

Atlas funds

Nurturing your investments

Atlas Money Market Fund

Atlas Income Fund

Atlas Stock Market Fund

QUARTERLY REPORT

30 September 2011

(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
ATLAS MONEY MARKET FUND	
CORPORATE INFORMATION	5
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES	6
CONDENSED INTERIM INCOME STATEMENT	7
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME	8
CONDENSED INTERIM DISTRIBUTION STATEMENT	9
CONDENSED INTERIM CASH FLOW STATEMENT	10
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND	11
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS	12
ATLAS INCOME FUND	
CORPORATE INFORMATION	17
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES	18
CONDENSED INTERIM INCOME STATEMENT	19
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME	20
CONDENSED INTERIM DISTRIBUTION STATEMENT	21
CONDENSED INTERIM CASH FLOW STATEMENT	22
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND	23
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS	24
ATLAS STOCK MARKET FUND	
CORPORATE INFORMATION	31
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES	32
CONDENSED INTERIM INCOME STATEMENT	33
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME	34
CONDENSED INTERIM DISTRIBUTION STATEMENT	35
CONDENSED INTERIM CASH FLOW STATEMENT	36
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND	37
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS	38

Atlas Funds

ORGANISATION

Management Company		Investment Committee	
Atlas Asset Management Limited		Chairman	Mr. M. Habib-ur-Rahman
		Members	Mr. Ali H. Shirazi Mr. Muhammad Abdul Samad Mr. Khalid Mahmood
Board of Directors of the Management Company		Secretary	Mr. Muhammad Umar Khan
Chairman	Mr. Yusuf H. Shirazi	Management Committee	
Directors	Mr. Tariq Amin Mr. M. Ashraf Janjua Mr. Frahim Ali Khan Mr. Arshad P. Rana Mr. Ali H. Shirazi	Chairman	Mr. M. Habib-ur-Rahman
Chief Executive Officer	Mr. M. Habib-ur-Rahman	Members	Ms Lilly R. Dossabhoy Mr. Muhammad Abdul Samad Mr. Hassan Khan
Company Secretary	Ms Lilly R. Dossabhoy	Secretary	Mr. M. Irfan Dhedhi
Board Committees		Chief Internal Auditor	
Audit Committee		Ms Qurrat-ul-Ain Jafari	
Chairman	Mr. Tariq Amin	Registered Office	
Members	Mr. M. Ashraf Janjua Mr. Frahim Ali Khan	Ground Floor, Federation House, Sharae Firdousi Clifton, Karachi - 75600	
Secretary	Mr. Imtiaz Ahmed Khan	Tel: (92-21) 111-MUTUAL (6-888-25) (92-21) 35379501-04	
Human Resource Committee		Fax: (92-21) 35379280	
Chairman	Mr. Frahim Ali Khan	Email: info@atlasfunds.com.pk	
Members	Mr. M. Habib-ur-Rahman Mr. Ali H. Shirazi	Website: www.atlasfunds.com.pk	

First Quarter Report 2011-12

CHAIRMAN'S REVIEW

It is my pleasure to present to you the un-audited financial statements of Atlas Money Market Fund (AMF), Atlas Income Fund (AIF), and Atlas Stock Market Fund (ASMF) for the three months' period ended 30 September 2011 of the FY 2011-12.

The Economy

The economy of Pakistan has been showing greater stability led by growth in exports, higher remittance, gradual buildup of foreign exchange reserves and decline in inflation. During the period July-September FY 11-12, the total exports stood at US\$ 6.0 billion, as compared to US\$ 5.06 billion last year. During July-September FY 11-12, foreign remittances reached the record level of US\$ 3.30 billion, which is 24.60% higher than the remittances during the corresponding period last year. The foreign exchange reserves of the country stood at US\$ 17.38 billion as of September, 2011, while current account during July-August FY 11-12 posted a deficit of US\$ 189 million, as compared to a deficit of US\$ 1.02 billion in the same period last year mainly on account of higher remittances. CPI inflation during July-September FY 11-12 averaged 11.5% as compared to 13.4% during July-September FY 11-12. The SBP reduced the policy rate in two successive policy decisions to 12% from 14% mainly on grounds of relatively contained government borrowing from the central bank and the reduced CPI inflation.

Fund Operations - AMF

The AMF's Net Asset Value per unit has increased by 2.98% to Rs.502.80 as on 30 September 2011, thus providing an annualized total return of 11.83%. The benchmark 50% of average 3-Month deposit rates of three scheduled banks (AA and above rated) and 50% average 3 Month PKRV rate for the period of return stood at 9.96%. The AMF's total exposure in Treasury Bills stood at 87% with remaining in short term placements with banks/ cash. AMF presents a good investment opportunity for investors to earn attractive returns while maintaining high liquidity with low risk. The Net Assets of the Fund stood at Rs.3.58 billion, with 7.12 million units outstanding as of 30 September 2011.

The Investment Committee of Atlas Asset Management Limited, the Management Company of Atlas Money Market Fund, under the authority delegated to them by the Board of Directors of Atlas Asset Management Limited has approved the third interim bonus distribution of Rs.5.00 per unit (1.00% on the face value of Rs.500 per unit) for September 2011. This is in addition to the Interim Bonus Distribution of Rs.4.00 per unit and Rs.5.00 per unit (0.80% and 1.00% on the face value of Rs.500 per unit) respectively, already distributed for July and August 2011.

Fund Operations - AIF

The Net Asset Value per unit of the AIF has decreased by 2.57% to Rs.487.62 as on 30 September 2011, the decrease is due to provisioning against non performing assets. AIF's portfolio comprised of Treasury Bills (47%), Term Finance Certificates/Sukuks (42%) and Bank Deposits (11%). AIF's TFC/Sukuk portfolio exposure is mainly with banking, telecom and fertilizer sectors.

As provisioning against non performing assets has already been done, it is expected that any gain as a result of reversal of provisions / income (due to successful restructuring) will boost the AIF's return. The Net Assets of AIF stood at Rs.739.22 million with 1.52 million units outstanding as of 30 September 2011.

Fund Operations - ASMF

The Net Asset Value per unit of the ASMF has increased by 1.36% from the ex-bonus NAV of Rs.334.26 as on 30 June 2011 to Rs.338.79 as on 30 September 2011. The benchmark KSE-100 index has decreased by 5.87% during the same period. The KSE-100 has decreased from 12,496 points as on 30 June 2011 to 11,761 points as on 30 September 2011. The ASMF's equity portfolio exposure was mainly in Banks, Oil & Gas, Chemical, Construction & Materials and Electricity sectors. ASMF's strategy will continue to focus on dividend and stocks which are trading at relatively cheap multiples with earning growth prospects. The Net Assets of the Fund stood at Rs.629.40 million, with 1.86 million units outstanding as of 30 September 2011.

Atlas Funds

Ratings

• Asset Manager Rating

The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of "AM2-" (AM Two Minus), to Atlas Asset Management Limited (AAML) for the FY 2009-10. 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.

• Fund Stability Rating - AMF

PACRA has assigned a stability rating of "AA + (f)" (Double A Plus - Fund rating) to the Fund, for FY 2010-11. The Fund's rating denotes a very strong capacity to manage relative stability in returns and very low exposure to risks.

• Fund Stability Rating - AIF

PACRA has assigned a stability rating of "A+ (f)" (Single A Plus - Fund rating) to the Fund, for FY 2010-11. The Fund's rating denotes a strong capacity to manage relative stability in returns and low exposure to risks.

• Star Ranking - ASMF

PACRA has upgraded the Star rankings of ASMF to "5 Star" short term and maintained "4 Star" long term ranking, for FY 2010-11, compared with the previous "3 Star" short term, and "4 Star long term ranking for the FY 2009-10. The short term ranking is based on performance during the trailing twelve months period, whereas long-term star ranking is based on performance during the trailing thirty six months.

Future Outlook

Currently, the key challenges faced by Pakistan's economy are being emanated from falling private investment, rising total debt due to a low tax to GDP ratio, energy deficit and circular debt issue. The SBP decision to reduce policy rate is expected to have a desirable impact on the demand for private sector credit, and resulting increase in fixed investment may help the productive capacity of the economy. However, an enduring expansion in the private sector credit would require more fiscal reforms. The efforts to overcome key challenges faced by the economy will largely depend upon prudent macroeconomic policies and their timely implementation, which in turn could lay the basis for sustainable economic growth.

The Funds are committed to prudent investment procedures and will continue to provide consistent long term returns to the investors.

