

Atlas funds

Nurturing your investments

Atlas Fund of Funds

THIRD QUARTER REPORT

31 March 2016

(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 Ms Sabina Rais Ahmed

Management Committee

Chairman Mr. M. Habib-ur-Rahman
Members Mr. Muhammad Abdul Samad
Mr. Abbas Sajjad
Mr. Khalid Mahmood
Ms Qurrat-ul-Ain Jafari

Secretary Mr. Muhammad Umar Khan

Risk Management Committee

Chairman Mr. M. Habib-ur-Rahman
Members Mr. Muhammad Abdul Samad
Mr. Khalid Mahmood

Secretary Mr. Haider Iqbal

Chief Internal Auditor

Mr. M. Uzair Uddin Siddiqui

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Third 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 for the nine months period ended 31 March 2016 of the FY 2015-16.

FINANCIAL REVIEW:

ASSETS OF THE FUND:

As of 31 March 2016, the total assets of the Fund stood at Rs.18,660,638-. These are invested in Atlas Money Market Fund amounting to Rs.16,067,591/- and Rs.28,368/- in PLS account with Bank Alfalah Limited. Remaining amount i.e. Rs.2,564,679/- is invested in units of JS Growth Fund, JS Value Fund, PICIC Energy Fund and Meezan Balanced Fund pending transfer to certificate holders.

LIABILITIES:

The aggregate liabilities excluding post revocation profits stood at Rs.14,383,061/- on 31 March 2016. The liabilities can broadly be classified under three heads, as under:

- 1. Amount Unclaimed by Certificate Holders:** These are unclaimed dividends of Rs.1,029,256/- cash proceeds on revocation pending payment of Rs.987,978/- and proceeds on revocation through transfer of certificates of investee funds to certificate holders of Rs.2,564,679/-. These add up to Rs.4,581,913/-.
- 2. Accrued liabilities:** These amount to Rs.55,631/-.
- 3. Liability pending adjudication fully provided:** These are provisions for Workers' Welfare Fund (WWF) amounting to Rs.9,554,259/- and Federal Excise Duty (FED) amounting to Rs.191,258/-.

INCOME:

Net income for the period ended 31 March 2016 stood at Rs.650,808/-. The aggregate post revocation income stood at Rs.4,277,577/- on 31 March 2016.

WORKERS' WELFARE FUND AND FEDERAL EXCISE DUTY:

The petitions filed in the Honorable Sindh High Court against WWF and FED are pending. The Fund shall continue to exist as a legal entity until the decision of these petitions and final distribution 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.

چلتے ہیں جس کیلئے تیری آنکھوں کے دیے
ڈھونڈ لایا ہوں وہی گیت میں تیرے لئے

(Good better best:
Let it not rest:
Till your good is better:
And your better best)

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 unit 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 March 2016

Yusuf H. Shirazi
Chairman

Atlas Fund of Funds

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

Third Quarter Report 2015-16

STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED)

AS AT 31 MARCH 2016

		31 March 2016 Un-audited	30 June 2015 Audited
	Note	----- Rupees -----	
ASSETS			
Bank balances			
In PLS Savings Account		28,243	14,421,866
In Dividend accounts		-	1,029,256
		28,243	15,451,122
Investment in Atlas Money Market Fund	5	16,067,591	-
Profit receivable on bank balances		125	30,944
Units of investee funds awaiting transfer to certificate holders	6	2,564,679	2,577,872
Total Assets		18,660,638	18,059,938
LIABILITIES			
Unclaimed Dividends		1,029,256	1,029,256
Payable to certificate holders :			
Settlement of proceeds on revocation			
Cash settlement		987,978	999,923
Transfer of units of investee funds (contra)		2,564,679	2,577,872
		3,552,657	3,577,795
Liability in respect of post revocation profits	7	4,277,577	3,626,769
		7,830,234	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	55,631	80,601
Total Liabilities		18,660,638	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 NINE MONTHS ENDED 31 MARCH 2016

	31 March 2016	31 March 2015
	----- Rupees -----	
INCOME		
Profit on bank deposits	114,951	37,178
Gain on sale of investments - net	-	25,084
Unrealised gain on revaluation of investments - net	572,940	840,067
	687,891	902,329
EXPENSES		
Auditors' remuneration	35,148	37,500
Bank charges	1,935	5,211
Provision for Workers' Welfare Fund	-	17,192
	37,083	59,903
Net income for the period before taxation	650,808	842,426
Taxation	-	-
Payable to certificate holders in respect of post revocation profits	(650,808)	-
Net income for the period after taxation	-	842,426

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

Third Quarter Report 2015-16

DISTRIBUTION STATEMENT (UN-AUDITED) FOR THE NINE MONTHS ENDED 31 MARCH 2016

	31 March 2016	31 March 2015
	----- Rupees -----	
Undistributed income brought forward	-	2,562,639
Net income for the year - after taxation	-	842,426
Undistributed income carried forward	-	<u>3,405,065</u>

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 NINE MONTHS ENDED 31 MARCH 2016

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 8 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 Pakistan Stock Exchange Limited (Formerly Karachi Stock Exchange Limited) 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 period ended 31 March 2016.

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.

	31 March 2016 (Un-audited)	30 June 2015 Audited
Note	-----	-----
	Rupees	Rupees

5. INVESTMENTS

At fair value through profit or loss - Held for trading 5.1 **16,067,591** -

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 31 March 2016	Carrying Cost	Market Value
Atlas Money Market Fund	-	30,508	-	-	30,508	15,494,651	16,067,591

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 2016 (Un-audited)	30 June 2015 Audited
Note	-----	-----
	Rupees	Rupees

6. UNITS OF INVESTEE FUNDS AWAITING TRANSFER TO CERTIFICATE HOLDERS

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 31 March 2016, the market value of these units aggregates to Rs.2.564 million (30 June 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.1.144 million (30 June 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 31 March 2016	Unrealised gain on revaluation of investments- net
-----Rupees-----				
JS Growth Fund	4,495	351,043	707,575	356,532
JS Value Fund	4,016	377,700	761,540	383,840
Meezan Balanced Fund	33,581	303,818	516,818	213,000
PICIC Energy Fund	52,019	388,259	578,746	190,487
	94,111	1,420,820	2,564,679	1,143,859

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
	----- Rupees -----	
JS Growth Fund	1,383	24
JS Value Fund	1,008	81
Meezan Balanced Fund	7,553	1,742
PICIC Energy Fund	19,558	-
	31 March 2016 (Un-audited)	30 June 2015 Audited
Note	----- Rupees -----	

7. LIABILITY IN RESPECT OF POST REVOCATION PROFITS

7.1	<u>4,277,577</u>	<u>3,626,769</u>
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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.

	31 March 2016 (Un-audited)	30 June 2015 Audited
	----- Rupees -----	

8. LIABILITIES AGAINST PENDING PETITIONS IN THE HONORABLE SINDH HIGH COURT

Provision for Workers' Welfare Fund	9,554,259	9,554,259
Provision for Federal Excise Duty	191,258	191,258
8.1	<u>9,745,517</u>	<u>9,745,517</u>

8.1 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 5 above. The hearing of the petitions remains pending.

	31 March 2016 (Un-audited)	30 June 2015 Audited
	----- Rupees -----	

9. ACCRUED AND OTHER LIABILITIES

Auditors' remuneration payable	25,030	50,000
Sindh sales tax payable on remuneration of the Management Company	30,601	30,601
	<u>55,631</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 April 2016.

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Azam Faruque
Director

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