

Atlas funds

Nurturing your investments

Atlas Fund of Funds

ANNUAL REPORT

30 June 2014

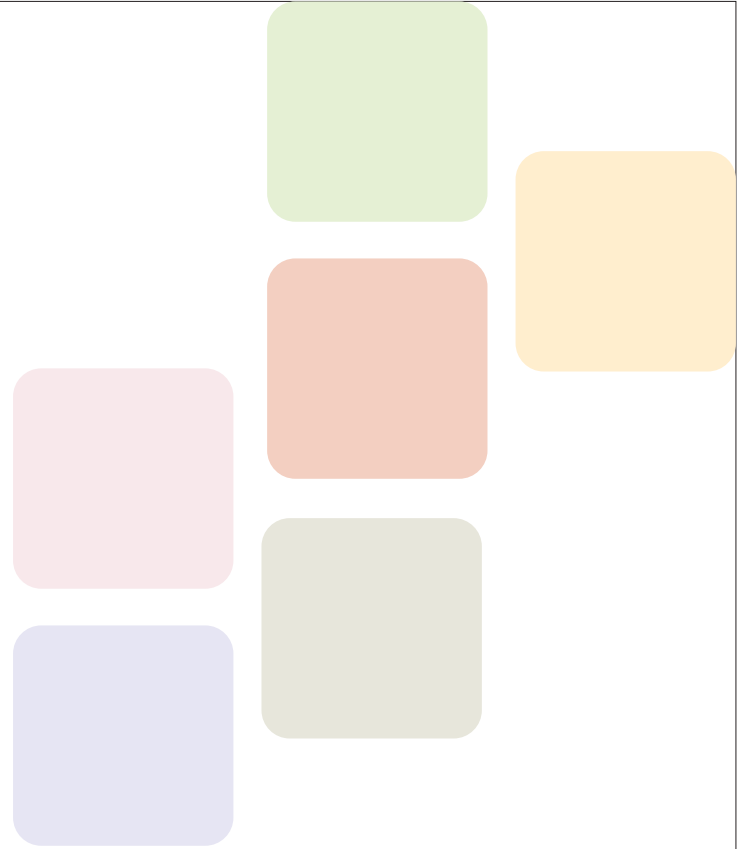
(UN-AUDITED)



Managed By

Atlas Asset Management

Rated AM2- by PACRA

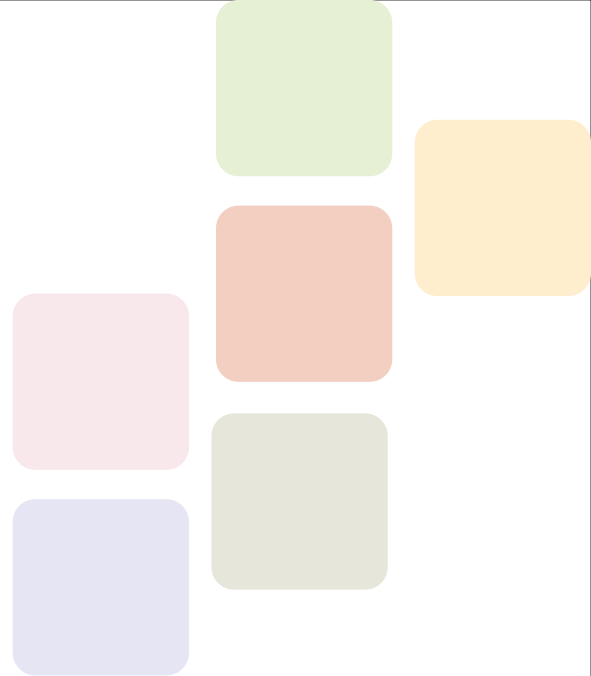


Company Profile

Atlas Asset Management Limited (AAML), an Atlas Group Company, was incorporated on 20 August 2002 as an unlisted public limited company and is registered with the Securities and Exchange Commission of Pakistan as an asset management company for managing open-ended funds and closed-end funds. AAML is also a licensed pension fund manager to manage voluntary pension funds.

