

Atlas funds

Nurturing your investments

Atlas Money Market Fund

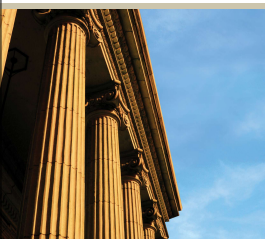
Atlas Income Fund

Atlas Stock Market Fund

QUARTERLY REPORT

30 September 2012

(UN-AUDITED)



A Stable
FOUNDATION
a steady rise



It Takes Skill to
Master the Game



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
Board of Directors of the Management Company		Members	Mr. Ali H. Shirazi Mr. Muhammad Abdul Samad Mr. Khalid Mahmood Mr. Muhammad Umar Khan (Secretary)
Chairman	Mr. Yusuf H. Shirazi (Non-Executive Director)	Management Committee	
Directors	Mr. Tariq Amin (Independent Director) Mr. M. Ashraf Janjua (Independent Director) Mr. Frahim Ali Khan (Non-Executive Director) Mr. Arshad P. Rana (Non-Executive Director) Mr. Ali H. Shirazi (Non-Executive Director)		
Chief Executive Officer	Mr. M. Habib-ur-Rahman (Executive Director)	Chairman	Mr. M. Habib-ur-Rahman
Company Secretary	Ms Lilly R. Dossabhoy	Members	Ms Lilly R. Dossabhoy Mr. Muhammad Abdul Samad Mr. Abbas Sajjad
Board Committees		Secretary	Mr. M. Irfan Dhedhi
Audit Committee		Risk Management Committee	
Chairman	Mr. Tariq Amin	Chairman	Mr. Muhammad Abdul Samad
Members	Mr. M. Ashraf Janjua Mr. Frahim Ali Khan	Members	Mr. Khalid Mahmood Ms Qurrat-ul-Ain Jafari Mr. Muhammad Umar Khan
Secretary	Ms Qurrat-ul-Ain Jafari	Secretary	Ms Zainab Hussain
Human Resource Committee		Chief Internal Auditor	
Chairman	Mr. Frahim Ali Khan	Ms Qurrat-ul-Ain Jafari	
Members	Mr. M. Habib-ur-Rahman Mr. Ali H. Shirazi	Registered Office	
Secretary	Mr. Mohsin Ali Khan	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	

The above information is as at 24 October 2012.

First Quarter Report 2012-13

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 first quarter ended 30 September 2012 of the FY 2012-13.

The Economy

Pakistan's current account marked a surplus of US\$ 432 million for the first quarter (July-September) of the FY 2012-13, as compared to a deficit of US\$ 1,339 million witnessed in corresponding period last year. This is primarily due to strong remittances; US\$ 3.6 billion received in July - September 2012 and receipt of US\$ 1.12 billion Coalition Support Funds in August 2012. On a positive side, trade deficit declined by 9.97% in the first quarter due to rise in exports by 4.26% YoY (US\$ 6.19 billion) and decline in imports by 2.4% YoY, (US\$ 10.85 billion) for the July- September FY 2012-13 period. The foreign exchange reserves of the country stood at US\$ 14.9 billion as of 28 September 2012. CPI inflation during July-September FY 2012-13 averaged 9.1% as compared to 11.5% during July-September FY 2011-12. The State Bank of Pakistan (SBP) continued with its policy of gradually easing discount rate to enhance growth with the reduction in CPI inflation. A declining inflation, together with weak growth in credit to private businesses, is the basic context in which SBP reduced its policy rate by 150 bps in August 2012 and later by 50 bps in October 2012, that is, from 12% to currently 10%.

Fund Operations - AMF

The AMF's Net Asset Value per unit has increased by 2.73% to Rs.504.55 as on 30 September 2012, thus providing an annualized total return of 10.83%. The AMF's total exposure in Treasury Bills stood at 84.89% with the remaining in short term deposits 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.3.98 billion, with 7.89 million units outstanding as of 30 September 2012.

As delegated by the Board of Directors, the Investment Committee of Atlas Asset Management Limited, the Management Company of Atlas Money Market Fund, approved interim bonus distributions of Rs.4 per unit (0.80% on the face value of Rs.500 per unit), declared on 26 July 2012, Rs.4 per unit (0.80% on the face value), declared on 31 August 2012 and Rs.3.75 per unit (0.75% on the face value) on 28 September 2012. The total interim bonus distribution during the first quarter of the FY 2012-13 aggregates to Rs.11.75 per unit. This works out to an interim distribution of 2.34% (not annualized) of the opening net asset value (NAV) of units during the first quarter.

Fund Operations - AIF

The AIF's Net Asset Value per unit has increased by 3.04% to Rs.517.27 as on 30 September 2012, this works out to an annualized return of 12.07%. AIF's current asset allocation is 68.43% in Treasury bills, 25.12% in TFCs/Sukuk, 2.46% in Pakistan Investment Bonds and the remaining in bank deposits/others. AIF presents a good investment opportunity for investors to earn attractive returns and at the same time benefit from any gain as a result of reversal of provisions/income. The Net Assets of the Fund stood at Rs.1.04 billion with 2.01 million units outstanding as of 30 September 2012.

As delegated by the Board of Directors, the Investment Committee of Atlas Asset Management Limited, the Management Company of Atlas Income Fund, approved an interim bonus distribution of Rs.12.50 per unit (2.50% on the face value of Rs.500 per unit) for the quarter ended 30 September 2012. This works out to an interim distribution of 2.49% (not annualized) of the opening net asset value (NAV) of units during the first quarter.

Fund Operations - ASMF

The ASMF's Net Asset Value per unit has increased by 12.01% to Rs.387.50 as on 30 September 2012. The benchmark KSE-100 index has increased by 11.91% during the same period. The KSE-100 has increased from 13,801 points as on 30 June 2012 to 15,444 points as on 30 September 2012. The ASMF's equity portfolio exposure was mainly in Oil & Gas, Electricity and Chemical sectors. ASMF's strategy will continue to focus on dividend plays and stocks which are trading at relatively cheap multiples with earning growth prospects. The Net Assets of the Fund stood at Rs.869 million, with 2.24 million units outstanding as of 30 September 2012.

Atlas Funds

Ratings

• Asset Manager 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 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. 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. The Fund's rating denotes a strong capacity to manage relative stability in returns and low exposure to risks.

• Star Ranking - ASMF

PACRA has assigned a "5 Star" short term ranking to the Fund, and a long term "4 Star" ranking, for FY 2010-11. 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. The annual star ranking review is currently in progress.

Future Outlook

In order to achieve sustainable economic growth in the medium term, it is imperative to encourage investment by bringing comprehensive reforms in the energy and fiscal sectors. This would involve effective policies to broaden the tax base and to increase revenues, tackling the circular debt to resolve the prevailing energy crisis, and human development. There is also a need to improve financial inflows in order to further build foreign exchange reserves. The SBP decision to reduce policy rate is expected to have a desirable impact on the demand for private sector credit and investment in the economy. A durable solution to the energy sector problems would help in lowering inflation on more sustainable basis.

