



Atlas Sovereign Liquid Fund

Atlas Money Market Fund

Atlas Income Fund

Atlas Stock Market Fund

Atlas Gold Fund

QUARTERLY REPORT

30 September 2016

(UN-AUDITED)

Atlas
funds
Nurturing your investments



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.

First Quarter Report 2016-17

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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. Tariq Amin
(Independent Director)

Mr. Shamshad Nabi
(Independent Director)

Mr. Frahim Ali Khan
(Non-Executive Director)

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

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

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

Company Secretary Ms Qurrat-ul-Ain Jafari

Board Committees

Audit Committee

Chairman Mr. Tariq Amin

Members Mr. Shamshad Nabi
Mr. Frahim Ali Khan

Secretary Mr. M. Uzair Uddin Siddiqui

Board Evaluation Committee

Chairman Mr. Tariq Amin

Members Mr. Shamshad Nabi
Mr. Ali H. Shirazi

Secretary Mr. M. Habib-ur-Rahman

Human Resource & Remuneration Committee

Chairman Mr. Frahim Ali Khan

Members Mr. Ali H. Shirazi
Mr. M. Habib-ur-Rahman

Investment Committee

Chairman Mr. M. Habib-ur-Rahman

Members Mr. Ali H. Shirazi
Mr. Muhammad Abdul Samad
Mr. Khalid Mahmood
Mr. Muhammad Umar Khan
Mr. Fawad Javaid

Secretary Mr. Faran ul Haq

Management Committee

Chairman Mr. M. Habib-ur-Rahman

Members Mr. Muhammad Abdul Samad
Mr. Abbas Sajjad
Mr. Khalid Mahmood
Ms Qurrat-ul-Ain Jafari

Secretary Mr. Muhammad Umar Khan

Risk Management Committee

Chairman Mr. M. Habib-ur-Rahman

Members Mr. Muhammad Abdul Samad
Mr. Khalid Mahmood

Secretary Mr. Muhammad Faizan Ghori

Chief Internal Auditor

Mr. M. Uzair Uddin Siddiqui

Registered Office

Ground Floor, Federation House, Sharae Firdousi
Clifton, Karachi - 75600
Tel: (92-21) 111-MUTUAL (6-888-25)
(92-21) 35379501-04
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Email: info@atlasfunds.com.pk
Website: www.atlasfunds.com.pk

Atlas Funds

CHAIRMAN'S REVIEW

It is my pleasure to present to you the un-audited financial statements of Atlas Sovereign Liquid Fund (ASLF), Atlas Money Market Fund (AMF), Atlas Income Fund (AIF), Atlas Stock Market Fund (ASMF) and Atlas Gold Fund (AGF) for the three months period ended 30 September 2016 of the FY 2016-17.

THE ECONOMY

During the period July-September FY 2016-17, total exports stood at US\$ 4.68 billion as compared to US\$ 5.14 billion worth of exports reported in the same period last year. The foreign exchange reserves of the country stood at US\$ 23.61 billion as on 30 September 2016 with SBP's share of US\$ 18.49 billion in the total liquid foreign exchange reserves. Foreign remittances for the period July-September FY 2016- 17 stood at US\$ 4.70 billion, which was a decrease of 5.39% YoY compared to the corresponding period last year. CPI inflation for the period of July-September FY 2016-17 was recorded at 3.9%. The SBP in its latest monetary policy statement decided to keep the policy rate unchanged at 5.75%. Previously, accommodative monetary stance of SBP saw cumulative decline in policy rate of 425 bps since November 2014 till May 2016. The current policy rate of 5.75% is the lowest rate in last 44 years reflecting improved macro economic conditions.

FUND OPERATIONS - ASLF

The Net Asset Value per unit of Atlas Sovereign Liquid Fund increased by 1.25% to Rs. 101.36 as on 30 September 2016, providing an annualized total return of 4.96%. The ASLF's total exposure in Treasury Bills stood at 32.4% with remaining in short term deposits with banks/cash. ASLF 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. 756.58 million, with 7.46 million units outstanding as of 30 September 2016.

FUND OPERATIONS - AMF

The Net Asset Value per unit of Atlas Money Market Fund increased by 1.32% to Rs.507.72 as on 30 September 2016, thus providing an annualized total return of 5.24%. The AMF's total exposure in short term deposits with banks/cash stood at 99.8%. AMF presents a good investment opportunity for investors to earn attractive returns while maintaining high liquidity with low risk. The Net Assets of the Fund stood at Rs. 3.82 billion, with 7.53 million units outstanding as of 30 September 2016.

FUND OPERATIONS - AIF

The Net Asset Value per unit of Atlas Income Fund increased by 1.28% to Rs.517.79 as on 30 September 2016, this works out to 5.08% on an annualized basis. AIF's current asset allocation is 23.41% in Pakistan Investment Bonds, 4.18% in Treasury bills, 15.44% in Term Finance Certificate/ Sukuk, 15.70% 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.9.47 billion with 18.29 million units outstanding as of 30 September 2016.

FUND OPERATIONS - ASMF

The Net Asset Value per unit of Atlas Stock Market Fund increased by 9.76% to Rs.547.25 as on 30 September 2016. The benchmark KSE-100 index has increased by 7.30% during the same period. The KSE - 100 has increased from 37,783.54 points as on 30 June 2016 to 40,541.81 points as on 30 September 2016. The ASMF's equity portfolio exposure was mainly in Commercial Banks, Oil & Gas Exploration, Cement and Fertilizer 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.4.58 billion, with 8.38 million units outstanding as of 30 September 2016.

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FUND OPERATIONS - AGF

The Net Asset Value per unit of Atlas Gold Fund remained flat to Rs.105.78 as on 30 September 2016. The benchmark has increased by 0.37% during the same period. AGF's current asset allocation is 78.9% in Gold futures contracts and remaining in bank deposits/others. The Net Assets of the Fund stood at Rs.301.46 million, with 2.85 million units outstanding as of 30 September 2016.

RATINGS

• Asset Manager Rating

The Pakistan Credit Rating Agency Limited (PACRA) assigned asset manager rating of Atlas Asset Management Limited (AAML) to "AM2" (AM Two). The rating denotes high quality as the asset manager meets high investment management industry standards and benchmarks with noted strengths in several of the rating factors.

• Rating/Ranking - ASLF

PACRA has assigned a stability rating of "AA (f)" (Double A- 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 - AMF

PACRA has assigned a stability rating of "AA (f)" (Double A- 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 "AA- (f)" (Double A Minus - 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 risk.

FUTURE OUTLOOK

Pakistan economic growth has accelerated in recent periods on the cumulative impact of the government's macroeconomic and structural reforms, lower oil prices, and improved security conditions. Inflation and the current account deficit have been lower than expected, while foreign exchange reserves have strengthened and the budget deficit has been reduced. Tax reforms were launched to improve revenue performance and substantial progress has been achieved toward restructuring the power sector. However, key challenges remain regarding improving productivity, increasing exports, attracting investment and strengthening public enterprises. Trade reforms and business friendly regulatory & administrative changes would also help improve business climate in the country. A major impetus to growth going forward will be the implementation of USD 46 billion program of infrastructure spending on roads, railways, pipelines and power projects under CPEC. Overall, improved macro-economic environment has thus opened up opportunity for efficient reforms to ensure improvements in the economy are sustainable.

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

Atlas Funds

خودی کو کر بلند اتنا کہ ہر تقدیر سے پہلے
خدا بندے سے خود پوچھے بتا تیری رضا کیا ہے

(Self-reliance depends on Self-determination)

ACKNOWLEDGEMENT

I would like to thank the Securities and Exchange Commission of Pakistan, the Board of Directors, and the Group Executive Committee for their help, support and guidance. I also thank the financial institutions and the unit holders for their help, support and the confidence reposed in the 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: 27 October 2016

Yusuf H. Shirazi
Chairman

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Atlas Sovereign Liquid 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

EY Ford Rhodes
Chartered Accountants

Legal Advisers

Bawaney & Partners

Bankers

Allied Bank Limited
Bank Alfalah Limited
Bank Al-Habib Limited
Faysal Bank Limited
United Bank Limited

Atlas Sovereign Liquid Fund

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED)
AS AT 30 SEPTEMBER 2016

		30 September 2016 Un-audited	30 June 2016 Audited
	Note	----- Rupees -----	-----
Assets			
Bank balances	4	511,509,662	528,149,900
Investments	5	246,072,600	223,930,475
Profit receivable on bank deposits		852,440	229,745
Prepayment and other receivables		494,620	453,482
Deffered formation cost		714,465	780,000
Total assets		759,643,787	753,543,602
Liabilities			
Payable to Atlas Asset Management Limited - Management Company	6	2,131,888	2,290,253
Payable to Central Depository Company of Pakistan Limited - Trustee		105,093	71,212
Payable to the Securities and Exchange Commission of Pakistan		141,994	471,393
Accrued expenses and other liabilities	7	684,137	3,750,760
Total liabilities		3,063,112	6,583,618
NET ASSETS		756,580,675	746,959,984
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		756,580,675	746,959,984
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NUMBER OF UNITS IN ISSUE		7,464,050	7,461,205
NET ASSET VALUE PER UNIT		101.36	100.11

The annexed notes from 1 to 15 form an integral part of these financial statements.

