

Atlas funds

Nurturing your investments

Atlas Money Market Fund

Atlas Income Fund

Atlas Stock Market Fund

Atlas Gold Fund

QUARTERLY REPORT

30 September 2014

(UN-AUDITED)



Invest today
Prosper tomorrow



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 risk adjusted returns on a diverse range of products, providing a stimulating and challenging environment for our employees, and committing to the highest ethical and fiduciary standards. We firmly believe that by placing the best interests of our clients first, we will also serve the best interest of our employees, our shareholders and the communities in which we operate.

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ORGANISATION

Management Company

Atlas Asset Management Limited

Board of Directors of the Management Company

Chairman Mr. Yusuf H. Shirazi
(Non-Executive Director)

Directors Mr. Azam Faruque
(Independent Director)

Mr. Shamshad Nabi
(Independent Director)

Mr. Frahim Ali Khan
(Non-Executive Director)

Mr. Ali H. Shirazi
(Non-Executive Director)

Mr. Arshad P. Rana
(Non-Executive Director)

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

Company Secretary Ms Lilly R. Dossabhoy

Board Committees

Audit Committee

Chairman Mr. Azam Faruque
Members Mr. Shamshad Nabi
Mr. Frahim Ali Khan

Secretary Ms Qurrat-ul-Ain Jafari

Board Evaluation Committee

Chairman Mr. Azam Faruque
Members Mr. Shamshad Nabi
Mr. Ali H. Shirazi

Secretary Mr. M. Habib-ur-Rahman

Human Resource & Remuneration Committee

Chairman Mr. Frahim Ali Khan
Members Mr. Ali H. Shirazi
Mr. M. Habib-ur-Rahman

Investment Committee

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

Management Committee

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

Secretary Mr. M. Irfan Dhedhi

Risk Management Committee

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

Secretary Mr. Wasit Ahmed

Chief Internal Auditor

Ms Qurrat-ul-Ain Jafari

Registered Office

Ground Floor, Federation House, Sharae Firdousi
Clifton, Karachi - 75600

Tel: (92-21) 111-MUTUAL (6-888-25)
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Website: www.atlasfunds.com.pk

First Quarter Report 2014-15

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), Atlas Stock Market Fund (ASMF) and Atlas Gold Fund (AGF) for the first quarter ended 30 September 2014 of the FY 2014-15.

The Economy

During the period July - September FY 2014-15, total exports stood at US\$6.02 billion as compared to US\$6.70 billion worth of exports reported in the same period last year. The foreign exchange reserves of the country stood at US\$13.2 billion as on 26 September 2014 with SBP's share of US\$8.6 billion in the total liquid foreign exchange reserves. Foreign remittances for the period July - September FY 2014-15 stood at US\$4.69 billion, which was an increase of 19.52% YoY compared to the corresponding period last year. CPI inflation for the period July - September FY 2014-15 was recorded at 7.5%. The SBP in its latest monetary policy statement decided to keep the discount rate unchanged at 10%. The discount rate was kept unchanged by State Bank in order to manage potential rebound in inflationary pressures due to recent floods, probable hike in electricity tariffs and imposition of gas levy.

Fund Operations - AMF

The Net Asset Value per unit of AMF increased by 2.15% to Rs.513.33 as on 30 September 2014, thus providing an annualized total return of 8.52%. The AMF's total exposure in Treasury Bills stood at 76.90% with 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.7.12 billion, with 13.87 million units outstanding as of 30 September 2014.

Fund Operations - AIF

The Net Asset Value per unit of AIF increased by 2.72% to Rs.517.54 as on 30 September 2014, this works out to 10.77% on an annualized basis. AIF's current asset allocation is 55.03% in Pakistan Investment Bonds, 25.61% in Treasury bills, 2.24% in TFC/ Sukuk, 11.42% in Margin Trading System and 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.4.14 billion with 8.01 million units outstanding as of 30 September 2014.

Fund Operations - ASMF

The Net Asset Value per unit of ASMF increased by 2.11% to Rs.450.39 as on 30 September 2014. The benchmark KSE - 100 index has increased by 0.25% during the same period. The KSE - 100 increased from 29,652.53 points as on 30 June 2014 to 29,726.39 points as on 30 September 2014. The ASMF's equity portfolio exposure was mainly in Commercial Banks, Oil & Gas, and Construction & Materials 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.1.21 billion, with 2.69 million units outstanding as of 30 September 2014.

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Fund Operations - AGF

The Net Asset Value per unit of AGF decreased by 5.90% to Rs.96.32 as on 30 September 2014. The benchmark decreased by 5.12% during the same period. AGF's current asset allocation is 82.3% in Gold / Gold futures contracts and the remaining in bank deposits / others. The Net Assets of the Fund stood at Rs.198.39 million, with 2.06 million units outstanding as of 30 September 2014.

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 very 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 "3 Star" short term ranking to the Fund, and a long term "4 Star" ranking, for FY 2012-13. 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.

• Rating/Ranking - AGF

Not yet rated/ranked. AGF was launched on 15 July 2013.

Future Outlook

Continuation of reforms will be vital to improve the overall business environment and encourage private investment. Concerted efforts are required to eliminate electricity shortages by focusing on reduction in leakages, encouraging investment in generation, transmission and distribution systems. Fiscal reforms need to be implemented to ensure better tax collection and reduction of subsidies. External account position is expected to improve. The decline in international oil prices would positively impact the current account deficit, as petroleum products account for around 35% of total imports. Healthy growth in workers' remittances is also providing support to external account position. There is need to encourage private capital inflows and foreign direct investments in particular, to improve balance-of-payments position. In this regard, realization of expected privatization receipts and issuance of dollar-denominated Eurobond / Sukuks would lend support to USD/PKR parity and help build foreign exchange reserves.

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

First Quarter Report 2014-15

تیری مانگ ستاروں سے بھر دیں گے ہم

We shall add requisite value

Aknowledgement

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 Funds and the Chief Executive Officer, Mr. M. Habib-ur-Rahman and his management team for their hard work, dedication, and sincerity of purpose.

Karachi: 30 October 2014

Yusuf H. Shirazi
Chairman

Atlas Money Market Fund

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

A. F. Ferguson & Co.
Chartered Accountants

Legal Advisers

Bawaney & Partners

Bankers

Bank Alfalah Limited
Faysal Bank Limited
Askari Bank Limited

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CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED) AS AT 30 SEPTEMBER 2014

		30 September 2014 Un-audited	30 June 2014 Audited
	Note	----- Rupees -----	----- Rupees -----
Assets			
Bank balances and term deposits	4	1,652,957,684	2,000,304,767
Investments	5	5,520,410,143	4,098,146,929
Interest accrued		5,439,986	5,943,939
Prepayment		30,000	-
Total assets		7,178,837,813	6,104,395,635
Liabilities			
Payable to Atlas Asset Management Limited - Management Company	6	18,336,706	15,203,671
Payable to Central Depository Company of Pakistan Limited - Trustee		489,756	428,838
Annual fee payable to the Securities & Exchange Commission of Pakistan		1,237,522	4,675,297
Accrued and other liabilities	7	37,597,042	34,490,446
Total liabilities		57,661,026	54,798,252
NET ASSETS		7,121,176,787	6,049,597,383
UNIT HOLDERS' FUND		7,121,176,787	6,049,597,383
CONTINGENCIES AND COMMITMENTS	8		
NUMBER OF UNITS IN ISSUE		13,872,387	12,038,054
NET ASSET VALUE PER UNIT		513.33	502.54

The annexed notes from 1 to 13 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

Azam Faruque
Director

Atlas Money Market Fund

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2014

	Note	2014 Rupees	2013 Rupees
Income			
Interest income	9	163,856,633	102,297,305
Net (loss) / gain on financial assets at fair value through profit and loss			
Net gain / (loss) on maturity / sale of investments		4,794	(475,345)
Net unrealised loss on remeasurement of investments		(343,784)	(910,934)
		(338,990)	(1,386,279)
Element of income and capital gains included in prices of units sold less those in units redeemed - net		10,999,875	3,830,222
		174,517,518	104,741,248
Expenses			
Remuneration of Atlas Asset Management Limited - Management Company		14,025,272	9,727,294
Sindh Sales Tax on Remuneration of the Management Company	6.1	2,440,397	1,805,386
Federal Excise Duty on Remuneration of the Management Company	6.2	2,244,044	1,556,367
Remuneration of Central Depository Company of Pakistan Limited - Trustee		1,426,567	1,047,333
Annual fees - Securities & Exchange Commission of Pakistan		1,237,522	858,292
Annual rating fee		60,500	55,000
Annual listing fee		10,000	10,000
Brokerage		23,897	39,072
Auditors' remuneration		149,905	143,570
Printing charges		63,750	43,690
Amortisation of formation cost		-	50,000
Bank charges		25,753	26,799
Provision for Workers' Welfare Fund	7.1	3,056,198	1,787,569
		24,763,805	17,150,372
Net income for the period before taxation		149,753,713	87,590,876
Taxation	10	-	-
Net income for the period after taxation		149,753,713	87,590,876

The annexed notes from 1 to 13 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

Azam Faruque
Director

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CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2014

	2014	2013
	----- Rupees -----	
Net income for the period after taxation	149,753,713	87,590,876
Other comprehensive income / (loss)	-	-
Total comprehensive income for the period	149,753,713	87,590,876

The annexed notes from 1 to 13 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

Azam Faruque
Director

Atlas Money Market Fund

CONDENSED INTERIM DISTRIBUTION STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2014

	2014	2013
	----- Rupees -----	
Undistributed income brought forward	13,939,197	5,661,146
Net income for the period after taxation	149,753,713	87,590,876
Other comprehensive income	-	-
Total comprehensive income for the period	149,753,713	87,590,876
Interim distribution for the month ended 31 July 2014 - Nil (2013: Rs.3 per unit declared on 31 July 2013)		
- Nil bonus units (2013: 52,470)	-	(26,371,028)
- Cash payout against interim distribution	-	(175,909)
	-	(26,546,937)
Interim distribution for the month ended 31 August 2014 - Nil (2013: Rs.3 per unit declared on 30 August 2013)		
- Nil bonus units (2013: 54,844)	-	(27,566,801)
- Cash payout against interim distribution	-	(175,909)
	-	(27,742,710)
Interim distribution for the month ended 30 September 2014 - Nil (2013: Rs. 3 per unit declared on 27 September 2013)		
- Nil bonus units (2013: 59,279)	-	(29,782,672)
- Cash payout against interim distribution	-	(143,175)
	-	(29,925,847)
Undistributed income carried forward	163,692,910	9,036,528

The annexed notes from 1 to 13 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

Azam Faruque
Director

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CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2014

	30 September 2014		30 September 2013	
	Units	Rupees	Units	Rupees
Net assets at the beginning of the period [Rs.502.54 per unit (2013: 502.38 per unit)]	12,038,054	6,049,597,383	7,607,048	3,821,637,191
Issue of units	5,370,314	2,730,999,060	4,465,823	2,251,386,168
Redemption of units	(3,535,981)	(1,798,173,494)	(1,760,876)	(888,379,158)
	1,834,333	932,825,566	2,704,947	1,363,007,010
Element of income and capital gains included in prices of units sold less those in units redeemed - net	-	(10,999,875)	-	(3,830,222)
Net gain/(loss) on maturity/sale of investments	-	4,794	-	(475,345)
Net unrealised loss on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	-	(343,784)	-	(910,934)
Other net income for the period	-	150,092,703	-	88,977,155
Total comprehensive income for the period	-	149,753,713	-	87,590,876
Total interim distribution for the period ended 30 September 2014 (As per Distribution Statement)				
Issue of bonus units	-	-	166,593	-
Cash payout against distribution	-	-	-	(494,993)
Net assets at the end of the period [Rs. 513.33 per unit (2013: Rs.502.73 per unit)]	13,872,387	7,121,176,787	10,478,588	5,267,909,862

The annexed notes from 1 to 13 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

Azam Faruque
Director

Atlas Money Market Fund

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2014

	2014	2013
Note	----- Rupees -----	-----
Cash flows from operating activities		
Net income for the period after taxation	149,753,713	87,590,876
Adjustments for:		
Interest income	(163,856,633)	(102,297,305)
Net (gain)/loss on maturity/sale of investments	(4,794)	475,345
Net unrealised loss on remeasurement of investments	343,784	910,934
Amortization of formation cost	-	50,000
Element of income and capital gains included in prices of units sold less those in units redeemed - net	(10,999,875)	(3,830,222)
	(174,517,518)	(104,691,248)
Increase in prepayment	(30,000)	(30,000)
Increase/(decrease) in liabilities		
Payable to the Management Company	3,133,035	2,075,824
Payable to the trustee	60,918	76,087
Payable to SECP	(3,437,775)	(2,166,509)
Accrued and other liabilities	3,106,596	1,700,139
	2,862,774	1,685,541
	(21,931,031)	(15,444,831)
Interest received	164,360,586	101,171,521
Investments made during the period	(6,925,014,596)	(9,213,799,494)
Investments sold/matured during the period	5,502,412,393	7,939,381,575
Net cash used in operating activities	(1,280,172,649)	(1,188,691,229)
Cash flows from financing activities		
Proceeds from issue of units	2,730,999,060	2,251,386,168
Payment on redemption of units	(1,798,173,494)	(888,379,158)
Cash payout against distribution	-	(494,993)
Net cash generated from financing activities	932,825,566	1,362,512,017
Net (decrease)/increase in cash and cash equivalents	(347,347,083)	173,820,788
Cash and cash equivalents at the beginning of the period	2,000,304,767	103,676,820
Cash and cash equivalents at the end of the period	4 1,652,957,684	277,497,608

The annexed notes from 1 to 13 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

Azam Faruque
Director

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2014

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, Shahr-e Firdousi, Clifton, Karachi.
- 1.2 Units of the Fund are offered for public subscription on a continuous basis since 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 Musharaka (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

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 2014.