AAML is a wholly owned subsidiary of Shirazi Investments (Pvt.) Limited (SIL). As the parent company, SIL sponsors Atlas Group projects. Atlas Group is a diversified group dealing in engineering, financial services, power generation, real estate & trading.

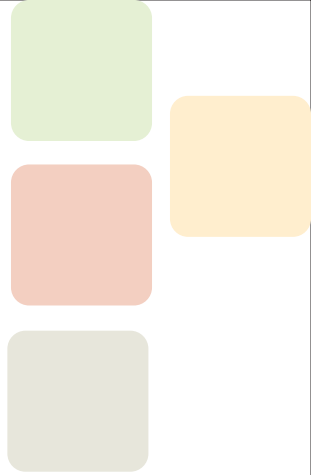
AAML strives to be a market leader in providing quality fund management services with customer satisfaction as its aim, and is consistently committed to offering its investors the best possible risk adjusted returns on a diverse range of products, meeting not only the customers' current requirements but also exceeding their future expectations. With its strong emphasis on systems and controls, quality human resource and backing of Atlas Group, AAML enjoys a distinct advantage.



“ There are no such things as limits to growth, because there are no limits to the human capacity for intelligence, imagination, and wonder.”

-Ronald Reagan
(Former US President)





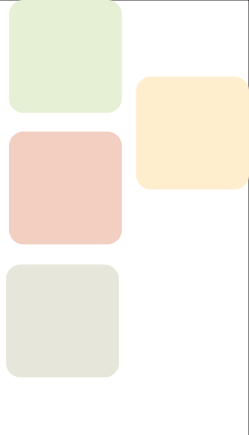
Vision

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

“Wise investing is understanding that meeting personal goals is still more important than beating the market.”

- Martin L. Flanagan
(Chairman-Investment Company Institute)





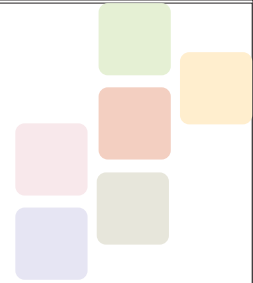
Mission

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.

“Mutual funds have historically offered safety and diversification. And they spare you with responsibility of picking individual stocks.”

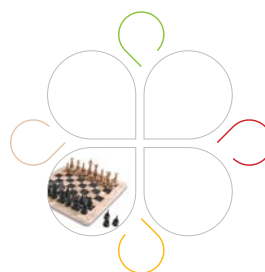
- Ron Chernow
(American Biographical Author)





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Organisation

Management Company

Atlas Asset Management Limited

Board of Directors of the Management Company

Chairman	Mr. Yusuf H. Shirazi <i>(Non-Executive Director)</i>
Directors	Mr. Azam Faruque <i>(Independent Director)</i> Mr. Shamshad Nabi <i>(Independent Director)</i> Mr. Frahim Ali Khan <i>(Non-Executive Director)</i> Mr. Ali H. Shirazi <i>(Non-Executive Director)</i> Mr. Arshad P. Rana <i>(Non-Executive Director)</i>

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

Company Secretary Ms Lilly R. Dossabhoj

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

The above information is as at 25 September 2014.

Investment Committee

Chairman	Mr. M. Habib-ur-Rahman
Members	Mr. Ali H. Shirazi Mr. Muhammad Abdul Samad Mr. Khalid Mahmood Mr. Muhammad Umar Khan <i>(Secretary)</i> Mr. Fawad Javaid

Management Committee

Chairman	Mr. M. Habib-ur-Rahman
Members	Ms Lilly R. Dossabhoj Mr. Muhammad Abdul Samad Mr. Abbas Sajjad
Secretary	Mr. M. Irfan Dhedhi

Risk Management Committee

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

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



Board of Directors of the Management Company

Mr. Yusuf H. Shirazi Chairman

Mr. Yusuf H. Shirazi is a Law graduate (LLB) with BA (Hons.) and JD (Diploma in Journalism) from Punjab University and AMP Harvard. He has served in the financial services of the Central Superior Services of Pakistan for eight years where he authored 50 reports as to how the businesses are carried and tax assessed. He was an instructor in the Finance Services Academy on Law and Accounts. He is the author of seven books including "Aid or Trade" adjudged by the Writers Guild as the best book of the year and continues to be a columnist, particularly on matters - socio - politico - economic.