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

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CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2016

		30 September 2016	30 September 2015
	Note	Un-audited ----- Rupees -----	Un-audited ----- Rupees -----
Income			
Interest income	10	11,307,497	10,847,921
Capital (loss)/gain on sale of investments - net		(30,269)	27,278
Net unrealised (diminution)/appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		(104,184)	278,474
		(134,453)	305,752
Element of income/(loss) and capital gain/(losses) included in prices of units issued less those in units redeemed - net		7,549	(212,647)
Total income		11,180,593	10,941,026
Expenses			
Remuneration of Atlas Asset Management Limited - Management Company	6.1	851,952	674,166
Sindh Sales Tax on remuneration of management company	6.2	110,754	109,485
Federal Excise Duty on Remuneration of the Management Company	6.3	-	107,867
Remuneration of Central Depository Company of Pakistan Limited - Trustee		283,986	224,722
Sindh Sales Tax on remuneration of Trustee		36,918	31,461
Annual fees to the Securities & Exchange Commission of Pakistan		141,994	112,361
Accounting and operational charges	8	189,322	-
Sindh Sales Tax on accounting and operational charges		14,650	-
Annual rating fee		63,215	59,071
Annual listing fee		13,862	10,055
Securities transaction cost		4,657	-
Auditors' remuneration		56,017	79,663
Printing charges		9,429	31,421
Amortisation of formation cost		65,535	65,355
Bank charges		2,361	6,841
Total expenses		1,844,652	1,512,468
Net income for the period before taxation		9,335,941	9,428,558
Taxation	12	-	-
Net income for the period after taxation		9,335,941	9,428,558

The annexed notes from 1 to 15 form an integral part of these financial statements.

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

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

Atlas Sovereign Liquid Fund

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2016

	2016	2015
	----- Rupees -----	
Net income for the period after taxation	9,335,941	9,428,558
Other comprehensive income	-	-
Total comprehensive income for the period	9,335,941	9,428,558

The annexed notes from 1 to 15 form an integral part of these financial statements.

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

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CONDENSED INTERIM DISTRIBUTION STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2016

	2016	2015
	----- Rupees -----	
Undistributed income brought forward [includes unrealize gain on investments: Rs.2,536,130] [2015: includes unrealize gain on investments: Rs. Nil]	761,307	15,069,001
Net income for the period after taxation	9,335,941	9,428,558
Other comprehensive income	-	-
Total Comprehensive income for the period	9,335,941	9,428,558
Final cash distribution for the year ended 30 June 2015 at the rate of Rs. 2.50 per unit on 7 July 2015	-	(14,745,949)
Undistributed income carried forward [includes unrealize gain on investments: Rs.2,588,700] [2015: includes unrealize gain on investments: Rs.4,709,420]	10,097,248	9,751,610

The annexed notes from 1 to 15 form an integral part of these financial statements.

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

Atlas Sovereign Liquid Fund

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2016

	30 September 2016		30 September 2015	
	Units	Rupees	Units	Rupees
Net assets at the beginning of the period [Rs.100.11 per unit (2015: Rs.102.55 per unit)]	7,461,205	746,959,984	5,898,379	604,906,951
Issue of units	14,876	1,505,000	421,534	42,580,278
Redemption of units	(12,031)	(1,212,701)	(538,497)	(54,495,116)
	2,845	292,299	(116,963)	(11,914,838)
Element of (Income)/loss and capital (gains)/losses included in prices of units sold less those in units redeemed - net	-	(7,549)	-	212,647
Capital (loss)/gain on sale of investments - net	-	(30,269)	-	27,278
Net unrealised (diminution)/appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	-	(104,184)	-	278,474
Other net income for the period	-	9,470,394	-	9,122,806
Total comprehensive income for the period	-	9,335,941	-	9,428,558
Final cash distribution for the year ended 30 June 2015 at the rate of Rs. 2.50 per unit on 7 July 2015	-	-	-	(14,745,949)
Net assets at the end of the period [Rs.101.36 per unit (2015: Rs.101.69 per unit)]	7,464,050	756,580,675	5,781,416	587,887,369

The annexed notes from 1 to 15 form an integral part of these financial statements.

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

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CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE QUARTER ENDED 30 SEPTEMBER 2016

	2016	2015
	----- Rupees -----	
Cash flows from operating activities		
Net income for the period after taxation	9,335,941	9,428,558
Adjustments for:		
Interest income	(11,307,497)	(10,847,921)
Capital loss/(gain) on sale of investments - net	30,269	(27,278)
Net unrealised diminution/(appreciation) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	104,184	(278,474)
Amortisation of formation cost	65,535	65,355
Element of (income)/loss and capital (gains)/losses included in prices of units sold less those in units redeemed - net	(7,549)	212,647
	(11,115,058)	(10,875,671)
(Increase)/Decrease in assets		
Prepayment and other receivables	(41,138)	(29,945)
(Decrease)/Increase in liabilities		
Payable to Atlas Asset Management Limited - Management Company	(158,365)	(2,075,395)
Payable to Central Depository Company of Pakistan Limited - Trustee	33,881	(147,773)
Payable to the Securities and Exchange Commission of Pakistan	(329,399)	(170,641)
Accrued expenses and other liabilities	(3,066,623)	(2,519,636)
	(3,520,506)	(4,913,445)
	(5,340,761)	(6,390,503)
Interest received	10,684,802	5,957,231
Investments made during the period	(980,621,517)	(815,188,298)
Investments sold/matured during the period	958,344,939	398,299,494
Net cash used in operating activities	(16,932,537)	(417,322,076)
Cash flows from financing activities		
Net receipt from issuance of units	1,505,000	203,725,251
Net Payment against redemption of units	(1,212,701)	(649,938,746)
Cash payout against distribution	-	(14,745,949)
Net cash generated from / (used in) financing activities	292,299	(460,959,444)
Net decrease in cash and cash equivalents	(16,640,238)	(878,281,520)
Cash and cash equivalents at the beginning of the period	528,149,900	1,041,938,687
Cash and cash equivalents at the end of the period	511,509,662	163,657,167

The annexed notes from 1 to 15 form an integral part of these financial statements.

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

Atlas Sovereign Liquid Fund

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2016

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Atlas Sovereign Liquid Fund (the Fund) is an open ended Fund constituted by a trust deed entered into on 19 August 2014 between Atlas Asset Management Limited (AAML) as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the trustee. The offering document has been revised through First Supplement dated 24 March 2015, Second supplement dated 3 August 2015, and Third supplement dated 23 June 2016, with the approval of the Securities and Exchange Commission of Pakistan. 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 The Fund is categorized as a 'money market scheme' by the Board of Directors pursuant to the provisions contained in Circular 7 of 2009 and is listed on Pakistan Stock Exchange (formerly Karachi Stock Exchange in which Lahore Stock Exchange and Islamabad Stock Exchange have amalgamated). The units of the Fund are being offered for public subscription on a continuous basis from 01 December 2014, and are transferable and redeemable by surrendering them to the Fund.
- 1.3 According to the Trust Deed, the objective of the Fund is to provide unit-holders competitive returns with low risk and high liquidity. The Fund aims to deliver this objective by investing primarily in short term Government securities, bank deposits (excluding TDRs), treasury bills, money market placements, deposits, certificates of deposits (CoDs), certificate of musharikas (CoM), commercial papers and reverse repo with weighted average time to maturity of net assets not exceeding 90 days and in case of a single asset, maximum time to maturity of six months. The investment objectives and policies are more fully defined in Fund's Offering document.
- 1.4 During the period, the Fund has revised its pricing mechanism regarding the Offer and Redemption of units, from forward pricing to known pricing with effect from 11 July 2016. Under the known pricing system, the Offer and Redemption Prices applicable to any sales and redemptions received during any business day are calculated on the basis of Net Asset Value as at the close of previous business day, plus the provision of sales load, any duties and charges, as applicable in the case of Offer Price, and as reduced by an appropriate provision of duties and charges in the case of Redemption Price. Uptill 10 July 2016, these were calculated on the basis of Net Asset Value of the close of that business day on which the sale and redemption requests are received.
- 1.5 The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM2 to the Management Company on 8 June 2016 and has assigned a rating of AA(f) to the Fund on 31 December 2015.
- 1.6 Titles to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.

2. BASIS OF PREPARATION

2.1 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 period ended 30 June 2016.

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 2016.

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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 2016.

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 2016.

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 2016.

4. BANK BALANCES

Balances with banks in:

- saving accounts

Note	30 September 2016	30 June 2016
	Un-audited	Audited
	Rupees	

4.1	511,509,662	528,149,900
	<u>511,509,662</u>	<u>528,149,900</u>

4.1 The rate of return on these accounts ranges between 3.75% to 6.50% (30 June 2016: 5.00% to 6.40%) per annum.

5. INVESTMENTS

At fair value through profit or loss - held for trading

Government securities - Market Treasury Bills

Note	30 September 2016	30 June 2016
	Un-audited	Audited
	Rupees	

5.1	246,072,600	223,930,475
	<u>246,072,600</u>	<u>223,930,475</u>

5.1 Market Treasury Bills - held-for-trading

	Face value (Rupees)				Rupees		Percentage	
	As at 01 July 2016	Acquired during the period	Sold/ Matured during the period	As at 30 September 2016	Amortised cost	Market Value	Market value as a percentage of total investments	Market value as a percentage of net assets
Treasury bills								
3 Months - T-bills	45,000,000	270,000,000	315,000,000	-	-	-	-	-
6 Months - T-bills	115,000,000	480,000,000	345,000,000	250,000,000	246,176,784	246,072,600	100.00	32.52
12 Months - T-bills	65,000,000	235,000,000	300,000,000	-	-	-	-	-
	<u>225,000,000</u>	<u>985,000,000</u>	<u>960,000,000</u>	<u>250,000,000</u>	<u>246,176,784</u>	<u>246,072,600</u>	<u>100.00</u>	<u>32.52</u>

5.2 The cost of investments as on 30 September 2016 is Rs. 243,483,900 (30 June 2016: 221,394,345).

5.3 These Market treasury bills carry purchase yields ranging from 5.77% to 5.82% per annum and will mature between 22 December 2016 and 19 January 2017 (30 June 2016: 5.99% to 6.16% per annum and will mature between 21 July 2016 and 18 August 2016).

Atlas Sovereign Liquid Fund

		30 September 2016	30 June 2016
	Note	Un-audited	Audited
		Rupees	
6. PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY (RELATED PARTY)			
Remuneration of the Management Company	6.1	279,003	187,398
Sindh Sales Tax payable on Remuneration of the Management Company	6.2	167,544	157,514
Federal Excise Duty payable on Remuneration of the Management Company	6.3	905,341	905,341
Formation cost payable		780,000	1,040,000
		2,131,888	2,290,253

6.1 As per the amendments made in the NBFC Regulations, 2008 vide SRO 1160(1)/2015 dated 25 November 2015, the Management Company is entitled to a remuneration equal to an amount not exceeding 1% of the average annual net assets incase of money market schemes. Previously, the Management Company was 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. During the quarter ended 30 September 2016 the Management Company has charged its remuneration at the rate of 0.45% (2015: 0.45%) per annum of the average net assets.