In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that these condensed interim financial statements give a true and fair view of the state of the Fund's affairs as at 30 September 2014.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual published financial statements of the Fund for the year ended 30 June 2014.

The preparation of these condensed interim financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

The significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to financial statements as at and for the year ended 30 June 2014.

The financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the year ended 30 June 2014.

Atlas Money Market Fund

	Note	30 September 2014 Un-audited	30 June 2014 Audited
		Rupees	
4. BANK BALANCES AND TERM DEPOSITS			
In PLS saving accounts	4.1	152,957,684	400,304,767
Term deposit account	4.2	1,500,000,000	1,600,000,000
		<u>1,652,957,684</u>	<u>2,000,304,767</u>

4.1 These carry rates of return ranging between 6.50% and 9.20% (30 June 2014: 6.50% and 9.20%) per annum.

4.2 The rate of return on term deposits is 10.30% (30 June 2014 : ranging between 10.25% and 10.50%) per annum. These deposits will mature by 30 October 2014 (30 June 2014 : 24 July 2014).

5. INVESTMENTS - at fair value through income statement

Government securities

Market Treasury Bills - held-for-trading	5.1	<u>5,520,410,143</u>	<u>4,098,146,929</u>
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5.1 Market Treasury Bills - Held for trading

Treasury bills	Face value (Rupees)				Rupees		Percentage of	
	At the beginning of the period	Acquired during the period	Sold / Matured during the period	At the end of the period	Amortized cost	Market Value	Total Investments	Net Assets
3 Months - T-bills	1,965,500,000	6,191,000,000	3,788,850,000	4,367,650,000	4,324,611,086	4,323,848,943	78.32	60.72
6 Months - T-bills	2,200,000,000	730,000,000	1,730,000,000	1,200,000,000	1,196,142,841	1,196,561,200	21.68	16.80
	<u>4,165,500,000</u>	<u>6,921,000,000</u>	<u>5,518,850,000</u>	<u>5,567,650,000</u>	<u>5,520,753,927</u>	<u>5,520,410,143</u>	<u>100.00</u>	<u>77.52</u>

5.2 The cost of investments as on 30 September 2014 is Rs.5,417,303,820 (30 June 2014: Rs.4,037,077,530).

5.3 These Market treasury bills carry purchase yields ranging from 9.91% to 9.98% (30 June 2014: 9.90% to 9.99%) per annum and will mature between 2 October 2014 and 11 December 2014 (30 June 2014: 10 July 2014 and 16 October 2014).

	Note	30 September 2014 Un-audited	30 June 2014 Audited
		Rupees	
6. PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY - RELATED PARTY			
Management fee		4,851,956	4,161,521
Sindh Sales Tax payable on Remuneration of the Management Company	6.1	2,468,028	2,069,472
Federal Excise Duty payable on Remuneration of the Management Company	6.2	11,016,722	8,772,678
Formation cost payable		-	200,000
		<u>18,336,706</u>	<u>15,203,671</u>

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- 6.1 During the period, an amount of Rs.2,440,397 (2013: Rs.1,805,386) was charged on account of sales tax on management fee levied through Sindh Sales Tax on Services Act, 2011, and an amount of Rs.2,041,841 (2013: Rs.957,092) has been paid to the Management Company which acts as a collecting agent.
- 6.2 The Finance Act, 2013 has enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from 13 June 2013. As the asset management services rendered by the Management Company of the Fund are already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund as explained in note 6.1 above, the Management Company is of the view that further levy of FED is not justified.

On 4 September 2013, a Constitutional Petition has been filed in Honorable Sindh High Court (SHC) jointly by various asset management companies, together with their representative Collective Investment Schemes through their trustees, challenging the levy of FED. In this respect, the Hon'ble SHC has issued a stay order against recovery proceedings. The hearing of the petition is pending.

In view of the pending decision, as a matter of abundant caution, the Management Company of the Fund has charged FED to the Fund with effect from 13 June 2013.

	30 September 2014	30 June 2014
	Un-audited	Audited
Note	-----	-----
	Rupees	

7. ACCRUED AND OTHER LIABILITIES

Auditors' remuneration payable	154,906	394,581
Printing charges payable	273,900	210,150
Payable to unit holders	3,509	3,509
Annual rating fee payable	60,500	-
Payable to brokers	15,134	36,555
Withholding tax payable	182,083	-
Zakat payable	5,161	-
Provision for Workers' Welfare Fund	7.1 36,901,849	33,845,651
	<u>37,597,042</u>	<u>34,490,446</u>

- 7.1 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 since the financial year ended 30 June 2010.

During the year ended 30 June 2011, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) on 8 July 2010 which stated that mutual funds are not liable to contribute to WWF on the basis of their income. However on 14 December 2010 the Ministry filed its response against the Constitutional Petition requesting the Court to dismiss the same. Show cause notices were then issued by Federal Board of Revenue (FBR) to several Mutual Funds (CISs) / Pension Funds for the collection of WWF including some of the mutual funds and pension funds managed by the AMC. 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. In FY 2013-14, during the course of income tax proceedings of the Fund for Tax Year 2012 as stated in note 10.2 below, the taxation officer levied a demand of Rs.16.31 million in respect of WWF. The Fund filed a petition in the Hon'ble SHC against the alleged levy of WWF, which has granted a stay against recovery proceedings.

Atlas Money Market Fund

7.1 In March 2013, a three member bench of the Sindh High Court in its judgment on various Constitutional Petitions challenging the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006, and the Finance Act, 2008, held that WWF is a tax and consequently, the amendments introduced in the Workers' Welfare Fund Ordinance, 1971 through Finance Act, 2006 and 2008 respectively (Money Bills) do not suffer from any constitutional or legal infirmity. This judgment was in contrast to the July 2011 single member bench decision of the Honorable Lahore High Court which had held such amendments as unlawful and unconstitutional for the reason that they were made through the money bills. For the CISs and Pension Funds, the issue of chargeability or otherwise of WWF levy to the CISs / Pension Funds is currently pending before the Honorable SHC.

In a recent judgement of May 2014, the Honorable Peshawar High Court (PHC) has also held these amendments to be ultra vires as they lacked the essential mandate to be introduced and passed through the Money Bill under the constitution. For the CISs and Pension Funds, the issue of chargeability or otherwise of WWF levy to the CISs / Pension Funds is currently pending before the Honourable SHC.

In view of the pending decision of the SHC, the Management Company of the Fund, as a matter of abundant caution, has decided to continue to maintain the provision for WWF amounting to Rs.36,901,849 (30 June 2014: Rs.33,845,651) 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.2.66 (30 June 2014: Rs.2.81) per unit.

8. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 30 September 2014.

9. INTEREST INCOME

PLS saving and term deposit accounts
Government Securities - Market Treasury bills

For the Quarter Ended	
30 September 2014	30 September 2013
Un-audited	Un-audited
----- Rupees -----	
18,341,582	3,659,782
145,515,051	98,637,523
163,856,633	102,297,305

10. TAXATION

10.1 The Fund's income is exempt from Income Tax as per Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed as cash dividend amongst the unit holders. Further, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income, other than unrealized capital gains to the unit holders. The management intends to distribute at least 90% of the Fund's net accounting income earned by the year end, as cash dividend, to the unit holders. Accordingly, no provision has been made for taxation in these condensed interim financial statements.

10.2 During the year ended 30 June 2014, the Additional Commissioner Inland Revenue amended the return of income filed by the Fund in respect of Tax Years 2012 and 2013 under Section 120 of the Income Tax Ordinance, 2001. The tax assessing officer concluded that bonus issues declared by the Fund should not have been considered as distribution of the accounting income while claiming exemption available under Clause 99 of Part 1 of the Second Schedule to the Income Tax Ordinance, 2001, as the Fund had not deducted withholding tax from bonus distributions. Consequently, the tax assessing officer raised demands aggregating to Rs.296.16 million (including Rs.16.31 million relating to Workers' Welfare Fund) on the Fund. Similar amendments were made to returns filed by several mutual funds in the industry.

This industry issue was examined by legal experts and tax advisors and there was unanimity of view that under the provisions of Clause 99 applicable upto 30 June 2014, the tax department's contentions were primarily erroneous and not tenable under the law. Subsequently, through the Finance Act, 2014, an amendment was made in Clause 99, whereby issuance of bonus units shall not be considered towards distribution of 90% of income, and only cash dividend shall be taken into consideration for computation of 90% distribution to claim exemption. Appropriate appellate and executive remedies were adopted to resolve the matter.

Subsequent to the year ended 30 June 2014, the Commissioner Inland Revenue - Appeals (CIR - Appeals) decided the matter in favour of the Fund and annulled the assessment orders. The tax assessing officer has filed an appeal in the Appellate Tribunal Inland Revenue against the order of the CIR - Appeals, the hearing of which is pending.

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11. TRANSACTIONS WITH RELATED PARTIES/CONNECTED PERSONS

	For the Quarter Ended	
	30 September 2014	30 September 2013
	Un-audited	Un-audited
Note	-----	Rupees -----

11.1 Transactions for the period:

Atlas Asset Management Limited (Management Company)		
Remuneration of the management company	14,025,272	9,727,294
Remuneration paid	13,334,837	9,321,744
Sindh Sales Tax on Remuneration of the Management Company	2,440,397	1,805,386
Federal Excise Duty on Remuneration of the Management Company	2,244,044	1,556,367
Issue of 20,743 (2013: Nil) units	10,600,000	-
Bonus of Nil (2013: 108) units	-	54,379
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration of the Trustee	1,426,567	1,047,333
Remuneration paid	1,365,649	971,246
Atlas Battery Limited (Group Company)		
Redemption of 362,394 (2013: 59,604) units	185,458,267	30,000,000
Bonus of Nil (2013: 7,713) units	-	3,876,342
Atlas Foundation (Group Company)		
Redemption of 2,461 (2013: 9,934) units	1,250,000	5,000,000
Bonus of Nil (2013: 218) units	-	109,564
Atlas Fund of Funds (Fund under common management)		
Issue of 2,943 (2013: Nil) units	1,500,000	-
Atlas Hitec (Private) Limited (Group Company)		
Issue of Nil (2013: 336,165) units	-	169,000,000
Redemption of 197,514 (2013: Nil) units	100,226,699	-
Atlas Honda Limited (Group Company)		
Issue of Nil (2013: 793,565) units	-	400,000,000
Redemption of 297,205 (2013: 99,197) units	150,000,000	50,000,000
Bonus of Nil (2013: 17,961) units	-	9,026,022
Atlas Insurance Limited (Group Company)		
Issue of 59,198 (2013: 53,658) units	30,000,000	27,000,000
Bonus of Nil (2013: 643) units	-	322,907
Batool Benefit Trust (Trust having common Director/Trustee)		
Redemption of Nil (2013: 129) units	-	65,000
Bonus of Nil (2013: 21) units	-	10,635
Cherat Cement Company Limited (Company having common Director)		
Redemption of 147,964 (2013: Nil) units	75,000,000	-
Iftikhar Shirazi Family Trust (Trust having common Director/Trustee)		
Bonus of Nil (2013: 754) units	-	379,124

Atlas Money Market Fund

	For the Quarter Ended	
	30 September 2014	30 September 2013
	Un-audited Note -----	Un-audited Rupees -----
11.1 Transactions for the period: (Continued...)		
Atlas Metals (Private) Limited (Group Company)		
Issue of 29,739 (2013: Nil) units	-	-
Redemption of Nil (2013: 246,540) units	-	-
Bonus of 807 (2013: Nil) units	-	-
Shirazi Investments (Private) Limited (Group Company)		
Issue of 632,396 (2013: Nil) units	323,000,000	-
Redemption of 206,562 (2013: Nil) units	106,000,000	-
Shirazi Investments (Private) Limited - Employees		
Provident Fund (Retirement benefit plan of a Group Company)		
Issue of 19,711 (2013: 1,143) units	9,965,000	575,000
Redemption of 2,797 (2013: 8,643) units	1,420,000	4,360,000
Bonus of Nil (2013: 336) units	-	169,091
Shirazi Trading Company (Private) Limited (Group Company)		
Issue of Nil (2013: 198,466) units	-	100,000,000
Redemption of Nil (2013: 198,466) units	-	100,137,934
Shirazi Trading Company (Private) Limited - Employees		
Provident Fund (Retirement benefit plan of a Group Company)		
Redemption of Nil (2013: 3,378) units	-	1,700,000
Bonus of Nil (2013: 498) units	-	250,280
Key Management Personnel of Management Company		
Issue of 21,782 (2013: 7,952) units	11,029,155	4,000,000
Redemption of 36,269 (2013: 17,232) units	18,468,905	8,673,980
Bonus of Nil (2013: 1,703) units	-	855,827
	30 September 2014	30 June 2014
	Un-audited	Audited
	----- Rupees -----	
11.2 Investments/outstanding balances as at period/year end		
Atlas Asset Management Limited (Management Company)		
Remuneration payable to the management company	4,851,956	4,161,521
Payable in respect of formation cost	-	200,000
Sindh Sales Tax payable on Remuneration of the Management Company	2,468,028	2,069,472
Federal Excise Duty payable on Remuneration of the Management Company	11,016,722	8,772,678
Outstanding 73,482 (30 June 2014: 52,739) units - at net asset value	37,720,668	26,503,693

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30 September 2014 Un-audited	30 June 2014 Audited
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----- Rupees -----