Mr. Shirazi is the Chairman of Atlas Group, which, among others, has joint ventures with Honda, GS Yuasa and MAN to name a few. Mr. Shirazi has been the President of Karachi Chamber of Commerce and Industry for two terms. He has been the founder Member of Karachi Stock Exchange, Lahore Stock Exchange and International Chamber of Commerce and Industry. He has been on the Board of Harvard Business School Alumni Association and is the Founder President of Harvard Club of Pakistan and Harvard Business School Club of Pakistan. He has been a visiting faculty member at National Defense University, Navy War College and National School of Public Policy. He has been on the Board of Governors of LUMS, GIK and FC College (Chartered University) and Pakistan Institute of Management. Previously, he also served, among others, on the Board of Fauji Foundation Institute of Management and Computer Sciences (FFIMCS) and Institute of Space Technology - Space & Upper Atmosphere Research Commission (SUPARCO).

Mr. Azam Faruque Director

Mr. Azam Faruque is a Graduate in Electrical Engineering and Computer Sciences from the Princeton University, USA, and an MBA (High Honours) from the University of Chicago, Booth School of Business, USA. He is the Chief Executive of Cherat Cement Company Limited. He has served as a member on the Boards of the State Bank of Pakistan, National Bank of Pakistan, Oil & Gas Development Company Limited, Privatization Commission of Pakistan, and on the Board of Governors of the GIK Institute. He was also a member, of the National Commission on Science and Technology. Presently, he is on the Board of Directors of Faruque (Pvt.) Limited, Madian Hydro Power Limited, International Industries Limited and Khyber Pakhtunkhwa Oil and Gas Company Limited. He is also a Member of the National Committee of the Aga Khan Foundation.

Mr. Shamshad Nabi Director

Mr. Shamshad Nabi is a Fellow of the Institute of Chartered Accountants of England & Wales and the Institute of Chartered Accountants of Pakistan. He has also completed his MBA in Finance from the University of Wales in the UK. Mr. Nabi has over 40 years working experience in the UK, Saudi Arabia and Pakistan mostly in asset management and development banking. He has had a long association with the Mutual fund industry in Pakistan, having served the NIT from 1966 to 1980 including the last four years as the NIT's Deputy Managing Director. He was the first Chief Executive Officer of the Mutual Funds Association of Pakistan from August 2007 to July 2012. During his association with the NIT, Mr. Nabi served on the Board of Directors of a large number of listed companies including ICI Pakistan Limited, Siemens Pakistan Limited, former Reckit & Colman of Pakistan Limited, Premier Tobacco Company Limited and Gul Ahmed Textiles Mills Limited besides many others. He has also served on the Board of Directors of the Karachi Stock Exchange. From 1980 until the end of 2002, Mr. Nabi worked for the Islamic Development Bank in Jeddah, Saudi Arabia for almost the entire period in the Grade of Director in the Treasury & Finance Department, Business Development Department and the Trade Finance Department. He has also worked for The Citizens Foundation in an Honorary capacity for four years as Advisor.

Mr. Frahim Ali Khan Director

Mr. Frahim Ali Khan has over 47 years of experience in General Management, Finance, Investment and Taxation. He graduated in Commerce from the Karachi University in 1965 and also obtained a degree in law from the same University. He has also attended the Senior Managers' Program from Harvard University, USA, Financial Management from Stanford University, USA, and General Management Program from Insead University, France. He joined the Atlas Group in 1967 and has served in different senior positions. Currently, his other directorships include Atlas Insurance Limited, Atlas Engineering Limited, Atlas Power Limited, Shirazi Trading Company (Pvt.) Limited, Atlas Hi-Tech Limited, Atlas Autos (Pvt.) Limited, Atlas Metals (Pvt.) Limited and Atlas Foundation. Earlier, he has also served on the Boards of Atlas Honda Limited and Atlas Battery Limited, and has been the CEO of Shirazi Investments (Pvt.) Limited, Shirazi Trading Company (Pvt.) Limited, and former Atlas Investment Bank Limited.