6.2 During the period, an amount of Rs. 110,754 (2015: Rs. 109,485) was charged on account of sales tax on management fee levied through Sindh Sales Tax on Services Act, 2011, an amount of Rs.100,724 (2015: Rs.348,844) has 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 was filed in the Honourable 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 SHC issued a stay order against recovery proceedings till the date of the next hearing.

In a recent order of the SHC, all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) have been set aside. However, as a matter of abundant caution full provision for FED on remuneration of the Management Company is being retained in the financial statements of the Fund from 13 June 2013 till 30 June 2016 as the management believes that the Federal government retains the right to appeal against the said order in the Supreme Court within the prescribed timeline. Had the same not been made the net asset value per unit of the Fund would have been higher by Rs. 0.12 (30 June 2016: Rs. 0.12) per unit.

With effect from 1 July 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016. Pending decision of the SHC, the Fund is not making payment in respect of FED.

In response to the above mentioned judgment, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan. Thereafter, during the pendency of the present civil petition, the Supreme Court has suspended the operation of impugned SHC judgment. The matter is still pending adjudication.

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		30 September 2016	30 June 2016
	Note	Un-audited	Audited
Rupees			
7. ACCRUED EXPENSES AND OTHER LIABILITIES			
Auditors' remuneration payable		71,262	206,765
Printing charges payable		99,443	90,014
Transaction charges payable		3,424	5,293
Annual rating fee payable		63,215	-
Withholding tax payable		33,767	3,069,927
Capital Gain Tax payable		701	86
Dividend payable		10,985	10,985
Accounting and operational charges payable		72,031	41,644
Sindh Sales Tax payable on accounting and operational charges payable		5,762	2,499
Provision for Workers' Welfare Fund	7.1	323,547	323,547
		684,137	3,750,760

7.1 The Finance Act, 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance) as a result of which it was construed that all Collective Investment Schemes / mutual funds (CISs) whose income exceeded Rs 0.5 million in a tax year were 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 was higher. In light of this, the Mutual Funds Association of Pakistan (MUFAP) filed a constitutional petition in the Honourable Sindh High Court challenging the applicability of WWF on CISs which is pending adjudication.

The Finance Act, 2015 introduced an amendment under which mutual funds and collective investment schemes have been excluded from the definition of industrial establishment. Consequently, mutual funds are not subject to this levy after the introduction of this amendment which is applicable for tax year 2016. The provision made till June 30, 2015 has not been reversed as the law suit referred to in the previous paragraph is still pending in the SHC.

Although the Management Company is hopeful that the case will be decided in favour of the Funds, it has retained the provision in the financial statements as at 30 September 2016 in respect of the liability towards WWF amounting to Rs. 323,547 (30 June 2016: 323,547) 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. 0.04 (30 June 2016: 0.04) per unit.

8. ACCOUNTING AND OPERATIONAL CHARGES

In accordance with the provisions of the NBFC Regulations, 2008 (amended vide S.R.O 1160(I) / 2015 dated 25 November 2015), the Management Company of the Fund is entitled to reimbursement of fees and expenses incurred by the Management Company in relation to registrar services, accounting, operation and valuation services related to the Fund upto a maximum of 0.1% of the average annual net assets of the Scheme or actual whichever is less. Accordingly, the Management Company has charged accounting and operational charges to the Fund at the rate of 0.1% per annum of the average annual net assets of the Fund.

9. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 30 September 2016 and 30 June 2016.

		For the Quarter Ended 30 September	
		2016	2015
	Note	Un-audited	Un-audited
Rupees			
10. INTEREST INCOME			
Profit on savings and term deposits		3,222,995	2,793,173
Income from government securities - Market Treasury bills		8,084,502	8,054,748
		11,307,497	10,847,921

Atlas Sovereign Liquid Fund

11. EXPENSE RATIO

Total Expense Ratio (TER) of the Fund is 0.97% including expenses representing Government levy, WWF and SECP Fee. However, after deducting Government levy, WWF and SECP Fee i.e. 0.16%, the expense ratio will be 0.81% which is inline with the limit specified by the Commission under the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

12. TAXATION

The income of the fund 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 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 in respect of taxation has been made in these condensed interim financial statements.

13. TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

	30 September 2016	30 September 2015
	Un-audited	Un-audited
Note	-----	Rupees -----

13.1 Transactions for the period:

Atlas Asset Management Limited (Management Company)

Remuneration of the Management Company	851,952	674,166
Remuneration paid	760,347	2,358,069
Sindh Sales tax on Remuneration of Management Company	110,754	109,485
Federal Excise Duty on Remuneration of the Management Company	-	107,867
Issue of Nil (2015: 5,737) units	-	574,009
Redemption of 4,975 (2015: 148,713) units	500,000	15,000,000

Central Depository Company of Pakistan Limited (Trustee)

Remuneration of Trustee	283,986	224,722
Remuneration paid	253,450	382,836
Sindh Sales tax on Remuneration of the trustee	36,918	31,461

Atlas Battery Limited (Group Company)

Cash Dividend	-	1,847,089
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Atlas Hitec (Private) Limited (Group Company)

Redemption of Nil (2015: 177,725) units	-	18,000,000
Cash Dividend	-	1,196,201

Atlas Honda Limited (Group Company)

Cash Dividend	-	5,549,690
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Shirazi Investments (Private) Limited (Group Company)

Issue of Nil (2015: 27,423) units	-	2,743,635
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Key Management Personnel of Management Company 13.4

Issue of Nil (2015: 426) units	-	42,629
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	30 September 2016 Un-audited	30 June 2016 Audited
Note	----- Rupees -----	

13.2 Investments/outstanding balances as at period/year end

Atlas Asset Management Limited (Management Company)		
Remuneration payable to the Management Company	279,003	187,398
Sindh Sales Tax payable on Remuneration of the Management Company	167,544	157,514
Federal Excise Duty payable on Remuneration of the Management Company	905,341	905,341
Formation cost payable	780,000	1,040,000
Outstanding 44,995 (30 June 2016: 49,970) units - at net asset value	4,560,682	5,002,499
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration payable to the Trustee	93,003	62,467
Sindh Sales Tax payable on remuneration of the trustee	12,090	8,745
Cherat Cement Company Limited - Workers Profit Participation Fund (Unit Holder with more than 10% holding)		
Outstanding Nil (30 June 2016: 636,487) units - at net asset value 13.3	N/A	65,358,214
Atlas Honda Limited (Group Company)		
Outstanding 4,995,504 (30 June 2016: 4,995,504) units - at net asset value	506,344,290	500,099,910
Shirazi Investments (Private) Limited (Group Company)		
Outstanding 1,554,968 (30 June 2016: 1,554,968) units - at net asset value	157,611,555	155,667,845
Key Management Personnel of Management Company 13.4		
Outstanding 16,377 (30 June 2016: 16,377) units - at net asset value	1,660,014	1,639,542

13.3 Holding being less than 10% in current reporting period, disclosure is not applicable.

13.4 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 Operating 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 2016-17.

13.5 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.

14. GENERAL

Figures have been rounded off to the nearest Rupee.

15. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on 27 October 2016.

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

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

Atlas Money Market Fund

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

Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Bank Al-Habib Limited
Faysal Bank Limited
United Bank Limited

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CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED) AS AT 30 SEPTEMBER 2016

		30 September 2016 Un-audited	30 June 2016 Audited
	Note	----- Rupees -----	-----
Assets			
Cash and bank balances	4	3,877,652,359	2,605,426,781
Investments	5	-	733,944,796
Profit receivable on bank balances		5,918,120	1,586,995
Prepayment and other receivables		3,475,212	3,434,075
Total assets		3,887,045,691	3,344,392,647
Liabilities			
Payable to Atlas Asset Management Limited - Management Company	6	25,131,226	24,941,284
Payable to Central Depository Company of Pakistan Limited - Trustee		333,419	302,185
Payable to the Securities & Exchange Commission of Pakistan		718,613	3,315,934
Payable against redemption of units		2,641,078	9,545
Unclaimed dividend		25,152	25,152
Accrued expenses and other liabilities	7	37,375,082	45,946,255
Total liabilities		66,224,570	74,540,355
NET ASSETS		3,820,821,121	3,269,852,292
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		3,820,821,121	3,269,852,292
CONTINGENCIES AND COMMITMENTS	8		
NUMBER OF UNITS IN ISSUE		7,525,472	6,525,388
NET ASSET VALUE PER UNIT		507.72	501.10

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

Tariq Amin
Director

Atlas Money Market Fund

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2016

	2016	2015
Note	----- Rupees -----	-----
Income		
Profit on saving and term deposits	20,943,383	17,755,744
Income from government securities	37,615,924	59,048,846
Capital (loss)/gain on sale of investments - net	(840,265)	1,501,152
Net unrealised appreciation on remeasurement of investments classified as 'financial assets at fair value through profit or loss'	-	1,471,046
	(840,265)	2,972,198
Element of income and capital gains included in prices of units issued less those in units redeemed - net	41,381	14,333,696
Total income	57,760,423	94,110,484
Expenses		
Remuneration of Atlas Asset Management Limited - Management Company	6.1 4,311,676	4,808,518
Sindh Sales Tax on Remuneration of the Management Company	6.2 560,518	780,903
Federal Excise Duty on Remuneration of the Management Company	6.3 -	769,363
Remuneration of Central Depository Company of Pakistan Limited - Trustee	907,654	989,944
Sindh Sales Tax on Remuneration of the trustee	117,995	138,592
Annual fees to the Securities & Exchange Commission of Pakistan	718,613	801,420
Accounting and operational charges	9 898,031	-
Sindh Sales Tax on accounting and operational charges	72,110	-
Annual rating fee	82,180	76,667
Annual listing fee	13,863	10,055
Securities transaction cost	27,691	81,908
Auditors' remuneration	162,349	149,027
Printing charges	47,576	35,191
Bank charges	13,315	26,876
	7,933,571	8,668,464
Net income for the period before taxation	49,826,852	85,442,020
Taxation	11 -	-
Net income for the period after taxation	49,826,852	85,442,020