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

ملت سے رابطہ استوار رکھ

(Let us continue to enforce our social responsibility)

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: 24 October 2012

Yusuf H. Shirazi
Chairman

First Quarter Report 2012-13

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 2012

		30 September 2012 Un-audited	30 June 2012 Audited
	Note	Rupees	
Assets			
Bank balances and term deposits	4	624,684,209	1,062,768,340
Investments	5	3,379,156,903	3,491,055,485
Interest accrued		1,585,587	4,162,824
Prepayments		30,000	-
Deferred formation cost		350,000	400,000
Total assets		4,005,806,699	4,558,386,649
Liabilities			
Payable to the management company		3,857,105	4,710,250
Payable to the trustee		363,716	418,055
Payable to SECP		815,895	3,286,644
Accrued and other liabilities	6	19,955,762	17,946,886
Total liabilities		24,992,478	26,361,835
Net assets		3,980,814,221	4,532,024,814
Unit holders' fund		3,980,814,221	4,532,024,814
Number of units in issue		7,889,898	9,015,663
Net asset value per unit		504.55	502.68

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 2012-13

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2012

	Note	2012 ----- Rupees -----	2011 ----- Rupees -----
Income			
Interest income	7	126,250,069	131,085,954
Net gain on investments designated at fair value through income statement (held for trading)			
Net gain on maturity/sale of investments		2,167,876	239,571
Net unrealised gain on revaluation of investments		5,299,748	547,712
		7,467,624	787,283
Element of loss/income and capital losses/gains included in prices of units sold less those in units redeemed - net		(1,961,666)	1,193,623
		131,756,027	133,066,860
Expenses			
Remuneration of the management company		10,878,539	9,959,784
Sindh Sales Tax on Remuneration of the Management Company		1,740,566	1,593,565
Remuneration of the trustee		1,138,922	1,060,829
SECP annual fee		815,895	746,984
Annual rating fee		50,000	50,000
Annual listing fee		10,000	10,000
Brokerage		10,230	38,783
Auditors' remuneration		121,639	93,750
Printing charges		34,027	41,875
Amortisation of formation cost		50,000	50,000
Bank charges		28,996	23,240
Provision for Workers' Welfare Fund	6.1	2,337,544	2,387,961
		17,216,358	16,056,771
Net income for the period		114,539,669	117,010,089

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 2012

	2012	2011
	----- Rupees -----	
Net income for the period	114,539,669	117,010,089
Other comprehensive income	-	-
Total comprehensive income for the period	114,539,669	117,010,089

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 2012-13

CONDENSED INTERIM DISTRIBUTION STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2012

	2012	2011
	----- Rupees -----	
Undistributed income brought forward	5,087,897	98,823,653
Final distribution (2011: Rs.15 per unit declared on 7 July 2011)		
- Bonus units	-	(74,914,265)
- Cash payout against final distribution	-	(21,317,923)
	-	(96,232,188)
Interim distribution for the month ended 31 July 2012 at the rate of Rs.4 per unit declared on 27 July 2012 (2011: Rs.4 per unit declared on 29 July 2011)		
- Bonus units	(32,706,265)	(24,737,370)
- Cash payout against interim distribution	(2,265,771)	(5,489,173)
	(34,972,036)	(30,226,543)
Interim distribution for the month ended 31 August 2012 at the rate of Rs.4 per unit declared on 31 August 2012 (2011: Rs.5 per unit declared on 26 August 2011)		
- Bonus units	(32,745,278)	(33,388,867)
- Cash payout against interim distribution	(1,464,198)	(7,948,315)
	(34,209,475)	(41,337,182)
Interim distribution for the month ended 30 September 2012 at the rate of Rs. 3.75 per unit declared on 28 September 2012 (2011: Rs. 5 per unit declared on 28 September 2011)		
- Bonus units	(28,006,481)	(31,445,821)
- Cash payout against interim distribution	(1,372,685)	(8,019,397)
	(29,379,166)	(39,465,218)
Net income for the period	114,539,669	117,010,089
Undistributed income carried forward	21,066,889	8,572,610

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 2012

	Note	2012 ----- Rupees -----	2011 ----- Rupees -----
Cash flows from operating activities			
Net income for the period		114,539,669	117,010,089
Adjustments for:			
Interest income		(126,250,069)	(131,085,954)
Net gain on maturity/sale of investments		(2,167,876)	(239,571)
Net unrealised gain on revaluation of investments		(5,299,748)	(547,712)
Amortization of formation cost		50,000	50,000
Element of loss/income and capital losses/gains included in prices of units sold less those in units redeemed - net		1,961,666	(1,193,623)
		(131,706,027)	(133,016,860)
Increase in prepayments		(30,000)	(30,000)
Increase/(decrease) in liabilities			
Payable to the management company		(853,145)	473,662
Payable to the trustee		(54,339)	56,868
Payable to SECP		(2,470,749)	(974,430)
Accrued and other liabilities		2,008,876	3,199,895
		(1,369,357)	2,755,995
		(18,565,715)	(13,280,776)
Interest received		128,827,306	127,943,331
Investments made during the period		(4,030,255,219)	(3,101,476,787)
Investments matured / sold during the period		4,149,621,425	2,964,821,400
Net cash inflow from / (used in) operating activities		229,627,797	(21,992,833)
Cash flows from financing activities			
Proceeds from issue of units		859,565,102	1,484,229,678
Payment on redemption of units		(1,522,174,376)	(1,290,514,257)
Cash payout against distribution		(5,102,654)	(42,774,808)
Net cash (used in) / inflow from financing activities		(667,711,928)	150,940,613
Net (decrease) / increase in cash and cash equivalents		(438,084,131)	128,947,781
Cash and cash equivalents at the beginning of the period		1,062,768,340	345,287,703
Cash and cash equivalents at the end of the period	4	624,684,209	474,235,484

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 2012-13

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2012

	30 September 2012		30 September 2011	
	Units	Rupees	Units	Rupees
Net assets at the beginning of the period [Rs.502.68 (2011: Rs.516.97) per unit]	9,015,663	4,532,024,814	6,415,479	3,316,615,640
Issue of units	1,700,787	859,565,102	2,942,549	1,484,229,678
Redemption of units	(3,012,057)	(1,522,174,376)	(2,558,721)	(1,290,514,257)
	(1,311,270)	(662,609,274)	383,827	193,715,421
Element of loss/income and capital losses/gains included in prices of units sold less those in units redeemed - net	-	1,961,666	-	(1,193,623)
Final distribution (2011: Rs.15 per unit declared on 7 July 2011)				
Issue of bonus units	-	-	149,241	-
Cash payout against distribution	-	-	-	(21,317,923)
Interim distribution @ Rs.4 declared on 27 July 2012 (2011 : Rs.4 declared on 29 July 2011)				
Issue of bonus units	65,082	-	49,223	-
Cash payout against distribution	-	(2,265,771)	-	(5,489,173)
Interim distribution @ Rs.4 declared on 31 August 2012 (2011 : Rs.5 declared on 26 August 2011)				
Issue of bonus units	64,888	-	66,476	-
Cash payout against distribution	-	(1,464,198)	-	(7,948,315)
Interim distribution @ Rs.3.75 declared on 28 September 2012 (2011 : Rs.5 declared on 28 September 2011)				
Issue of bonus units	55,534	-	62,584	-
Cash payout against distribution	-	(1,372,685)	-	(8,019,397)
Net income for the period	-	114,539,669	-	117,010,089
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	114,539,669	-	117,010,089
Net assets at the end of the period [Rs. 504.55 (2011: Rs.502.80) per unit]	7,889,898	3,980,814,221	7,126,829	3,583,372,719

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 2012

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", the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and directives issued by the SECP. In case where requirements differ, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the requirements of the said directives prevail.
- 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 2012.

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 2012 Un-audited	30 June 2012 Audited
	Note	----- Rupees -----	-----
4. BANK BALANCES			
PLS saving accounts	4.1	324,684,209	762,768,340
Term deposit accounts	4.2	300,000,000	300,000,000
		<u>624,684,209</u>	<u>1,062,768,340</u>

- 4.1 The rate of return on these accounts ranges between 6% to 9.50% (30 June 2012: 6% to 12%) per annum.