Board of Directors of the Management Company

Mr. Ali H. Shirazi
Director

Mr. Ali H. Shirazi graduated in Political Science from Yale University, U.S.A. in 2000 and thereafter completed his Masters in Law from Bristol University, U.K. in 2005. He has worked with the Bank of Tokyo-Mitsubishi in New York as well as American Honda in Torrance, California. He is an Atlas Group Director, and is responsible for Group's financial services. He is also on the Boards of Atlas Insurance Limited, Atlas Engineering Limited, Shirazi Investments (Pvt.) Limited, Shirazi Trading Company (Pvt.) Limited, Atlas Metals (Pvt.) Limited, Techlogix International Limited, Ghulam Ishaq Khan Institute of Engineering Sciences and Technology (as alternate director), and National Management Foundation (sponsoring body of LUMS). He is a Certified Director from the Pakistan Institute of Corporate Governance.

Mr. Arshad P. Rana
Director

Mr. Arshad P. Rana is a graduate from Government College, Lahore; B.S. in Insurance & Economics from Iran and MBA from USA. He is a senior expert in insurance industry and has been affiliated with Atlas Insurance Limited, an associate company of the Atlas Group since 1991; first as General Manager and then as Chief Operating Officer before being appointed as the Chief Executive Officer of the company in March 2004. In his professional career that spans over 35 years, he has worked in Iran, USA and Middle East. Since his appointment to this position, Mr. Rana has been managing the company affairs with a professional approach having the vision to make Atlas Insurance Limited as one of the best performing companies in the market. Under his leadership, Atlas Insurance Limited has won several awards in the financial sector. Mr. Rana has been the Chairman, Insurance Association of Pakistan (IAP), Lahore Regional Committee in 2002-2003 and Vice Chairman, Central Committee (IAP) in the year 2004-2005 prior to becoming the Chairman, Insurance Association of Pakistan in 2005-2006.

Mr. M. Habib-ur-Rahman
Chief Executive Officer

Mr. M. Habib-ur-Rahman is an FCA from the Institute of Chartered Accountants of England & Wales and has attended the management level programme (PMD) from Harvard Business School, USA. He has been a founding member and past Chairman / Director of the Mutual Funds Association of Pakistan (MUFAP), and is currently on the Board of Directors of MUFAP. He played an instrumental role in setting up the first open-end mutual fund in the private sector in Pakistan. He has been SECP's nominee on the Board of Karachi Stock Exchange in 2000, 2001, & 2003, and has also been a member of the Commission's Advisory Group on Capital Markets, and the Commission's Enquiry Committee on management of Exposure Rules by KSE / LSE.

“ The part of ethical living that is supposed to be easy - namely, following simple, familiar rules - turns out not to be so straightforward. Indeed, good choices of any kind are not easy, but we can improve the picture with well-designed moral education, disciplined workplace ethics and more effectively regulated businesses, professions and industries. ”

- Dr. Anita Allen
(Author, Professor of Law & Philosophy)



Chairman's Review

It is my pleasure to present to you the Annual Report of Atlas Fund of Funds for the FY ended 30 June 2014.

STATUS REVIEW

As reported in the annual audited financial statements of FY 2012-13 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, wherein the Certificate Holders of the Fund, subject to the approval of the Securities and Exchange Commission of Pakistan (the Commission) approved the revocation and winding of the Fund. The Fund held investments in certificates of four closed end funds, JS Growth Fund, JS Value Fund, Meezan Balanced Fund and PICIC Energy Fund which were being converted to open end Funds. These funds had imposed back end load for a period ranging from six months to one year from the date of conversion. The Certificate Holders decided that the date of revocation and winding up should be fixed by the Management Company after the date when back end load is not applicable. The Commission approved the revocation and winding up of the Fund, and directed that the process of revocation be completed by 31 July 2013, which was later extended to 31 August 2013, at the request of the Management Company, to realize the dividends from the investee Funds. The Commission also required the Management Company to give an option to Certificate Holders either to receive proportionately the certificates of the above mentioned closed end funds or receive cash value of the certificates.