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

Tariq Amin
Director

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CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2016

	2016	2015
	----- Rupees -----	
Net income for the period after taxation	49,826,852	85,442,020
Other comprehensive income	-	-
Total comprehensive income for the period	<u>49,826,852</u>	<u>85,442,020</u>

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

Tariq Amin
Director

Atlas Money Market Fund

CONDENSED INTERIM DISTRIBUTION STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2016

	2016	2015
	----- Rupees -----	
Undistributed income brought forward [includes unrealised gain on investments: Rs.6,171,570] (2015: includes unrealised gain on investments: Rs.10,374,125)	5,471,949	22,395,832
Net income for the period after taxation	49,826,852	85,442,020
Other comprehensive income	-	-
Total comprehensive income for the period	49,826,852	85,442,020
Undistributed income carried forward [includes unrealised gain on investments: Rs.Nil] (2015: includes unrealised gain on investments: Rs.18,459,290)	55,298,801	107,837,852

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

Tariq Amin
Director

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CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2016

	30 September 2016		30 September 2015	
	Units	Rupees	Units	Rupees
Net assets at the beginning of the period [Rs.501.10 per unit (2015: Rs.503.69 per unit)]	6,525,388	3,269,852,292	7,345,095	3,699,654,196
Issue of units	2,169,081	1,092,221,880	3,265,706	1,661,864,578
Redemption of units	(1,168,997)	(591,038,522)	(443,893)	(226,211,647)
	1,000,084	501,183,358	2,821,813	1,435,652,931
Element of income and capital gains included in prices of units sold less those in units redeemed - net	-	(41,381)	-	(14,333,696)
Capital (loss) / gain on sale of investments - net	-	(840,265)	-	1,501,152
Net unrealised gain on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	-	-	-	1,471,046
Other net income (net of expenses) for the period	-	50,667,117	-	82,469,822
Total comprehensive income for the period	-	49,826,852	-	85,442,020
Net assets at the end of the period [Rs.507.72 per unit (2015: Rs.512.09 per unit)]	7,525,472	3,820,821,121	10,166,908	5,206,415,451

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

Tariq Amin
Director

Atlas Money Market Fund

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2016

	2016	2015
Note	----- Rupees -----	----- Rupees -----
Cash flows from operating activities		
Net income for the period after taxation	49,826,852	85,442,020
Adjustments for:		
Profit on saving and term deposits	(20,943,383)	(17,755,744)
Income from government securities	(37,615,924)	(59,048,846)
Capital loss/(gain) on sale of investments - net	840,265	(1,501,152)
Net unrealised gain on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	-	(1,471,046)
Element of income and capital gains included in prices of units sold less those in units redeemed-net	(41,381)	(14,333,696)
	(57,760,423)	(94,110,484)
Increase in assets		
Increase in prepayment and other receivables	(41,137)	(29,945)
(Decrease)/Increase in liabilities		
Payable to Atlas Asset Management Limited - Management Company	189,942	(191,485)
Payable to Central Depository Company of Pakistan Limited - Trustee	31,234	107,748
Payable to the Securities & Exchange Commission of Pakistan	(2,597,321)	(3,870,927)
Accrued expenses and other liabilities	(8,571,173)	(28,041,123)
	(10,947,318)	(31,995,787)
	(18,922,026)	(40,694,196)
Interest received	54,228,182	14,421,068
Investments made during the period	(5,968,906,144)	(6,419,445,233)
Investments sold/matured during the period	6,702,010,675	4,677,694,469
Net cash generated from/(used in) operating activities	768,410,687	(1,768,023,893)
Cash flows from financing activities		
Net receipts from issuance of units	1,092,221,880	1,844,830,153
Net payments against redemption of units	(588,406,989)	(401,734,358)
Cash payout against distribution	-	(30,977,172)
Net cash generated from financing activities	503,814,891	1,412,118,623
Net increase/(decrease) in cash and cash equivalents	1,272,225,578	(355,905,270)
Cash and cash equivalents at the beginning of the period	2,605,426,781	3,451,660,808
Cash and cash equivalents at the end of the period	4 3,877,652,359	3,095,755,538

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

Tariq Amin
Director

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2016

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 entered into on 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 Offering Document of the Fund has been revised through the First, Second and Third Supplements, dated 24 March 2015, dated 3 August 2015 and dated 30 September 2016 respectively, with the approval of the Securities and Exchange Commission of Pakistan (SECP). The registered office of AAML is situated at Ground Floor, Federation House, Shahrae Firdousi, Clifton, Karachi.
- 1.2 The Fund is categorised as a 'money market scheme' by the Board of Directors pursuant to the provisions contained in Circular 7 of 2009 and is listed on Pakistan Stock Exchange (formerly Karachi Stock Exchange in which Lahore Stock Exchange and Islamabad Stock Exchange have amalgamated). The units of the Fund were initially offered for public subscription at a par value of Rs. 500 per unit on 20 January 2010. Thereafter, the units are being offered for public subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.
- 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, 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 explained in the Fund's offering document.
- 1.4 The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM2 to the Management Company on 8 June 2016 and has assigned a rating of AA(f) to the Fund on 31 December 2015.
- 1.5 Titles to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.

2. STATEMENT OF COMPLIANCE

These condensed interim financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, 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 the directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or directives issued by the SECP differ with the requirements of IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended 30 June 2016.

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 2016.

Atlas Money Market Fund

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 2016.

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 2016.

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 2016.

	Note	30 September 2016 Un-audited ----- Rupees -----	30 June 2016 Audited -----
4. CASH AND BANK BALANCES			
Balances with banks in saving accounts	4.1	3,867,527,359	2,596,235,781
Cheques in hand		10,125,000	9,191,000
		<u>3,877,652,359</u>	<u>2,605,426,781</u>

4.1 The rate of return on these accounts ranges between 3.75% and 6.50% (30 June 2016: 5.00% and 6.40%) per annum.

	Note	30 September 2016 Un-audited ----- Rupees -----	30 June 2016 Audited -----
5. INVESTMENTS			
At fair value through profit or loss - held for trading			
Investment in Government securities - Market Treasury Bills	5.1	-	733,944,796

5.1 Market Treasury Bills - held-for-trading (T-bills)

	Face value (Rupees)				Rupees		Percentage	
	As at 01 July 2016	Acquired during the period	Sold/ Matured during the period	As at 30 September 2016	Amortised cost	Market Value	Market value as a percentage of total investments	Market value as a percentage of net assets
Treasury bills								
3 Months - T-bills	317,000,000	999,500,000	1,316,500,000	-	-	-	-	-
6 Months - T-bills	149,000,000	3,050,000,000	3,199,000,000	-	-	-	-	-
12 Months - T-bills	272,000,000	1,950,000,000	2,222,000,000	-	-	-	-	-
	<u>738,000,000</u>	<u>5,999,500,000</u>	<u>6,737,500,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

5.2 The cost of investments as on 30 September 2016 is Nil (30 June 2016: Rs. 727,773,226).

5.3 These Market treasury bills carry purchase yield Nil (30 June 2016: 5.90% and 6.21%) per annum and Nil Maturity (30 June 2016: 21 July 2016 and 18 August 2016).

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	30 September 2016	30 June 2016
	Un-audited	Audited
Note	----- Rupees -----	-----

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

Remuneration of the Management Company	6.1	1,400,497	1,221,596
Sindh Sales Tax payable on Remuneration of the Management Company	6.2	3,302,227	3,291,186
Federal Excise Duty payable on Remuneration of the Management Company	6.3	20,428,502	20,428,502
		<u>25,131,226</u>	<u>24,941,284</u>

- 6.1** As per the amendments made in the NBFC Regulations, 2008 vide SRO 1160(1)/2015 dated 25 November 2015, the Management Company is entitled to a remuneration equal to an amount not exceeding 1% of the average annual net assets incase of money market schemes. Previously, the Management Company was 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. During the quarter ended 30 September 2016 the Management Company has charged its remuneration at the rate of 0.45% (2015: 0.45%) per annum of the average net assets.
- 6.2** During the period, an amount of Rs. 560,518 (2015: Rs. 780,903) was charged on account of sales tax on management fee levied through Sindh Sales Tax on Services Act, 2011, an amount of Rs.549,477 (2015: Rs. 828,107) has 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 Hon'ble SHC has issued a stay order against recovery proceedings till the date of next hearing. Pending decision of the SHC, the Fund is not making payment in respect of FED.

In a recent order of the SHC, all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) have been set aside. However as a matter of abundant caution ful provision for FED on remuneration of the Management Company is being retained in the financial statements of the Fund from 13 June 2013 till 30 June 2016 as the management believes that the Federal government retains the right to appeal against the said order in the Supreme Court within the prescribes timeline. Has the same not been made the net asset value per unit of the Fund would have been higher by Rs. 2.71 (30 June 2016: Rs. 3.13) per unit.

With effect from 01 July 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

In response to the above mentioned judgment, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan. Thereafter, during the pendency of the present civil petition, the Supreme Court has suspended the operation of impugned SHC judgment. The matter is still pending adjudication.

Atlas Money Market Fund

	30 September 2016	30 June 2016
	Un-audited	Audited
Note	Rupees	
7. ACCRUED EXPENSES AND OTHER LIABILITIES		
Auditors' remuneration payable	160,281	685,270
Printing charges payable	137,576	90,000
Annual rating fee payable	82,180	-
Payable to brokers	19,783	3,028
Withholding tax payable	44,110	9,038,072
Capital Gain Tax payable	654,091	1,247
Accounting and operational charges payable	403,868	271,466
Sindh Sales Tax payable on accounting and operational charges	32,309	16,288
Provision for Workers' Welfare Fund	7.1 35,840,884	35,840,884
	37,375,082	45,946,255

7.1 The Finance Act, 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance) as a result of which it was construed that all Collective Investment Schemes / mutual funds (CISs) whose income exceeded Rs 0.5 million in a tax year were 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 was higher. In light of this, the Mutual Funds Association of Pakistan (MUFAP) filed a constitutional petition in the Honourable Sindh High Court challenging the applicability of WWF on CISs which is pending adjudication.