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

Central Depository Company of Pakistan Limited (Trustee)		
Remuneration payable to the Trustee	489,756	428,838
Atlas Battery Limited (Group Company)		
Outstanding Nil (30 June 2014: 362,394) units - at net asset value	-	182,117,364
Atlas Foundation (Group Company)		
Outstanding 41,674 (30 June 2014: 44,135) units - at net asset value	21,392,510	22,179,682
Atlas Fund of Funds (Fund under common management)		
Outstanding 27,322 (30 June 2014: 24,379) units - at net asset value	14,025,345	12,251,319
Atlas Hitec (Private) Limited (Group Company)		
Outstanding Nil (30 June 2014: 197,514) units - at net asset value	-	99,258,744
Atlas Honda Limited (Group Company)		
Outstanding 2,456,022 (30 June 2014: 2,753,227) units - at net asset value	1,260,749,793	1,383,606,727
Atlas Insurance Limited (Group Company)		
Outstanding 151,639 (30 June 2014: 92,441) units - at net asset value	77,840,872	46,455,096
Cherat Cement Company Limited (Company having common Director)		
Outstanding 154,551 (30 June 2014: 302,515) units - at net asset value	79,335,753	152,025,982
Ifikhar Shirazi Family Trust (Trust having common Director/Trustee)		
Outstanding 45,332 (30 June 2014: 45,332) units - at net asset value	23,270,413	22,781,278
Shirazi Investments (Private) Limited (Group Company)		
Outstanding 425,835 (30 June 2014: Nil) units - at net asset value	218,593,721	-
Shirazi Investments (Private) Limited - Employees		
Provident Fund (Retirement benefit plan of a Group Company)		
Outstanding 16,914 (30 June 2014: Nil) units - at net asset value	8,682,403	-
Shirazi Trading Company (Private) Limited - Employees		
Provident Fund (Retirement benefit plan of a Group Company)		
Outstanding 18,662 (30 June 2014: 18,662) units - at net asset value	9,579,806	9,378,442
<u>Key Management Personnel of Management Company</u>		
Outstanding 82,988 (30 June 2014: 97,475) units - at net asset value	42,600,263	48,985,257

Atlas Money Market Fund

11.3 For the purpose of this disclosure, transactions by the Board of Directors, and key management personnel falling within the scope of "executive" under the Code of Corporate Governance, 2012 are included herein. The term "executive" includes the Chief Executive Officer, Chief Financial Officer and Company Secretary, Chief Internal Auditor, and executives of the Management Company of the Fund whose gross remuneration is Rs.4 million and above, as set by the Board of Directors of the Management Company for FY 2014-15.

11.4 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.

12. GENERAL

12.1 Figures have been rounded off to the nearest Rupee.

12.2 Corresponding figures have been reclassified, rearranged or additionally incorporated in these condensed interim financial statements, wherever necessary to facilitate comparison and to conform with changes in presentation in the current year. No significant rearrangements or reclassifications were made in these condensed interim financial statements.

13. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on 30 October 2014.

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Azam Faruque
Director

First Quarter Report 2014-15

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

Atlas Income Fund

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED) AS AT 30 SEPTEMBER 2014

		30 September 2014 Un-audited	30 June 2014 Audited
	Note	----- Rupees -----	-----
ASSETS			
Bank balances and term deposits	4	176,983,630	684,697,604
Investments	5	3,464,052,534	2,614,059,869
Receivable against Margin Trading System		477,052,379	540,089,401
Interest / profit accrued		57,900,331	86,381,636
Deposits and prepayments		419,041	452,055
Total assets		4,176,407,915	3,925,680,565
LIABILITIES			
Payable to Atlas Asset Management Limited - Management Company	6	14,012,900	10,716,626
Payable to Central Depository Company of Pakistan Limited - Trustee		398,508	302,705
Payable to the Securities and Exchange Commission of Pakistan		766,244	1,752,768
Accrued and other liabilities	7	18,248,556	16,041,237
Total liabilities		33,426,208	28,813,336
NET ASSETS		4,142,981,707	3,896,867,229
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		4,142,981,707	3,896,867,229
CONTINGENCIES AND COMMITMENTS	8		
NUMBER OF UNITS IN ISSUE		8,005,165	7,734,075
NET ASSET VALUE PER UNIT		517.54	503.86

The annexed notes from 1 to 13 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

Azam Faruque
Director

First Quarter Report 2014-15

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2014

	Note	2014 ----- Rupees -----	2013 ----- Rupees -----
INCOME			
Interest/profit income	9	114,322,125	54,329,069
Capital gain/(loss) on sale/maturity of investments - net		291,532	(702,891)
Net unrealised appreciation/(diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		17,705,007	(34,695)
		17,996,539	(737,586)
Element of income and capital gains included in prices of units issued less those in units redeemed - net		750,771	3,935,539
		133,069,435	57,527,022
EXPENSES			
Remuneration of Atlas Asset Management Limited - Management Company	6.1	12,770,668	8,002,709
Sindh sales tax on remuneration of the Management Company	6.2	2,222,096	1,485,303
Federal Excise Duty on remuneration of the Management Company	6.3	2,043,307	1,280,433
Remuneration of Central Depository Company of Pakistan Limited - Trustee		1,082,655	667,740
Annual fees - Securities and Exchange Commission of Pakistan		766,244	400,133
Auditors' remuneration		165,455	137,491
Annual rating fee		60,500	55,000
Annual listing fee		10,000	10,000
Securities transaction cost		1,484,881	1,438,054
Printing charges		63,750	43,690
Bank charges		14,731	11,247
Provision for Workers' Welfare Fund	7.1	2,247,703	879,904
		22,931,990	14,411,704
Net income for the period before taxation		110,137,445	43,115,318
Taxation	10	-	-
Net income for the period after taxation		110,137,445	43,115,318

The annexed notes from 1 to 13 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

Azam Faruque
Director

Atlas Income Fund

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2014

	2014	2013
	----- Rupees -----	
Net income for the period after taxation	110,137,445	43,115,318
Income that may be re-classified subsequently to Income Statement		
Net unrealised (diminution)/appreciation in the value of investment classified as 'available for sale'	(614,215)	127,079
Total comprehensive income for the period	109,523,230	43,242,397

The annexed notes from 1 to 13 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

Azam Faruque
Director

First Quarter Report 2014-15

CONDENSED INTERIM DISTRIBUTION STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2014

	2014	2013
	----- Rupees -----	
Undistributed income brought forward	19,735,971	8,247,459
Net income for the period after taxation	110,137,445	43,115,318
Undistributed income carried forward	<u>129,873,416</u>	<u>51,362,777</u>

The annexed notes from 1 to 13 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

Azam Faruque
Director

Atlas Income Fund

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2014

	30 September 2014		30 September 2013	
	Units	Rupees	Units	Rupees
Net assets at the beginning of the period [Rs.503.86 (2013: Rs.503.72) per unit]	7,734,075	3,896,867,229	3,851,364	1,939,998,107
Issue of units	1,236,058	631,602,165	982,788	500,165,276
Redemption of units	(964,968)	(494,260,146)	(269,460)	(136,912,420)
	271,090	137,342,019	713,328	363,252,856
Element of income and capital gains included in prices of units issued less those in units redeemed - net	-	(750,771)	-	(3,935,539)
Net unrealised (diminution)/appreciation in the value of investment classified as 'available for sale'	-	(614,215)	-	127,079
Capital gain/(loss) on sale/maturity of investments - net	-	291,532	-	(702,891)
Net unrealised appreciation / (diminution) on re-measurement of investments classified as financial assets at fair value through profit or loss'	-	17,705,007	-	(34,695)
Other net income for the period	-	92,140,906	-	43,852,904
Total comprehensive income for the period	-	109,523,230	-	43,242,397
Net assets at the end of the period [Rs.517.54 (2013: Rs.513.19) per unit]	8,005,165	4,142,981,707	4,564,692	2,342,557,821

The annexed notes from 1 to 13 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

Azam Faruque
Director

First Quarter Report 2014-15

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2014

	2014	2013
Note	----- Rupees -----	-----
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period after taxation	110,137,445	43,115,318
Adjustments for:		
Interest/profit income	(114,322,125)	(54,329,069)
Capital (gain)/loss on sale of investments - net	(291,532)	702,891
Net unrealised (appreciation)/diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(17,705,007)	34,695
Element of income and capital gains included in prices of units issued less those in units redeemed - net	(750,771)	(3,935,539)
	(133,069,435)	(57,527,022)
(Increase)/decrease in assets		
Receivable against Margin Trading System	63,037,022	(60,123,543)
Deposits and prepayments	33,014	33,014
	63,070,036	(60,090,529)
Increase/(decrease) in liabilities		
Payable to Atlas Asset Management Limited - Management Company	3,296,274	1,820,505
Payable to Central Depository Company of Pakistan Limited - Trustee	95,803	25,671
Payable to the Securities and Exchange Commission of Pakistan	(986,524)	(703,053)
Accrued and other liabilities	2,207,319	1,106,134
	4,612,872	2,249,257
	44,750,918	(72,252,976)
Interest received	142,803,430	56,196,274
Investments made during the year	(2,121,011,864)	(3,215,754,168)
Investment sold/redeemed/matured during the year	1,288,401,523	2,899,598,087
Net cash used in operating activities	(645,055,993)	(332,212,783)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net receipts from issuance of units	631,602,165	500,165,276
Net payments against redemption of units	(494,260,146)	(136,912,420)
Net cash generated from financing activities	137,342,019	363,252,856
Net (decrease)/increase in cash and cash equivalents	(507,713,974)	31,040,073
Cash and cash equivalents at the beginning of the period	684,697,604	43,778,182
Cash and cash equivalents at the end of the period	4 176,983,630	74,818,255

The annexed notes from 1 to 13 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

Azam Faruque
Director

Atlas Income Fund

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2014

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, Fifth and Sixth Supplements, dated 21 June 2005, 29 October 2007, 29 February 2008, 23 June 2010, 12 November 2010 and 14 October 2013 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, transactions on Margin Trading System (MTS), 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 2014.
- 2.3 In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that these condensed interim financial statements give a true and fair view of the state of the Fund's affairs as at 30 September 2014.

3. ACCOUNTING POLICIES

The accounting policies applied for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual published financial statements of the Fund for the year ended 30 June 2014.

The preparation of these condensed interim financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

The significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to financial statements as at and for the year ended 30 June 2014.

The financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the year ended 30 June 2014.

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		30 September 2014 Un-audited	30 June 2014 Audited
	Note	----- Rupees -----	
4. BANK BALANCES AND TERM DEPOSITS			
In local Currency			
Profit and loss sharing accounts	4.1	176,983,630	309,697,604
Term deposit accounts		-	375,000,000
		<u>176,983,630</u>	<u>684,697,604</u>

4.1 These carry rate of return ranging between 6.50% and 9.20% (30 June 2014: ranging between 6.50% and 9.2%) per annum.

5. INVESTMENTS

Available for sale

Quoted equity security	5.1	2,499,220	3,113,435
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At fair value through profit or loss - held for trading

Term finance certificates - listed	5.2 & 5.7	45,335,225	54,255,931
Term finance certificates - unlisted	5.3 & 5.7	48,020,000	48,020,000
Sukuk certificates - unlisted	5.4 & 5.7	-	-
Government Securities - Market Treasury Bills	5.5	1,069,717,996	1,003,697,006
Government Securities - Pakistan Investment Bonds	5.6	2,298,480,093	1,504,973,497
		<u>3,461,553,314</u>	<u>2,610,946,434</u>
		<u>3,464,052,534</u>	<u>2,614,059,869</u>

5.1 Quoted equity security

Ordinary shares have a face value of Rs.10 each unless stated otherwise.

Number of shares				Rupees		Percentage of		
At the beginning of the period	Acquired during the period	Sales during the period	At the end of the period	Carrying Cost	Market Value	Market Value as a percentage of Investment	Market Value as a percentage of net assets	Market Value as a percentage of paid-up capital of Investee company

CHEMICAL

Agritech Limited	302,569	-	-	302,569	3,933,397	2,499,220	0.07	0.06	0.06
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5.1.1 This represents shares allocated to the Fund as part of the settlement agreement finalised between Azgard Nine Limited and its creditors in FY 2012-13. As part of the settlement, 302,569 shares of Agritech Limited have been allocated to the Fund against its receivable balance of Rs.10.589 million from Azgard Nine Limited. The Fund's gross receivable against Azgard Nine Limited amounted to Rs.18.724 million out of which Rs.10.589 million has been settled as part of this agreement. The balance receivable amounting to Rs.8.135 million remains fully provided.