- 4.2 The rate of return on term deposit is 10.50% (30 June 2012: 12%) per annum. The deposit will mature by 25 October 2012 (30 June 2012: 16 July 2012).

5. INVESTMENTS - at fair value through income statement

Government Securities

Market Treasury Bills - Held for trading	5.1	<u>3,379,156,903</u>	<u>3,491,055,485</u>
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First Quarter Report 2012-13

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	1,990,000,000	1,425,000,000	2,415,000,000	1,000,000,000	987,692,842	987,926,588	29.24	24.82
6 Months - T-bills	1,390,000,000	1,690,000,000	1,087,500,000	1,992,500,000	1,941,823,433	1,946,286,715	57.60	48.89
12 Months - T-bills	190,000,000	930,000,000	670,000,000	450,000,000	444,340,879	444,943,600	13.16	11.18
	<u>3,570,000,000</u>	<u>4,045,000,000</u>	<u>4,172,500,000</u>	<u>3,442,500,000</u>	<u>3,373,857,155</u>	<u>3,379,156,903</u>	<u>100.00</u>	<u>84.89</u>

5.2 The cost of investments as on 30 September 2012 is Rs. 3,293,979,625 (30 June 2012: Rs.3,431,916,335).

5.3 These Market Treasury Bills carry purchase yields ranging from 10.22% to 11.94% (30 June 2012: 11.50% to 11.94%) per annum and will mature between 18 October 2012 and 21 March 2013 (30 June 2012: 26 July 2012 and 13 December 2012).

	30 September 2012	30 June 2012
	Un-audited	Audited
Note	----- Rupees -----	-----

6. ACCRUED AND OTHER LIABILITIES

Auditors' remuneration payable		144,931	417,341
Printing charges payable		134,027	100,000
Payable to unit holders		3,374	3,374
Annual rating fee payable		50,000	-
Payable to brokers		2,118	3,074
Withholding tax payable		136,720	163,500
Sindh Sales Tax payable on Remuneration of the Management Company		553,137	657,640
Zakat payable		484	8,530
Provision for Workers' Welfare Fund	6.1	18,930,971	16,593,427
		<u>19,955,762</u>	<u>17,946,886</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.

In the year 2010, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) which stated that mutual funds are not liable to contribute to WWF on the basis of their income. In December 2010 the Ministry filed its response against the Constitutional Petition requesting the Court to dismiss the same, whereafter, show cause notices were issued by Federal Board of Revenue (FBR) to several Mutual Funds (CISs)/Pension Funds for the collection of WWF. In respect of such show cause notices, certain Mutual Funds (CISs)/Pension Funds have been granted stay by Honorable SHC on the basis of the pending Constitutional Petition as referred above.

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.18,930,971 (30 June 2012: 16,593,427) in these condensed interim financial statements. Had the same not been made the net asset value per unit of the Fund would have been higher by Rs.2.40 (30 June 2012: Rs.1.84) per unit.

Atlas Money Market Fund

For the Quarter Ended	
30 September 2012	30 September 2011
Un-audited	Un-audited
-----	Rupees -----

7. INTEREST INCOME

PLS saving and term deposit accounts	7,830,875	9,335,417
Government Securities - Market Treasury bills	118,419,194	121,750,537
	<u>126,250,069</u>	<u>131,085,954</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	10,878,539	9,959,784
Remuneration paid	11,531,684	9,286,122
Sindh Sales Tax on Remuneration of the Management Company	1,740,566	1,593,565
Sale of 17,829 (2011: 6,942) units	9,000,000	3,500,000
Redemption of 59,359 (2011: 26,760) units	30,000,000	13,500,000
Bonus of 1,322 (2011: 6,726) units	665,722	3,377,938
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration of the Trustee	1,138,922	1,060,829
Remuneration paid	1,193,261	1,003,961
Atlas Battery Limited (Group Company)		
Redemption of 138,389 (2011: 59,525) units	70,000,000	30,000,000
Bonus of 15,688 (2011: 21,651) units	7,903,221	10,872,991
Atlas Foundation (Trust having Common Director/Trustee)		
Sale of Nil (2011: 16,515) units	-	8,370,000
Redemption of 8,729 (2011: 12,111) units	4,400,000	6,100,000
Bonus of 935 (2011: 6,522) units	470,914	3,275,338
Atlas Fund of Funds (Fund under common management)		
Sale of 158,398 (2011: 59,683) units	80,000,000	30,000,000
Redemption of 233,035 (2011: 59,798) units	117,659,724	30,129,945
Bonus of 788 (2011: 1,450) units	396,495	728,041
Atlas Honda Limited (Group Company)		
Sale of Nil (2011: 99,098) units	-	50,000,000
Bonus of 21,143 (2011: 39,440) units	10,652,184	19,806,607
Atlas Insurance Limited (Group Company)		
Sale of Nil (2011: 198,389) units	-	100,000,000
Redemption of Nil (2011: 197,000) units	-	99,018,110
Bonus of 3,728 (2011: 14,648) units	1,878,460	7,356,822
Batool Benefit Trust (Trust having Common Director/Trustee)		
Bonus of 25 (2011: 55) units	12,751	27,794
Iftikhar Shirazi Family Trust (Trust having Common Director/Trustee)		
Redemption of 39,000 (2011: Nil) units	19,726,826	-
Bonus of 1,514 (2011: 3,946) units	762,892	1,981,679

First Quarter Report 2012-13

For the Quarter Ended	
30 September 2012	30 September 2011
Un-audited	Un-audited
----- Rupees -----	

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

8.1 Transactions for the period

Shirazi Investments (Private) Limited (Group Company)		
Redemption of Nil (2011: 199,335) units	-	100,414,816
Bonus of Nil (2011: 5,784) units	-	2,903,263
Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)		
Sale of 7,069 (2011: 1,590) units	3,580,000	800,000
Bonus of 615 (2011: 1,193) units	309,934	599,270
Shirazi (Private) Limited (Group Company)		
Redemption of 1,519 (2011: Nil) units	765,000	-
Bonus of 4 (2011: Nil) units	1,873	-
Key Management Personnel of Management Company		
Sale of 10,486 (2011: 16,283) units	5,300,000	8,212,000
Redemption of 10,218 (2011: 2,482) units	5,170,000	1,250,000
Bonus of 1,989 (2011: 2,939) units	1,002,299	1,476,147

30 September 2012	30 June 2012
Un-audited	Audited
----- Rupees -----	

8.2 Investments/outstanding balances as at period /year end

Atlas Asset Management Limited (Management Company)		
Remuneration payable to the management company	3,457,105	4,110,250
Payable in respect of formation cost	400,000	600,000
Units in issue 46,732 (30 June 2012: 86,941) - at net asset value	23,578,827	43,703,575
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration payable to the Trustee	363,716	418,055
Atlas Battery Limited (Group Company)		
Units in issue 588,532 (30 June 2012: 711,234) - at net asset value	296,943,930	357,523,038
Atlas Foundation (Trust having Common Director/Trustee)		
Units in issue 40,702 (30 June 2012: 48,496) - at net asset value	20,536,331	24,378,073
Atlas Fund of Funds (Fund under common management)		
Units in issue Nil (30 June 2012: 73,849) - at net asset value	-	37,122,411
Atlas Honda Limited (Group Company)		
Units in issue 920,695 (30 June 2012: 899,553) - at net asset value	464,536,813	452,187,090
Atlas Insurance Limited (Group Company)		
Units in issue 162,360 (30 June 2012: 158,632) - at net asset value	81,918,768	79,740,955

Atlas Money Market Fund

30 September 2012 Un-audited	30 June 2012 Audited
----- Rupees -----	

8.2 Investments/outstanding balances as at period/year end (Continued...)

Batool Benefit Trust (Trust having common Director/Trustee) Units in issue 1,102 (30 June 2012: 1,077) - at net asset value	556,071	541,288
Iftikhar Shirazi Family Trust (Trust having common Director/Trustee) Units in issue 39,290 (30 June 2012: 76,775) - at net asset value	19,823,615	38,593,207
Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement benefit plan of a Group Company) Units in issue 31,002 (30 June 2012: 23,317) - at net asset value	15,642,054	11,721,363
Shirazi (Private) Limited (Group Company) Units in issue 162 (30 June 2012: 1,677) - at net asset value	81,695	843,071
<u>Key Management Personnel of Management Company</u> Units in issue 83,199 (30 June 2012: 79,804) - at net asset value	41,977,954	40,115,364

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 / re-arranged for the purposes of comparison. However, there were 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 24 October 2012.