چشم وا کرد و جهان دیگر سے پیدا شد

(With eyes open, the world looks differently)

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: 26 October 2011

Yusuf H. Shirazi
Chairman

First Quarter Report 2011 -12

Atlas Money Market Fund

Corporate Information

Trustee

Central Depository Company of Pakistan Limited
99-B, Block 'B', S.M.C.H.S, Main Shahrah-e-Faisal
Karachi - 74400

Auditors

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants

Legal Advisers

Bawaney & Partners

Bankers

Bank Alfalah Limited
Faysal Bank Limited
National Bank of Pakistan

Atlas Money Market Fund

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED)
AS AT 30 SEPTEMBER 2011

		30 September 2011 Un-audited	30 June 2011 Audited
	Note	----- Rupees -----	-----
Assets			
Bank balances and term deposits	4	474,235,484	345,287,703
Investments	5	3,119,083,360	2,981,640,690
Interest accrued		5,356,042	2,213,419
Prepayments		30,000	-
Deferred formation cost		550,000	600,000
Total assets		3,599,254,886	3,329,741,812
Liabilities			
Payable to the management company		4,040,063	3,566,401
Payable to the trustee		362,270	305,402
Payable to SECP		746,984	1,721,414
Accrued and other liabilities	6	10,732,850	7,532,955
Total liabilities		15,882,167	13,126,172
Net assets		3,583,372,719	3,316,615,640
Unit holders' fund		3,583,372,719	3,316,615,640
Number of units in issue		7,126,829	6,415,479
Net asset value per unit		502.80	516.97

The annexed notes from 1 to 10 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

Tariq Amin
Director

First Quarter Report 2011-12

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2011

	Note	2011 ----- Rupees	2010 ----- Rupees
Income			
Interest income	7	131,085,954	50,477,516
Net gain/(loss) on investments designated at fair value through income statement (held for trading)			
Net gain on maturity/sale of investments		239,571	230,588
Net unrealised gain/(loss) on revaluation of investments		547,712	(735,944)
		787,283	(505,356)
Element of income/(loss) and capital gains/(losses) included in prices of units sold less those in units redeemed - net		1,193,623	(2,061,892)
		133,066,860	47,910,268
Expenses			
Remuneration of the management company		9,959,784	4,263,896
Sindh Sales Tax on Services		1,593,565	-
Remuneration of the trustee		1,060,829	678,444
SECP Annual fee		746,984	319,793
Annual rating fee		50,000	55,452
Annual listing fee		10,000	10,082
Brokerage		38,783	8,270
Auditors' remuneration		93,750	94,521
Printing charges		41,875	37,808
Amortisation of formation cost		50,000	50,413
Bank charges		23,240	30,655
Provision for Workers' Welfare Fund	6.1	2,387,961	847,219
		16,056,771	6,396,553
Net income for the period		117,010,089	41,513,715

The annexed notes from 1 to 10 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

Tariq Amin
Director

Atlas Money Market Fund

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2011

	2011	2010
	----- Rupees -----	
Net income for the period	117,010,089	41,513,715
Other comprehensive income	-	-
Total comprehensive income for the period	<u>117,010,089</u>	<u>41,513,715</u>

The annexed notes from 1 to 10 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

Tariq Amin
Director

First Quarter Report 2011-12

CONDENSED INTERIM DISTRIBUTION STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2011

	2011	2010
	----- Rupees -----	
Undistributed income brought forward	98,823,653	37,357,997
Final distribution at the rate of Rs.15 per unit declared on 7 July 2011 (2010: Rs.13.50 per unit declared on 8 July 2010)		
- Bonus units	(74,914,265)	(30,344,490)
- Cash payout against final distribution	(21,317,923)	(6,728,102)
	(96,232,188)	(37,072,592)
Interim distribution for the month ended 31 July 2011 at the rate of Rs.4 per unit declared on 29 July 2011 (2010: Nil)		
- Bonus units	(24,737,370)	-
- Cash payout against final distribution	(5,489,173)	-
	(30,226,543)	-
Interim distribution for the month ended 31 August 2011 at the rate of Rs.5 per unit declared on 26 August 2011 (2010: Nil)		
- Bonus units	(33,388,867)	-
- Cash payout against final distribution	(7,948,315)	-
	(41,337,182)	-
Interim distribution for the month ended 30 September 2011 at the rate of Rs.5 per unit declared on 28 September 2011 (2010: Nil)		
- Bonus units	(31,445,821)	-
- Cash payout against final distribution	(8,019,397)	-
	(39,465,218)	-
Net income for the period	117,010,089	41,513,715
Undistributed income carried forward	8,572,610	41,799,120

The annexed notes from 1 to 10 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

Tariq Amin
Director

Atlas Money Market Fund

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2011

	2011	2010
	Note -----	Rupees -----
Cash flows from operating activities		
Net income for the period	117,010,089	41,513,715
Adjustments for:		
Interest income	(131,085,954)	(50,477,516)
Net (gain) on maturity of investments	(239,571)	(230,588)
Net unrealised (gain)/loss on revaluation of investments	(547,712)	735,944
Amortization of formation cost	50,000	50,413
Element of (income)/loss and capital (gains)/losses included in prices of units sold less those in units redeemed - net	(1,193,623)	2,061,892
	(133,016,860)	(47,859,855)
Increase in prepayments	(30,000)	(29,918)
Increase/(decrease) in liabilities		
Payable to the management company	473,662	4,063,898
Payable to the trustee	56,868	19,722
Payable to SECP	(974,430)	(67,077)
Accrued and other liabilities	3,199,895	1,131,910
	2,755,995	5,148,453
	(13,280,776)	(1,227,605)
Interest received	127,943,331	51,536,971
Investments made during the period	(3,101,476,787)	(1,968,711,297)
Investments matured/sold during the period	2,964,821,400	1,410,000,000
Net cash used in operating activities	(21,992,833)	(508,401,931)
Cash flows from financing activities		
Proceeds from issue of units	1,484,229,678	689,801,093
Payment on redemption of units	(1,290,514,257)	(517,210,739)
Cash payout against distribution	(42,774,808)	(6,728,102)
Net cash inflow from financing activities	150,940,613	165,862,252
Net increase/(decrease) in cash and cash equivalents	128,947,781	(342,539,679)
Cash and cash equivalents at the beginning of the period	345,287,703	399,710,538
Cash and cash equivalents at the end of the period	4 474,235,484	57,170,859

The annexed notes from 1 to 10 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

Tariq Amin
Director

First Quarter Report 2011 -12

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2011

	30 September 2011		30 September 2010	
	Units	Rupees	Units	Rupees
Net assets at the beginning of the period [Rs.516.97 (2010: Rs.513.60) per unit]	6,415,479	3,316,615,640	2,746,118	1,410,416,954
Issue of units	2,942,549	1,484,229,678	1,366,040	689,801,093
Redemption of units	(2,558,721)	(1,290,514,257)	(1,016,431)	(517,210,739)
	383,827	193,715,421	349,609	172,590,354
Element of income/(loss) and capital gains/(losses) included in prices of units sold less those in units redeemed - net	-	(1,193,623)	-	2,061,892
Final distribution @ Rs.15 per unit declared on 7 July 2011 (2010: Rs.13.50 declared on 8 July 2010)				
Issue of bonus units	149,241	-	60,677	-
Cash payout against distribution	-	(21,317,923)	-	(6,728,102)
Interim distribution @ Rs.4 per unit declared on 29 July 2011 (2010: nil)				
Issue of bonus units	49,223	-	-	-
Cash payout against distribution	-	(5,489,173)	-	-
Interim distribution @ Rs.5 per unit declared on 26 August 2011 (2010: nil)				
Issue of bonus units	66,476	-	-	-
Cash payout against distribution	-	(7,948,315)	-	-
Interim distribution @ Rs.5 per unit declared on 28 September 2011 (2010: nil)				
Issue of bonus units	62,584	-	-	-
Cash payout against distribution	-	(8,019,397)	-	-
Net income for the period	-	117,010,089	-	41,513,715
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	117,010,089	-	41,513,715
Net assets at the end of the period [Rs.502.80 (2010: Rs.513.20) per unit]	7,126,829	3,583,372,719	3,156,403	1,619,854,813

The annexed notes from 1 to 10 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

Tariq Amin
Director

Atlas Money Market Fund

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2011

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Atlas Money Market Fund (the Fund) is an open ended Fund constituted by a trust deed dated 4 December 2009 between Atlas Asset Management Limited (AAML) as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the trustee. The investment activities and administration of the Fund are managed by AAML situated at Ground Floor, Federation House, Shahrae Firdousi, Clifton, Karachi.
- 1.2 Units of the Fund have been offered for public subscription on a continuous basis from 20 January 2010, and are transferable and redeemable by surrendering them to the Fund. The Fund is listed on the Lahore Stock Exchange.
- 1.3 According to the trust deed, the objective of the Fund is to provide its investors competitive returns from a portfolio of low risk, short duration assets while maintaining high liquidity. The Fund aims to deliver this objective mainly by investing in Government securities, cash and near cash instruments which include cash in bank accounts, treasury bills, lending to/deposit with scheduled banks, certificates of deposit (CODs), certificate of musharakas (COM), commercial papers, and reverse repo; with a weighted average time to maturity of not more than 90 days, and in case of a single asset, maximum time to maturity of six months. The investment objectives and policy are more fully defined in the Fund's offering document.