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5.2 Term finance certificates - listed

Note	Number of Certificates				Rupees		Percentage of	
	At the beginning of the period	Purchases during the period	Disposed/ matured during the period	At the end of the period	Carrying Cost	Market Value	Total Investments	Net assets
BANKS								
Bank Al Habib Limited - II	1,192	-	-	1,192	2,991,679	2,978,919	0.09	0.07
Bank Alfalah Limited - V	8,450	-	-	8,450	42,784,027	42,356,306	1.22	1.02
United Bank Limited - III	5,500	-	5,500	-	-	-	-	-
	15,142	-	5,500	9,642	45,775,706	45,335,225	1.31	1.09
FINANCIAL SERVICES								
Escort Investment Bank Limited	5.7.1	5,000	-	5,000	-	-	-	-
TELECOMMUNICATION								
Telecard Limited	5.7.1	4,000	-	-	4,000	-	-	-
PERSONAL GOODS								
Azgard Nine Limited	5.7.1	5,000	-	-	5,000	-	-	-
					45,775,706	45,335,225	1.31	1.09

5.3 Term finance certificates - Unlisted

Note	Number of Certificates				Rupees		Percentage of	
	At the beginning of the period	Purchases during the period	Disposed/ matured during the period	At the end of the period	Carrying Cost	Market Value	Total Investments	Net assets
CHEMICALS								
Engro Fertilizers Limited		10,000	-	-	10,000	48,020,000	48,020,000	1.39
Agritech Limited- I	5.7.1	2,000	-	-	2,000	-	-	-
Agritech Limited - II	5.7.1	8,000	-	-	8,000	-	-	-
Agritech Limited- IV	5.7.1	2,203	-	-	2,203	-	-	-
		22,203	-	-	22,203	48,020,000	48,020,000	1.39
PERSONAL GOODS								
Azgard Nine Limited-V	5.7.1	1,075	-	-	1,075	-	-	-
MISCELLANEOUS								
Bunny's Limited	5.7.1	424	-	-	424	-	-	-
					48,020,000	48,020,000	1.39	1.16

5.4 Sukuk certificates - Unlisted

Note	Number of Certificates				Rupees		Percentage of	
	At the beginning of the period	Purchases during the period	Disposed/ matured during the period	At the end of the period	Carrying Cost	Market Value	Total Investments	Net assets
CHEMICALS								
Agritech Limited	5.7.1	4,060	-	-	4,060	-	-	-

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	Note	30 September 2014 Un-audited	30 June 2014 Audited
		Rupees	
5.5 Government Securities			
Market Treasury Bills	5.5.1	<u>1,069,717,996</u>	<u>1,003,697,006</u>

5.5.1 Market Treasury Bills

	Face value (Rupees)				Rupees		Percentage of	
	At the beginning of the period	Acquired during the period	Disposed / Matured during the period	At the end of the period	Amortized cost	Market Value	Total Investments	Net Assets
3 months - T Bills	720,500,000	1,245,000,000	880,140,000	1,085,360,000	1,069,926,360	1,069,717,996	30.88	25.82
6 months - T Bills	300,000,000	100,000,000	400,000,000	-	-	-	-	-
	<u>1,020,500,000</u>	<u>1,345,000,000</u>	<u>1,280,140,000</u>	<u>1,085,360,000</u>	<u>1,069,926,360</u>	<u>1,069,717,996</u>	<u>30.88</u>	<u>25.82</u>

5.5.2 The cost of investments as on 30 September 2014 is Rs.1,061,152,586 (30 June 2014: Rs.1,000,295,004).

5.5.3 These Market treasury bills carry purchase yields ranging from 9.95% to 9.96% (30 June 2014: 9.40% to 9.99%) per annum and will mature between 2 October 2014 and 11 December 2014 (30 June 2014: 10 July 2014 and 18 September 2014).

5.5.4 The above investments include T Bills which has been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades amounting to Rs.148,240,050 (face value: Rs.150,000,000) [30 June 2014: Rs.147,394,800 (face value: Rs.150,000,000)] maturing on 13 November 2014 (30 June 2014: 18 September 2014).

	Note	30 September 2014 Un-audited	30 June 2014 Audited
		Rupees	
5.6 Government Securities			
Pakistan Investment Bonds	5.6.1	<u>2,298,480,093</u>	<u>1,504,973,497</u>

5.6.1 Pakistan Investment Bonds (PIBs)

	Face value (Rupees)				Rupees		Percentage of	
	At the beginning of the period	Acquired during the period	Disposed / Matured during the period	At the end of the period	Amortized cost	Market Value	Total Investments	Net Assets
3 Year - PIBs	1,426,000,000	790,000,000	3,000,000	2,213,000,000	2,183,204,757	2,201,744,770	63.56	53.14
5 Year - PIBs	100,000,000	-	-	100,000,000	96,921,485	96,735,323	2.79	2.33
	<u>1,526,000,000</u>	<u>790,000,000</u>	<u>3,000,000</u>	<u>2,313,000,000</u>	<u>2,280,126,242</u>	<u>2,298,480,093</u>	<u>66.35</u>	<u>55.47</u>

5.6.2 The cost of investments as on 30 September 2014 is Rs.2,278,282,005 (30 June 2014: Rs.1,503,129,260).

5.6.3 These Pakistan Investment Bonds carry purchase yields ranging from 11.25% to 11.50% (30 June 2014: 11.25% to 11.50%) per annum and will mature between 19 July 2015 and 18 July 2018 (30 June 2014: 19 July 2015 and 18 July 2018).

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5.7 Particulars of non-compliant investments

5.7.1 The Securities and 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	Note	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	7,871,511	7,871,511	-	-	-
Telecard Limited		Term finance certificate	4,950,240	4,950,240	-	-	-
			12,821,751	12,821,751	-	-	-
Unlisted							
Agritech Limited-I		Term finance certificate	7,494,000	7,494,000	-	-	-
Agritech Limited-II		Term finance certificate	29,976,000	29,976,000	-	-	-
Agritech Limited-IV		Term finance certificate	11,015,000	11,015,000	-	-	-
Azgard Nine Limited-V	5.7.3	Term finance certificate	5,375,000	5,375,000	-	-	-
Bunny's Limited		Term finance certificate	1,590,000	1,590,000	-	-	-
			55,450,000	55,450,000	-	-	-
Unlisted - Sukuk							
Agritech Limited		Sukuk certificate	15,225,000	15,225,000	-	-	-
			83,496,751	83,496,751	-	-	-

5.7.2 The securities stated above have been classified as non-performing as per the requirements of SECP's Circular 1 of 2009 read with SECP's Circular 33 of 2012 dated 24 October 2012, and an aggregate provision of Rs.83.50 million (30 June 2014: Rs.83.50 million), has been made in accordance with the provisioning requirements of the above mentioned circulars.

5.7.3 During the FY 2012-13, the Fund received zero coupon term finance certificates of Azgard Nine Limited having face value of Rs.5,375,000. These TFCs were received against outstanding mark-up of Azgard Nine Limited's TFC, payable as of 31 March 2012.

Note	30 September 2014	30 June 2014
	Un-audited	Audited
	----- Rupees -----	

6. PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY - RELATED PARTY

Remuneration of the Management Company	6.1	4,248,120	3,395,575
Sindh Sales Tax payable on remuneration of the Management Company	6.2	1,878,578	1,478,156
Federal Excise Duty payable on remuneration of the Management Company	6.3	7,886,202	5,842,895
		14,012,900	10,716,626

6.1 In accordance with the provisions of the NBFC Regulations, the management company is entitled to receive a remuneration during the first five years of the Fund, at the rate not exceeding 3% of the average annual net assets of the Fund and thereafter at the rate of 2% of such assets. For the current period the management company has charged its remuneration at the rate of 1.25% (30 June 2014: 1.50%) per annum of the average net assets for the period.

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- 6.2** During the period, an amount of Rs.2,222,096 (2013: Rs.1,485,303) was charged on account of sales tax on management fee levied through Sindh Sales Tax on Services Act, 2011, an amount of Rs.1,821,674 (2013: Rs.805,796) has already been paid to the Management Company which acts as a collecting agent.
- 6.3** The Finance Act, 2013 has enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from 13 June 2013. As the asset management services rendered by the Management Company of the Fund are already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund as explained in note 6.2 above, the Management Company is of the view that further levy of FED is not justified.

On 4 September 2013, a Constitutional Petition has been filed in Honorable Sindh High Court (SHC) jointly by various asset management companies, together with their representative Collective Investment Schemes through their trustees, challenging the levy of FED. In this respect, the Honorable SHC has issued a stay order against recovery proceedings. The hearing of the petition is pending.

As a matter of abundant caution, the Management Company of the Fund has made a provision for FED in the books of account of the Fund with effect from 13 June 2013.

	30 September 2014	30 June 2014
	Un-audited	Audited
Note	-----	-----
	Rupees	

7. ACCRUED AND OTHER LIABILITIES

Auditors' remuneration payable	157,725	357,120
NCCPL charges payable	23,622	20,000
Printing charges payable	273,900	210,150
Payable to unit holders against redemption of units	16,560	16,560
Brokerage payable	-	15,794
Fund rating fee payable	60,500	-
Withholding tax payable	47,063	239
Zakat payable	109	-
Provision for Workers' Welfare Fund	7.1 17,669,077	15,421,374
	18,248,556	16,041,237

- 7.1** 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 since the financial year ended 30 June 2010.

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7.1 During the year ended 30 June 2011, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) on 8 July 2010 which stated that mutual funds are not liable to contribute to WWF on the basis of their income. However on 14 December 2010 the Ministry filed its response against the Constitutional Petition requesting the Court to dismiss the same. Show cause notices were then issued by Federal Board of Revenue (FBR) to several Mutual Funds (CISs) / Pension Funds for the collection of WWF including the Fund and the pension funds managed by the AMC. 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.

In March 2013, a three member bench of the Sindh High Court in its judgement on various Constitutional Petitions challenging the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006, and the Finance Act, 2008, held that WWF is a tax and consequently, the amendments introduced in the Workers' Welfare Fund Ordinance, 1971 through Finance Act, 2006 and 2008 respectively (Money Bills) do not suffer from any constitutional or legal infirmity. This judgement was in contrast to the July 2011 single member bench decision of the Honorable Lahore High Court which had held such amendments as unlawful and unconstitutional for the reason that they were made through the money bills.

In a recent judgement of May 2014, the Peshawar High Court (PHC) has also held these amendments to be ultra vires as they lacked the essential mandate to be introduced and passed through the Money Bill under the constitution. For the CISs and Pension Funds, the issue of chargeability or otherwise of WWF levy to the CISs / Pension Funds is currently pending before the Honourable SHC.

In view of the pending decision, the Management Company of the Fund, as a matter of abundant caution, has decided to continue to maintain the provision in respect of WWF which amounts to Rs.17,669,077 (30 June 2014: Rs.15,421,374) 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.2.21 (30 June 2014: Rs.1.99) per unit.

8. CONTINGENCIES AND COMMITMENTS

8.1 There were no contingencies outstanding as at 30 September 2014.

	30 September 2014 Un-audited	30 June 2014 Audited
	----- Rupees -----	
8.2 Commitments		
Margin Trading System (MTS) transactions entered into by the Fund in respect of which the purchase transactions have not been settled as at 30 September 2014	<u>47,013,642</u>	<u>240,859,058</u>

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	Note	For the Quarter Ended	
		30 September 2014	30 September 2013
		Un-audited	Un-audited
		Rupees -----	
9. INTEREST/PROFIT INCOME			
Interest/profit on:			
Profit and loss sharing accounts and term deposits		4,568,395	1,855,498
Income from Margin Trading System		20,408,006	16,735,928
Term finance certificates	9.1	2,920,656	6,689,296
Government Securities - Market Treasury Bills		27,103,219	28,339,443
Government Securities - Pakistan Investment Bonds		59,321,849	708,904
		114,322,125	54,329,069

- 9.1 Mark-up on non performing securities amounting to Rs.34.83 million (2013: Rs.25.41 million) based on outstanding principal has not been recognised, in accordance with the requirements specified by SECP.

10. TAXATION

- 10.1 The Fund's income is exempt from Income Tax as per Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed as cash dividend amongst the unit holders. Further, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income, other than unrealized capital gains to the unit holders. The management intends to distribute at least 90% of the Fund's net accounting income earned by the year end, as cash dividend, to the unit holders. Accordingly, no provision has been made for taxation in these condensed interim financial statements.
- 10.2 During FY 2013-14, the Additional Commissioner Inland Revenue issued show cause notices to the Fund under section 122(9) of the Income Tax Ordinance, 2001 for Tax Years 2009, 2010 and 2011 contending that bonus issues declared by the Fund should not have been considered as distribution of the accounting income while claiming exemption available under the Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 as the Fund had not deducted withholding tax from bonus distributions. Consequently, the tax assessing officer expressed intention to raise aggregate demand amounting to Rs.137.357 million (including Rs.7.568 million relating to Workers' Welfare Fund) for those years. Returns of several other funds in the industry were amended by the tax authorities on this matter.

This industry issue was examined by legal experts and tax advisors and there was unanimity of view that under the provisions of Clause 99 applicable upto 30 June 2014, the tax department's contentions were primarily erroneous and not tenable under the law. Subsequently, through the Finance Act, 2014, an amendment was made in Clause 99, whereby issuance of bonus units shall not be considered towards distribution of 90% of income, and only cash dividend shall be taken into consideration for computation of 90% distribution to claim exemption. Appropriate appellate and executive remedies were adopted to resolve the matter.

The Fund submitted detailed responses to the tax authorities, whereafter there was no further pursuance of the matter by them. It may be mentioned that in the case of two other mutual funds managed by the Management Company where assessment orders were passed by the tax authorities on the same issue, subsequent to the year end, the Commissioner Inland Revenue (Appeals) has decided the matter in favour of the funds and annulled the assessment orders.