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

First Quarter Report 2012-13

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

A. F. Ferguson & Co.
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 2012

		30 September 2012 Un-audited	30 June 2012 Audited
	Note	Rupees	
Assets			
Bank balances	4	44,161,951	146,593,329
Investments	5	999,800,497	784,683,912
Interest accrued		8,914,490	11,487,613
Prepayment		30,000	-
Security deposit		100,000	100,000
Total assets		1,053,006,938	942,864,854
Liabilities			
Payable to the management company		1,226,688	1,130,252
Payable to the trustee		137,647	128,095
Payable to SECP		180,262	609,076
Accrued and other liabilities	6	10,012,631	9,510,150
Total liabilities		11,557,228	11,377,573
Net assets		1,041,449,710	931,487,281
Unit holders' fund		1,041,449,710	931,487,281
Number of units in issue		2,013,365	1,855,552
Net asset value per unit		517.27	502.00

The annexed notes from 1 to 11 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 2012-13

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2012

	Note	2012 ----- Rupees -----	2011 -----
Income			
Interest income	7	28,910,770	26,296,322
Net gain/(loss) on investments designated at fair value through income statement			
Net gain on sale of investments		6,107,971	56,342
Net unrealised loss on revaluation of investments		(209,322)	(40,780,232)
		5,898,649	(40,723,890)
Other income		-	19,012
Element of income/loss and capital gains/losses included in prices of units issued less those in units redeemed - net		1,616,485	(1,149,754)
		36,425,904	(15,558,310)
Expenses			
Remuneration of the management company		3,605,275	2,704,467
Sindh Sales Tax on Remuneration of the Management Company		576,844	432,715
Remuneration of the trustee		407,227	306,519
SECP annual fee		180,262	135,219
Annual rating fee		50,000	50,000
Annual listing fee		10,000	10,000
Securities transaction cost		56,500	46,500
Auditors' remuneration		127,736	162,500
Printing charges		34,027	51,750
Bank charges		10,576	9,105
Provision for Workers' Welfare Fund	6.1	627,349	-
		5,685,796	3,908,775
Net income/(loss) for the period		30,740,108	(19,467,085)

The annexed notes from 1 to 11 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 2012

	2012	2011
	----- Rupees -----	
Net income/(loss) for the period	30,740,108	(19,467,085)
Other comprehensive income	-	-
Total comprehensive income/(loss) for the period	30,740,108	(19,467,085)

The annexed notes from 1 to 11 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 2012-13

CONDENSED INTERIM DISTRIBUTION STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2012

	2012	2011
	----- Rupees -----	-----
Undistributed income brought forward	8,120,663	26,412,737
Final distribution (2011: Rs.13.75 per unit declared on 7 July 2011)		
- Bonus units	-	(21,042,760)
Net income/(loss) for the period	30,740,108	(19,467,085)
Undistributed income/(loss) carried forward	<u>38,860,771</u>	<u>(14,097,108)</u>

The annexed notes from 1 to 11 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 2012

	Note	2012 ----- Rupees -----	2011 -----
Cash flows from operating activities			
Net income/(loss) for the period		30,740,108	(19,467,085)
Adjustments for:			
Interest income		(28,910,770)	(26,296,322)
Net gain on sale of investments		(6,107,971)	(56,342)
Net unrealised loss on revaluation of investments		209,322	40,780,232
Element of income/loss and capital gains/losses included in prices of units issued less those in units redeemed - net		(1,616,485)	1,149,754
		(36,425,904)	15,577,322
Increase in prepayment		(30,000)	(30,000)
Increase/(decrease) in liabilities			
Payable to the management company		96,436	(121,561)
Payable to the trustee		9,552	(13,961)
Payable to SECP		(428,814)	(610,088)
Accrued and other liabilities		502,481	980,268
		179,655	234,658
		(5,536,141)	(3,685,105)
Interest received		31,483,892	30,181,003
Investments made during the period		(428,921,737)	(255,560,715)
Investments sold / redeemed / matured during the period		219,703,802	265,928,101
Net cash (used in) / inflow from operating activities		(183,270,184)	36,863,284
Cash flows from financing activities			
Proceeds from issue of units		143,884,391	72,550,000
Payment on redemption of units		(63,045,585)	(101,943,385)
Net cash inflow from / (used in) financing activities		80,838,806	(29,393,385)
Net (decrease) / increase in cash and cash equivalents		(102,431,378)	7,469,899
Cash and cash equivalents at the beginning of the period		146,593,329	74,058,608
Cash and cash equivalents at the end of the period	4	44,161,951	81,528,507

The annexed notes from 1 to 11 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 2012-13

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2012

	30 September 2012		30 September 2011	
	Units	Rupees	Units	Rupees
Net assets as at the beginning of the period [Rs.502.00 (2011: Rs.514.21) per unit]	1,855,552	931,487,281	1,530,383	786,934,887
Issue of units	281,372	143,884,391	149,509	72,550,000
Redemption of units	(123,559)	(63,045,585)	(205,944)	(101,943,385)
	157,813	80,838,806	(56,435)	(29,393,385)
Element of income/loss and capital gains/losses included in prices of units issued less those in units redeemed - net	-	(1,616,485)	-	1,149,754
Final distribution for the year ended 30 June 2011 at the rate of Rs.13.75 per unit declared on 7 July 2011				
- Issue of bonus units	-	-	42,047	-
Net income/(loss) for the period	-	30,740,108	-	(19,467,085)
Other comprehensive income	-	-	-	-
Total comprehensive income/(loss) for the period	-	30,740,108	-	(19,467,085)
Net assets as at the end of the period [Rs.517.27 (2011: Rs.487.62) per unit]	2,013,365	1,041,449,710	1,515,994	739,224,171

The annexed notes from 1 to 11 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 2012

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", the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and directives issued by the SECP. In case where requirements differ, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the requirements of the said directives prevail.
- 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 2012.

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 2012 Un-audited	30 June 2012 Audited
	Note	Rupees	
PLS saving accounts	4.1	44,161,951	146,593,329

- 4.1 These carry rate of return ranges from 6% to 9.50% (30 June 2012: 6% and 12%) per annum.