2. STATEMENT OF COMPLIANCE

- 2.1 These condensed interim financial statements have been prepared in accordance with International Accounting Standard - 34 "Interim Financial Reporting" as applicable in Pakistan.
- 2.2 These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements of the Fund and should be read in conjunction with the financial statements of the Fund for the year ended 30 June 2011.

3. ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed interim financial statements are consistent with those of the previous financial year.

		30 September 2011 Un-audited	30 June 2011 Audited
	Note	----- Rupees -----	-----
4. BANK BALANCES			
PLS saving accounts	4.1	174,235,484	345,287,703
Term deposit accounts	4.2	300,000,000	-
		<u>474,235,484</u>	<u>345,287,703</u>

- 4.1. The rate of return on these accounts ranges between 5% to 11.75% (30 June 2011: 5% to 11.50%) per annum.
- 4.2. The rate of return on these deposits is 13.40% (30 June 2011: nil) per annum. These deposits will mature by 30 November 2011.

5. INVESTMENTS - at fair value through income statement

Government Securities

Market Treasury Bills - Held for trading	5.1	<u>3,119,083,360</u>	<u>2,981,640,690</u>
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First Quarter Report 2011 -12

5.1 Market Treasury Bills - Held for trading

	Face value (Rupees)				Rupees		Percentage of	
	At the beginning of the period	Acquired during the period	Matured/ Disposed during the period	At the end of the period	Amortized cost	Market Value	Total Investments	Net Assets
Treasury bills								
3 Months-T-bills	1,567,500,000	1,275,000,000	1,717,500,000	1,125,000,000	1,109,774,489	1,109,304,975	35.57	30.96
6 Months-T-bills	1,510,000,000	1,835,000,000	1,275,000,000	2,070,000,000	2,008,761,159	2,009,778,385	64.43	56.08
	<u>3,077,500,000</u>	<u>3,110,000,000</u>	<u>2,992,500,000</u>	<u>3,195,000,000</u>	<u>3,118,535,648</u>	<u>3,119,083,360</u>	<u>100.00</u>	<u>87.04</u>

5.2 The cost of investments as on 30 September 2011 is Rs.3,037,917,775 (30 June 2011: Rs.2,934,799,375).

5.3 These Market Treasury Bills carry purchase yields ranging from 13.02% to 13.76% (30 June 2011: 13.07% to 13.74%) per annum and will mature between 06 October 2011 and 22 March 2012 (30 June 2011: 14 July 2011 and 29 December 2011).

	30 September	30 June
	2011	2011
Note	Un-audited	Audited
	Rupees -----	
6. ACCRUED AND OTHER LIABILITIES		
Auditors' remuneration payable	404,360	310,610
Printing charges payable	167,375	125,500
Payable to unit holders	2,821	2,686
Annual rating fee payable	50,000	-
Payable to brokers	1,116	1,116
Withholding tax payable	112,305	28,929
Sindh Sales Tax on Services payable	550,410	-
Zakat payable	49	7,661
Provision for Workers' Welfare Fund	6.1 9,444,414	7,056,453
	<u>10,732,850</u>	<u>7,532,955</u>

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 made a provision for WWF contribution in the annual financial statements for the year ended 30 June 2010.

Subsequent to the year ended 30 June 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 including the Fund for the collection of WWF. In respect of such show cause notices, certain Mutual Funds (CISs) / Pension Funds including the Fund have been granted stay by Honorable SHC on the basis of the pending Constitutional Petition as referred above.

Subsequent to the year ended 30 June 2011, the Honorable Lahore High Court (LHC) in a Constitutional Petition relating to the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006, and the Finance Act, 2008, has declared the said amendments as unlawful and unconstitutional. The Management Company is hopeful that the decision of the LHC, will lend further support to the Constitutional Petition which is pending in the SHC. However, pending the decision of the said Constitutional Petition, the Management Company, as a matter of abundant caution, has decided to continue to maintain the provision for WWF amounting to Rs.9,444,414 in these condensed interim financial statements.

Atlas Money Market Fund

For the Quarter Ended	
30 September 2011	30 September 2010
Un-audited	Un-audited
----- Rupees -----	

7. INTEREST INCOME

PLS saving and term deposit accounts	9,335,417	6,620,069
Placements	-	2,273,919
Government Securities - Market Treasury bills	121,750,537	41,583,528
	<u>131,085,954</u>	<u>50,477,516</u>

8. TRANSACTIONS WITH RELATED PARTIES/CONNECTED PERSONS

8.1 Transactions for the period

Atlas Asset Management Limited (Management Company)		
Remuneration of the Management Company	9,959,784	4,263,896
Remuneration paid	9,286,122	-
Sale of 6,942 (2010: 4,905) units	3,500,000	2,500,000
Redemption of 26,760 (2010: 40,253) units	13,500,000	20,500,000
Bonus of 6,726 (2010: 3,207) units	3,377,938	1,603,856
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration of the Trustee	1,060,829	678,444
Atlas Fund of Funds (Fund under common management)		
Sale of 59,683 (2010: Nil) units	30,000,000	-
Redemption of 59,798 (2010: Nil) units	30,129,945	-
Bonus of 1,450 (2010: Nil) units	728,041	-
Atlas Battery Limited (Group Company)		
Redemption of 59,525 (2010: Nil) units	30,000,000	-
Bonus of 21,651 (2010: Nil) units	10,872,991	-
Atlas Honda Limited (Group Company)		
Sale of 99,098 (2010: Nil) units	50,000,000	-
Bonus of 39,440 (2010: 5,349) units	19,806,607	2,674,880
Atlas Insurance Limited (Group Company)		
Sale of 198,389 (2010: Nil) units	100,000,000	-
Redemption of 197,000 (2010: Nil) units	99,018,110	-
Bonus of 14,648 (2010: 3,222) units	7,356,822	1,611,203
Shirazi Investments (Private) Limited (Group Company)		
Sale of Nil (2010: 437,298) units	-	220,000,000
Redemption of 199,335 (2010: 437,298) units	100,414,816	222,168,996
Bonus of 5,784 (2010: Nil) units	2,903,263	-
Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)		
Sale of 1,590 (2010: 1,187) units	800,000	600,000
Bonus of 1,193 (2010: 472) units	599,270	235,835

First Quarter Report 2011-12

For the Quarter Ended	
30 September 2011	30 September 2010
Un-audited	Un-audited
----- Rupees -----	

8. TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS (Continued...)

8.1 Transactions for the period

Atlas Foundation (Group Company)		
Sale of 16,515 (2010: 43,926) units	8,370,000	22,400,000
Redemption of 12,111 (2010: Nil) units	6,100,000	-
Bonus of 6,522 (2010: 368) units	3,275,338	183,995
Batool Benefit Trust (Trust having Common Director/Trustee)		
Bonus of 55 (2010: 23) units	27,794	11,447
Iftikhar Shirazi Family Trust (Trust having Common Director/Trustee)		
Bonus of 3,946 (2010: 1,632) units	1,981,679	816,187
<u>Key Management Personnel of Management Company</u>		
Sale of 16,283 (2010: 16,722) units	8,212,000	8,450,000
Redemption of 2,482 (2010: 12) units	1,250,000	6,000
Bonus of 2,939 (2010: 466) units	1,476,147	233,057

30 September 2011	30 June 2011
Un-audited	Audited
----- Rupees -----	

8.2 Outstanding balances as at period/year end

Atlas Asset Management Limited (Management Company)		
Remuneration payable to the management company	3,440,063	2,766,401
Payable in respect of formation cost	600,000	800,000
Units in issue 102,598 (30 June 2011: 115,690) - at net asset value	51,586,176	59,808,232
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration payable to the Trustee	362,270	305,402
Atlas Fund of Funds (Fund under common management)		
Units in issue 49,738 (30 June 2011: 48,403) - at net asset value	25,008,456	25,022,749
Atlas Battery Limited (Group Company)		
Units in issue 340,125 (30 June 2011: 377,999) - at net asset value	171,014,924	195,414,012
Atlas Honda Limited (Group Company)		
Units in issue 775,067 (30 June 2011: 636,529) - at net asset value	389,703,484	329,066,266
Atlas Insurance Limited (Group Company)		
Units in issue 197,516 (30 June 2011: 181,479) - at net asset value	99,310,961	93,819,042
Shirazi Investments (Private) Limited (Group Company)		
Units in issue Nil (30 June 2011: 193,551) - at net asset value	-	100,060,001
Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)		
Units in issue 22,301 (30 June 2011: 19,518) - at net asset value	11,213,106	10,090,460