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11. TRANSACTIONS WITH RELATED PARTIES/CONNECTED PERSONS

	<u>For the Quarter Ended</u>	
	<u>30 September</u>	<u>30 September</u>
	<u>2014</u>	<u>2013</u>
Note	Un-audited ----- Rupees -----	Un-audited ----- Rupees -----
11.1 Transactions for the period:		
Atlas Asset Management Limited (Management Company)		
Remuneration charged	12,770,668	8,002,709
Remuneration paid	11,918,123	7,713,741
Sindh Sales Tax on remuneration of the Management Company	2,222,096	1,485,303
Federal Excise Duty on remuneration of the Management Company	2,043,307	1,280,433
Issue of 48,898 (2013: 125,234) units	25,000,000	64,000,000
Redemption of 58,094 (2013: 36,163) units	29,500,000	18,500,000
Central Depository Company of Pakistan Limited (Trustee)		
Trustee fee	1,082,655	667,740
Trustee fee paid	986,197	651,369
Settlement charges	127,099	134,207
Atlas Battery Limited (Group Company)		
Redemption of 232,472 (2013: Nil) units	120,000,000	-
Atlas Foundation (Trust having common Director / Trustee)		
Issue of 29,546 (2013: Nil) units	15,000,000	-
Redemption of Nil (2013: 71,168) units	-	36,000,000
Atlas Honda Limited (Group company)		
Issue of Nil (2013: 588,838) units	-	300,000,000
Atlas Insurance Limited (Group company)		
Issue of 59,356 (2013: 88,486) units	30,500,000	44,700,000
Redemption of 39,244 (2013: Nil) units	20,000,000	-
Atlas Metals (Private) Limited (Group Company)		
Redemption of 9,812 (2013: Nil) units	5,000,000	-
Batool Benefit Trust (Trust having common Director/Trustee)		
Redemption of 4,897 (2013: 33,049) units	2,498,697	16,690,000
Shirazi Capital (Private) Limited (Group company)		
Redemption of 196 (2013: Nil) units	100,000	-
Shirazi Investments (Private) Limited (Group company)		
Issue of 535,510 (2013: Nil) units	271,350,000	-
Redemption of 29,374 (2013: Nil) units	15,000,000	-
<u>Key Management Personnel of Management Company</u>		
Issue of 2,973 (2013: 11,290) units	1,500,000	5,750,000
Redemption of 92,781 (2013: 3,299) units	47,505,000	1,683,452

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	30 September 2014	30 June 2014
	Un-audited	Audited
	----- Rupees -----	

11.2 Details of balances with related parties as at the period end are as follows:

Atlas Asset Management Limited (Management Company)		
Remuneration payable to the management company	4,248,120	3,395,575
Sindh Sales Tax payable on remuneration of the Management Company	1,878,578	1,478,156
Federal Excise Duty payable on remuneration of the Management Company	7,886,202	5,842,895
Outstanding 90,162 (30 June 2014: 99,358) units - at net asset value	46,662,238	50,062,511
Central Depository Company of Pakistan Limited (Trustee)		
Trustee fee payable	358,737	262,279
Settlement charges payable	39,771	40,426
Atlas Battery Limited (Group Company)		
Outstanding 538,867 (30 June 2014: 771,339) units - at net asset value	278,885,375	388,647,078
Atlas Foundation (Trust having common Director/Trustee)		
Outstanding 211,049 (30 June 2014: 181,503) units - at net asset value	109,226,490	91,452,201
Atlas Hitec (Private) Limited (Group Company)		
Outstanding 159,290 (30 June 2014: 159,290) units - at net asset value	82,438,723	80,259,642
Atlas Honda Limited (Group Company)		
Outstanding 1,891,564 (30 June 2014: 1,891,564) units - at net asset value	978,959,839	953,083,249
Atlas Insurance Limited (Group Company)		
Outstanding 576,141 (30 June 2014: 556,029) units - at net asset value	298,176,147	280,160,841
Atlas Metals (Private) Limited (Group Company)		
Outstanding 21,186 (30 June 2014: 30,998) units - at net asset value	10,964,400	15,618,554
Aamir Shirazi Family Trust (Trust having common Director/Trustee)		
Outstanding 44,438 (30 June 2014: 44,438) units - at net asset value	22,998,513	22,390,599
Batool Benefit Trust (Trust having common Director /Trustee)		
Outstanding 108,358 (30 June 2014: 113,254) units - at net asset value	56,079,562	57,064,395
Iftikhar Shirazi Family Trust (Trust having common Director / Trustee)		
Outstanding 423 (30 June 2014: 423) units - at net asset value	218,849	213,064
Shirazi Capital (Private) Limited (Group Company)		
Outstanding 152,277 (30 June 2014: 152,473) units - at net asset value	78,809,480	76,825,000
Shirazi Investments (Private) Limited (Group company)		
Outstanding 2,324,344 (30 June 2014: 1,818,208) units - at net asset value	1,202,940,884	916,122,434
Shirazi Trading Company (Private) Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)		
Outstanding 10,983 (30 June 2014: 10,983) units - at net asset value	5,684,073	5,533,828
<u>Key Management Personnel of Management Company (note 11.3)</u>		
Outstanding 256,504 (30 June 2014: 346,312) units - at net asset value	132,750,958	174,492,849

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11.3 For the purpose of this disclosure, transactions by the Board of Directors, and key management personnel falling within the scope of "executive" under the Code of Corporate Governance, 2012 are included herein. The term "executive" includes the Chief Executive Officer, Chief Financial Officer and Company Secretary, Chief Internal Auditor, and executives of the Management Company of the Fund whose gross remuneration is Rs.4 million and above, as set by the Board of Directors of the Management Company for FY 2014 - 15.

11.4 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.

12. GENERAL

12.1 Figures have been rounded off to the nearest Rupee.

12.2 Corresponding figures have been reclassified, rearranged or additionally incorporated in these condensed interim financial statements, wherever necessary to facilitate comparison and to conform with changes in presentation in the current period. No significant rearrangements or reclassifications were made in these condensed interim financial statements.

13. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on 30 October 2014.

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Azam Faruque
Director

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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

Atlas Stock Market Fund

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED)
AS AT 30 SEPTEMBER 2014

		30 September 2014 Un-audited	30 June 2014 Audited
	Note	----- Rupees -----	-----
ASSETS			
Bank balances	4	119,733,575	37,211,150
Investments	5	1,132,479,689	961,117,365
Dividend receivable		9,909,450	1,083,750
Profit receivable on bank balances		664,162	907,806
Receivable against sale of securities		20,607,176	98,514,235
Deposits, prepayments and other receivables		2,644,777	11,539,777
Total assets		1,286,038,829	1,110,374,083
LIABILITIES			
Payable to Atlas Asset Management Limited - Management Company	6	7,499,044	6,357,100
Payable to Central Depository Company of Pakistan Limited - Trustee		193,224	191,082
Payable to the Securities and Exchange Commission of Pakistan		263,308	1,046,017
Payable against purchase of securities		42,715,696	29,244,093
Accrued expenses and other liabilities	7	24,147,879	23,819,185
Total liabilities		74,819,151	60,657,477
NET ASSETS		1,211,219,678	1,049,716,606
UNIT HOLDERS' FUNDS (AS PER STATEMENT ATTACHED)		1,211,219,678	1,049,716,606
CONTINGENCIES AND COMMITMENTS	8		
NUMBER OF UNITS IN ISSUE		2,689,245	2,379,851
NET ASSET VALUE PER UNIT		450.39	441.08

The annexed notes from 1 to 12 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

Azam Faruque
Director

First Quarter Report 2014-15

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2014

	2014	2013
Note	----- Rupees -----	-----
INCOME		
Profit on bank balances	2,255,722	4,265,312
Dividend income	12,763,200	16,752,875
Capital gain on sale of investments - net	14,811,503	55,004,098
Net unrealised appreciation/(diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	5,498,514	(8,388,465)
	20,310,017	46,615,633
Element of loss and capital losses included in prices of units issued less those in units redeemed - net	(281,682)	(286,004)
	35,047,257	67,347,816
EXPENSES		
Remuneration of Atlas Asset Management Limited - Management Company	5,543,336	5,525,013
Sindh sales tax on remuneration of the Management Company	6.1 964,540	1,025,442
Federal Excise Duty on remuneration of the Management Company	6.2 886,934	884,002
Remuneration of Central Depository Company of Pakistan Limited - Trustee	529,226	528,303
Annual fee - Securities and Exchange Commission of Pakistan	263,308	262,440
Auditors' remuneration	132,969	112,688
Annual listing fee	10,000	10,000
Annual rating fee	25,000	25,000
Securities transaction cost	1,074,428	1,062,955
Printing charges	63,750	43,333
Bank charges	7,136	4,052
Provision for Workers' Welfare Fund	7.1 510,933	1,157,292
	10,011,560	10,640,520
Net income for the period before taxation	25,035,697	56,707,296
Taxation	-	-
Net income for the period after taxation	25,035,697	56,707,296

The annexed notes from 1 to 12 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

Azam Faruque
Director

Atlas Stock Market Fund

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2014

	2014	2013
	----- Rupees -----	
Net income for the period after taxation	25,035,697	56,707,296
Other comprehensive income	-	-
Total comprehensive income for the period	25,035,697	56,707,296

The annexed notes from 1 to 12 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

Azam Faruque
Director

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CONDENSED INTERIM DISTRIBUTION STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2014

	2014	2013
	----- Rupees -----	
(Accumulated loss)/undistributed income brought forward	(35,146,783)	118,074,859
Final distribution for the year ended 30 June 2013 at the rate of Rs.125 per unit declared on 4 July 2013		
- Issue of bonus units	-	(245,811,990)
- Cash payout against distribution	-	(1,842,331)
	-	(247,654,321)
Net income for the period after taxation	25,035,697	56,707,296
Accumulated loss carried forward	(10,111,086)	(72,872,166)

The annexed notes from 1 to 12 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

Azam Faruque
Director

Atlas Stock Market Fund

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2014

	30 September 2014		30 September 2013	
	Units	Rupees	Units	Rupees
Net assets at beginning of the period [Rs.441.08 (2013: Rs.522.77) per unit]	2,379,851	1,049,716,606	1,981,235	1,035,727,038
Issue of units	528,073	233,724,769	103,650	45,641,820
Redemption of units	(218,679)	(97,539,076)	(177,970)	(75,490,026)
	309,394	136,185,693	(74,320)	(29,848,206)
Element of loss and capital losses included in prices of units issued less those in units redeemed	-	281,682	-	286,004
Final distribution for the year ended 30 June 2013 at the rate of Rs.125 per unit declared on 4 July 2013				
- Issue of bonus units	-	-	617,975	-
- Cash payout against final distribution	-	-	-	(1,842,331)
Capital gain on sale of investments - net	-	14,811,503	-	55,004,098
Net unrealised appreciation/(diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	-	5,498,514	-	(8,388,465)
Other net income for the period	-	4,725,680	-	10,091,663
Total comprehensive income for the period	-	25,035,697	-	56,707,296
Net assets at the end of the period [Rs.450.39 (2013: Rs.420.23) per unit]	2,689,245	1,211,219,678	2,524,890	1,061,029,801

The annexed notes from 1 to 12 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

Azam Faruque
Director

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CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2014

	2014	2013
Note	----- Rupees -----	-----
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period after taxation	25,035,697	56,707,296
Adjustments:		
Profit on bank balances	(2,255,722)	(4,265,312)
Dividend income	(12,763,200)	(16,752,875)
Capital gain on sale of investments - net	(14,811,503)	(55,004,098)
Net unrealised (appreciation)/diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(5,498,514)	8,388,465
Element of loss and capital losses included in prices of units issued less those in units redeemed - net	281,682	286,004
	(35,047,257)	(67,347,816)
	(10,011,560)	(10,640,520)
Decrease / (increase) in assets		
Receivable against sale of securities	77,907,059	19,231,449
Deposits, prepayments and other receivables	8,895,000	(30,000)
	86,802,059	19,201,449
Increase / (decrease) in liabilities		
Payable to Atlas Asset Management Limited - Management Company	1,141,944	1,013,143
Payable to Central Depository Company of Pakistan Limited - Trustee	2,142	(3,494)
Payable to the Securities and Exchange Commission of Pakistan	(782,709)	(590,110)
Payable against purchase of securities	13,471,603	14,798,385
Accrued expenses and other liabilities	328,694	1,364,824
	14,161,674	16,582,748
Profit received on bank balances	2,499,366	3,401,237
Dividend received	3,937,500	2,822,875
Investments made during the period	(563,531,299)	(472,967,562)
Investments sold during the period	412,478,992	644,541,023
Net cash (used in) / generated from operating activities	(53,663,268)	202,941,250
CASH FLOWS FROM FINANCING ACTIVITIES		
Net receipts from issuance of units	233,724,769	45,641,820
Net payments against redemption of units	(97,539,076)	(75,490,026)
Cash payout against distribution	-	(1,842,331)
Net cash generated from/(used in) financing activities	136,185,693	(31,690,537)
Net increase in cash and cash equivalents during the period	82,522,425	171,250,713
Cash and cash equivalents at the beginning of the period	37,211,150	59,156,287
Cash and cash equivalents at the end of the period 4	119,733,575	230,407,000

The annexed notes from 1 to 12 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

Azam Faruque
Director

Atlas Stock Market Fund

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2014

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, Fifth and Sixth Supplements dated 21 June 2005, 24 July 2006, 29 October 2007, 6 March 2008, 4 December 2009 and 14 October, 2013 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.

The 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 2014.

In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that these condensed interim financial statements give a true and fair view of the state of the Fund's affairs as at 30 September 2014.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual published financial statements of the Fund for the year ended 30 June 2014.

The preparation of these condensed interim financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

The significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to financial statements as at and for the year ended 30 June 2014.

The financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the year ended 30 June 2014.

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	30 September 2014	30 June 2014
	Un-audited	Audited
Note	-----	-----
	Rupees	

4. BANK BALANCES

In local currency

- Profit and loss sharing accounts	4.1	119,733,575	37,211,150
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4.1 The rate of return on these profit and loss sharing accounts ranges between 6.50% to 9.20% (30 June 2014: 6.50% to 9.20%) per annum.

5. INVESTMENTS

At fair value through profit or loss

- Listed equity securities - Held for trading	5.1	1,132,479,689	961,117,365
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5.1 Listed equity securities

Shares of listed companies- fully paid ordinary shares with a face value of Rs.10 each unless stated other wise.