First Quarter Report 2012-13

	30 September 2012	30 June 2012
Note	Un-audited	Audited
	Rupees	

5. INVESTMENTS

5.1

Designated at fair value through income statement

Term finance certificates - listed	5.2 & 5.7	213,869,858	234,500,376
Term finance certificates - unlisted	5.3 & 5.7	47,694,150	49,362,050
Sukuk certificates - unlisted	5.4 & 5.7	-	-
Government Securities - T-bills	5.5	712,666,894	500,821,486
Government Securities - PIBs	5.6	25,569,595	-
		<u>999,800,497</u>	<u>784,683,912</u>

5.1 Total cost of investments amounts to Rs.1,167,129,565 (30 June 2012: Rs.970,289,922).

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

5.2 Term finance certificates - listed

Banks

Askari Bank Limited - I	2,400	-	-	2,400	11,948,303	1.20	1.15
Askari Bank Limited - II	6,775	-	-	6,775	33,983,362	3.40	3.26
Bank Al Habib Limited - II	1,192	-	-	1,192	6,019,024	0.60	0.58
NIB Bank Limited	1,399	-	-	1,399	7,000,221	0.70	0.67
Standard Chartered Bank (Pakistan) Limited - III	12,000	-	-	12,000	15,110,910	1.51	1.45
United Bank Limited - II	2,000	-	-	2,000	9,502,339	0.95	0.91
United Bank Limited - III	5,500	-	-	5,500	17,924,586	1.79	1.72
United Bank Limited - IV	8,000	-	-	8,000	40,376,072	4.04	3.88
	39,266	-	-	39,266	141,864,817	14.19	13.62

Financial Services

Escorts Investment Bank Limited	5,000	-	-	5,000	3,683,794	0.37	0.35
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Telecommunication

Pakistan Mobile Communications Limited

	13,800	-	-	13,800	68,321,247	6.83	6.56
Telecard Limited	4,000	-	-	4,000	-	-	-
	17,800	-	-	17,800	68,321,247	6.83	6.56

Personal Goods

Azgard Nine Limited	5.7.1	5,000	-	-	5,000	-	-
					<u>67,066</u>	<u>213,869,858</u>	<u>21.39</u>
							<u>20.54</u>

5.3 Term finance certificates - unlisted

Chemicals

Engro Fertilizers Limited	10,000	-	-	10,000	47,694,150	4.77	4.58
Agri-tech Limited - I	2,000	-	-	2,000	-	-	-
Agri-tech Limited - II	8,000	-	-	8,000	-	-	-
Agri-tech Limited - IV	2,203	-	-	2,203	-	-	-
	22,203	-	-	22,203	47,694,150	4.77	4.58

Atlas Income Fund

		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	Market Value	Total investments	Net assets
Note								
5.3 Term finance certificates - unlisted (Continud...)								
Construction Material Gharibwal Cement Limited		5,000	-	5,000	-	-	-	-
Personal Goods Azgard Nine Limited -V		5.7.1	-	1,075	-	1,075	-	-
Miscellaneous Bunny's Limited		5.7.1	424	-	-	424	-	-
						23,702	47,694,150	4.77
								4.58

5.4 Sukuk certificates - unlisted

[illegible]

5.5 Government Securities

Market Treasury Bills	5.5.1	712,666,894	500,821,486
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5.5.1 Market 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	Amotized cost	Market Value	Total Investments	Net Assets
Treasury bills								
3 months - T Bills	68,000,000	150,000,000	93,000,000	125,000,000	124,668,810	124,696,075	12.47	11.97
6 months - T Bills	310,000,000	225,000,000	-	535,000,000	521,451,798	522,363,365	52.25	50.16
12 months - T Bills	141,700,000	25,000,000	100,000,000	66,700,000	65,463,161	65,607,454	6.56	6.30
	519,700,000	400,000,000	193,000,000	726,700,000	711,583,769	712,666,894	71.28	68.43

5.5.2 The cost of investments as on 30 September 2012 is Rs.691,335,191 (30 June 2012: Rs.492,954,791).

5.5.3 These Market Treasury Bills carry purchase yields ranging from 10.22% to 11.94% (30 June 2012: 11.78% to 13.32%) per annum and will mature between 4 October 2012 and 21 March 2013 (30 June 2012: 26 July 2012 and 29 November 2012).

	30 September 2012	30 June 2012
	Un-audited	Audited
Note	----- Rupees -----	-----

5.6 Government Securities

Pakistan Investment Bonds	5.6.1	25,569,595	-
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First Quarter Report 2012-13

5.6.1 Pakistan Investment Bonds (PIBs)

Pakistan Investment Bonds (PIBs)	Face value (Rupees)				Rupees		Percentage of	
	At the beginning of the period	Acquired during the period	Matured during the period	At the end of the period	Amortized cost	Market Value	Total Investments	Net Assets
3 Year - PIBs	-	25,000,000	-	25,000,000	25,400,000	25,569,595	2.56	2.46
	-	25,000,000	-	25,000,000	25,400,000	25,569,595	2.56	2.46

5.6.2 The cost of investments as on 30 September 2012 is Rs.25,400,000 (30 June 2012: Nil).

5.6.3 These Pakistan Investment Bonds carry purchase yield of 11.25% (30 June 2012: Nil) per annum and will mature by 19 July 2015.

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	-----	%	%
Listed						
Azgard Nine Limited	Term finance certificate	18,118,912	18,118,912	-	-	-
Telecard Limited	Term finance certificate	5,506,380	5,506,380	-	-	-
		23,625,292	23,625,292			
Unlisted						
Agri-tech Limited- I	Term finance certificate	7,494,000	7,494,000	-	-	-
Agri-tech Limited- II	Term finance certificate	29,976,000	29,976,000	-	-	-
Agri-tech Limited	Sukuk certificate	15,225,000	15,225,000	-	-	-
Agri-tech Limited- IV	Term finance certificate	11,015,000	11,015,000	-	-	-
Azgard Nine Limited V	Term finance certificate	5,375,000	5,375,000	-	-	-
Bunny's Limited	Term finance certificate	1,590,000	1,590,000	-	-	-
		70,675,000	70,675,000			
		94,300,292	94,300,292	-	-	-

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.94.30 million (30 June 2012: Rs.107.192 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.

	30 September 2012	30 June 2012
	Un-audited	Audited
Note	----- Rupees -----	

6. ACCRUED AND OTHER LIABILITIES

Auditors' remuneration payable	132,833	379,851
NCCPL charges payable	15,000	15,000
Printing charges payable	134,027	100,000
Payable to unit holders against redemption of units	23,931	23,931
Annual rating fee payable	50,000	-
Brokerage Payable	-	2,812
Withholding tax payable	26,544	1,250
Sindh Sales Tax payable on Remuneration of the Management Company	196,270	180,840
Zakat payable	211	-
Provision for Workers' Welfare Fund	6.1 9,433,815	8,806,466
	10,012,631	9,510,150

Atlas Income Fund

- 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.

In the year 2010, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) which stated that mutual funds are not liable to contribute to WWF on the basis of their income. In December 2010 the Ministry filed its response against the Constitutional Petition requesting the Court to dismiss the same, whereafter, show cause notices were issued by Federal Board of Revenue (FBR) to several Mutual Funds (CISs)/Pension Funds for the collection of WWF. In respect of such show cause notices, certain Mutual Funds (CISs)/Pension Funds have been granted stay by Honorable SHC on the basis of the pending Constitutional Petition as referred above.

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.9,433,815 (30 June 2012: Rs.8,806,466) in these financial statements. Had the same not been made the net asset value per unit of the Fund would have been higher by Rs.4.69 (30 June 2012: Rs.4.75) per unit.