Atlas Money Market Fund

	30 September 2011 Un-audited	30 June 2011 Audited
	----- Rupees -----	

8.2 Outstanding balances as at period/year end (Continud...)

Atlas Foundation (Group Company)		
Units in issue 120,116 (30 June 2011: 109,190) - at net asset value	60,394,167	56,447,921
Batool Benefit Trust (Trust having common Director / Trustee)		
Units in issue 996 (30 June 2011: 941) - at net asset value	500,717	486,216
Iftikhar Shirazi Family Trust (Trust having common Director / Trustee)		
Units in issue 71,003 (30 June 2011: 67,057) - at net asset value	35,700,526	34,666,650
Key Management Personnel of Management Company		
Units in issue 61,854 (30 June 2011: 45,115) - at net asset value	31,100,241	23,322,604

8.3 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.

9. GENERAL

9.1 Figures have been rounded off to the nearest Rupee.

9.2 Certain prior period's figures have been reclassified for the purposes of comparison. However, there are no material reclassifications to report.

10. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the management company on 26 October 2011.

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

First Quarter Report 2011 -12

Atlas Income Fund

Corporate Information

Trustee

Central Depository Company of Pakistan Limited
99-B, Block 'B', S.M.C.H.S, Main Shahrah-e-Faisal
Karachi - 74400

Auditors

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants

Legal Advisers

Mohsin Tayebaly & Co.

Bankers

Bank Alfalah Limited
Faysal Bank Limited
National Bank of Pakistan
Summit Bank Limited
The Bank of Punjab

Atlas Income Fund

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED)
AS AT 30 SEPTEMBER 2011

		30 September 2011 Un-audited	30 June 2011 Audited
	Note	----- Rupees -----	-----
Assets			
Bank balances	4	81,528,507	74,058,608
Investments	5	656,910,765	708,002,041
Interest accrued		11,106,324	14,991,005
Prepayment		30,000	-
Security deposit		100,000	100,000
Total assets		749,675,596	797,151,654
Liabilities			
Payable to the management company		854,447	976,008
Payable to the trustee		96,840	110,801
Payable to SECP		135,219	745,307
Accrued and other liabilities	6	9,364,919	8,384,651
Total liabilities		10,451,425	10,216,767
Net assets		739,224,171	786,934,887
Unit holders' fund		739,224,171	786,934,887
Number of units in issue		1,515,994	1,530,383
Net asset value per unit		487.62	514.21

The annexed notes from 1 to 10 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

Tariq Amin
Director

First Quarter Report 2011-12

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2011

	Note	2011 ----- Rupees	2010 ----- Rupees
Income			
Interest income	7	26,296,322	34,865,008
Net loss on investments designated at fair value through income statement			
Net gain on sale of investments		56,342	275,445
Net unrealised loss on revaluation of investments		(40,780,232)	(36,759,060)
		(40,723,890)	(36,483,615)
Other income		19,012	-
Element of loss and capital losses included in prices of units issued less those in units redeemed - net		(1,149,754)	(1,051,239)
		(15,558,310)	(2,669,846)
Expenses			
Remuneration of the management company		2,704,467	4,389,290
Sindh Sales Tax on Services		432,715	-
Remuneration of the trustee		306,519	544,671
SECP annual fee		135,219	219,467
Annual rating fee		50,000	55,452
Annual listing fee		10,000	10,082
Securities transaction cost		46,500	144,341
Auditors' remuneration		162,500	163,836
Printing charges		51,750	50,411
Legal and professional charges		-	35,000
Bank charges		9,105	25,429
		3,908,775	5,637,979
Net loss for the period		(19,467,085)	(8,307,825)

The annexed notes from 1 to 10 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

Tariq Amin
Director

Atlas Income Fund

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2011

	2011	2010
	----- Rupees -----	-----
Net loss for the period	(19,467,085)	(8,307,825)
Other comprehensive income	-	-
Total comprehensive loss for the period	<u>(19,467,085)</u>	<u>(8,307,825)</u>

The annexed notes from 1 to 10 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

Tariq Amin
Director

First Quarter Report 2011-12

CONDENSED INTERIM DISTRIBUTION STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2011

	2011	2010
	----- Rupees -----	
Undistributed income brought forward	26,412,737	27,765,782
Final distribution for the year ended 30 June 2011 at the rate of Rs.13.75 per unit declared on 7 July 2011 (2010: Rs.8.00 per unit declared on 8 July 2010)		
- Bonus units	(21,042,760)	(14,330,629)
- Cash payout against final distribution	-	(5,743,956)
	(21,042,760)	(20,074,585)
Net loss for the period	(19,467,085)	(8,307,825)
Undistributed loss carried forward	(14,097,108)	(616,628)

The annexed notes from 1 to 10 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

Tariq Amin
Director

Atlas Income Fund

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2011

	Note	2011 ----- Rupees -----	2010 -----
Cash flows from operating activities			
Net loss for the period		(19,467,085)	(8,307,825)
Adjustments for:			
Interest income		(26,296,322)	(34,865,008)
Net (gain) on sale of investments		(56,342)	(275,445)
Net unrealised loss on revaluation of investments		40,780,232	36,759,060
Element of loss and capital losses included in prices of units issued less those in units redeemed - net		1,149,754	1,051,239
		15,577,322	2,669,846
Increase in prepayment		(30,000)	(29,918)
(Decrease)/increase in liabilities			
Payable to the management company		(121,561)	4,389,290
Payable to the trustee		(13,961)	(37,872)
Payable to SECP		(610,088)	(1,134,871)
Accrued and other liabilities		980,268	2,684,863
		234,658	5,901,410
		(3,685,105)	233,513
Interest received		30,181,003	43,942,592
Investments made during the period		(255,560,715)	(422,588,929)
Investments sold / redeemed / matured during the period		265,928,101	564,509,833
Net cash inflow from operating activities		36,863,284	186,097,009
Cash flows from financing activities			
Proceeds from issue of units		72,550,000	130,032
Payment on redemption of units		(101,943,385)	(175,732,806)
Cash payout against distribution		-	(5,743,956)
Net cash used in financing activities		(29,393,385)	(181,346,730)
Net increase in cash and cash equivalents		7,469,899	4,750,279
Cash and cash equivalents at the beginning of the period		74,058,608	317,903,999
Cash and cash equivalents at the end of the period	4	81,528,507	322,654,278

The annexed notes from 1 to 10 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

Tariq Amin
Director

First Quarter Report 2011 -12

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2011

	30 September 2011		30 September 2010	
	Units	Rupees	Units	Rupees
Net assets as at the beginning of the period [Rs.514.21 (2010: Rs.511.01) per unit]	1,530,383	786,934,887	2,509,323	1,282,286,500
Issue of units	149,509	72,550,000	260	130,032
Redemption of units	(205,944)	(101,943,385)	(349,191)	(175,732,806)
	(56,435)	(29,393,385)	(348,932)	(175,602,774)
Element of loss and capital losses included in prices of units issued less those in units redeemed - net	-	1,149,754	-	1,051,239
Issue of bonus units	42,047	-	28,490	-
Cash payout against distribution	-	-	-	(5,743,956)
Net loss for the period	-	(19,467,085)	-	(8,307,825)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	-	(19,467,085)	-	(8,307,825)
Net assets as at the end of the period [Rs.487.62 (2009: Rs.499.65) per unit]	1,515,994	739,224,171	2,188,881	1,093,683,184

The annexed notes from 1 to 10 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

Tariq Amin
Director

Atlas Income Fund

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2011

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Atlas Income Fund (the Fund) is an open ended mutual fund constituted by a Trust Deed entered into on 20 February 2003 between Atlas Asset Management Limited (AAML) as the establisher and the management company and MCB Financial Services Limited (MCBFSL) as the trustee. MCBFSL resigned on 11 June 2005 as trustee and Central Depository Company of Pakistan Limited (CDC) was appointed as the trustee with effect from that date. The Trust Deed has been revised through the Deed of Change of Trustee and First Supplemental Trust Deed dated 11 June 2005, Second Supplemental Trust Deed dated 29 October 2007, Third Supplemental Trust Deed dated 23 June 2010 and the Fourth Supplemental Trust Deed dated 12 November 2010 with the approval of the SECP. Also, the Offering Document of the Fund has been revised through the First, Second, Third, Fourth and Fifth Supplements, dated 21 June 2005, 29 October 2007, 29 February 2008, 23 June 2010 and 12 November 2010 respectively, with the approval of the 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 Units of the Fund have been offered for public subscription on a continuous basis from 22 March 2004, and are transferable and redeemable by surrendering them to the Fund. The Fund is listed on Lahore Stock Exchange.
- 1.3 According to the trust deed, the objective of the Fund is to provide investors one window facility to invest in diversified portfolio offering good returns and consistent growth. The Fund aims to deliver this objective mainly by investing in Government securities, cash in bank accounts, Certificate of Investments (COI), money market placements, deposits, Certificates of deposits (COD), Certificates of Musharikas (COM), TDRs, commercial paper, reverse repo, term finance certificates (TFCs)/Sukuks, spread transactions and any other instruments that may be allowed by the Securities and Exchange Commission of Pakistan. The investment objectives and policies are more fully defined in the Fund's offering document.