Accordingly, 69 certificate holders holding 37,124,812 certificates holding 88.39% certificates opted to receive proportionate certificates of the investee Funds. The remaining certificate holders holding 4,875,188 certificates, had either opted / or were deemed to have opted to receive proportionate proceeds of the investment in closed end funds after deduction of back end load.

The process of distribution of assets of the Fund among Certificate Holders was completed on 24 August 2013 and the final report on the revocation of the Fund was submitted jointly by the Management Company and the Trustee of the Fund on 31 August 2013. The Commission, in their response to the final joint report on revocation, appreciated the efforts of the Management Company in the efficient and timely execution of the revocation process of the Fund. The Trustees of the Fund made settlement through cash, aggregating to Rs.272.05 million by either dispatch of the cheques at the registered addresses of the Certificate Holders, or transfer to bank accounts of the Certificate Holders, where such authority was available. The Trustees also issued transfer instruments of the value of Rs. 223.61 million of the investee funds to those Certificate Holders who opted to receive proportionately their entitlement in the form of certificates of the investee Funds.

As stated on the statement of net assets, as at 30 June 2014, out of the above settlement amounts, Rs.1.76 million is still unrealized in respect of cash settlement. Further units of investee funds valuing Rs.3.52 million as on 30 June 2014 are awaiting transfer. This amount includes the value of 1,383 bonus units of JS Growth Fund, 1,008 bonus units of JS Value Fund, 7,553 bonus units of Meezan Balanced Fund and 19,558 bonus units of PICIC Energy Fund received by Atlas Fund of Funds on units not transferred. There is also an amount due to Certificate Holders for un-paid dividends amounting to Rs.1.04 million, and liability in respect of post revocation profits Rs.2.56 million. The total unpaid amount thus works out to Rs.7.84 million. The Management Company is contacting the Certificate Holders and facilitating them by issuing duplicate cheques where required, or enabling those to contact the investee funds in order to facilitate the execution of transfer deeds.

The petitions filed in the Honorable Sindh High Court against Workers' Welfare Fund (WWF) and Federal Excise Duty (FED) are pending. As at 30 June 2014, the liability against these provisions, aggregating to Rs.9.72 million, was invested in Atlas Money Market Fund, an open ended fund managed by the Management Company, in accordance with the approval obtained from the SECP, based on the concurrence of the Trustee and after analyzing the beneficial impact of the same for the certificate holders. The Fund shall continue to exist as a legal entity until the decision of these petitions and consequential final settlement to the Certificate Holders.

FINANCIAL REVIEW

As of 30 June 2014 the total assets of the Fund stood at Rs.18.69 million representing investment in Atlas Money Market Fund, bank balances, profit receivable and units of investee Funds pending transfer to certificate holders. The liabilities represent unclaimed dividends, proceeds on revocation pending payment/ transfer to certificate holders, accrued & other liabilities, liability in respect of post revocation profits and liability against provisions for Workers' Welfare Fund (WWF) and Federal Excise Duty (FED) against which the Fund has filed petitions in the Honorable Sindh High Court.



HISTORICAL PERFORMANCE

Atlas Fund of Funds, which held its IPO in December 2004 has provided a cumulative return of 172.80% since its inception till 26 July 2013, with a return of 12.34% on annualized basis. As an investor in ATFF, your initial investment of Rs.100,000 increased to Rs.272,800 (on NAV basis) as at 26 July 2013. In addition, Certificate Holders who elected receive units of investee funds got an additional return during the year, when they redeemed the units of investee funds after the back-end load was not applicable. The Certificate Holders are also likely to get an additional amount after the resolution of WWF and FED issues pending in Honorable Sindh High Court. The payout history and year on year NAV performance of the Fund is as follows:

Payout History	Jun-05	Jun-06	Jun-07	Jun-08	Jun-09	Jun-10	Jun-11	Jun-12	Jun-13
Closing NAV Rs.	10.53	11.97	12.31	11.28	5.56	7.03	9.73	10.09	13.07
Payout in Rs.	0.50	1.50	1.60	0.75	-	0.22	1.50	0.90	1.82
Payout in %	* 5%	15.00%	16.00%	7.50%	-	2.20%	15.00%	9.00%	18.20%

* 5% Bonus Certificates

RATING

The Pakistan Credit Rating Agency Limited (PACRA) has maintained asset manager rating of Atlas Asset Management Limited (AAML) at "AM2-" (AM Two Minus). The rating denotes the Company's very strong capacity to manage the risks inherent in asset management and meets very high investment management industry standards and benchmarks.

شاہیں کا جہاں اور

(We look forward to beyond horizon)

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 August 2014

Yusuf H. Shirazi
Chairman



Atlas Fund of Funds

Financial Statements





Type of revenue	1995		1996		1997		
	million	%	million	%	million	%	
(1) VAT-based own resource (including balance from previous years)	39 127.3	52.1 %	36 535.0	45.0 %	34 351.5	42.6 %	
(2) GNP/GNI-based own resource (including balance from previous years)	14 172.6	18.9 %	21 058.0	25.9 %	26 891.7	33.4 %	
(3) UK correction (*)	78.1	0.1 %	-81.0	-0.1 %	-114.9	-0.1 %	
(4) Other payments from/to Member States (**)	-3.6	-0.0 %	3.1	0.0 %	-7.6	-0.0 %	
(5) Total national contributions = (1) + (2) + (3) + (4)	53 374.4	71.1 %	57 515.1	70.8 %	61 120.7	75.9 %	
(6) Tradit...	19.3 %	13 583.6	16.7 %	14 172.3	17.6 %	14 110.7	16.7 %
(7) ...	810.1	1.0 %	1 025.2	1.3 %	1 102.2	1.3 %	
(8) ...	1 213.7	1.5 %	1 114.0	1.4 %	1 070.1	1.3 %	
(9) ...	069.1	0.9 %	13 607.7	16.9 %	13 506.2	16.0 %	
(10) ...	2.3	-1.9 %	-1 574.7	-2.0 %	-1 567.9	-1.9 %	
(11) ...	75 293.0	102 %	93.5 %	82 249.2	97.3 %	82 530.8	102 %
(12) ...	4 384.1	5.4 %	916.0	1.1 %	1 364.6	1.6 %	
(13) ...	870.7	1.0 %	1 364.6	1.6 %	2 944.2	3.6 %	
(14) ...	80 547.7	100 %	84 529.7	100 %	86 903.5	100 %	
(15) ...	1 09 %	1.01 %	7 719 424.1	1.07 %	8 122 344.4	1.07 %	
(16) ...	7 388 285.4	100 %	8 122 344.4	100 %			



Spotlight

Fund Manager Report June 2014

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



www.atlasfunds.com.pk | 021-111-MUTUAL (6-888-25) | facebook.com/atlasfunds

STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED)

AS AT 30 JUNE 2014

	Note	2014 Rupees
ASSETS		
Bank balances		
In PLS Saving Account with Trustee, representing unclaimed cash settlement, and liabilities for pending petitions / accrued liabilities		1,867,856
In Dividend accounts		1,039,377
		2,907,233
Investment in Atlas Money Market Fund	3	12,251,319
Profit receivable on bank balances		14,221
Units of investee funds awaiting transfer to certificate holders	4	3,519,728
Total Assets		18,692,501
LIABILITIES		
Unclaimed dividends		1,039,377
Payable to certificate holders:		
Settlement of proceeds on revocation		
Cash settlement		1,759,013
Transfer of units of investee funds (contra)		3,519,728
		5,278,741
Liability in respect of post revocation profits	5	2,562,639
		7,841,380
Liabilities against pending petitions in the Honourable Sindh High Court	6	9,723,800
Accrued and other liabilities	7	87,944
Total Liabilities		18,692,501