	Note	For the Quarter Ended	
		30 September 2012	30 September 2011
		Un-audited	Un-audited
		-----	Rupees -----
7. INTEREST INCOME			
PLS saving accounts		1,450,726	1,377,111
Term finances	7.1	9,195,910	13,804,771
Government Securities - T-bills		18,233,312	11,114,440
Government Securities - PIBs		30,822	-
		<u>28,910,770</u>	<u>26,296,322</u>

- 7.1 Mark-up on non performing securities amounting to Rs.15.64 million (2011: Rs.38.14 million) based on outstanding principal has not been recognised, in accordance with the SECP's Circular 1 of 2009.

8. TRANSACTIONS WITH RELATED PARTIES/CONNECTED PERSONS

8.1 Transactions for the period

Atlas Asset Management Limited (Management Company)		
Remuneration charged	3,605,275	2,704,467
Remuneration paid	3,508,839	2,826,028
Sindh Sales Tax on Remuneration of the Management Company	576,844	432,715
Sale of 21,609 (2011: Nil) units	11,000,000	-
Redemption of 4,890 (2011: Nil) units	2,500,000	-
Central Depository Company of Pakistan Limited (Trustee)		
Trustee fee	407,227	306,519
Trustee fee paid	397,675	320,480
Settlement charges	1,500	1,500

First Quarter Report 2012-13

For the Quarter Ended	
30 September 2012	30 September 2011
Un-audited	Un-audited
----- Rupees -----	

8.1 Transactions for the period (Continued...)

Atlas Battery Limited (Group Company)		
Sale of 97,769 (2011: 62,174) units	49,989,087	30,000,000
Atlas Foundation (Trust having Common Director/Trustee)		
Sale of 14,875 (2011: Nil) units	7,600,000	-
Redemption of 19,035 (2011: Nil) units	9,700,000	-
Bonus of Nil (2011: 2,732) units	-	1,367,341
Atlas Honda Limited (Group Company)		
Redemption of Nil (2011: 101,789) units	-	50,000,000
Bonus of Nil (2011: 20,605) units	-	10,311,841
Atlas Insurance Limited (Group Company)		
Sale of 39,047 (2011: Nil) units	20,000,000	-
Bonus of Nil (2011: 1,897) units	-	949,240
Batool Benefit Trust (Trust having Common Director/Trustee)		
Redemption of 27,961 (2011: 3,089) units	14,277,000	1,501,000
Bonus of Nil (2011: 4,738) units	-	2,371,208
Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)		
Redemption of 99 (2011: 10,076) units	50,000	5,000,000
Bonus of Nil (2011: 632) units	-	316,512
<u>Key Management Personnel of Management Company</u>		
Sale of 26,968 (2011: 3,216) units	13,750,000	1,550,000
Bonus of Nil (2011: 591) units	-	295,773

30 September 2012	30 June 2012
Un-audited	Audited
----- Rupees -----	

8.2 Investments/outstanding balances as at period/year end

Atlas Asset Management Limited (Management Company)		
Remuneration payable to the management company	1,226,688	1,130,252
Units in issue - 52,499 (30 June 2012: 35,780) - at net asset value	27,156,283	17,961,761
Central Depository Company of Pakistan Limited (Trustee)		
Trustee fee payable	137,647	128,095
Atlas Battery Limited (Group Company)		
Units in issue - 163,506 (30 June 2012: 65,737) - at net asset value	84,576,630	33,000,058
Atlas Foundation (Trust having Common Director/Trustee)		
Units in issue - 127,081 (30 June 2012: 131,241) - at net asset value	65,735,194	65,883,170
Atlas Fund of Funds (Fund under common management)		
Units in issue - 21,700 (30 June 2012: 21,700) - at net asset value	11,224,590	10,893,236

Atlas Income Fund

30 September 2012	30 June 2012
Un-audited	Audited
----- Rupees -----	

8.2 Investments/outstanding balances as at period / year end (Continued...)

Atlas Honda Limited (Group Company)		
Units in issue - 707,099 (30 June 2012: 707,099) - at net asset value	365,761,017	354,963,618
Atlas Insurance Limited (Group Company)		
Units in issue - 264,463 (30 June 2012: 225,416) - at net asset value	136,798,864	113,158,794
Batool Benefit Trust (Trust having Common Director/Trustee)		
Units in issue - 136,137 (30 June 2012: 164,099) - at net asset value	70,419,802	82,377,590
Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)		
Units in issue - 7,008 (30 June 2012: 7,107) - at net asset value	3,625,011	3,567,931
<u>Key Management Personnel of Management Company</u>		
Units in issue - 84,980 (30 June 2012: 58,012) - at net asset value	43,957,476	29,121,952

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. SUBSEQUENT EVENT - INTERIM DISTRIBUTION TO UNITHOLDERS PER UNIT

The Investment Committee of the management company, under the authority delegated to them by the Board of Directors of the Management Company, in their meeting held on 5 October 2012, approved an interim distribution of Rs.12.50 per unit (2011: Nil) on the face value of Rs.500 each i.e. 2.50% (2011: Nil) amounting to Rs.25,191,789 (2011: Nil), on behalf of the Board of Directors of the Management Company.

10. GENERAL

10.1 Figures have been rounded off to the nearest Rupee.

10.2 Certain prior period's figures have been reclassified/re-arranged for the purposes of comparison. However, there were no material reclassifications to report.

11. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the management company on 24 October 2012.

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

First Quarter Report 2012-13

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

A. F. Ferguson & Co.
Chartered Accountants

Legal Advisers

Mohsin Tayebaly & Co.

Bankers

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

Atlas Stock Market Fund

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED) AS AT 30 SEPTEMBER 2012

		30 September 2012 Un-audited	30 June 2012 Audited
	Note	Rupees	
Assets			
Bank balances	4	13,736,385	11,548,993
Receivable against sale of securities		22,258,996	4,751,684
Investments	5	856,987,100	704,262,103
Dividend receivable		8,556,250	525,000
Interest accrued		384,262	247,572
Security deposits, prepayments and other receivable		2,644,777	2,614,777
Total assets		904,567,770	723,950,129
Liabilities			
Payable against purchase of securities		5,633,523	-
Payable to the management company		1,425,169	1,147,749
Payable to the trustee		151,136	120,755
Payable to the SECP		188,202	614,174
Accrued and other liabilities	6	27,788,713	11,450,778
Total liabilities		35,186,743	13,333,456
Net assets		869,381,027	710,616,673
Unit holders' fund		869,381,027	710,616,673
Number of units in issue		2,243,578	1,729,144
Net asset value per unit		387.50	410.96

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 2012-13

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2012

	Note	2012 ----- Rupees	2011 ----- Rupees
Income			
Dividend income		10,432,500	7,995,702
Interest income		1,232,924	683,962
Net gain on investments at fair value through income statement (held-for-trading)			
Net gain on sale of investments		32,429,764	1,837,105
Net unrealised gain on revaluation of investments		47,953,805	6,281,438
		80,383,569	8,118,543
Element of income/loss and capital gains/losses included in prices of units issued less those in units redeemed - net		9,531,969	(2,895,445)
		101,580,962	13,902,762
Expenses			
Remuneration of the Management Company		3,962,102	3,125,345
Sindh Sales Tax on Remuneration of the Management Company		633,936	500,055
Remuneration of the Trustee		396,208	312,534
SECP annual fee		188,202	148,456
Annual listing fee		10,000	10,000
Annual rating fee		25,000	25,000
Securities transaction cost		1,154,679	1,034,584
Auditors' remuneration		80,000	102,000
Printing charges		33,754	48,000
Bank charges		10,164	8,193
Provision for Workers' Welfare Fund	6.1	1,901,738	171,772
		8,395,783	5,485,939
Net income for the period		93,185,179	8,416,823