2. STATEMENT OF COMPLIANCE

- 2.1 These condensed interim financial statements have been prepared in accordance with International Accounting Standard - 34 "Interim Financial Reporting" as applicable in Pakistan.
- 2.2 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 2011.

3. ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed interim financial statements are consistent with those of the previous financial year.

	30 September 2011 Un-audited	30 June 2011 Audited
Note	----- Rupees -----	-----

4. BANK BALANCES

PLS saving accounts	4.1	<u>81,528,507</u>	<u>74,058,608</u>
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- 4.1 These carry rate of return ranges from 5% to 11.75% (30 June 2011 : 5% to 11.50%) per annum.

First Quarter Report 2011-12

	Note	30 September	30 June
		2011	2011
		Un-audited	Audited
		Rupees	
5. INVESTMENTS	5.1		
Designated at fair value through income statement			
Term finance certificates - listed	5.2	257,938,277	279,662,236
Term finance certificates - unlisted	5.3	50,351,100	73,293,655
Sukuk certificates - unlisted	5.4	-	9,754,684
Government Securities - T-bills	5.5	346,561,650	343,231,728
		<u>654,851,027</u>	<u>705,942,303</u>
Held to maturity			
Term finance certificates - listed	5.6	2,059,738	2,059,738
		<u>656,910,765</u>	<u>708,002,041</u>

5.1 Total cost of investments amounts to Rs.860,630,349 (30 June 2011 : Rs.870,941,392).

Note	Number of certificates			Rupees	Percentage of	
	At the beginning of the period	Acquired during the period	Disposed/ Matured during the period	At the end of the period	Carrying Value	Total investments

5.2 Term finance certificates - listed

Banks

Askari Bank Limited - I	2,400	-	-	2,400	12,021,524	1.83	1.63
Askari Bank Limited - II	6,775	-	-	6,775	34,029,204	5.18	4.60
Bank Al Habib Limited - II	1,192	-	-	1,192	6,080,996	0.93	0.82
NIB Bank Limited	1,399	-	-	1,399	6,726,378	1.02	0.91
Standard Chartered Bank (Pakistan) Limited - III	12,000	-	-	12,000	42,697,194	6.50	5.78
United Bank Limited - II	2,000	-	-	2,000	9,097,817	1.38	1.23
United Bank Limited - III	5,500	-	-	5,500	27,446,537	4.18	3.71
United Bank Limited - IV	8,000	-	-	8,000	39,770,604	6.05	5.38
	<u>39,266</u>	<u>-</u>	<u>-</u>	<u>39,266</u>	<u>177,870,254</u>	<u>27.08</u>	<u>24.06</u>

Financial Services

Escorts Investment Bank Limited	5,000	-	-	5,000	5,620,455	0.86	0.76
IGI Investment Bank Limited	1,000	-	1,000	-	-	-	-
Orix Leasing Pakistan Limited	4,000	-	-	4,000	6,411,636	0.98	0.87
	<u>10,000</u>	<u>-</u>	<u>1,000</u>	<u>9,000</u>	<u>12,032,091</u>	<u>1.83</u>	<u>1.63</u>

Telecommunication

Pakistan Mobile Communications Limited

Pakistan Mobile Communications Limited	13,800	-	-	13,800	68,035,932	10.36	9.20
Telecard Limited	4,000	-	-	4,000	-	-	-
	<u>17,800</u>	<u>-</u>	<u>-</u>	<u>17,800</u>	<u>68,035,932</u>	<u>10.36</u>	<u>9.20</u>

Personal Goods

Azgard Nine Limited	5.7.1	5,000	-	-	5,000	-	-
					<u>71,066</u>	<u>257,938,277</u>	<u>39.27</u>
							<u>34.89</u>

5.3 Term finance certificates - unlisted

Oil & Gas Exploration Companies

Pak Hy Oils Limited	5.7.1	5,000	-	-	5,000	-	-
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Chemicals

Engro Fertilizers Limited		10,000	-	-	10,000	50,351,100	7.66
Agritech Limited - I	5.7.1	2,000	-	-	2,000	-	-
Agritech Limited - II	5.7.1	8,000	-	-	8,000	-	-
		<u>20,000</u>	<u>-</u>	<u>-</u>	<u>20,000</u>	<u>50,351,100</u>	<u>7.66</u>
							<u>6.81</u>

Atlas Income Fund

Note	Number of certificates				Rupees	Percentage of	
	At the beginning of the period	Acquired during the period	Disposed/ Matured during the period	At the end of the period	Carrying Value	Total investments	Net assets
5.3 Term finance certificates - unlisted (Continued...)							
Construction Material Gharibwal Cement Limited	5.7.1	5,000	-	-	5,000	-	-
Miscellaneous Bunny's Limited	5.7.1	424	-	-	424	-	-
					<u>30,424</u>	<u>50,351,100</u>	<u>7.66</u> <u>6.81</u>

5.4 Sukuk certificates - unlisted

Chemicals Agritech Limited - Sukuk	5.7.1	4,060	-	-	4,060	-	-
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30 September 2011
Un-audited Rupees

30 June 2011
Audited

5.5 Government Securities

Market Treasury Bills	5.5.1	<u>346,561,650</u>	<u>343,231,728</u>
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5.5.1 Market Treasury Bills

Treasury bills	Face value (Rupees)				Rupees		Percentage of	
	At the beginning of the period	Acquired during the period	Matured/ Disposed during the period	At the end of the period	Amortized cost	Market Value	Total Investments	Net Assets
3 months - T Bills	202,500,000	75,000,000	202,500,000	75,000,000	73,778,839	73,736,475	11.22	9.97
6 months - T Bills	150,000,000	112,500,000	50,000,000	212,500,000	206,026,771	206,132,000	31.38	27.89
12 months - T Bills	-	75,000,000	-	75,000,000	66,543,092	66,693,175	10.15	9.02
	<u>352,500,000</u>	<u>262,500,000</u>	<u>252,500,000</u>	<u>362,500,000</u>	<u>346,348,702</u>	<u>346,561,650</u>	<u>52.76</u>	<u>46.88</u>

5.5.2 The cost of investments as on 30 September 2011 is Rs.338,116,275 (30 June 2011: Rs.336,955,250).

5.5.2 These Market Treasury Bills carry purchase yields ranging from 13.02% to 13.74% (30 June 2011: 13.16% to 13.67%) per annum and will mature between 17 November 2011 and 20 September 2012 (30 June 2011: 14 July 2011 to 17 November 2011).