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

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

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Azam Faruque
Director



INCOME STATEMENT (UN-AUDITED) FOR THE YEAR ENDED 30 JUNE 2014

	For the period from 1 July 2013 to 26 July 2013	For the period from 27 July 2013 to 30 June 2014	For the year ended 30 June 2014
Note	----- Rupees -----		
INCOME			
Profit on bank deposits	1,454,558	2,732,852	4,187,410
Dividend income	18,688,477	-	18,688,477
Gain on sale of investments - net	528,717	-	528,717
Unrealised gain on revaluation of investments - net	4,024,542	251,319	4,275,861
Gain on sale of investments - net	4,553,259	251,319	4,804,578
	24,696,294	2,984,171	27,680,465
EXPENSES			
Remuneration of Atlas Asset Management Limited - Management Company	702,167	-	702,167
Sindh sales tax on remuneration of the Management Company	130,322	-	130,322
Federal Excise Duty on remuneration of the Management Company	112,347	-	112,347
Remuneration of MCB Financial Services Limited - Trustee	61,923	-	61,923
Annual fees - Securities and Exchange Commission of Pakistan	33,354	-	33,354
Securities transaction cost	15,000	-	15,000
Auditors' remuneration	-	49,826	49,826
Other expense	23,976	-	23,976
Bank charges	8,429	2,389	10,818
Post revocation charges	-	317,018	317,018
Provision for Workers' Welfare Fund	472,176	52,299	524,475
	1,559,694	421,532	1,981,226
Net income for the year before taxation	23,136,600	2,562,639	25,699,239
Taxation	-	-	-
	23,136,600	2,562,639	25,699,239
Payable to certificate holders in respect of post revocation profits	-	(2,562,639)	(2,562,639)
Net income for the year after taxation	23,136,600	-	23,136,600

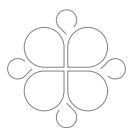
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**For Atlas Asset Management Limited
(Management Company)**

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Azam Faruque
Director



DISTRIBUTION STATEMENT (UN-AUDITED) AS AT 30 JUNE 2014

	For the period from 1 July 2013 to 26 July 2013 Rupees
Undistributed income brought forward	83,751,587
Cash dividend at the rate of Rs.1.82 per certificate declared on 4 July 2013 (2012: Re.0.90 per certificate declared on 5 September 2012)	<u>(76,440,000)</u> 7,311,587
Net income for the year after taxation	<u>23,136,600</u> 30,448,187
Less: Income distributed to the certificate holders as part of final settlement upon revocation of the Fund	<u>(30,448,187)</u>
Undistributed income carried forward	<u><u>-</u></u>

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

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

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Azam Faruque
Director



STATEMENT OF DISTRIBUTION OF NET ASSETS UPON REVOCATION (UN-AUDITED) FOR YEAR ENDED 30 JUNE 2014

As reported in the annual audited financial statements of the Fund for FY 2012-13, the Fund carried out the process of disposal of Fund's assets and settlement of certificate holders' capital in accordance with the procedure specified by the SECP. The settlement was made based on the amount appearing in the books of the Fund as at 26 July 2013 as detailed below:

	Note	For the period from 1 July 2013 to 26 July 2013 Rupees
Investment held for transfer to certificate holders		223,613,899
Assets to be distributed in cash to certificate holders		294,914,684
		518,528,583
Settlement of liabilities in respect of		
- Remuneration of Atlas Asset Management Limited - Management Company		1,492,443
- Remuneration of MCB Financial Services Limited - Trustee		61,923
- Annual fee of the Securities and Exchange Commission of Pakistan		33,354
- Other liabilities		7,142,505
		8,730,225
Amount retained for settlement of liabilities	6	
- Provision for Workers' Welfare Fund		9,480,243
- Federal Excise Duty payable		191,258
- Unpaid dividend		4,467,882
		14,139,383
Net Assets as at distribution date of 26 July 2013	1.2	495,658,975
Net amount available for certificate holders - as stated above		
- Settled in cash		272,045,076
- Settled through transfer of investments held by the Fund	4	223,613,899
		495,658,975

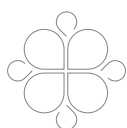
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**For Atlas Asset Management Limited
(Management Company)**

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Azam Faruque
Director



NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED) FOR THE YEAR ENDED 30 JUNE 2014

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 year, 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 6 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 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) 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 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 therefore prepared these financial statements for the purposes of meeting these regulatory requirements.



NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED) FOR THE YEAR ENDED 30 JUNE 2014

3. INVESTMENTS	Note	30 June 2014 Rupees
At fair value through profit or loss - Held for trading	3.1	<u><u>12,251,319</u></u>

3.1 Name of Mutual Fund	-----Number of units -----					-----Rupees-----	
	As at 01 July 2013	Purchases during the year	Bonus during the year	Sold/redeemed during the year	As at 30 June 2014	Carrying Cost	Market Value
Atlas Money Market Fund	-	23,853	526	-	24,379	<u>12,000,000</u>	<u>12,251,319</u>

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.

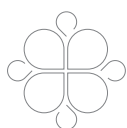
4. UNITS OF INVESTEE FUNDS AWAITING TRANSFER TO CERTIFICATE HOLDERS	Note	30 June 2014 Rupees
	4.1	<u><u>3,519,728</u></u>

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.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 30 June 2014, the market value of these units aggregates to Rs.3.519 million, based on the net asset value of the investee funds, less back end load, where applicable, as per the breakup below. The valuation gain of 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 30 June 2014	Unrealised gain on revaluation of investments - net
	No. of units	-----Rupees-----		
JS Growth Fund	7,268	669,007	832,397	163,390
JS Value Fund	6,414	697,719	1,073,155	375,436
Meezan Balanced Fund	51,831	553,918	657,348	103,430
PICIC Energy Fund	83,713	767,345	956,828	189,483
	<u>149,226</u>	<u>2,687,989</u>	<u>3,519,728</u>	<u>831,739</u>

4.2 During June 2014, the Fund has received 1,383, 1,008, 7,553 and 19,558 bonus units respectively of JS Growth Fund, JS Value Fund, Meezan Balanced Fund and PICIC Energy Fund, respectively against interim bonus distribution by these funds for FY 2013-14. These are transferrable to those certificate holders whose entitlement to units are still pending, for which the management company is currently in the process of completing the process of their transfers.



NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED) FOR THE YEAR ENDED 30 JUNE 2014

5. LIABILITY IN RESPECT OF POST REVOCATION PROFITS

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 June 2014 Rupees
6. LIABILITIES AGAINST PENDING PETITIONS IN THE HONOURABLE SINDH HIGH COURT	
Provision for Workers' Welfare Fund	9,532,542
Provision for Federal Excise Duty	191,258
	<u>9,723,800</u>

6.1 As at 30 June 2014, 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.

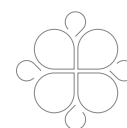
	30 June 2014 Rupees
7. ACCRUED AND OTHER LIABILITIES	
Auditors' remuneration payable	50,000
Withholding tax payable	7,343
Sindh sales tax payable on remuneration of the Management Company	30,601
	<u>87,944</u>

8. AUDITORS' REMUNERATION

Annual audit fee	45,000
Sindh Sales Tax on services	1,800
Out of pocket expenses	3,026
	<u>49,826</u>

9. TAXATION

The Fund is exempt from taxation under Clause 99 of the Part I of the 2nd Schedule of the Income Tax Ordinance, 2001, subject to the condition that not less than 90% of its accounting income excluding realised and unrealised capital gains for the year is distributed amongst the Fund's certificate holders. The Fund intends to avail this exemption for current year. Accordingly, no provision is made for current taxation in these financial statements.



NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED) FOR THE YEAR ENDED 30 JUNE 2014

10. GENERAL

10.1 Figures have been rounded off to the nearest Rupee.

10.2 Comparative statements have not been presented as these financial statements relate to the period after the Fund has discontinued operations following revocation, whereas in the corresponding period last year, the Fund was an operational entity.

11. AUTHORISATION OF ISSUE

These financial statements were authorized for issue by the Board of Directors of the Management Company on 28 August 2014.

**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