The Finance Act, 2015 introduced an amendment under which mutual funds and collective investment schemes have been excluded from the definition of industrial establishment. Consequently, mutual funds are not subject to this levy after the introduction of this amendment which is applicable for tax year 2016. The provision made till June 30, 2015 has not been reversed as the law suit referred to in the previous paragraph is still pending in the SHC.

Although the Management Company is hopeful that the case will be decided in favour of the Funds, it has retained the provision in the financial statements as at 30 September 2016 in respect of the liability towards WWF amounting to Rs 35,840,884 (30 June 2016: Rs 35,840,884). Had the same not been made the net asset value per unit of the Fund would have been higher by Rs. 4.76 (30 June 2016: Rs. 5.49) per unit.

8. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 30 September 2016 and 30 June 2016.

9. ACCOUNTING AND OPERATIONAL CHARGES

In accordance with the provisions of the NBFC Regulations, 2008 (amended vide S.R.O 1160(I) / 2015 dated 25 November 2015), the Management Company of the Fund is entitled to reimbursement of fees and expenses incurred by the Management Company in relation to registrar services, accounting, operation and valuation services related to the Fund upto a maximum of 0.1% of the average annual net assets of the Scheme or actual whichever is less. Accordingly, the Management Company has charged accounting and operational charges to the Fund at the rate of 0.1% per annum of the average annual net assets of the Fund.

10. EXPENSE RATIO

Total Expense Ratio (TER) of the Fund is 0.83% including expenses representing Government levy, WWF and SECP Fee. However, after deducting Government levy, WWF and SECP Fee i.e. 0.16%, the expense ratio will be 0.67% which is inline with the limit specified by the Commission under the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

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11. TAXATION

- 11.1** The income of the fund 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 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 in respect of taxation has been made in these financial statements.
- 11.2** 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.
- 11.3** This industry issue was examined by legal experts and tax advisors and there is unanimity of view that under the present regulations, including the provisions of Clause 99, the tax department's contentions were primarily erroneous and not tenable under the law. This view is further supported but the fact that 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. Introduction of this amendments, applicable on distribution to be made from 01 July 2015, essentially strengthens the stand of the mutual fund industry as it establishes the principle that previously, issuance of bonus units was valid for the purpose of claiming exemption in case of 90% distribution. Appropriate appellate and executive remedies were adopted to resolve the matter.

During the year ended 30 June 2015, 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.

- 11.4** On 16 March 2016, the Assistant Commissioner Inland Revenue (ACIR) issued an order against the Fund for the recovery of super tax amounting to Rs. 17.417 million for Tax Year 2015 levied under section 4B(4) of the Income Tax Ordinance, 2001. The Management Company filed an appeal against the impugned order before the Commissioner Inland Revenue (Appeals) [CIR(A)] who decided the matter in favour of the ACIR. In response to this the Management Company filed an appeal before the Appellate Tribunal Inland Revenue and at the same time filed a constitutional petition in the High Court of Sindh (SHC) together with other Management Companies on whose Collective Investment Schemes under management similar notices were issued. The SHC passed an order restraining the tax authorities from taking any coercive action against the Fund in respect of recovery proceedings till the date of the next hearing. Pending resolution of this case, no provision has been made in these financial statements in respect of the demand raised as the management believes (based on the advice of the tax advisor who is handling the case) that the outcome of this matter will ultimately be in favor of the Fund.

12. TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

	For the Quarter Ended 30 September	
	2016	2015
	Un-audited	Un-audited
	-----	-----
	Rupees	

12.1 Transactions for the period:

Atlas Asset Management Limited (Management Company)

Remuneration of the Management Company	4,311,676	4,808,518
Sindh Sales tax on Remuneration of Management Company	560,518	780,903
Federal Excise Duty on Remuneration of the Management Company	-	769,363
Remuneration paid	4,132,775	5,722,155

Atlas Money Market Fund

		For the Quarter Ended 30 September	
		2016	2015
Note		Un-audited	Un-audited
		----- Rupees -----	
12.1 Transactions for the period: (Continued...)			
Central Depository Company of Pakistan Limited (Trustee)			
	Remuneration of the Trustee	907,654	989,944
	Sindh Sales Tax on Remuneration of the Trustee	117,995	138,592
	Remuneration paid	877,668	882,196
Atlas Fund of Funds (Fund under common management)			
	Issue of 32,377 (2015: 28,120) units	16,254,752	14,250,000
Atlas Hitec (Private) Limited (Group Company)			
	Redemption of 119,751 (2015: Nil) units	60,420,326	-
Atlas Power Limited Staff Provident Fund (Retirement benefit plan of a Group Company)			
	Dividend Paid	-	43,453
Atlas Honda Limited (Group Company)			
	Issue of 394,042 (2015: 782,232) units	200,000,000	400,000,000
	Redemption of Nil (2015: 195,993) units	-	100,000,000
Atlas Honda Limited Employees Provident Fund (Retirement benefit plan of a Group Company)			
	Dividend Paid	-	5,061,263
Atlas Honda Limited Non Management Staff Gratuity Fund (Retirement benefit plan of a Group Company)			
	Issue of 5,927 (2015: Nil) units	3,000,000	-
	Dividend Paid	-	469,856
Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)			
	Redemption of Nil (2015: 1,506) units	-	765,000
Shirazi Trading Company (Private) Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)			
	Dividend Paid	-	783,807
Colgate - Palmolive (Pakistan) Limited (Unit Holder with more than 10% holding)			
	Issue of 397,955 (2015: Nil) units	200,000,000	-
	Redemption of 197,180 (2015: Nil) units	100,000,000	-
Key Management Personnel of Management Company 12.3			
	Issue of Nil (2015: 1,793) units	-	910,000
	Redemption of 7 (2015: 989) units	3,600	503,600

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	30 September 2016	30 June 2016
	Un-audited	Un-audited
Note	----- Rupees -----	-----
12.2 Investments/outstanding balances as at period/year end		
Atlas Asset Management Limited (Management Company)		
Remuneration payable to the Management Company	1,400,497	1,221,596
Sindh Sales Tax payable on Remuneration of the Management Company	3,302,227	3,291,186
Federal Excise Duty payable on Remuneration of the Management Company	20,428,502	20,428,502
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration payable to the Trustee	295,061	265,075
Sindh Sales Tax payable on Remuneration of the trustee	38,358	37,110
Atlas Fund of Funds (Fund under common management)		
Outstanding 32,377 (30 June 2016: Nil) units - at net asset value	16,438,656	-
Atlas Foundation (Group Company)		
Outstanding 85,894 (30 June 2016: 85,894) units - at net asset value	43,609,990	43,041,373
Atlas Hitec (Private) Limited (Group Company)		
Outstanding Nil (30 June 2016: 119,751) units - at net asset value	-	60,007,185
Atlas Honda Limited (Group Company)		
Outstanding 2,190,306 (30 June 2016: 1,796,264) units - at net asset value	1,112,062,089	900,107,776
Atlas Power Limited Staff Provident Fund (Retirement benefit plan of a Group Company)		
Outstanding 396 (30 June 2016: 396) units - at net asset value	201,105	198,483
Atlas Honda Limited Employees Provident Fund (Retirement benefit plan of a Group Company)		
Outstanding 128,448 (30 June 2016: 128,448) units - at net asset value	65,215,418	64,365,095
Atlas Honda Limited Non Management Staff Gratuity Fund (Retirement benefit plan of a Group Company)		
Outstanding 17,851 (30 June 2016: 11,924) units - at net asset value	9,063,431	5,975,247
Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)		
Outstanding 893 (30 June 2016: 893) units - at net asset value	453,470	447,557
Shirazi Trading Company (Private) Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)		
Outstanding 19,892 (30 June 2016: 19,892) units - at net asset value	10,099,520	9,967,835
Colgate - Palmolive (Pakistan) Limited (Unit Holder with more than 10% holding)		
Outstanding 1,598,287 (30 June 2016: 1,397,512) units - at net asset value	811,482,083	700,293,478
Mr. Amin Mohammad Lakhani (Unit Holder with more than 10% holding)		
Outstanding 1,240,567 (30 June 2016: 1,240,567) units - at net asset value	629,860,879	621,648,322
Key Management Personnel of Management Company 12.3		
Outstanding 65,515 (30 June 2016: 65,522) units - at net asset value	33,263,287	32,833,159

Atlas Money Market Fund

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 Operating 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 2016-17.

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

Figures have been rounded off to the nearest Rupee.

14. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on 27 October 2016.