	Number of shares				Rupees			Percentage of		
	As at 01 July 2014	Purchases during the period	Bonus during the period	Sales during the period	As at 30 September 2014	Carrying Cost	Market Value	Market Value as a percentage of total Investments	Market Value as a percentage of net assets	Percentage of paid up capital of investee company held
Oil and Gas										
Attock Petroleum Limited	-	20,000	-	-	20,000	10,799,999	10,852,600	0.96	0.90	0.02
Attock Refinery Limited	-	10,000	-	10,000	-	-	-	-	-	-
Mari Petroleum Company Limited	15,000	-	-	-	15,000	5,601,450	6,536,550	0.58	0.54	0.02
National Refinery Limited	-	50,000	-	-	50,000	10,749,000	9,703,500	0.86	0.80	0.06
Oil and Gas Development Company Limited	300,000	115,300	-	65,300	350,000	90,782,456	86,471,000	7.64	7.14	0.01
Pakistan Oilfields Limited	100,000	-	-	25,000	75,000	43,072,500	39,858,000	3.52	3.29	0.03
Pakistan Petroleum Limited	300,000	50,000	-	50,000	300,000	67,385,000	67,815,000	5.99	5.60	0.02
Pakistan State Oil Company Limited	150,000	30,000	-	30,000	150,000	58,085,439	54,067,500	4.76	4.46	0.06
	865,000	275,300	-	180,300	960,000	286,475,844	275,304,150	24.31	22.73	
Chemicals										
Biafo Industries Limited	28,500	8,200	-	13,300	23,400	3,078,343	3,313,440	0.29	0.27	0.12
Dawood Hercules Corporation Limited	-	150,000	-	150,000	-	-	-	-	-	-
Engro Corporation Limited	200,000	175,000	-	125,000	250,000	42,604,598	41,285,000	3.65	3.41	0.05
Engro Fertilizers Limited	200,000	-	-	-	200,000	11,430,000	10,722,000	0.95	0.89	0.02
Fatima Fertilizer Company Limited	800,000	-	-	800,000	-	-	-	-	-	-
Fauji Fertilizer Bin Qasim Limited	-	900,000	-	-	900,000	37,544,575	36,198,000	3.20	2.99	0.10
Fauji Fertilizer Company Limited	73,800	600,000	-	173,800	500,000	55,983,957	56,720,000	5.00	4.68	0.04
	1,302,300	1,833,200	-	1,262,100	1,873,400	150,641,473	148,238,440	13.09	12.24	
Industrial Metals and Mining										
International Industries Limited	-	100,000	-	100,000	-	-	-	-	-	-

Atlas Stock Market Fund

5.1 Listed equity securities (Continued...)

Shares of listed companies- fully paid ordinary shares with a face value of Rs.10 each unless stated otherwise .

	Number of shares				Rupees		Percentage of			
	As at 01 July 2014	Purchases during the period	Bonus during the period	Sales during the period	As at 30 September 2014	Carrying Cost	Market Value	Market Value as a percentage of total Investments	Market Value as a percentage of net assets	Percentage of paid up capital of investee company held
Construction and Materials (Cement)										
Attock Cement Pakistan Limited	150,000	300	-	50,300	100,000	15,769,631	17,701,000	1.56	1.46	0.09
D G Khan Cement Company Limited	500,000	306,000	-	6,000	800,000	68,220,674	63,760,000	5.63	5.26	0.18
Fauji Cement Company Limited	500,000	200,000	-	-	700,000	13,582,900	13,643,000	1.20	1.13	0.05
Kohat Cement Company Limited	-	25,000	-	-	25,000	3,125,000	3,022,000	0.27	0.25	0.02
Lafarge Pakistan Cement Limited	500,000	200,000	-	200,000	500,000	7,914,329	8,255,000	0.73	0.68	0.03
Lucky Cement Limited	75,000	65,000	-	25,000	115,000	44,685,952	46,182,850	4.08	3.82	0.04
	1,725,000	796,300	-	281,300	2,240,000	153,298,486	152,563,850	13.47	12.60	
General Industrials										
Packages Limited	-	5,500	-	5,500	-	-	-	-	-	-
Personal Goods (Textile)										
Nishat (Chunian) Limited	-	910,000	-	310,000	600,000	23,913,193	24,408,000	2.16	2.02	0.30
Nishat Mills Limited	300,000	250,000	-	150,000	400,000	43,194,075	47,600,000	4.20	3.93	0.11
Service Industries Limited	-	6,700	-	-	6,700	5,194,560	5,651,517	0.50	0.46	0.06
	300,000	1,166,700	-	460,000	1,006,700	72,301,828	77,659,517	6.86	6.41	
Pharma and Bio Tech										
Sanofi Aventis Pakistan Limited	5,100	500	-	-	5,600	5,156,400	4,355,512	0.38	0.36	0.06
The Searle Company Limited	50,000	-	-	50,000	-	-	-	-	-	-
	55,100	500	-	50,000	5,600	5,156,400	4,355,512	0.38	0.36	
Fixed Line Telecommunication										
Pakistan Telecommunication Company Limited	450,000	705,000	-	955,000	200,000	4,599,600	4,662,000	0.41	0.38	0.01
Electricity										
Lalpir Power Limited	700,000	34,500	-	-	734,500	13,149,785	12,596,675	1.11	1.04	0.19
Nishat Chunian Power Limited	300,000	-	-	300,000	-	-	-	-	-	-
Pakgen Power Limited	-	548,000	-	-	548,000	9,696,910	9,913,320	0.88	0.82	0.15
The Hub Power Company Limited	1,300,000	100,000	-	500,000	900,000	52,716,600	57,582,000	5.08	4.75	0.08
	2,300,000	682,500	-	800,000	2,182,500	75,563,295	80,091,995	7.07	6.61	
Mutiutilities (Gas and water)										
Sui Northern Gas Pipelines Limited	1,000,000	-	-	-	1,000,000	22,650,000	21,280,000	1.89	1.77	0.16

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5.1 Listed equity securities (Continued...)

Shares of listed companies- fully paid ordinary shares with a face value of Rs.10 each unless stated otherwise .

	Number of shares				Rupees		Percentage of			
	As at 01 July 2014	Purchases during the period	Bonus during the period	Sales during the period	As at 30 September 2014	Carrying Cost	Market Value	Market Value as a percentage of total Investments	Market Value as a percentage of net assets	Percentage of paid up capital of investee company held
Commercial Banks										
Allied Bank Limited	-	200,000	-	100,000	100,000	10,762,395	11,307,000	1.00	0.93	0.01
Bank Alfalah Limited	3,000,000	800,000	-	600,000	3,200,000	87,590,506	90,816,000	8.02	7.50	0.24
Bank Al Habib Limited	2,000,000	300,000	-	-	2,300,000	103,670,760	104,121,000	9.19	8.60	0.21
Faysal Bank Limited	-	229,000	-	229,000	-	-	-	-	-	-
Habib Bank Limited	75,000	75,000	-	25,000	125,000	24,344,033	26,147,500	2.31	2.16	0.01
Habib Metropolitan Bank Limited	1,000,000	370,500	-	370,500	1,000,000	31,580,212	31,500,000	2.78	2.60	0.10
JS Bank Limited	2,000,000	-	-	-	2,000,000	10,880,000	10,840,000	0.96	0.89	0.19
MCB Bank Limited	-	133,800	-	83,800	50,000	14,081,834	14,128,500	1.25	1.17	-
Silkbank Limited	1,000,000	-	-	-	1,000,000	2,060,000	2,190,000	0.19	0.18	0.04
United Bank Limited	400,000	275,000	-	375,000	300,000	51,292,845	56,502,000	4.99	4.66	0.02
	9,475,000	2,383,300	-	1,783,300	10,075,000	336,262,585	347,552,000	30.69	28.69	
Non Life Insurance										
Adamjee Insurance Company Limited										
	300,000	-	-	-	300,000	13,731,000	14,346,000	1.27	1.18	0.09
Pakistan Reinsurance Company Limited										
	36,500	217,000	-	-	253,500	6,300,664	6,426,225	0.56	0.53	0.08
	336,500	217,000	-	-	553,500	20,031,664	20,772,225	1.83	1.71	
Total as at 30 September 2014						1,126,981,175	1,132,479,689	100.00	93.50	
Total as at 30 June 2014						882,361,952	961,117,365			

5.2 The cost of listed equity securities as at 30 September 2014 is Rs.1,044,310,782 (30 June 2014: Rs.859,734,691).

5.3 The above investments include following shares which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades:

	Number of shares		Market value	
	30 September 2014	30 June 2014	30 September 2014	30 June 2014
	Un-audited	Audited	Un-audited	Audited
----- Rupees -----				
Pakistan Oilfields Limited	65,000	100,000	34,543,600	57,430,000
Pakistan Petroleum limited	147,000	147,000	33,229,350	32,977,980
The Hub Power Company Limited	200,000	200,000	12,796,000	11,748,000
Bank Alfalah limited	1,500,000	1,500,000	42,570,000	41,250,000
Bank Al Habib Limited	125,000	125,000	5,658,750	5,622,500
			128,797,700	149,028,480

Atlas Stock Market Fund

	30 September 2014	30 June 2014
	Un-audited	Audited
Note	----- Rupees -----	-----

6. PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY - RELATED PARTY

Remuneration of the Management Company - related party	1,904,547	1,782,982
Sindh sales tax payable on remuneration of the Management Company	6.1 1,010,286	876,841
Federal Excise Duty payable on remuneration of the Management Company	6.2 4,584,211	3,697,277
	7,499,044	6,357,100

6.1 During the period, an amount of Rs.964,540 (30 September 2013: Rs.1,025,442) was charged on account of sales tax on remuneration of the Management Company levied through Sindh Sales Tax on Services Act, 2011 and an amount of Rs.831,095 (30 September 2013: Rs.885,695) has been paid to the Management Company which acts as a collecting agent.

6.2 The Finance Act, 2013 has enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from 13 June 2013. As the asset management services rendered by the Management Company of the Fund are already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund as explained in note 6.1 above, the Management Company is of the view that the further levy of FED is not justified.

On 4 September 2013, a Constitutional Petition has been filed in Honorable Sindh High Court (SHC) jointly by various asset management companies, together with their representative Collective Investment Schemes through their trustees, challenging the levy of FED. In this respect, the Honorable SHC has issued a stay order against recovery proceedings. The hearing of the petition is pending.

As a matter of abundant caution, the Management Company of the Fund has made a provision for FED in the books of account of the Fund with effect from 13 June 2013.

	30 September 2014	30 June 2014
	Un-audited	Audited
Note	----- Rupees -----	-----

7. ACCRUED EXPENSES AND OTHER LIABILITIES

Auditors' remuneration payable	134,500	325,016
Printing charges payable	273,900	210,150
NCCPL charges payable	34,695	38,359
Withholding tax payable	3,417	66,380
Zakat payable	19	13,864
Payable to unit holders against redemption of units	245,805	245,805
Rating fee payable	25,000	-
Provision for Workers' Welfare Fund	7.1 23,430,543	22,919,611
	24,147,879	23,819,185

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- 7.1 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 Honourable 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 has been providing for WWF contribution since the financial year ended 30 June 2010.

During the year ended 30 June 2011, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) on 8 July 2010 which stated that mutual funds are not liable to contribute to WWF on the basis of their income. However, on 14 December 2010 the Ministry filed its response against the Constitutional Petition requesting the Court to dismiss the same. Show cause notices were then issued by Federal Board of Revenue (FBR) to several Mutual Funds (CISs) / Pension Funds for the collection of WWF including some of the mutual funds and pension funds managed by the AMC. In respect of such show cause notices, certain Mutual Funds (CISs) / Pension Funds have been granted stay by Honourable SHC on the basis of the pending Constitutional Petition as referred above. In FY 2013-14, during the course of income tax proceedings of the Fund for TY 2012 as stated in note 9.2 below, the taxation officer levied a demand of Rs.2.653 million in respect of WWF. The Fund filed a petition in the Hon'ble SHC against the alleged levy of WWF, which has granted a stay against recovery proceedings.

In March 2013, a three member bench of the Sindh High Court in its judgement on various Constitutional Petitions challenging the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006 and the Finance Act, 2008, held that WWF is a tax and consequently, the amendments introduced in the Workers' Welfare Fund Ordinance, 1971 through Finance Act, 2006 and 2008 respectively (Money Bills) do not suffer from any constitutional or legal infirmity. This judgement was in contrast to the July 2011 single member bench decision of the Honourable Lahore High Court which had held such amendments as unlawful and unconstitutional for the reason that they were made through the money bills. For the CISs and Pension Funds, the issue of chargeability or otherwise of WWF levy to the CISs / Pension Funds is currently pending before the Honourable SHC.

In a recent judgement of May 2014, the Peshawar High Court (PHC) has also held these amendments to be ultra vires as they lacked the essential mandate to be introduced and passed through the Money Bill under the constitution. For the CISs and Pension Funds, the issue of chargeability or otherwise of WWF levy to the CISs / Pension Funds is currently pending before the Honourable SHC.

In view of the pending decision, the Management Company of the Fund, as a matter of abundant caution, has continued to maintain the provision for WWF amounting to Rs.23,430,543 (30 June 2014: Rs.22,919,611) 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.8.71 (30 June 2014: Rs.9.63) per unit.

8. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 30 September 2014.

9. TAXATION

- 9.1 The Fund's income is exempt from Income Tax as per Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed as cash dividend amongst the unit holders. Further, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income, other than unrealized capital gains to the unit holders. The management intends to distribute at least 90% of the Fund's net accounting income earned by the year end, as cash dividend, to the unit holders. Accordingly, no provision has been made for taxation in these condensed interim financial statements.

Atlas Stock Market Fund

9.2 During the year ended 30 June 2014, the Additional Commissioner Inland Revenue amended the return of income filed by the Fund in respect of Tax Year 2012 under Section 120 of the Income Tax Ordinance, 2001. The tax assessing officer concluded that bonus issues declared by the Fund should not have been considered as distribution of the accounting income while claiming exemption available under the Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 as the Fund had not deducted withholding tax from bonus distributions. Consequently, the tax assessing officer raised demand amounting to Rs.48.146 million (including Rs.2.653 million relating to Workers' Welfare Fund) on the Fund. Similar amendments were made to returns filed by several mutual funds in the industry.

This industry issue was examined by legal experts and tax advisors and there was unanimity of view that under the provisions of Clause 99 applicable upto 30 June 2014, the tax department's contentions were primarily erroneous and not tenable under the law. Subsequently, through the Finance Act, 2014, an amendment was made in Clause 99, whereby issuance of bonus units shall not be considered towards distribution of 90% of income, and only cash dividend shall be taken into consideration for computation of 90% distribution to claim exemption. Appropriate appellate and executive remedies were adopted to resolve the matter.