	Number of certificates				Rupees	Percentage of	
	At the beginning of the period	Acquired during the period	Disposed during the period	At the end of the period	Carrying Value/ Market Value	Total investments	Net assets
5.6 Term finance certificates - listed							
Leasing Companies							
Orix Leasing Pakistan Limited	1,285	-	-	1,285	2,059,738	0.31	0.28

First Quarter Report 2011-12

5.7 PARTICULARS OF NON-COMPLIANT INVESTMENTS

5.7.1 The Securities & Exchange Commission of Pakistan (SECP), vide its circular No. 16 dated 07 July 2010, prescribed certain disclosures for the schemes holding investments that are non-compliant either with the minimum investment criteria specified for the category assigned to such schemes or with the investment requirement of their constitutive documents. The following are the details of non-compliant investments:

Non-compliant investment	Type of Investment	Value before provision	Provision held	Net carrying value	Percentage of	
					Net assets	Gross assets
				Rupees		
						%
Gharibwal Cement Limited	Term finance certificate	18,266,625	18,266,625	-	-	-
Pak Hy Oils Limited	Term finance certificate	18,750,000	18,750,000	-	-	-
Azgard Nine Limited	Term finance certificate	18,118,912	18,118,912	-	-	-
Agriotech Limited- I	Term finance certificate	7,494,000	7,494,000	-	-	-
Agriotech Limited- II	Term finance certificate	29,976,000	29,976,000	-	-	-
Agriotech Limited- Sukaik	Sukuk certificate	15,225,000	15,225,000	-	-	-
Telecard Limited	Term finance certificate	5,512,500	5,512,500	-	-	-
Bunny's Limited	Term finance certificate	1,590,000	1,590,000	-	-	-
		<u>114,933,037</u>	<u>114,933,037</u>	<u>-</u>	<u>-</u>	<u>-</u>

5.7.2 The securities stated above have been classified as non-performing as per the requirements of SECP's Circular 1 of 2009 and accordingly an aggregate provision of Rs.114.933 million (30 June 2011: Rs.72.494 million), net of market discount on valuation, as permitted under SECP's Circular 3 of 2010 dated 20 January 2010 has been made in accordance with the minimum provisioning requirements of both the above mentioned circulars.

5.7.3 The impact of above provision made against non-performing securities is included in net unrealised loss on revaluation of investments as shown in the condensed interim income statement.

Note	30 September	30 June
	2011	2011
	Un-audited	Audited
	Rupees	

6. ACCRUED AND OTHER LIABILITIES

Auditors' remuneration payable		619,329	456,829
NCCPL charges Payable		15,000	-
Printing charges payable		216,750	165,000
Rating fee payable		50,000	-
Payable to unitholders against redemption of units		606,307	16,307
Sindh Sales Tax on Services payable		136,712	-
Withholding tax payable		2,400	9,082
Provision for Workers' Welfare Fund	6.1	7,718,421	7,718,421
Others		-	19,012
		<u>9,364,919</u>	<u>8,384,651</u>

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 made a provision for WWF contribution in the annual financial statements for the year ended 30 June 2010.

Atlas Income Fund

Subsequent to the year ended 30 June 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 including the Fund for the collection of WWF. In respect of such show cause notices, certain Mutual Funds (CISs) / Pension Funds including the fund have been granted stay by Honorable SHC on the basis of the pending Constitutional Petition as referred above.

Subsequent to the year ended 30 June 2011, the Honorable Lahore High Court (LHC) in a Constitutional Petition relating to the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006, and the Finance Act, 2008, has declared the said amendments as unlawful and unconstitutional. The Management Company is hopeful that the decision of the LHC, will lend further support to the Constitutional Petition which is pending in the SHC. However, pending the decision of the said Constitutional Petition, the Management Company, as a matter of abundant caution, has decided to continue to maintain the provision for WWF amounting to Rs.7,718,421 in these financial statements.

		For the Quarter Ended	
		30 September 2011	30 September 2010
		Un-audited	Un-audited
Note		----- Rupees -----	-----
7.	INTEREST INCOME		
	PLS saving accounts	1,377,111	7,113,802
	Placements	-	670,171
	Term finances	13,804,771	21,728,028
7.1	Musharaka/Certificate of investment	-	794,603
	Government Securities - T-bills	11,114,440	4,558,404
		<u>26,296,322</u>	<u>34,865,008</u>

7.1 Mark-up on non performing securities amounting to Rs.38.14 million (2010: Rs.17.45 million) based on outstanding principal has not been recognised, in accordance with the SECP's Circular 1 of 2009.

		For the Quarter Ended	
		30 September 2011	30 September 2010
		Un-audited	Un-audited
		----- Rupees -----	-----

8. TRANSACTIONS WITH RELATED PARTIES/CONNECTED PERSONS

8.1 Transactions for the period

Atlas Asset Management Limited (Management Company)			
Remuneration charged	2,704,467	4,389,290	
Remuneration paid	2,826,028	-	
Central Depository Company of Pakistan Limited (Trustee)			
Trustee fee	306,519	544,671	
Settlement charges	1,500	1,612	
Atlas Battery Limited (Group Company)			
Sale of 62,174 (2010: Nil) units	30,000,000	-	
Atlas Foundation (Trust having common Director/Trustee)			
Redemption of Nil (2010: 27,062) units	-	13,600,000	
Bonus of 2,732 (2010: 2,537) units	1,367,341	1,276,386	

First Quarter Report 2011 -12

For the Quarter Ended	
30 September 2011	30 September 2010
Un-audited	Un-audited
----- Rupees -----	

8.1 Transactions for the period (Continued...)

Atlas Honda Limited (Group Company)		
Redemption of 101,789 (2010: Nil) units	50,000,000	-
Bonus of 20,605 (2010: 11,192) units	10,311,841	5,629,487
Atlas Insurance Limited (Group Company)		
Bonus of 1,897 (2010: 258) units	949,240	129,682
Batool Benefit Trust (Trust having common Director/Trustee)		
Redemption of 3,089 (2010: nil) units	1,501,000	-
Bonus of 4,738 (2010: nil) units	2,371,208	-
Shirazi Investments (Private) Limited - Employees		
Provident Fund (Retirement benefit plan of a Group Company)		
Redemption of 10,076 (2010: 987) units	5,000,000	500,000
Bonus of 632 (2010: 203) units	316,512	102,084
<u>Key Management Personnel of Management Company</u>		
Sale of 3,216 (2010: nil) units	1,550,000	-
Bonus of 591 (2010: 228) units	295,773	114,683

30 September 2011	30 June 2011
Un-audited	Audited
----- Rupees -----	

8.2 Outstanding balances as at period/year end

Atlas Asset Management Limited (Management Company)		
Remuneration payable to the management company	854,447	976,008
Central Depository Company of Pakistan Limited (Trustee)		
Trustee fee payable	96,840	110,801
Atlas Battery Limited (Group Company)		
Units in issue - 62,174 (30 June 2011: Nil) - at net asset value	30,317,085	-
Atlas Foundation (Trust having common Director/Trustee)		
Units in issue - 102,175 (30 June 2011: 99,443) - at net asset value	49,822,654	51,134,583
Atlas Honda Limited (Group Company)		
Units in issue - 668,767 (30 June 2011: 749,952) - at net asset value	326,104,348	385,632,874
Atlas Insurance Limited (Group Company)		
Units in issue - 70,932 (30 June 2011: 69,036) - at net asset value	34,588,039	35,498,810
Batool Benefit Trust (Trust having common Director/Trustee)		
Units in issue - 174,100 (30 June 2011: 172,452) - at net asset value	84,894,855	88,676,297

Atlas Income Fund

	30 September 2011 Un-audited ----- Rupees -----	30 June 2011 Audited -----
8.2 <u>Outstanding balances as at period / year end (Continud...)</u>		
Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement benefit plan of a Group Company) Units in issue - 13,575 (30 June 2011: 23,019) - at net asset value	6,619,497	11,836,626
<u>Key Management Personnel of Management Company</u> Units in issue - 25,318 (30 June 2011: 21,511) - at net asset value	12,345,588	11,061,049

8.3 The transactions with related parties / connected persons are in the normal course of business at contracted rates and at terms determined in accordance with market rates.

9. GENERAL

9.1 Figures have been rounded off to the nearest Rupee.

9.2 Certain prior period's figures have been reclassified for the purposes of comparison. However, there are no material reclassifications to report.

10. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the management company on 26 October 2011.

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

First Quarter Report 2011 -12

Atlas Stock Market Fund

Corporate Information

Trustee

Central Depository Company of Pakistan Limited
99-B, Block 'B', S.M.C.H.S, Main Shahrah-e-Faisal
Karachi - 74400

Auditors

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants

Legal Advisers

Mohsin Tayebaly & Co.