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

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

First Quarter Report 2016-17

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

Allied Bank Limited
Bank Alfalah Limited
Bank Al-Habib Limited
Faysal Bank Limited

Atlas Income Fund

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED) AS AT 30 SEPTEMBER 2016

		30 September 2016 Un-audited	30 June 2016 Audited
	Note	----- Rupees -----	
ASSETS			
Cash and Bank balances	4	3,861,641,672	3,151,610,471
Investments	5	4,104,313,544	3,614,270,530
Receivable against issue of units		-	610,369
Receivable against Margin Trading System		1,496,321,981	1,090,153,567
Interest/profit accrued		60,579,495	98,642,061
Deposits, prepayments and other receivables		8,466,268	8,488,145
Total assets		9,531,322,960	7,963,775,143
LIABILITIES			
Payable to Atlas Asset Management Limited - Management Company	6	34,184,738	31,786,602
Payable to the Central Depository Company of Pakistan Limited - Trustee		957,862	881,873
Payable to the Securities and Exchange Commission of Pakistan		1,688,298	5,716,771
Payable against redemption of units		2,311,369	18,310
Unclaimed dividend		40,464	40,464
Accrued expenses and other liabilities	7	21,215,921	117,003,655
Total liabilities		60,398,652	155,447,675
NET ASSETS		9,470,924,308	7,808,327,468
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		9,470,924,308	7,808,327,468
CONTINGENCIES AND COMMITMENTS			
NUMBER OF UNITS IN ISSUE		18,291,088	15,273,112
NET ASSET VALUE PER UNIT		517.79	511.25

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

First Quarter Report 2016-17

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2016

	Note	2016 ----- Rupees -----	2015 -----
INCOME			
Interest/profit income	10	159,541,913	120,549,250
Capital (loss)/gain on sale/maturity of investments - net		(241,487)	12,583,409
Net unrealised (diminution)/appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		(18,980,042)	11,304,428
		(19,221,529)	23,887,837
Element of income and capital gains included in prices of units issued less those in units redeemed - net		7,995,759	5,466,546
Total income		148,316,143	149,903,633
EXPENSES			
Remuneration of Atlas Asset Management Limited - Management Company	6.1	17,239,121	8,510,135
Sindh Sales Tax on remuneration of the Management Company	6.2	2,241,086	1,382,046
Federal Excise Duty on remuneration of the Management Company	6.3	-	1,361,622
Remuneration of Central Depository Company of Pakistan Limited - Trustee		1,979,033	1,395,035
Sindh Sales Tax on Remuneration of the trustee		257,274	195,305
Annual fees to the Securities and Exchange Commission of Pakistan		1,688,298	1,063,767
Auditors' remuneration		172,879	163,370
Accounting and operational charges	9	2,027,784	-
Sindh Sales Tax on accounting and operational charges		161,178	-
Annual rating fee		82,228	76,667
Annual listing fee		13,863	10,056
Securities transaction cost		4,059,599	1,788,570
Printing charges		111,568	35,191
Bank charges		32,160	53,237
Total expenses		30,066,071	16,035,001
Net income for the period before taxation		118,250,072	133,868,632
Taxation	12	-	-
Net income for the period after taxation		118,250,072	133,868,632

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

Atlas Income Fund

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2016

	2016	2015
	----- Rupees -----	
Net income for the period after taxation	118,250,072	133,868,632
Income that may be re-classified subsequently to Income Statement		
Net unrealised appreciation in the value of investment classified as 'available for sale'	1,406,946	423,596
Total comprehensive income for the period	119,657,018	134,292,228

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

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CONDENSED INTERIM DISTRIBUTION STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2016

	2016	2015
	----- Rupees -----	
Undistributed income brought forward [includes unrealised loss on investments: Rs. 46,917,489] (2015: includes unrealised loss on investments: Rs. 82,830,391)	103,767,799	88,641,115
Net income for the period after taxation	118,250,072	133,868,632
Undistributed income carried forward [includes unrealised gain on investments: Rs.25,658,689] (2015: includes unrealised loss on investments: Rs.34,638,986)	<u>222,017,871</u>	<u>222,509,747</u>

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

Atlas Income Fund

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2016

	30 September 2016		30 September 2015	
	Units	Rupees	Units	Rupees
Net assets at the beginning of the period [Rs.511.25 (2015: Rs.510.24) per unit]	15,273,112	7,808,327,468	10,928,688	5,576,232,439
Issue of units	3,722,740	1,914,186,313	1,137,081	589,785,933
Redemption of units	(704,764)	(363,250,732)	(692,181)	(357,312,424)
	3,017,976	1,550,935,581	444,900	232,473,509
Element of (income)/loss and capital (gains)/losses included in prices of units issued less those in units redeemed - net	-	(7,995,759)	-	(5,466,546)
Capital (loss)/gain on sale/maturity of investments - net	-	(241,487)	-	12,583,409
Net unrealised (diminution)/appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	-	(18,980,042)	-	11,304,428
Other income (net of expenses) for the period	-	137,471,601	-	109,980,795
Other comprehensive income for the period	-	1,406,946	-	423,596
Total comprehensive income for the period	-	119,657,018	-	134,292,228
Net assets at the end of the period [Rs.517.79 (2015: Rs.522.05) per unit]	18,291,088	9,470,924,308	11,373,588	5,937,531,630

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

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CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2016

	2016	2015
Note	----- Rupees -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period after taxation	118,250,072	133,868,632
Adjustments for:		
Interest/profit income	(159,541,913)	(120,549,250)
Capital loss/(gain) on sale/maturity of investments - net	241,487	(12,583,409)
Net unrealised diminution/(appreciation) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	18,980,042	(11,304,428)
Element of income and capital gains included in prices of units issued less those in units redeemed - net	(7,995,759)	(5,466,546)
	(148,316,143)	(149,903,633)
(Increase)/decrease in assets		
Receivable against Margin Trading System	(406,168,414)	(476,575,253)
Deposits, prepayments and other receivables	21,877	14,651
	(406,146,537)	(476,560,602)
(Decrease)/Increase in liabilities		
Payable to Atlas Asset Management Limited - Management Company	2,398,136	(1,067,474)
Payable to the Central Depository Company of Pakistan Limited - Trustee	75,989	165,260
Payable to the Securities and Exchange Commission of Pakistan	(4,028,473)	(2,844,714)
Accrued expenses and other liabilities	(95,787,734)	(48,930,227)
	(97,342,082)	(52,677,155)
	(533,554,690)	(545,272,758)
Interest received	197,604,479	64,590,672
Investments made during the period	(9,183,236,203)	(9,832,445,346)
Investment sold/redeemed/matured during the period	8,675,378,606	6,127,058,340
Net cash used in operating activities	(843,807,808)	(4,186,069,092)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net receipts from issuance of units	1,914,796,682	929,586,477
Net payments against redemption of units	(360,957,673)	(401,447,377)
Cash payout against distribution	-	(58,414,639)
Net cash generated from financing activities	1,553,839,009	469,724,461
Net increase/(decrease) in cash and cash equivalents	710,031,201	(3,716,344,631)
Cash and cash equivalents at the beginning of the period	3,151,610,471	4,538,006,515
Cash and cash equivalents at the end of the period	4 3,861,641,672	821,661,884

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

Atlas Income Fund

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE QUARTER ENDED 30 SEPTEMBER 2016

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 established and the management company and MCB Financial Services Limited (MCBFSL) as the trustee. MCBFSL resigned on 11 June 2005 as the trustee and the Central Depository Company of Pakistan Limited (CDC) was appointed in its place 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, Sixth, Seventh, Eighth, Ninth and tenth Supplements, dated 21 June 2005, 29 October 2007, 29 February 2008, 23 June 2010, 12 November 2010, 14 October 2013, 24 March 2015, 3 August 2015, 13 April 2016 and 29 September 2016 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, Shahr-e Firdousi, Clifton, Karachi.
- 1.2 The Fund is categorised as an 'income scheme' by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009 and is listed on Pakistan Stock Exchange Limited (formerly Karachi Stock Exchange Limited in which Lahore Stock Exchange Limited and Islamabad Stock Exchange Limited have amalgamated). The units of the Fund are being offered for public subscription on a continuous basis from 22 March 2004 and are transferable and redeemable by surrendering them to the Fund.
- 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 (COIs), money market placements, deposits, Certificates of Deposits (CODs), Certificates of Musharikas (COMs), TDRs, commercial paper, reverse repo, term finance certificates (IFCs) / 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 explained in the Fund's offering document.
- 1.4 The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM2 to the Management Company on 8 June 2016 and has assigned a rating of AA-(f) to the Fund on 31 December 2015.
- 1.5 The title of the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as trustee.

2. STATEMENT OF COMPLIANCE

- 2.1 These condensed interim financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, 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 the directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or directives issued by the SECP differ with the requirements of IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

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2.2 The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended 30 June 2016.

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 2016.

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 2016.

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 2016.

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 2016.

		30 September 2016	30 June 2016
	Note	Un-audited	Audited
		Rupees	
4. CASH AND BANK BALANCES			
Balances with banks in:			
- Savings accounts	4.1	3,859,958,672	3,145,614,591
- Current account		5,000	5,000
Cheques in hand		1,678,000	5,990,880
		<u>3,861,641,672</u>	<u>3,151,610,471</u>

4.1 The rate of return on these accounts ranges between 3.75% and 6.50% (30 June 2016: 5.00% and 6.40%) per annum.

5. INVESTMENTS

Available-for-sale

Quoted equity security	5.1	4,006,014	2,599,068
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At fair value through profit or loss - held for trading

Term finance certificates - listed	5.2 & 5.7	817,342,427	767,294,778
Term finance certificates - unlisted	5.3 & 5.7	101,918,400	101,938,800
Sukuk certificates - unlisted	5.4 & 5.7	552,000,000	-
Government Securities - Market Treasury Bills	5.5	398,222,900	413,945,275
Government Securities - Pakistan Investment Bonds	5.6	2,230,823,803	2,328,492,609
		<u>4,100,307,530</u>	<u>3,611,671,462</u>
		<u>4,104,313,544</u>	<u>3,614,270,530</u>

Atlas Income Fund

5.1 Quoted equity security

(Ordinary shares have a face value of Rs.10)

	Number of shares			Rupees		Percentage			
	As at 01 July 2016	Purchased during the period	Disposed during the period	As at 30 September 2016	Carrying Cost	Market Value	Market Value as a percentage of total Investments	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	2,599,068	4,006,014	0.10	0.04	0.10

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.