Subsequent to the year ended 30 June 2014, the Commissioner Inland Revenue - Appeals (CIR - Appeals) decided the matter in favour of the Fund and annulled the assessment order. The Fund has filed an appeal in the Appellate Tribunal Inland Revenue (ATIR) against the order of the CIR - Appeals maintaining the levy of WWF, which is pending. The tax assessing officer has also filed an appeal in the ATIR against the order of the CIR - Appeals, which is pending.

10. TRANSACTIONS WITH RELATED PARTIES/CONNECTED PERSONS

<u>For the Quarter Ended</u>	
30 September 2014	30 September 2013
Un-audited	Un-audited
----- Rupees -----	

10.1 Details of transaction with related parties during the period are as follows:

Atlas Asset Management Limited (Management Company)

Remuneration of the Management Company	5,543,336	5,525,013
Remuneration paid	5,421,771	5,535,616
Sindh Sales Tax on remuneration of the Management Company	964,540	1,025,442
Federal Excise Duty on remuneration of the Management Company	886,934	884,002
Sales load	-	245
Issue of 76,440 (2013: Nil) units	34,000,000	-

Central Depository Company of Pakistan Limited (Trustee)

Remuneration of the Trustee	529,226	528,303
Remuneration paid	523,146	528,832
Settlement charges	35,571	45,543

Atlas Battery Limited (Group Company)

Issue of 11,782 (2013: Nil) units	5,000,000	-
Bonus Nil (2013: 39,984) units	-	15,904,349

Atlas Insurance Limited (Group Company)

Issue of 134,810 (2013: 56,499) units	59,500,000	25,000,000
Bonus Nil (2013: 74,751) units	-	29,734,001
Redemption of 87,500 (2013: 47,000) units	39,213,125	20,829,930

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For the Quarter Ended	
30 September 2014	30 September 2013
Un-audited	Un-audited
----- Rupees -----	

10.1 Details of transactions with related parties during the period are as follows: (Continued...)

Atlas Metals (Private) Limited (Group Company) Issue of 11,616 (2013: Nil) units	4,999,657	-
Batools Benefit Trust (Trust having common Director/Trustee) Bonus Nil (2013: 8,866) units	-	3,526,640
Iftikhar Shirazi Family Trust (Trust having common Director/Trustee) Bonus Nil (2013: 8,091) units	-	3,218,205
Shirazi Capital (Private) Limited (Group Company) Issue of 58,172 (2013: Nil) units	26,200,000	-
Shirazi Investments (Private) Limited (Group Company) Issue of 44,406 (2013: Nil) units	19,997,671	-
NBP - Employees Pension Fund (Unit holder with more than 10% holding) Bonus Nil (2013: 61,696) units	-	24,540,838
<u>Key Management Personnel of Management Company - note 10.3</u>		
Issue 21,088 (2013: 434) units	8,955,218	187,380
Bonus Nil (2013: 46,604) units	-	18,537,787
Redemption of Nil (2013: 3,542) units	-	1,570,522

30 September 2014	30 June 2014
Un-audited	Audited
----- Rupees -----	

10.2 Details of balances with related parties as at the period end are as follows:

Atlas Asset Management Limited (Management Company) Remuneration payable to the management company	1,904,547	1,782,982
Sindh Sales tax payable on remuneration of the Management Company	1,010,286	876,841
Federal Excise Duty payable on remuneration of the Management Company	4,584,211	3,697,277
Outstanding 76,440 (2014: Nil) units at net asset value	34,427,937	-
Central Depository Company of Pakistan Limited (Trustee) Trustee fee payable	177,421	171,341
Settlement charges payable	15,803	19,741
Atlas Battery Limited (Group Company) Outstanding 201,609 (2014: 189,827) units at net asset value	90,802,475	83,728,742
Atlas Insurance Limited (Group Company) Outstanding 396,549 (2014: 349,239) units at net asset value	178,601,492	154,042,185
Atlas Metals (Private) Limited (Group Company) Outstanding 11,616 (2014: Nil) units at net asset value	5,231,624	-

Atlas Stock Market Fund

30 September 2014	30 June 2014
Un-audited	Audited
----- Rupees -----	

10.2 Details of balances with related parties as at the period end are as follows: (Continued...)

Batools Benefit Trust (Trust having common Director/Trustee) Outstanding 43,499 (2014: 43,499) units at net asset value	19,591,633	19,186,655
Iftikhar Shirazi Family Trust (Trust having common Director/Trustee) Outstanding 39,695 (2014: 39,695) units at net asset value	17,878,177	17,508,617
Shirazi Capital (Private) Limited (Group Company) Outstanding 58,172 (2014: Nil) units at net asset value	26,200,000	-
Shirazi Investments (Private) Limited (Group Company) Outstanding 44,406 (2014: Nil) units at net asset value	19,999,891	-
NBP - Employees Pension Fund (Unit holder with more than 10% holding) Outstanding 302,698 (2014: 302,698) units at net asset value	136,332,338	133,514,216
<u>Key Management Personnel of Management Company - note 10.3</u> Outstanding 251,061 (2014: 229,972) units at net asset value	113,075,228	101,436,185

10.3 For the purpose of this disclosure, transactions by the Board of Directors, and key management personnel falling within the scope of "executive" under the Code of Corporate Governance, 2012 are included herein. The term "executive" includes the Chief Executive Officer, Chief Financial Officer and Company Secretary, Chief Internal Auditor, and executives of the Management Company of the Fund whose annual gross remuneration is Rs.4 million and above, as set by the Board of Directors of the Management Company for FY 2014-15.

10.4 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.

11. GENERAL

11.1 Figures have been rounded off to the nearest Rupee.

11.2 Corresponding figures have been re-classified, re-arranged or additionally incorporated in these condensed interim financial statements, wherever necessary to facilitate comparison and to conform with changes in presentation in the current period. No significant rearrangements or reclassifications were made in these condensed interim financial statements.

12. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the management company on 30 October 2014.

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

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Azam Faruque
Director

First Quarter Report 2014-15

Atlas Gold 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

Atlas Gold Fund

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED) AS AT 30 SEPTEMBER 2014

		30 September 2014 Un-audited	30 June 2014 Audited
	Note	----- Rupees -----	-----
ASSETS			
Bank balances	4	25,322,844	138,529,807
Investments	5	163,064,055	-
Financial assets at fair value through profit or loss		-	3,512,609
Interest accrued		604,374	1,052,877
Deferred formation cost		895,875	955,600
Margin deposits with Pakistan Mercantile Exchange Limited against future contracts		15,168,796	24,755,727
Prepayments		22,500	-
Total assets		205,078,444	168,806,620
LIABILITIES			
Payable to Atlas Asset Management Limited - Management Company	6	1,975,627	2,084,151
Payable to Central Depository Company of Pakistan Limited - Trustee		28,184	29,026
Annual fee payable to the Securities & Exchange Commission of Pakistan		38,447	159,635
Financial liabilities at fair value through profit or loss	7	4,066,979	-
Accrued and other liabilities	8	578,970	874,551
Total liabilities		6,688,207	3,147,363
NET ASSETS		198,390,237	165,659,257
UNIT HOLDERS' FUND		198,390,237	165,659,257
CONTINGENCIES AND COMMITMENTS	9		
NUMBER OF UNITS IN ISSUE		2,059,761	1,561,249
NET ASSET VALUE PER UNIT		96.32	106.11

The annexed notes from 1 to 14 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

Azam Faruque
Director

First Quarter Report 2014-15

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)

FOR THE QUARTER ENDED 30 SEPTEMBER 2014

	Note	For the quarter ended 30 September 2014	For the period from 26 June 2013 to 30 September 2013
		Rupees	
Income			
Interest income	10	4,785,556	3,873,897
Net (loss)/gain on investments and derivatives			
Net unrealised loss on government securities		(36,802)	-
Realised (loss)/gain on gold contracts		(11,707,134)	3,623,806
Net unrealised loss on future contracts of gold	7.1	(4,066,979)	(3,981,566)
		(15,810,915)	(357,760)
Element of income and capital gains included in prices of units sold less those in units redeemed - net		170,434	228,966
		(10,854,925)	3,745,103
Expenses			
Remuneration of Atlas Asset Management Limited - Management Company		768,972	695,484
Sindh sales tax on remuneration of the Management Company	6.1	133,801	129,082
Federal Excise Duty on remuneration of the Management Company	6.2	123,036	111,277
Remuneration of Central Depository Company of Pakistan Limited - Trustee		87,152	78,822
Annual fee - Securities and Exchange Commission of Pakistan		38,447	34,772
Auditors' remuneration		86,250	31,250
Annual listing fee		7,500	22,805
Printing charges		63,750	10,888
Securities transaction cost		214,910	68,259
Amortisation of formation cost		59,725	52,024
Bank charges		3,571	8,139
Provision for Workers' Welfare Fund	8.1	-	50,046
		1,587,114	1,292,848
Net (loss)/income for the period before taxation		(12,442,039)	2,452,255
Taxation	11	-	-
Net (loss)/income for the period after taxation		(12,442,039)	2,452,255

The annexed notes from 1 to 14 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

Azam Faruque
Director

Atlas Gold Fund

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2014

	For the quarter ended 30 September 2014	For the period from 26 June 2013 to 30 September 2013
	----- Rupees -----	
Net (loss)/income for the period after taxation	(12,442,039)	2,452,255
Other comprehensive income	-	-
Total comprehensive (loss)/income for the period	(12,442,039)	2,452,255

The annexed notes from 1 to 14 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

Azam Faruque
Director

First Quarter Report 2014-15

CONDENSED INTERIM DISTRIBUTION STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2014

	For the quarter ended 30 September 2014	For the period from 26 June 2013 to 30 September 2013
	----- Rupees -----	
Undistributed income brought forward	9,534,345	-
Cash dividend for the period ended 30 June 2014 at the rate of Rs.3.75 per unit declared on 7 July 2014 (2013: Nil)	(5,854,684)	-
Net (loss)/income for the period after taxation	(12,442,039)	2,452,255
(Accumulated loss)/Undistributed income carried forward	(8,762,378)	2,452,255

The annexed notes from 1 to 14 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

Azam Faruque
Director

Atlas Gold Fund

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2014

	For the quarter ended 30 September 2014		For the period from 26 June 2013 to 30 September 2013	
	Units	Rupees	Units	Rupees
Net assets at the beginning of the period (Rs.106.11 per unit)	1,561,249	165,659,257	-	-
Issue of units	530,698	54,489,479	2,302,169	230,570,069
Redemption of units	(32,186)	(3,291,342)	(67,928)	(6,917,033)
	498,512	51,198,137	2,234,241	223,653,036
Element of income and capital gains included in prices of units sold less those in units redeemed - net	-	(170,434)	-	(228,966)
Cash dividend for the period ended 30 June 2014 at the rate of Rs.3.75 per unit declared on 7 July 2014 (2013: Nil)	-	(5,854,684)	-	-
Net unrealised loss on government securities	-	(36,802)	-	-
Realized (loss)/gain on gold contracts	-	(11,707,134)	-	3,623,806
Net unrealised loss on future contracts of gold	-	(4,066,979)	-	(3,981,566)
Net other income for the period	-	3,368,876	-	2,810,015
Total comprehensive (loss)/income for the period	-	(12,442,039)	-	2,452,255
Net assets at the end of the period [Rs.96.32 (2013: Rs.101.10) per unit]	2,059,761	198,390,237	2,234,241	225,876,325

The annexed notes from 1 to 14 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

Azam Faruque
Director

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CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2014

	For the quarter ended 30 September 2014	For the period from 26 June 2013 to 30 September 2013
	----- Rupees -----	
Cash flows from operating activities		
Net (loss)/income for the period after taxation	(12,442,039)	2,452,255
Adjustments:		
Interest income	(4,785,556)	(3,873,897)
Net unrealised loss on government securities	36,802	-
Realised loss/(gain) on gold contracts	11,707,134	(3,623,806)
Net unrealised loss on future contracts of gold	4,066,979	3,981,566
Amortization of formation cost	59,725	52,024
Element of income and capital gains included in prices of units sold less those in units redeemed - net	(170,434)	(228,966)
	10,914,650	(3,693,079)
	(1,527,389)	(1,240,824)
Decrease/(increase) in assets		
Deferred formation cost	-	(1,194,500)
Margin deposits with Pakistan Mercantile Exchange Limited against future contracts	9,586,931	(24,675,824)
Prepayments	(22,500)	(81,920)
	9,564,431	(25,952,244)
(Decrease)/Increase in liabilities		
Payable to Atlas Asset Management Limited - Management Company	(108,524)	1,647,622
Payable to Central Depository Company of Pakistan Limited - trustee	(842)	31,659
Annual fee payable to the Securities and Exchange Commission of Pakistan	(121,188)	34,772
Accrued and other liabilities	(295,581)	113,840
	(526,135)	1,827,893
Interest received	5,234,059	3,047,015
Investments made during the period	(483,100,857)	(479,964,945)
Investments sold/matured during the period	311,805,475	483,588,751
Net cash used in operating activities	(158,550,416)	(18,694,354)
Cash flows from financing activities		
Proceeds from issue of units	54,489,479	230,570,069
Payment on redemption of units	(3,291,342)	(6,917,033)
Cash dividend	(5,854,684)	-
Net cash generated from financing activities	45,343,453	223,653,036
Net increase in cash and cash equivalents during the period	(113,206,963)	204,958,682
Cash and cash equivalents at the beginning of the period	138,529,807	-
Cash and cash equivalents at the end of the period 4	25,322,844	204,958,682

The annexed notes from 1 to 14 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

Azam Faruque
Director

Atlas Gold Fund

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2014

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Atlas Gold Fund (the Fund) is an open ended Fund constituted by a trust deed entered into on 6 May 2013 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 amended through the First Supplemental Trust deed dated 13 May 2014, with the approval of the Securities and Exchange Commission of Pakistan (SECP). The Offering Document of the Fund has been amended through the 1st Supplement dated 13 May 2014, with the approval of the SECP. The investment activities and administration of the Fund are managed by AAML situated at Ground Floor, Federation House, Shahr-e Firdousi, Clifton, Karachi.
- 1.2 Units of the Fund are offered for public subscription on a continuous basis since 15 July 2013, 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 with capital appreciation through investment in gold or gold futures contracts traded on the Commodity Exchange. The Fund aims to deliver this objective mainly by investing at least 70% of the net assets in gold or gold futures contracts during the year based on quarterly average investments calculated on daily basis. The remaining net assets of the Fund shall be invested in cash and near cash instruments which includes cash in bank accounts (excluding TDR), and treasury bills not exceeding 90 days maturity. At least 10% of the net assets of the Fund shall remain invested in cash and near cash instruments at all times. The investment objectives and policy 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.

