



Atlas Fund of Funds

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**THIRD QUARTER REPORT**

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31 March 2015

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**(UN-AUDITED)**



Management Company

**Atlas Asset Management**

**Rated AM2- by PACRA**



#### **Vision**

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

#### **Mission Statement**

We are committed to offering our investors the best possible 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 Lilly R. Dossabhoy

### Board Committees

#### Audit Committee

Chairman	Mr. Azam Faruque
Members	Mr. Shamshad Nabi Mr. Frahim Ali Khan
Secretary	Ms Qurrat-ul-Ain Jafari

#### 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
Secretary	Mr. Muhammad Abdul Samad

### Investment Committee

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

### Management Committee

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

### Risk Management Committee

Chairman	Mr. M. Habib-ur-Rahman
Members	Mr. Muhammad Abdul Samad Ms Zainab Hussain (Secretary) Mr. Syed Fahad Ali

### Chief Internal Auditor

Ms Qurrat-ul-Ain Jafari

### 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 2014-15

## CHAIRMAN'S REVIEW

It is my pleasure to present to you the un-audited financial statements of Atlas Fund of Funds (the Fund) and a review of its post revocation activities for the nine months period ended 31 March 2015.

### Amount unclaimed by certificate holders

There was a reduction of Rs.1.94 million. The unclaimed amount stood at Rs.3.34 million as at 31 March 2015. Efforts are being made to contact the Certificate Holders and reduce the unclaimed amount.

### Status of Constitutional Petitions

There was no progress on the two Constitutional Petitions filed by mutual funds and pension funds through their trustees in the Honorable Sindh High Court (Honorable SHC), one challenging the applicability of Workers' Welfare Fund (WWF) and the other challenging the levy of Federal Excise Duty to them. The Honorable SHC has issued stay orders against recovery proceedings. The hearing of the petitions remains pending.

### Statement of Assets and Liabilities and Income Statement

The amount unclaimed by the Certificate Holders and the provision for liabilities against pending petitions in the Honorable Sindh High Court is invested in Atlas Money Market Fund. The income earned during the period under review was Rs.0.84 million, after accounting for expenses and further provision for WWF. The total income accumulated up to 31 March 2015 works out to Rs.3.41 million.

### 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 reflects the Company's high investment management industry standards and benchmarks with noted strengths in several of the rating factors.

### 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.

Karachi: 27 April 2015

Yusuf H. Shirazi  
Chairman

# Atlas Fund of Funds

## Corporate Information

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**Trustee**

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

**Auditors**

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A. F. Ferguson & Co.  
Chartered Accountants

**Legal Advisers**

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Mohsin Tayebaly & Co.

**Bankers**

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Bank Alfalah Limited  
Faysal Bank Limited  
Summit Bank Limited

# Third Quarter Report 2014-15

## STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED) AS AT 31 MARCH 2015

		31 March 2015	30 June 2014
Note		Rupees	
<b>ASSETS</b>			
Bank balances			
		28,712	1,867,856
	In PLS Saving Account		
	In Dividend accounts	1,029,256	1,039,377
		<b>1,057,968</b>	<b>2,907,233</b>
	Investment in Atlas Money Market Fund	3 14,186,470	12,251,319
	Profit receivable on bank balances	36	14,221
	Units of investee funds awaiting transfer to certificate holders	4 2,340,150	3,519,728
	<b>Total Assets</b>	<b>17,584,624</b>	<b>18,692,501</b>
<b>LIABILITIES</b>			
	Unclaimed Dividends	5 1,029,256	1,039,377
	Payable to certificate holders:		
	Settlement of proceeds on revocation		
	Cash settlement	1,001,060	1,759,013
	Transfer of units of investee funds (contra)	2,340,150	3,519,728
		<b>3,341,210</b>	<b>5,278,741</b>
	Liability in respect of post revocation profits	6 3,405,065	2,562,639
		<b>6,746,275</b>	<b>7,841,380</b>
	Liabilities against pending petitions in the Honourable Sindh High Court	7 9,740,992	9,723,800
	Accrued and other liabilities	8 68,101	87,944
	<b>Total Liabilities</b>	<b>17,584,624</b>	<b>18,692,501</b>

The annexed notes from 1 to 10 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 NINE MONTHS ENDED 31 MARCH 2015

	31 March 2015	31 March 2014
Note	Rupees	
<b>INCOME</b>		
Profit on bank deposits	37,178	4,140,091
Dividend income	-	18,688,477
Gain on sale of investments - net	25,084	4,553,259
Unrealised gain on revaluation of investments - net	840,067	-
	<b>902,329</b>	<b>27,381,827</b>
<b>EXPENSES</b>		
Remuneration of Atlas Asset Management Limited - Management Company	-	702,167
Sindh sales tax on remuneration of the Management Company	-	130,322
Federal Excise Duty on remuneration of the Management Company	-	112,347
Remuneration of MCB Financial Services Limited - Trustee	-	61,923
Annual fees - Securities and Exchange Commission of Pakistan	-	33,354
Securities transaction cost	-	15,000
Auditors' remuneration	37,500	30,000
Other expense	-	23,976
Bank charges	5,211	9,958
Post Revocation charges	-	317,018
Provision for Workers' Welfare Fund	17,192	518,916
	<b>59,903</b>	<b>1,954,981</b>
<b>Net income for the period before taxation</b>	<b>842,426</b>	<b>25,426,846</b>
Taxation	-	-
<b>Net income for the period after taxation</b>	<b>842,426</b>	<b>25,426,846</b>

