel of Management Company</u>		
Dividend paid	329,378	504,264
	31 March	30 June
	2013	2012
	Un-audited	Audited
	----- Rupees -----	

11.2 Details of balances with related parties as at the period end are as follows:

Atlas Asset Management Limited (Management Company)		
Remuneration payable to the management company	665,356	575,743
Sindh Sales Tax payable on Remuneration of the Management Company	106,457	92,119
Certificates held 7,501,578 (30 June 2012: 7,139,822) at market value	77,266,253	62,473,443
 Atlas Islamic Income Fund (Fund under Common Management)		
Outstanding 79,588 (30 June 2012: Nil) units	40,836,850	-
 Atlas Islamic Stock Fund (Fund under Common Management)		
Outstanding 38,286 (30 June 2012: 73,412) units	16,141,280	28,464,956

Third Quarter Report 2012-13

	31 March 2013 Un-audited	30 June 2012 Audited
	----- Rupees -----	

11.2 Details of balances with related parties as at the period end are as follows: (Continued...)

Atlas Stock Market Fund (Fund under Common Management) Outstanding 75,729 (30 June 2012: 611,166) units	34,824,882	25,136,969
Atlas Insurance Limited (Group Company) Certificates held 300,000 (30 June 2012: Nil) at market value	3,090,000	-
MCB Financial Services Limited (Trustee) Trustee fee payable	71,510	62,013
<u>Key Management Personnel of Management Company</u> Certificates held 365,976 (30 June 2012: 396,176) at market value	3,769,553	3,466,540

11.3 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.

12. DATE FOR AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on 25 April 2013 by the Board of Directors of the Management Company.

13. GENERAL

13.1 Figures have been rounded off to the nearest rupees.

13.2 Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation. No significant reclassifications have been made during the current period.

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Azam Faruque
Director

Head Office

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

Lahore Office

C/o. Atlas Honda Limited,
1-Mcleod Road, Lahore.
Ph: (92-42) 37225015-17
Fax: (92-42) 37351119

Rawalpindi Office

C/o. Atlas Honda Limited,
60, Bank Road, Saddar, Rawalpindi.
Tel: (92-51) 5856411
Fax: (92-51) 5120497