The 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 period ended 30 June 2014.

In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that these condensed interim financial statements give a true and fair view of the state of the Fund's affairs as at 30 September 2014.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual published financial statements of the Fund for the period ended 30 June 2014.

The preparation of these condensed interim financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

The significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to financial statements as at and for the period ended 30 June 2014.

The financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the period ended 30 June 2014.

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	30 September 2014	30 June 2014
	Un-audited	Audited
Note	Rupees	

4. BANK BALANCES

In PLS saving account	4.1	<u>25,322,844</u>	<u>138,529,807</u>
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4.1 The rate of return on the account is 9.20% (30 June 2014: 9.20%) per annum.

5. INVESTMENTS - at fair value through income statement

Government securities

Market Treasury Bills - held-for-trading	5.1	<u>163,064,055</u>	<u>-</u>
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5.1 Market Treasury Bills - held for trading

Treasury bills	Face value (Rupees)			Rupees		Percentage of	
	Acquired during the period	Sold/ Matured during the period	At the end of the period	Amortized cost	Market Value	Total Investments	Net Assets
3 Months - Tibills	45,000,000	45,000,000	-	-	-	-	-
6 Months - Tibills	440,000,000	275,000,000	165,000,000	163,100,857	163,064,055	100.00	82.19
	<u>485,000,000</u>	<u>320,000,000</u>	<u>165,000,000</u>	<u>163,100,857</u>	<u>163,064,055</u>	<u>100.00</u>	<u>82.19</u>

5.2 The cost of investment as on 30 September 2014 is Rs.162,835,860 (30 June 2014: Nil).

5.3 The Market treasury bills carries purchase yield of 9.9% (30 June 2014: Nil) per annum and will mature on 13 November 2014 (30 June 2014: Nil).

	30 September 2014	30 June 2014
	Un-audited	Audited
Note	Rupees	

6. PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY - RELATED PARTY

Management fee		248,672	256,110
Formation cost payable		955,600	1,194,500
Sindh Sales Tax payable on Remuneration of the Management Company	6.1	137,489	122,711
Federal Excise Duty payable on remuneration of the Management Company	6.2	633,866	510,830
		<u>1,975,627</u>	<u>2,084,151</u>

6.1 During the period, an amount of Rs.133,801 (30 September 2013: Rs.129,082) was charged on account of sales tax on remuneration of the Management Company levied through Sindh Sales Tax on Services Act, 2011, and an amount Rs.119,023 (30 September 2013: Rs.66,582) has been paid to the Management Company which acts as a collecting agent.

Atlas Gold Fund

6.2 The Finance Act, 2013 has enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from 13 June 2013. As the asset management services rendered by the Management Company of the Fund are already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund as explained in note 6.1 above, the Management Company is of the view that further levy of FED is not justified.

On 4 September 2013, a Constitutional Petition has been filed in Honorable Sindh High Court (SHC) jointly by various asset management companies, together with their representative Collective Investment Schemes through their trustees, challenging the levy of FED. In this respect, the Hon'ble SHC has issued a stay order against recovery proceedings. The hearing of the petition is pending.

In view of the pending decision, as a matter of abundant caution, the Management Company of the Fund has made a provision for FED in the books of account of the Fund.

	30 September 2014	30 June 2014
	Un-audited	Audited
Note	----- Rupees -----	-----

7. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT AND LOSS

Held-for-trading - derivative financial instruments

- Future Gold Contracts	7.1	<u>4,066,979</u>	<u>-</u>
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7.1 This represents net fair value of gold futures contracts entered into by the Fund at the Pakistan Mercantile Exchange. The details of the outstanding contracts are given in the table below:

Commodity Contracts	Maturity Date	Quantity - ounces	Value of Gold in futures market US \$	Value of Gold in futures market equivalent Pak Rupees	Market Value as a Percentage of net assets
Gold 10 oz - Dec. 2014	25 Nov 2014	<u>1,360</u>	<u>1,644,512</u>	<u>168,776,267</u>	<u>85.07</u>
Liabilities against gold futures at contracted rates			USD\$ 1,684,140	<u>172,843,246</u>	
Unrealised loss on future contracts of gold				<u>4,066,979</u>	

	30 September 2014	30 June 2014
	Un-audited	Audited
Note	----- Rupees -----	-----

8. ACCRUED AND OTHER LIABILITIES

Auditors' remuneration payable		81,250	229,700
Printing charges payable		273,900	210,150
Withholding tax payable		23,470	240,123
Zakat payable		3,586	-
Brokerage payable		2,186	-
Provision against Workers' Welfare Fund	8.1	194,578	194,578
		<u>578,970</u>	<u>874,551</u>

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- 8.1 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 Honourable High Court of Sindh (SHC), challenging the applicability of WWF to the CISs / Pension Funds, which is pending adjudication.

During the year ended 30 June 2011, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) on 8 July 2010 which stated that Mutual Funds are not liable to contribute to WWF on the basis of their income. However, on 14 December 2010 the Ministry filed its response against the Constitutional Petition requesting the Court to dismiss the same. Show cause notices were then issued by Federal Board of Revenue (FBR) to several Mutual Funds (CISs) / Pension Funds for the collection of WWF including some of the mutual funds and pension funds managed by the AMC. In respect of such show cause notices, certain Mutual Funds (CISs) / Pension Funds have been granted stay by Honourable SHC on the basis of the pending Constitutional Petition as referred above.

In March 2013, a three member bench of the Sindh High Court in its judgment on various Constitutional Petitions challenging the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006 and the Finance Act, 2008, held that WWF is a tax and consequently, the amendments introduced in the Workers' Welfare Fund Ordinance, 1971 through Finance Act, 2006 and 2008 respectively (Money Bills) do not suffer from any constitutional or legal infirmity. This judgment was in contrast to the July 2011 single member bench decision of the Honourable Lahore High Court which had held such amendments as unlawful and unconstitutional for the reason that they were made through the money bills.

In a recent judgement of May 2014, the Honorable Peshawar High Court (PHC) has also held these amendments to be ultra vires as they lacked the essential mandate to be introduced and passed through the Money Bill under the constitution. For the CISs and Pension Funds, the issue of chargeability or otherwise of WWF levy to the CISs / Pension Funds is currently pending before the Honourable SHC.

In view of the pending decision, the Management Company of the Fund, as a matter of abundant caution, has decided to maintain a provision in respect of WWF. However, due to loss during the quarter ended 30 September 2014, no provision was necessitated. The aggregate provision for WWF amounts to Rs.194,578 (30 June 2014: Rs.194,578). Had the same not been made, the net asset value per unit of the Fund would have been higher by Re.0.09 per unit (30 June 2014: Re.0.12) per unit..

9. CONTINGENCIES AND COMMITMENTS

- 9.1 There were no contingencies outstanding as at 30 September 2014.

	30 September 2014	30 June 2014
	Un-audited	Audited
Note	----- Rupees -----	-----

9.2 COMMITMENTS

Purchase of:

Ounce Gold Contracts US \$ 1,644,512
(30 June 2014: US \$ 1,367,634)

168,776,267

135,122,239

- 9.2.1 This represents the investment in future gold contracts with settlement date of 25 November 2014 (30 June 2014: 28 July 2014).

Atlas Gold Fund

	For the quarter ended 30 September 2014	For the period from 26 June 2013 to 30 September 2013
	Un-audited	Un-audited
	----- Rupees -----	

10. INTEREST INCOME

Profit on PLS savings account and deposits	2,892,724	2,176,362
Government Securities - Market Treasury bills	1,892,832	1,697,535
	4,785,556	3,873,897

11. TAXATION

The Fund's income is exempt from Income Tax as per Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed as cash dividend amongst the unit holders. Further, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income, other than unrealized capital gains to the unit holders. The management intends to distribute at least 90% of the Fund's net accounting income earned by the year end, as cash dividend, to the unit holders. Accordingly, no provision has been made for taxation in these condensed interim financial statements.

	For the quarter ended 30 September 2014	For the period from 26 June 2013 to 30 September 2013
	Un-audited	Un-audited
	----- Rupees -----	

12. TRANSACTIONS WITH RELATED PARTIES/CONNECTED PERSONS

12.1 Details of transaction with related parties during the period are as follows:

Atlas Asset Management Limited (Management Company)		
Remuneration of the Management Company	768,972	695,484
Remuneration paid	776,410	416,139
Sindh Sales Tax on Remuneration of the Management Company	133,801	129,082
Federal Excise Duty on Remuneration of the Management Company	123,036	111,277
Formation cost paid	238,900	-
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration of the Trustee	87,152	78,822
Remuneration paid	87,994	47,163
Atlas Battery Limited (Group Company)		
Issue of 13,748 (2013: 500,339) units	1,407,204	50,033,904
Cash Dividend	1,876,271	-
Atlas Foundation (Group Company)		
Issue of 4,124 (2013: 150,102) units	422,161	15,010,171
Cash Dividend	562,881	-
Atlas Honda Limited (Group Company)		
Issue of 486,522 (2013: 499,800) units	49,970,710	50,000,000
Atlas Insurance Limited (Group Company)		
Issue of 2,793 (2013: 50,000) units	285,854	5,000,000
Cash Dividend	381,138	-
Batools Benefit Trust (Trust having common Director / Trustee)		
Issue of 4,124 (2013: 150,102) units	422,161	15,010,171
Cash Dividend	562,881	-

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	For the quarter ended 30 September 2014	For the period from 26 June 2013 to 30 September 2013
	Un-audited	Un-audited
Note	-----	Rupees -----

12.1 Details of transaction with related parties during the period are as follows: (Continued...)

Shirazi Investments (Private) Limited-Employees Provident Fund (Retirement benefit plan of a Group Company)		
Issue of Nil (2013: 7,106) units	-	710,642
Atlas Group of Companies, Management Staff Gratuity Fund (Unit holder with more than 10% holding)		
Issue of 11,621 (2013: 317,215) units	1,189,556	31,721,495
Cash Dividend	1,189,556	-
Key Management Personnel of Management Company 12.3		
Issue of 1,645 (2013: 53,382) units	168,423	5,355,199
Cash Dividend	187,137	-
	30 September 2014	30 June 2014
	Un-audited	Audited
	Note -----	Rupees -----

12.2 Details of balances with related parties as at the period end are as follows:

Atlas Asset Management Limited (Management Company)		
Remuneration payable to the management company	248,672	256,110
Formation cost payable	955,600	1,194,500
Sindh sales tax payable on remuneration of the Management Company	137,489	122,711
Federal Excise Duty payable on remuneration of the Management Company	633,866	510,830
Central Depository Company of Pakistan Limited (Trustee)		
Trustee fee payable	28,184	29,026
Atlas Battery Limited (Group Company)		
Outstanding 514,087 (30 June 2014: 500,339) units - at net asset value	49,516,825	53,090,976
Atlas Foundation (Group Company)		
Outstanding 154,226 (30 June 2014: 150,102) units - at net asset value	14,855,047	15,927,293
Atlas Honda Limited (Group Company)		
Outstanding 486,522 (30 June 2014: Nil) units - at net asset value	46,861,832	-
Atlas Insurance Limited (Group Company)		
Outstanding 104,430 (30 June 2014: 101,637) units - at net asset value	10,058,651	10,784,690
Batools Benefit Trust (Trust having common Director/Trustee)		
Outstanding 154,226 (30 June 2014: 150,102) units - at net asset value	14,855,047	15,927,293

Atlas Gold Fund

	30 September 2014 Un-audited	30 June 2014 Audited
Note -----	Rupees -----	

12.2 Details of balances with related parties as at the period end are as follows: (Continued...)

Atlas Group of Companies, Management Staff Gratuity Fund (Unit holder with more than 10% holding)		
Outstanding 328,836 (30 June 2014: 317,215) units - at net asset value	31,673,508	33,659,679
Key Management Personnel of Management Company 12.3		
Outstanding 51,549 (30 June 2014: 49,903) units - at net asset value	4,965,152	5,295,218

12.3 For the purpose of this disclosure, transactions by the Board of Directors, and key management personnel falling within the scope of "executive" under the Code of Corporate Governance, 2012 are included herein. The term "executive" includes the Chief Executive Officer, Chief Financial Officer & Company Secretary, Chief Internal Auditor, and executives of the Management Company of the Fund whose gross remuneration is Rs.4 million and above, as set by the Board of Directors of the Management Company for FY 2014-15.

12.4 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.

13. GENERAL

13.1 Figures have been rounded off to the nearest Rupee.

13.2 Corresponding figures have been reclassified, rearranged or additionally incorporated in these condensed interim financial statements, wherever necessary to facilitate comparison and to conform with changes in presentation in the current year. No significant rearrangements or reclassifications were made in these condensed interim financial statements.

14. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the management company on 30 October 2014.

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

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Azam Faruque
Director

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