5.2 Term finance certificates - listed

(Certificates having a face value of Rs.5,000 each unless stated otherwise)

	Note	Number of Certificates			Rupees		Percentage		
		As at 01 July 2016	Purchased during the period	Disposed during the period	As at 30 September 2016	Carrying Cost	Market Value	Market Value as a percentage of total Investment	Market Value as a percentage of net assets
BANKS									
Bank Alfalah Limited - V		8,450	-	-	8,450	43,048,885	42,838,902	1.04	0.45
Habib Bank Limited Tier - II (face value of Rs.100,000 per certificate)		6,750	500	-	7,250	724,906,474	724,190,308	17.64	7.65
Soneri Bank Limited		10,000	-	-	10,000	49,126,192	50,313,217	1.23	0.53
		25,200	500	-	25,700	817,081,551	817,342,427	19.91	8.63
TELECOMMUNICATION									
Telecard Limited	5.7.1	4,000	-	-	4,000	-	-	-	-
PERSONAL GOODS									
Azgard Nine Limited	5.7.1	5,000	-	-	5,000	-	-	-	-
						817,081,551	817,342,427	19.91	8.63

5.3 Term finance certificates - Unlisted

(Certificates having a face value of Rs.5,000 each unless stated otherwise)

	Note	Number of Certificates			Rupees		Percentage		
		As at 01 July 2016	Purchased during the period	Disposed/ matured during the period	As at 30 September 2016	Carrying Cost	Market Value	Market Value as a percentage of total Investment	Market Value as a percentage of net assets
BANKS									
Askari Bank Limited - V		20,000	-	-	20,000	101,918,400	101,918,400	2.48	1.08
CHEMICALS									
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	-	-	-	-
		12,203	-	-	12,203	-	-	-	-
PERSONAL GOODS									
Azgard Nine Limited-V	5.7.1	1,075	-	-	1,075	-	-	-	-
MISCELLANEOUS									
Bunny's Limited	5.7.1	214	-	-	214	-	-	-	-
						101,918,400	101,918,400	2.48	1.08

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5.4 Sukuk certificates - Unlisted

	Number of Certificates				Rupees		Percentage	
	As at 01 July 2016	Purchased during the period	Disposed/ matured during the period	As at 30 September 2016	Carrying Cost	Market Value	Market Value as a percentage of total Investment	Market Value as a percentage of net assets
Chemicals								
Agritech Limited	4,060	-	-	4,060	-	-	-	-
BANKS								
Meezan Bank Limited Tier - II (face value of Rs. 1,000,000 per certificate)	-	552	-	552	552,000,000	552,000,000	13.45	5.83
					<u>552,000,000</u>	<u>552,000,000</u>	<u>13.45</u>	<u>5.83</u>

	30 September 2016	30 June 2016
Note	Un-audited	Audited
	Rupees	

5.5 Government Securities

Market Treasury Bills	5.5.1	<u>398,222,900</u>	<u>413,945,275</u>
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5.5.1 Market Treasury Bills

	Face value (Rupees)				Rupees		Percentage	
	As at 01 July 2016	Purchased during the period	Disposed/ Matured during the period	As at 30 September 2016	Amortized Cost	Market Value	Market Value as a percentage of total Investment	Market Value as a percentage of net assets
3 months - T- Bills	-	2,427,500,000	2,027,500,000	400,000,000	398,249,642	398,222,900	9.70	4.20
6 months - T- Bills	-	2,754,800,000	2,754,800,000	-	-	-	-	-
12 months - T- Bills	425,000,000	3,270,000,000	3,695,000,000	-	-	-	-	-
	<u>425,000,000</u>	<u>8,452,300,000</u>	<u>8,477,300,000</u>	<u>400,000,000</u>	<u>398,249,642</u>	<u>398,222,900</u>	<u>9.70</u>	<u>4.20</u>

5.5.2 Market treasury bills carry purchase yields ranging between 5.77% to 5.86% (30 June 2016: 6.17% to 6.21%) per annum and will mature between 13 October 2016 and 24 November 2016 (30 June 2016: 4 August 2016 and 2 March 2017). The cost of these investments as on 30 September 2016 is Rs.394,730,000 (30 June 2016: Rs.406,637,600).

5.5.3 These include treasury bills amounting to Rs.148,706,400 (face value: Rs.150,000,000) [30 June 2016: Rs. 149,182,950 (face value Rs.150,000,000)] which have been pledged with the National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades which are due to mature on 24 November 2016 (30 June 2016: 4 August 2016).

	30 September 2016	30 June 2016
Note	Un-audited	Audited
	Rupees	

5.6 Government Securities

Pakistan Investment Bonds	5.6.1	<u>2,230,823,803</u>	<u>423,589,799</u>
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Atlas Income Fund

5.6.1 Pakistan Investment Bonds (PIBs)

	Face value (Rupees)				Rupees		Percentage	
	As at 01 July 2016	Purchased during the period	Disposed/ Matured during the period	As at 30 September 2016	Carrying Value	Market Value	Market Value as a percentage of total Investment	Market Value as a percentage of net assets
3 Year - PIBs	305,000,000	75,000,000	-	380,000,000	392,330,440	389,474,993	9.49	4.11
5 Year - PIBs	1,363,500,000	75,000,000	102,900,000	1,335,600,000	1,446,094,153	1,432,053,897	34.89	15.12
10 Year - PIBs	425,000,000	-	100,000,000	325,000,000	411,613,386	409,294,913	9.97	4.32
	2,093,500,000	150,000,000	202,900,000	2,040,600,000	2,250,037,979	2,230,823,803	54.35	23.55

5.6.2 Pakistan Investment Bonds carry purchase yields ranging between 7.00 % to 12.00% (30 June 2016: 7.00% to 12.00%) per annum and will mature on various dates between 17 July 2017 and 17 July 2024 (30 June 2016: 18 August 2016 and 17 July 2024). The cost of these investments as on 30 September 2016 is Rs. 2,209,039,945 (30 June 2016: Rs. 2,281,363,876).

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	4,668,990	4,668,990	-	-	-
			12,540,501	12,540,501	-	-	-
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	802,500	802,500	-	-	-
			54,662,500	54,662,500	-	-	-
Unlisted							
Agritech Limited		Sukuk certificate	15,225,000	15,225,000	-	-	-
			82,428,001	82,428,001	-	-	-

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.82.43 million (30 June 2016: Rs.82.43 million), has been made in accordance with the provisioning requirements specified by the SECP.

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 markup of Azgard Nine Limited's TFC, payable as of 31 March 2012.

	Note	30 September 2016	30 June 2016
		Un-audited Rupees	Audited Rupees
6. PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED-MANAGEMENT COMPANY (RELATED PARTY)			
Remuneration of the Management Company	6.1	6,264,663	4,106,082
Sindh Sales Tax payable on remuneration of the Management Company	6.2	4,337,104	4,097,549
Federal Excise Duty payable on remuneration of the Management Company	6.3	23,582,971	23,582,971
		34,184,738	31,786,602

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- 6.1 As per the amendments made in the NBFC Regulations, 2008 vide SRO 1160(1)/2015 dated 25 November 2015, the Management Company is entitled to a remuneration equal to an amount not exceeding 1.5% of the average annual net assets incase of income schemes. Previously, the Management Company was 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. During the quarter ended 30 September 2016 the Management Company has charged its remuneration at the rate of 0.60% for the period from 01 July 2016 to 18 July 2016 and 0.80% from 19 July 2016 to 30 September 2016 (30 June 2016: 0.60%) per annum of the average net assets.
- 6.2 During the period, an amount of Rs. 2,241,086 (2015: Rs. 1,382,046) was charged on account of sales tax on management fee levied through Sindh Sales Tax on Services Act, 2011, an amount of Rs. 2,001,531 (2015: Rs. 1,557,841) 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 was 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 till the date of next hearing. Pending decision of the SHC, the Fund is not making payment in respect of FED.

In a recent order of the SHC, all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) have been set aside. However as a matter of abundant caution ful provision for FED on remuneration of the Management Company is being retained in the financial statements of the Fund from 13 June 2013 till 30 June 2016 as the management believes that the Federal government retains the right to appeal against the said order in the Supreme Court within the prescribed timeline. Has the same not been made the net asset value per unit of the Fund would have been higher by Rs. 1.29 (30 June 2016: Rs. 1.54) per unit.

With effect from 01 July 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

In response to the above mentioned judgment, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan. Thereafter, during the pendency of the present civil petition, the Supreme Court has suspended the operation of impugned SHC judgment. The matter is still pending adjudication.

Note	30 September	30 June
	2016	2016
	Un-audited	Audited
	Rupees	

7. ACCRUED AND OTHER LIABILITIES

Auditors' remuneration payable	163,240	442,482
NCCPL charges payable	20,000	20,000
Printing charges payable	201,568	90,000
Brokerage payable	52,295	103,128
Sales tax payable	6,798	14,438
Annual rating fee payable	82,228	-
Withholding tax payable	111,897	95,928,691
Capital gain tax Payable	251,535	733,800
Zakat payable	-	32,736
Accounting and operational charges payable	1,308,692	684,346
Sindh sales tax payable on accounting and operational charges	104,695	41,061
Other Payable	59,996	59,996
Provision for Workers' Welfare Fund	7.1	18,852,977
	21,215,921	117,003,655

Atlas Income Fund

7.1 The Finance Act, 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance) as a result of which it was construed that all Collective Investment Schemes / mutual funds (CISs) whose income exceeded Rs 0.5 million in a tax year were 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 was higher. In light of this, the Mutual Funds Association of Pakistan (MUFAP) filed a constitutional petition in the Honourable Sindh High Court challenging the applicability of WWF on CISs which is pending adjudication.

The Finance Act, 2015 introduced an amendment under which mutual funds and collective investment schemes have been excluded from the definition of industrial establishment. Consequently, mutual funds are not subject to this levy after the introduction of this amendment which is applicable for tax year 2016. The provision made till June 30, 2015 has not been reversed as the law suit referred to in the previous paragraph is still pending in the SHC.

Although the Management Company is hopeful that the case will be decided in favour of the Funds, it has retained the provision in the financial statements as at 30 September 2016 in respect of the liability towards WWF amounting to Rs. 18,852,977 (30 June 2016: Rs. 18,852,977). Had the same not been made the net asset value per unit of the Fund would have been higher by Rs.1.03 (30 June 2016: Rs. 1.23) per unit.