The annexed notes from 1 to 10 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

# Third Quarter Report 2014-15

## DISTRIBUTION STATEMENT (UN-AUDITED) FOR THE NINE MONTHS ENDED 31 MARCH 2015

	31 March 2015	31 March 2014
	----- Rupees -----	
<b>Undistributed income brought forward</b>	<b>2,562,639</b>	<b>83,751,587</b>
Cash dividend at the rate of Rs.1.82 per certificate declared on 4 July 2013	-	(76,440,000)
	<b>2,562,639</b>	<b>7,311,587</b>
Net income for the period - after taxation	842,426	25,426,846
	<b>3,405,065</b>	<b>32,738,433</b>
Less: Income distributed to the certificate holders as part of final settlement upon revocation of the Fund	-	(30,448,187)
<b>Undistributed income carried forward</b>	<b>3,405,065</b>	<b>2,290,246</b>

The annexed notes from 1 to 10 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 NINE MONTHS ENDED 31 MARCH 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 during the FY 2013-14 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 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) 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 PREPARATION

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 interim financial statements for the purposes of meeting these regulatory requirements.

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	31 March 2015	30 June 2014
	Un-audited	Un-audited
Note	-----	Rupees -----

## 3. INVESTMENTS

At fair value through profit or loss - Held for trading	3.1	<b>14,186,470</b>	<b>12,251,319</b>
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3.1	Name of Mutual Fund	Number of units				Rupees	
		As at 1 July 2014	Purchases during the period	Bonus during the period	Sold/ redeemed during the period	As at 31 March 2015	Market Value
	Atlas Money Market Fund	24,379	2,943	-	804	26,518	<b>13,346,403</b>
							<b>14,186,470</b>

This investment has 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.

	31 March 2015	30 June 2014
	Un-audited	Un-audited
Note	-----	Rupees -----

## 4. UNITS OF INVESTEE FUNDS AWAITING

TRANSFER TO CERTIFICATE HOLDERS	4.1	<b>2,340,150</b>	<b>3,519,728</b>
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4.1 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 2014: Rs.220.93 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 31 March 2015, the market value of these units aggregates to Rs.2.340 million (30 June 2014: Rs.3.519 million), based on the net asset value of the investee funds, as per the breakup below. The valuation gain of Rs.0.92 million (30 June 2014: Rs.0.83 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 31 March 2015	Unrealised gain on revaluation of investments- net
-----Rupees-----				
JS Growth Fund	4,471	351,040	646,356	295,316
JS Value Fund	3,934	377,689	663,392	285,703
Meezan Balanced Fund	31,839	303,820	449,888	146,068
PICIC Energy Fund	52,019	388,260	580,514	192,254
	<b>92,263</b>	<b>1,420,809</b>	<b>2,340,150</b>	<b>919,341</b>

	31 March 2015	30 June 2014
	Un-audited	Un-audited
	-----	Rupees -----

## 5. DIVIDEND PAYABLE

FY 2005-06	79,067	79,067
FY 2006-07	101,609	101,609
FY 2007-08	92,286	92,286
FY 2009-10	22,104	22,368
FY 2010-11	169,586	170,917
FY 2011-12	74,577	83,103
FY 2012-13	490,027	490,027
	<b>1,029,256</b>	<b>1,039,377</b>

# Atlas Fund of Funds

## 6. LIABILITY IN RESPECT OF POST REVOCATION PROFITS

	31 March 2015	30 June 2014
	Un-audited	Un-audited
Note	Rupees	
6.1	3,405,065	2,256,639

6.1 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.

## 7. LIABILITIES AGAINST PENDING PETITIONS IN THE HONORABLE SINDH HIGH COURT

	31 March 2015	30 June 2014
	Un-audited	Un-audited
Note	Rupees	
Provision for Workers' Welfare Fund	9,549,734	9,532,542
Provision for Federal Excise Duty	191,258	191,258
7.1	9,740,992	9,723,800

7.1 As at 31 March 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 invested in the units of Atlas Money Market Fund, in accordance with the approval obtained from the SECP, as explained in detail in note 3 above. The hearing of the petitions remains pending.

## 8. ACCRUED AND OTHER LIABILITIES

	31 March 2015	30 June 2014
	Un-audited	Un-audited
	Rupees	
Auditors' remuneration payable	37,500	50,000
Withholding tax payable	-	7,343
Sindh sales tax payable on remuneration of the Management Company	30,601	30,601
	68,101	87,944

## 9. GENERAL

9.1 Figures have been rounded off to the nearest Rupee.

9.2 Comparative figures on the income statement include the period from 1 July 2013 to 26 July 2013 during which the Fund earned operational income aggregating Rs.23.136 million, which was distributed amongst the certificate holders as part of the final settlement upon revocation in August 2013, as reported in the un-audited financial statements of the Fund for the nine months ended 31 March 2014.

## 10. AUTHORISATION OF ISSUE

These financial statements were authorized for issue by the Board of Directors of the Management Company on 27 April 2015.

For Atlas Asset Management Limited  
(Management Company)

M. Habib-ur-Rahman  
Chief Executive Officer

Yusuf H. Shirazi  
Chairman

Azam Faruque  
Director

**Head Office**

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