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 2012

	2012	2011
	----- Rupees -----	
Net income for the period	93,185,179	8,416,823
Other comprehensive income	-	-
Total comprehensive income for the period	93,185,179	8,416,823

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 2012-13

CONDENSED INTERIM DISTRIBUTION STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2012

	2012	2011
	----- Rupees -----	
Accumulated loss brought forward	(119,822,281)	(91,450,675)
Final Distribution for the year ended 30 June 2012 at the rate of Rs.65 per unit declared on 5 July 2012 (2011: Rs.110 per unit declared on 7 July 2011)		
- Issue of bonus units	(111,436,354)	(125,664,521)
- Cash payout against distribution	(958,012)	(35,341,823)
	(112,394,366)	(161,006,344)
Net income for the period	93,185,179	8,416,823
Accumulated loss carried forward	(139,031,468)	(244,040,196)

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 2012

	Note	2012 ----- Rupees -----	2011 -----
Cash flows from operating activities			
Net income for the period		93,185,179	8,416,823
Adjustments for:			
Dividend income		(10,432,500)	(7,995,702)
Interest income		(1,232,924)	(683,962)
Net gain on sale of investments		(32,429,764)	(1,837,105)
Net unrealised gain on revaluation of investments		(47,953,805)	(6,281,438)
Element of income/loss and capital gains/losses included in prices of units issued less those in units redeemed - net		(9,531,969)	2,895,445
		(101,580,962)	(13,902,762)
(Increase) in assets			
Receivable against sale of securities		(17,507,312)	(1,817,802)
Security deposits, prepayments and other receivable		(30,000)	(30,000)
		(17,537,312)	(1,847,802)
Increase/(decrease) in liabilities			
Payable against purchase of securities		5,633,523	(30,214,851)
Payable to the management company		277,420	(63,968)
Payable to the trustee		30,381	(7,486)
Payable to the SECP		(425,972)	(448,962)
Accrued and other liabilities		16,337,935	504,479
		21,853,287	(30,230,788)
		(4,079,808)	(37,564,529)
Dividend received		2,401,250	6,095,702
Interest received		1,096,234	831,915
Investments made during the period		(542,382,546)	(487,532,497)
Investments sold during the period		470,041,118	533,447,291
Net cash (used in) / inflow from operating activities		(72,923,752)	15,277,882
Cash flows from financing activities			
Proceeds from issue of units		230,867,807	117,227,307
Payment on redemption of units		(154,798,651)	(114,057,248)
Cash payout against distribution		(958,012)	(35,341,823)
Net cash inflow from / (used in) financing activities		75,111,144	(32,171,764)
Net increase / (decrease) in cash and cash equivalents		2,187,392	(16,893,882)
Cash and cash equivalents at the beginning of the period		11,548,993	28,563,363
Cash and cash equivalents at the end of the period	4	13,736,385	11,669,481

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 2012-13

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2012

	30 September 2012		30 September 2011	
	Units	Rupees	Units	Rupees
Net assets at the beginning of the period [Rs.410.96 (2011: Rs.444.26) per unit]	1,729,144	710,616,673	1,463,694	650,258,865
Issue of units	603,555	230,867,807	366,673	117,227,307
Redemption of units	(411,229)	(154,798,651)	(348,526)	(114,057,248)
	192,326	76,069,156	18,147	3,170,059
Element of income / loss and capital gains / losses included in prices of units issued less those in units redeemed - net	-	(9,531,969)	-	2,895,445
- Issue of bonus units	322,108	-	375,948	-
- Cash payout against final distribution	-	(958,012)	-	(35,341,823)
Net income for the period	-	93,185,179	-	8,416,823
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	93,185,179	-	8,416,823
Net assets at the end of the period [Rs. 387.50 (2011: Rs. 338.79) per unit]	2,243,578	869,381,027	1,857,789	629,399,369

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 2012

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

These condensed interim financial statements have been prepared in accordance with International Accounting Standard - 34 "Interim Financial Reporting", the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and directives issued by the SECP. In case where requirements differ, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the requirements of the said directives prevail.

These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the Fund for the year ended 30 June 2012.

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 2012	30 June 2012
	Un-audited	Audited
Note	----- Rupees -----	-----

4. BANK BALANCES

In PLS saving accounts	4.1	13,736,385	11,548,993
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- 4.1 The rate of return on these accounts ranges from 6% to 9.50% (30 June 2012: 6% to 12%) per annum.

5. INVESTMENTS - at fair value through income statement

Listed equity securities - held-for-trading	5.1	856,987,100	704,262,103
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First Quarter Report 2012-13

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 investments	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	-	50,000	-	50,000	-	-	-	-
National Refinery Limited	-	75,000	-	75,000	-	-	-	-
Oil & Gas Development Company Limited	150,000	125,000	-	50,000	225,000	40,360,500	4.71	4.64
Pakistan Oilfields Limited	185,000	47,500	-	30,000	202,500	87,755,400	10.24	10.09
Pakistan Petroleum Limited	377,500	27,500	93,750	63,750	435,000	76,529,550	8.93	8.80
Pakistan State Oil Company Limited	150,000	32,700	20,000	82,700	120,000	26,064,000	3.04	3.00
	862,500	357,700	113,750	351,450	982,500	230,709,450	26.92	26.54

Chemicals

Engro Corporation Limited	-	250,000	-	-	250,000	26,692,500	3.11	3.07
Fatima Fertilizer Company Limited	1,000,000	500,000	-	-	1,500,000	36,240,000	4.23	4.17
Fauji Fertilizer Bin Qasim Limited	-	950,000	-	205,000	745,000	26,618,850	3.11	3.06
Fauji Fertilizer Company Limited	300,000	300,000	-	200,000	400,000	44,708,000	5.22	5.14
	1,300,000	2,000,000	-	405,000	2,895,000	134,259,350	15.67	15.44

Construction and Materials (Cement)

D G Khan Cement Company Limited	1,000,000	600,000	-	700,000	900,000	45,270,000	5.28	5.21
Fecto Cement Limited	-	500,000	-	500,000	-	-	-	-
Kohat Cement Company Limited	200,000	-	-	200,000	-	-	-	-
Lucky Cement Limited	270,000	350,000	-	70,000	550,000	73,227,000	8.54	8.42
	1,470,000	1,450,000	-	1,470,000	1,450,000	118,497,000	13.83	13.63

Automobile and Parts

Indus Motor Company Limited	33,470	-	-	33,470	-	-	-	-
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Food Producers

Engro Foods Limited	-	150,000	-	-	150,000	10,506,000	1.23	1.21
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Personal Goods (Textile)

Gadoon Textile Mills Limited	-	100,000	-	-	100,000	7,306,000	0.85	0.84
Nishat Mills Limited	1,100,000	605,813	-	605,813	1,100,000	62,326,000	7.27	7.17
	1,100,000	705,813	-	605,813	1,200,000	69,632,000	8.13	8.01

Fixed Line Telecommunication

Pakistan Telecommunication Company Limited	600,000	1,882,500	-	482,500	2,000,000	38,780,000	4.53	4.46
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Electricity

Kot Addu Power Company Limited	-	200,000	-	-	200,000	9,662,000	1.13	1.11
Nishat Chunian Power Limited	1,500,000	100,000	-	-	1,600,000	26,720,000	3.12	3.07
Nishat Power Limited	1,200,000	-	-	-	1,200,000	18,852,000	2.20	2.17
Pakgen Power Limited	-	366,500	-	66,500	4,992,000	0.58	0.57	0.08
The Hub Power Company Limited	1,600,000	600,000	-	300,000	1,900,000	89,072,000	10.39	10.25
	4,300,000	1,266,500	-	366,500	5,200,000	149,298,000	17.42	17.17