Bankers

Bank Alfalah Limited
Faysal Bank Limited
Summit Bank Limited
The Bank of Punjab

Atlas Stock Market Fund

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED)
AS AT 30 SEPTEMBER 2011

		30 September 2011 Un-audited	30 June 2011 Audited
	Note	----- Rupees -----	-----
Assets			
Bank balances	4	11,669,481	28,563,363
Receivable against sale of securities		19,200,278	17,382,476
Investments	5	603,310,075	641,106,326
Dividend receivable		3,175,000	1,275,000
Interest accrued		162,085	310,038
Security deposits, prepayments and other receivable		2,644,777	2,614,777
Total assets		640,161,696	691,251,980
Liabilities			
Payable against purchase of securities		450,569	30,665,420
Payable to the management company		1,040,100	1,104,068
Payable to the trustee		109,431	116,917
Payable to the SECP		148,456	597,418
Accrued and other liabilities	6	9,013,771	8,509,292
Total liabilities		10,762,327	40,993,115
Net assets		629,399,369	650,258,865
Unit holders' fund		629,399,369	650,258,865
Number of units in issue		1,857,789	1,463,694
Net asset value per unit		338.79	444.26

The annexed notes from 1 to 9 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

Tariq Amin
Director

First Quarter Report 2011-12

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2011

	Note	2011 ----- Rupees	2010 ----- Rupees
Income			
Dividend income		7,995,702	6,711,480
Interest income		683,962	2,230,310
Net gain on investments at fair value through income statement (held-for-trading)			
Net gain on sale of investments		1,837,105	21,850,346
Net unrealised gain on revaluation of investments		6,281,438	13,903,392
		8,118,543	35,753,738
Element of (loss) and capital (loss) included in prices of units issued less those in units redeemed - net		(2,895,445)	(45,089,186)
		13,902,762	(393,658)
Expenses			
Remuneration of the Management Company		3,125,345	2,967,666
Sindh Sales Tax on Services		500,055	-
Remuneration of the Trustee		312,534	306,938
SECP annual fee		148,456	145,795
Annual rating fee		25,000	27,500
Annual listing fee		10,000	10,000
Securities transaction cost		1,034,584	821,862
Auditors' remuneration		102,000	102,000
Printing charges		48,000	65,000
Bank charges		8,193	4,492
Provision for Workers' Welfare Fund	6.1	171,772	-
		5,485,939	4,451,253
Net income / (loss) for the period		8,416,823	(4,844,911)

The annexed notes from 1 to 9 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

Tariq Amin
Director

Atlas Stock Market Fund

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2011

	2011	2010
	----- Rupees -----	
Net income/(loss) for the period	8,416,823	(4,844,911)
Other comprehensive income	-	-
Total comprehensive income/(loss) for the period	<u>8,416,823</u>	<u>(4,844,911)</u>

The annexed notes from 1 to 9 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

Tariq Amin
Director

First Quarter Report 2011-12

CONDENSED INTERIM DISTRIBUTION STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2011

	2011	2010
	----- Rupees -----	
Accumulated loss brought forward	(91,450,675)	(95,085,890)
Final Distribution for the year ended 30 June 2011 at the rate of Rs.110 per unit declared on 7 July 2011 (2010: Rs.125 per unit declared on 8 July 2010)		
- Bonus units	(125,664,521)	(145,237,526)
- Cash payout against distribution	(35,341,823)	(37,135,197)
	(161,006,344)	(182,372,723)
Net income / (loss) for the period	8,416,823	(4,844,911)
Accumulated loss carried forward	(244,040,196)	(282,303,524)

The annexed notes from 1 to 9 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

Tariq Amin
Director

Atlas Stock Market Fund

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2011

	Note	2011 ----- Rupees -----	2010 -----
Cash flows from operating activities			
Net income / (loss) for the period		8,416,823	(4,844,911)
Adjustments for:			
Dividend income		(7,995,702)	(6,711,480)
Interest income		(683,962)	(2,230,310)
Net gain on sale of investments		(1,837,105)	(21,850,346)
Net unrealised gain on revaluation of investments		(6,281,438)	(13,903,392)
Element of loss and capital loss included in prices of units issued less those in units redeemed - net		2,895,445	45,089,186
		(13,902,762)	393,658
(Increase) in assets			
Receivable against sale of securities		(1,817,802)	(11,910,162)
Security deposits, prepayments and other receivable		(30,000)	(30,000)
		(1,847,802)	(11,940,162)
(Decrease) / increase / in liabilities			
Payable against purchase of securities		(30,214,851)	(6,799,221)
Payable to the management company		(63,968)	2,967,666
Payable to the trustee		(7,486)	(19,847)
Payable to the SECP		(448,962)	(592,793)
Accrued and other liabilities		504,479	115,392
		(30,230,788)	(4,328,803)
		(37,564,529)	(20,720,218)
Dividend received		6,095,702	4,048,980
Interest received		831,915	1,935,545
Investments made during the period		(487,532,497)	(342,989,758)
Investments sold during the period		533,447,291	474,837,648
Net cash inflow from operating activities		15,277,882	117,112,197
Cash flows from financing activities			
Proceeds from issue of units		117,227,307	5,586,566
Payment on redemption of units		(114,057,248)	(81,371,382)
Cash payout against distribution		(35,341,823)	(37,135,197)
Net cash used in financing activities		(32,171,764)	(112,920,013)
Net (decrease) / increase in cash and cash equivalents		(16,893,882)	4,192,184
Cash and cash equivalents at the beginning of the period		28,563,363	52,507,667
Cash and cash equivalents at the end of the period	4	11,669,481	56,699,851

The annexed notes from 1 to 9 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

Tariq Amin
Director

First Quarter Report 2011 -12

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2011

	30 September 2011		30 September 2010	
	Units	Rupees	Units	Rupees
Net assets at the beginning of the period [Rs.444.26 (2010: Rs.442.18) per unit]	1,463,694	650,258,865	1,458,982	645,128,995
Issue of units	366,673	117,227,307	16,750	5,586,566
Redemption of units	(348,526)	(114,057,248)	(245,569)	(81,371,382)
	18,147	3,170,059	(228,819)	(75,784,816)
Element of loss and capital loss included in prices of units issued less those in units redeemed - net	-	2,895,445	-	45,089,186
Issue of bonus units	375,948	-	457,903	-
Cash payout against distribution	-	(35,341,823)	-	(37,135,197)
Net income / (loss) for the period	-	8,416,823	-	(4,844,911)
Other comprehensive income	-	-	-	-
Total comprehensive income/(loss) for the period	-	8,416,823	-	(4,844,911)
Net assets at the end of the period [Rs.338.79 (2010: Rs.339.12) per unit]	1,857,789	629,399,369	1,688,066	572,453,257

The annexed notes from 1 to 9 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

Tariq Amin
Director

Atlas Stock Market Fund

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2011

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Atlas Stock Market Fund (the Fund) is an open ended mutual Fund constituted by a trust deed entered into on 29 May 2004 between Atlas Asset Management Limited (AAML) as the management company and Central Depository Company of Pakistan Limited (CDC) as the trustee. The Trust Deed has been revised through the First, Second, Third, Fourth, and Fifth Supplemental Trust Deeds dated 21 June 2005, 24 July 2006, 29 October 2007, 6 March 2008, and 4 December 2009 respectively, with the approval of the SECP. The Offering Document has been revised through the First, Second, Third, Fourth and Fifth Supplements dated 21 June 2005, 24 July 2006, 29 October 2007, 6 March 2008, and 4 December 2009 respectively, with the approval of the SECP. The investment activities and administration of the Fund are managed by AAML situated at Ground Floor, Federation House, Shahrae Firdousi, Clifton, Karachi.
- 1.2 Units of the Fund are offered for public subscription on a continuous basis since 23 November 2004 and are transferable and redeemable by surrendering them to the Fund. The Fund is listed on the Lahore Stock Exchange.
- 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 equity securities offering consistent returns and growth. The Fund aims to deliver this objective mainly by investing in equity securities of companies that are paying regular dividend, have growth prospects or are actively traded. Any amounts which have not been invested in equity securities may be invested in liquid instruments including bank deposits (excluding TDRs) and treasury bills not exceeding 90 days maturity. The investment objectives and policies are more fully defined in the Fund's Offering Document.

2. STATEMENT OF COMPLIANCE

- 2.1 These condensed interim financial statements have been prepared in accordance with International Accounting Standard - 34 "Interim Financial Reporting" as applicable in Pakistan.
- 2.2 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 2011.

3. ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed interim financial statements are consistent with those of the previous financial year.

4. BANK BALANCES

		30 September 2011 Un-audited	30 June 2011 Audited
	Note	----- Rupees -----	-----
In PLS saving accounts	4.1	11,649,256	28,543,138
In current accounts		20,225	20,225
		<u>11,669,481</u>	<u>28,563,363</u>

- 4.1 The rate of return on these accounts ranges from 5% to 11.75% (30 June 2011: 5% to 11.5%) per annum.

5. INVESTMENTS - at fair value through income statement

Listed equity securities - held-for-trading	5.1	<u>603,310,075</u>	<u>641,106,326</u>
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First Quarter Report 2011-12

	Number of shares				Rupees		Percentage of		
	At the beginning of the period	Acquired during the period	Bonus shares during the period	Disposed during the period	At the end of the period	Market Value	Total investment	Net assets	Paid-up Capital of Investee company

5.1 Listed equity securities - held for trading

(Ordinary shares have a face value of Rs. 10/- each unless stated otherwise)

Oil & Gas

Attock Petroleum Limited	110,000	92,604	-	57,604	145,000	57,688,250	9.56	9.17	0.21
Attock Refinery Limited	-	75,000	-	75,000	-	-	-	-	-
National Refinery Limited	-	75,000	-	75,000	-	-	-	-	-
Oil & Gas Development Company Limited	-	75,000	-	75,000	-	-	-	-	-
Pakistan Oilfields Limited	165,000	75,000	-	70,000	170,000	62,621,200	10.38	9.95	0.07
Pakistan Petroleum Limited	185,000	160,000	15,000	185,000	175,000	33,174,750	5.50	5.27	0.01
Pakistan State Oil Company Limited	75,000	53,794	-	78,794	50,000	12,729,000	2.11	2.02	0.03
	535,000	606,398	15,000	616,398	540,000	166,213,200	27.55	26.41	

Chemicals

Engro Corporation Limited	150,000	235,000	-	135,000	250,000	35,847,500	5.94	5.70	0.06
Fatima Fertilizers Limited	1,500,000	1,300,000	-	1,900,000	900,000	16,965,000	2.81	2.70	0.05
Fauji Fertilizer Bin Qasim Limited	700,000	400,000	-	950,000	150,000	8,802,000	1.46	1.40	0.02
Fauji Fertilizer Company Limited	250,000	250,000	-	125,000	375,000	60,712,500	10.06	9.65	0.04
ICI Pakistan Limited	124,499	50,501	-	175,000	-	-	-	-	-
Lotte Pakistan PTA Limited	400,000	700,000	-	1,100,000	-	-	-	-	-
	3,124,499	2,935,501	-	4,385,000	1,675,000	122,327,000	20.28	19.44	

Construction and Materials

D G Khan Cement Company Limited	350,000	300,000	-	350,000	300,000	6,171,000	1.02	0.98	0.07
Lucky Cement Limited	150,000	694,334	-	319,334	525,000	39,648,000	6.57	6.30	0.16
	500,000	994,334	-	669,334	825,000	45,819,000	7.59	7.28	

Industrial Engineering

Millat Tractors Limited	-	25,000	-	25,000	-	-	-	-	-
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Personal Goods

Nishat (Chumian) Limited	400,000	504,900	-	904,900	-	-	-	-	-
Nishat Mills Limited	1,200,000	304,400	-	904,400	600,000	28,854,000	4.78	4.58	0.17
	1,600,000	809,300	-	1,809,300	600,000	28,854,000	4.78	4.58	

Fixed Line Telecommunication

Pakistan Telecommunication Company Limited	192,003	500,000	-	692,003	-	-	-	-	-
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Electricity

Kot Addu Power Company Limited	-	100,000	-	100,000	-	-	-	-	-
Nishat Chumian Power Limited	1,900,000	499,977	-	399,977	2,000,000	28,540,000	4.73	4.53	0.54
The Hub Power Company Limited	850,000	226,491	-	676,491	400,000	16,600,000	2.75	2.64	0.03
	2,750,000	826,468	-	1,176,468	2,400,000	45,140,000	7.48	7.17	

Banks

Allied Bank Limited	770,500	305,500	-	76,000	1,000,000	60,500,000	10.03	9.61	0.12
Habib Bank Limited	125,000	-	-	125,000	-	-	-	-	-
MCB Bank Limited	300,000	164,000	-	104,000	360,000	62,377,200	10.34	9.91	0.04
National Bank of Pakistan	175,000	728,896	-	303,896	600,000	27,480,000	4.55	4.37	0.04
Soneri Bank Limited	-	350,000	-	350,000	-	-	-	-	-
United Bank Limited	870,000	116,749	-	378,640	608,109	36,571,675	6.06	5.81	0.05
	2,240,500	1,665,145	-	1,337,536	2,568,109	186,928,875	30.98	29.70	

Non Life Insurance

Adamjee Insurance Company Limited	100,000	77,501	-	27,501	150,000	8,028,000	1.33	1.28	0.12
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Market value of investments as at 30 September 2011

603,310,075 100.00 95.85

Atlas Stock Market Fund

- 5.2 The cost of held-for-trading investments as at 30 September 2011 is Rs.588,417,810 (30 June 2011: Rs.631,343,902).
- 5.3 The above investments include 25,000, 110,000, 62,000, 125,000, 75,000, 200,000, 100,000 and 250,000 shares of Attock Petroleum Limited, Pakistan Oilfields Limited, Pakistan Petroleum Limited, Engro Corporation Limited, Fauji Fertilizer Company Limited, The Hub Power Company Limited, MCB Bank Limited and United Bank Limited respectively, pledged with NCCPL. The aggregate market value of shares pledged amounts to Rs.132,947,440 (30 June 2011: Rs.139,269,940).

	30 September 2011	30 June 2011
	Un-audited	Audited
Note	----- Rupees -----	

6. ACCRUED AND OTHER LIABILITIES

Auditors' remuneration payable	406,976	304,976
NCCPL charges payable	22,924	25,791
Printing charges payable	275,000	227,000
Rating fee payable	25,000	-
Sindh Sales Tax on Services payable	166,416	-
Withholding tax payable	2,400	8,238
Zakat payable	101	105
Payable to unit holders against redemption of units	74,776	74,776
Provision for Workers' Welfare Fund	6.1 8,040,178	7,868,406
	<u>9,013,771</u>	<u>8,509,292</u>

- 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 made a provision for WWF contribution in the annual financial statements for the year ended 30 June 2010.

Subsequent to the year ended 30 June 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 including the Fund have been granted stay by Honorable SHC on the basis of the pending Constitutional Petition as referred above.

Subsequent to the year ended 30 June 2011, the Honorable Lahore High Court (LHC) in a Constitutional Petition relating to the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006, and the Finance Act, 2008, has declared the said amendments as unlawful and unconstitutional. The Management Company is hopeful that the decision of the LHC, will lend further support to the Constitutional Petition which is pending in the SHC. However, pending the decision of the said Constitutional Petition, the Management Company, as a matter of abundant caution, has decided to continue to maintain the provision for WWF amounting to Rs.8,040,178 in these financial statements.

First Quarter Report 2011 -12

For the Quarter Ended	
30 September 2011	30 September 2010
Un-audited	Un-audited
----- Rupees -----	

7. TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

7.1 Transactions for the period

Atlas Asset Management Limited (Management Company)		
Remuneration of the management company	3,125,345	2,967,666
Remuneration paid	3,189,313	-
Central Depository Company of Pakistan Limited (Trustee)		
Trustee fee	312,534	306,938
Settlement charges	25,311	28,335
Atlas Fund of Funds (Fund under common management)		
Sale of 54,290 (2010: Nil) units	17,129,945	-
Bonus 23,140 (2010: 19,878) units	7,734,852	6,304,869
Redemption of 147,747 (2010: Nil) units	48,634,895	-
Atlas Insurance Limited (Group Company)		
Sale of 156,465 (2010: Nil) units	50,000,000	-
Bonus 3,345 (2010: 2,871) units	1,118,034	910,748
<u>Key Management Personnel of Management Company</u>		
Sale 8,716 (2010: Nil) units	2,818,000	-
Bonus 31,547 (2010: 26,912) units	10,544,880	8,535,957

30 September 2011	30 June 2011
Un-audited	Audited
----- Rupees -----	

7.2 Outstanding balances as at period / year end

Atlas Asset Management Limited (Management Company)		
Remuneration payable to the management company	1,040,100	1,104,068
Central Depository Company of Pakistan Limited (Trustee)		
Trustee fee payable	104,010	111,079
Settlement charges payable	5,421	5,838
Atlas Fund of Funds (Fund under common management)		
Outstanding Nil (30 June 2011: 70,317) - units	-	31,238,959

Atlas Stock Market Fund

	30 September 2011 Un-audited	30 June 2011 Audited
	----- Rupees -----	

7.2 Outstanding balances as at period / year end (Continued...)

Atlas Insurance Limited (Group Company)

Outstanding 169,974 (30 June 2011: 10,164) - units

57,585,382

4,515,436

Key Management Personnel of Management Company

Outstanding 136,125 (30 June 2011: 95,862) - units

46,117,892

42,587,893

7.3 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.

8. GENERAL

8.1 Figures have been rounded off to the nearest Rupee.

8.2 Certain prior period's figures have been reclassified/rearranged for the purpose of comparison. However, there were no material reclassifications to report.

9. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the management company on 26 October 2011.

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

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