Atlas Stock Market Fund

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 investments	Net assets	Paid-up Capital of Investee company

5.1 Listed equity securities - held for trading (Continued...)

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

Commercial Banks

Allied Bank Limited	770,000	-	-	770,000	-	-	-	-
Bank Alfalah Limited	2,500,000	1,500,000	-	2,400,000	1,600,000	24,896,000	2.91	2.86
Bank Al Habib Limited	-	70,000	-	70,000	-	-	-	-
MCB Bank Limited	275,000	7,000	-	282,000	-	-	-	-
National Bank of Pakistan	200,000	200,000	-	400,000	-	-	-	-
United Bank Limited	600,000	1,025,039	-	535,039	1,090,000	80,409,300	9.38	9.25
	4,345,000	2,802,039	-	4,457,039	2,690,000	105,305,300	12.29	12.11

Market value of investments as at 30 September 2012

856,987,100	100.00	98.57
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5.2 The cost of held-for-trading investments as at 30 September 2012 is Rs.797,183,793 (30 June 2012: Rs.686,033,652).

5.3 The above investments include 110,000, 197,000, 175,000, 200,000 and 500,000 shares of Pakistan Oilfields Limited, Pakistan Petroleum Limited, Fauji Fertilizer Company Limited, The Hub Power Company Limited and Bank Alfalah Limited respectively, pledged with NCCPL. The aggregate market value of shares pledged amounts to Rs.119,043,560 (30 June 2012: Rs.123,623,280).

	30 September 2012	30 June 2012
Note	Un-audited	Audited
	----- Rupees -----	

6. ACCRUED AND OTHER LIABILITIES

Auditors' remuneration payable	111,485	337,899
NCCPL charges payable	25,308	23,046
Printing charges payable	208,754	175,000
Sindh Sales Tax payable on Remuneration of the Management Company	228,027	183,640
Withholding tax payable	18,423	9,236
Zakat payable	1,812	5,329
Rating fee payable	25,000	-
Payable to unit holders against redemption of units	14,643,928	141,391
Sales load payable to distributors	49,001	-
Provision for Workers' Welfare Fund	12,476,975	10,575,237
	<u>27,788,713</u>	<u>11,450,778</u>

First Quarter Report 2012-13

6.1 The Finance Act 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes / Mutual Funds (CISs) / Pension Funds whose income exceeds Rs.0.5 million in a tax year, have been brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a Constitutional Petition has been filed by certain CISs through their trustees in the Honorable High Court of Sindh (SHC), challenging the applicability of WWF to the CISs / Pension Funds, which is pending adjudication. However, without prejudice to the above, the Management Company made a provision for WWF contribution in the annual financial statements for the year ended 30 June 2010.

In the year 2010, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) which stated that mutual funds are not liable to contribute to WWF on the basis of their income. In December 2010 the Ministry filed its response against the Constitutional Petition requesting the Court to dismiss the same, whereafter, show cause notices were issued by Federal Board of Revenue (FBR) to several Mutual Funds (CISs) / Pension Funds for the collection of WWF. In respect of such show cause notices, certain Mutual Funds (CISs) / Pension Funds have been granted stay by Honorable SHC on the basis of the pending Constitutional Petition as referred above.

Subsequent to the year end 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.12,476,975 (30 June 2012: Rs.10,575,237) in these condensed interim financial statements. Had the same not been made the net asset value per unit of the Fund would have been higher by Rs. 5.56 (30 June 2012: 6.12) per unit.

For the Quarter Ended	
30 September 2012	30 September 2011
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	3,962,102	3,125,345
Remuneration paid	3,684,682	3,189,313
Sindh Sales Tax on Remuneration of the Management Company	633,936	500,055
Sales load	1,471	-
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration of the Trustee	396,208	312,534
Remuneration paid	368,468	319,603
Settlement charges	24,376	25,311
Atlas Battery Limited (Group Company)		
Sale of 26,096 (2011: Nil) units	9,997,817	-
Bonus 8,152 (2011: Nil) units	2,820,120	-

Atlas Stock Market Fund

For the Quarter Ended	
30 September 2012	30 September 2011
Un-audited	Un-audited
----- Rupees -----	

7.1 Transactions for the period (Continued...)

Atlas Fund of Funds (Fund under common management)		
Sale of 146,353 (2011: 54,290) units	55,163,425	17,129,945
Bonus 11,492 (2011: 23,140) units	3,975,820	7,734,852
Redemption of 111,601 (2011: 147,747) units	41,795,442	48,634,895
Atlas Insurance Limited (Group Company)		
Sale of 94,819 (2011: 156,465) units	36,000,000	50,000,000
Bonus 42,439 (2011: 3,345) units	14,682,032	1,118,034
Redemption of 94,000 (2011: Nil) units	35,790,500	-
Batool Benefit Trust (Trust having common Director / Trustee)		
Sale of 5,193 (2011: Nil) units	2,000,000	-
Bonus 3,641 (2011: Nil) units	1,259,654	-
Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement Benefit plan of a Group Company)		
Sale of 551 (2011: Nil) units	200,000	-
Bonus 3,055 (2011: Nil) units	1,056,945	-
Iftikhar Shirazi Family Trust (Trust having common Director/Trustee)		
Sale of 25,746 (2011: Nil) units	9,863,413	-
<u>Key Management Personnel of Management Company</u>		
Sale 3,898 (2011: 8,716) units	1,500,000	2,818,000
Bonus 25,895 (2011: 31,547) units	8,958,663	10,544,880

30 September 2012	30 June 2012
Un-audited	Audited
----- Rupees -----	

7.2 Investments/outstanding balances as at period / year end

Atlas Asset Management Limited (Management Company)		
Remuneration payable to the management company	1,425,169	1,147,749
Sindh Sales Tax payable on Remuneration of the Management Company	228,027	183,640
Central Depository Company of Pakistan Limited (Trustee)		
Trustee fee payable	142,516	114,776
Settlement charges payable	8,620	5,979

First Quarter Report 2012-13

30 September 2012 Un-audited ----- Rupees -----	30 June 2012 Audited
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7.2 Investments/outstanding balances as at period / year end (Continued...)

Atlas Battery Limited (Group Company) Outstanding 77,635 (30 June 2012: 43,386) units - at net asset value	30,083,369	17,830,099
Atlas Fund of Funds (Fund under common management) Outstanding 107,410 (30 June 2012: 61,166) units - at net asset value	41,621,306	25,136,969
Atlas Insurance Limited (Group Company) Outstanding 269,135 (30 June 2012: 225,878) units - at net asset value	104,289,864	92,826,585
Batool Benefit Trust (Trust having common Director / Trustee) Outstanding 28,213 (30 June 2012: 19,380) units - at net asset value	10,932,585	7,964,117
Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement Benefit plan of a Group Company) Outstanding 19,867 (30 June 2012: 16,261) -at net asset value	7,698,505	6,682,493
Iftikhar Shirazi Family Trust (Trust having common Director/Trustee) Outstanding 25,746 (30 June 2012: Nil) units - at net asset value	9,976,436	-
<u>Key Management Personnel of Management Company</u> Outstanding 167,618 (30 June 2012: 137,825) units - at net asset value	64,952,049	56,640,802

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 / re-arranged for the purpose of comparison. However, there were no material reclassifications to report.

9. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the management company on 24 October 2012.

For Atlas Asset Management Limited
(Management Company)

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Yusuf H. Shirazi
Chairman

Tariq Amin
Director

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