8. CONTINGENCIES AND COMMITMENTS

8.1 There were no contingencies outstanding as at 30 September 2016 and 30 June 2016.

	30 September 2016	30 June 2016
	Un-audited	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 2016	336,951,210	281,674,516

9. ACCOUNTING AND OPERATIONAL CHARGES

In accordance with the provisions of the NBFC Regulations, 2008 (amended vide S.R.O 1160(I) / 2015 dated 25 November 2015), the Management Company of the Fund is entitled to reimbursement of fees and expenses incurred by the Management Company in relation to registrar services, accounting, operation and valuation services related to the Fund upto a maximum of 0.1% of the average annual net assets of the Scheme or actual whichever is less. Accordingly, the Management Company has charged accounting and operational charges to the Fund at the rate of 0.1% per annum of the average annual net assets of the Fund.

		For the Quarter Ended 30 September	
		2016	2015
	Note	Un-audited	Un-audited
		----- Rupees -----	
10. INTEREST/PROFIT INCOME			
Interest/profit on:			
Saving and term deposits		20,227,082	14,493,206
Margin Trading System		28,397,492	15,806,158
Term finance certificates	10.1	15,209,425	3,358,927
Sukuk certificates		892,879	-
Government Securities - Market Treasury Bills		44,409,700	38,462,718
Government Securities - Pakistan Investment Bonds		50,405,335	48,428,241
		159,541,913	120,549,250

10.1 This includes mark-up received on non-performing term finance certificates amounting to Rs. 0.098 million (2015: Nil). Furthermore in accordance with the requirements specified by the SECP, mark-up on non performing securities amounting to Rs.47.67 million (2015: Rs.44.59 million) based on outstanding principal has not been recognised during the period.

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11. EXPENSE RATIO

Total Expense Ratio (TER) of the Fund is 1.33% including expenses representing Government levy, WWF and SECP Fee. However, after deducting Government levy, WWF and SECP Fee i.e. 0.19%, the expense ratio will be 1.14% which is inline with the limit specified by the Commission under the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

12. TAXATION

The income of the fund 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 to the unit holders as cash dividend. 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 in respect of taxation has been made in these condensed interim financial statements.

13. TRANSACTIONS WITH RELATED PARTIES/CONNECTED PERSONS

Note	For the Quarter Ended	
	30 September 2016	30 September 2015
	Un-audited ----- Rupees -----	Un-audited ----- Rupees -----

13.1 Transactions for the period:

Atlas Asset Management Limited (Management Company)

Remuneration charged	17,239,121	8,510,135
Remuneration paid	15,080,540	10,763,426
Sindh Sales Tax on remuneration of the Management Company	2,241,086	1,382,046
Federal Excise Duty on remuneration of the Management Company	-	1,361,622
Issue of 23,386 (2015: Nil) units	12,000,000	-
Redemption of Nil (2015: 97,366) units	-	50,000,000

Central Depository Company of Pakistan Limited

Remuneration of the Trustee	1,979,033	1,395,035
Remuneration paid	1,909,558	1,328,202
Sindh Sales Tax on remuneration of the Trustee	257,274	195,305
Settlement charges incurred	371,962	169,167
Sindh Sales Tax on settlement charges	48,236	23,684

Atlas Battery Limited (Group Company)

Issue of Nil (2015: 191,802) units	-	100,000,000
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Atlas Engineering Limited - Employees Provident Fund (Retirement benefit plan of group company)

Redemption of Nil (2015: 19,479) units	-	9,961,950
Dividend Paid	-	1,724,031

Atlas Group of Companies - Management Staff Gratuity Fund (Retirement benefit plan of group company)

Dividend Paid	-	1,966,991
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Atlas Foundation (Trust having common Director / Trustee)

Issue of 306,872 (2015: 7,662) units	158,000,000	4,000,000
Redemption of Nil (2015: 575) units	-	300,000

Atlas Honda Limited - Employees Provident Fund (Retirement benefit plan of group company)

Issue of Nil (2015: 77060) units	-	40,000,000
Dividend Paid	-	8,327,400

Atlas Income Fund

	For the Quarter Ended	
	30 September 2016	30 September 2015
Note	Un-audited ----- Rupees -----	Un-audited -----
13.1 Transactions for the period: (Continued...)		
Atlas Honda Limited - Non-management Staff Gratuity Fund (Retirement benefit plan of group company)		
Issue of 7,748 (2015: Nil) units	4,000,000	-
Dividend Paid	-	1,233,374
Atlas Honda Limited		
Issue of 389,772 (2015: Nil) units	200,000,000	-
Atlas Powers Limited - Staff Provident Fund (Retirement benefit plan of group company)		
Dividend Paid	-	44,496
Batool Benefit Trust (Trust having common Director / Trustee)		
Redemption of 9,415 (2015: 8,022) units	4,845,000	4,138,553
Cherat Cement Company Limited (Company having common Director)		
Redemption of Nil (2015: 353,966) units	-	183,389,901
Dividend Paid	-	19,468,142
Honda Atlas Cars (Pakistan) Limited - Employees Gratuity Fund (Retirement benefit plan of group company)		
Issue 19,443 (2015: Nil) units	10,000,000	-
Dividend Paid	-	398,555
Honda Atlas Cars (Pakistan) Limited - Employees Provident Fund (Retirement benefit plan of group company)		
Issue 38,886 (2015: Nil) units	20,000,000	-
Dividend Paid	-	3,740,431
Shirazi Capital (Private) Limited (Group company)		
Issue of Nil (2015: 57,159) Units	-	29,840,000
Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement Benefit Plan of a Group Company)		
Issue of 485 (2015: 10,763) units	250,000	5,565,000
Redemption of 5,178 (2015: Nil) units	2,660,000	-
Shirazi Trading Company (Private) Limited - Employees Provident Fund (Retirement Benefit Plan of a Group Company)		
Dividend Paid	-	1,201,905
Honda Atlas Cars (Pakistan) Limited		
Issue of 1,944,390 (2015: Nil) units	1,000,000,000	-
Key Management Personnel of Management Company 13.3		
Issue of 28,183 (2015: 8,930) units	14,500,000	4,600,000
Redemption of Nil (2015: 59,677) units	-	30,500,000

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	30 September 2016 Un-audited	30 June 2016 Audited
	----- Rupees -----	
13.2 Investments/outstanding balances as at period/year end:		
Atlas Asset Management Limited (Management Company)		
Remuneration payable to the Management Company	6,264,663	4,106,082
Sindh Sales Tax payable on remuneration of the Management Company	4,337,104	4,097,549
Federal Excise Duty payable on remuneration of the Management Company	23,582,971	23,582,971
Outstanding 111,442 (30 June 2016: 88,056) units - at net asset value	57,703,590	45,018,492
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration payable to the Trustee	679,665	610,190
Sindh Sales Tax payable on remuneration of the trustee	88,357	85,427
Settlement charges payable	168,000	163,382
Sindh Sales Tax payable on Settlement Charges	21,840	22,874
Atlas Battery Limited (Group Company)		
Outstanding 1,780,683 (30 June 2016: 1,780,683) units - at net asset value	922,019,607	910,373,943
Atlas Engineering Limited - Employees Provident Fund (Retirement benefit plan of group company)		
Outstanding 12,796 (30 June 2016: 12,796) units - at net asset value	6,625,803	6,542,115
Atlas Foundation (Trust having common Director / Trustee)		
Outstanding 972,153 (30 June 2016: 665,280) units - at net asset value	503,370,956	340,124,612
Atlas Group of Companies - Management Staff Gratuity Fund (Retirement benefit plan of group company)		
Outstanding 27,137 (30 June 2016: 27,137) units - at net asset value	14,051,040	13,873,566
Atlas Honda Limited (Group Company)		
Outstanding 5,627,624 (30 June 2016: 5,237,851) units - at net asset value	2,913,927,333	2,677,851,548
Atlas Honda Limited - Non-management Staff Gratuity Fund (Retirement benefit plan of group company)		
Outstanding 27,702 (30 June 2016: 19,954) units - at net asset value	14,343,798	10,201,675
Atlas Honda Limited - Employees Provident Fund (Retirement benefit plan of group company)		
Outstanding 230,008 (30 June 2016: 230,008) units - at net asset value	119,096,064	117,591,809
Atlas Metals (Private) Limited (Group Company)		
Outstanding 24,563 (30 June 2016: 24,563) units - at net asset value	12,718,432	12,557,790
Atlas Powers Limited - Staff Provident Fund (Retirement benefit plan of group company)		
Outstanding 275 (30 June 2016: 275) units - at net asset value	142,575	140,774
Batool Benefit Trust (Trust having common Director/Trustee)		
Outstanding 148,584 (30 June 2016: 157,999) units - at net asset value	76,935,411	80,776,868

Atlas Income Fund

30 September **30 June**
2016 **2016**
Un-audited **Audited**
 ----- **Rupees** -----

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

**Honda Atlas Cars (Pakistan) Limited - Employees Gratuity Fund
(Retirement benefit plan of group company)**

Outstanding 27,250 (30 June 2016: 7,807) units - at net asset value 14,109,678 3,991,348

**Honda Atlas Cars (Pakistan) Limited - Employees Provident Fund
(Retirement benefit plan of group company)**

Outstanding 112,154 (30 June 2016: 73,269) units - at net asset value 58,072,443 37,458,720

Shirazi Capital (Private) Limited (Group company)

Outstanding 830,408 (30 June 2016: 830,408) units - at net asset value 429,977,126 424,546,256

Shirazi Investments (Private) Limited (Group company)

Outstanding 2,797,361 (30 June 2016: 2,797,361) units - at net asset value 1,448,445,630 1,430,150,888

**Shirazi Investments (Private) Limited - Employees Provident Fund
(Retirement benefit plan of group company)**

Outstanding 14,395 (30 June 2016: 19,089) units - at net asset value 7,453,748 9,759,131

**Cherat Cement Company Limited Employees Provident Fund
(Trust established by a Company having common Director)**

Outstanding 183 (30 June 2016: 183) units - at net asset value 94,682 93,486

Honda Atlas Cars (Pakistan) Limited

Outstanding 3,411,986 (30 June 2016: 1,467,595) units - at net asset value 1,766,692,192 750,308,195

**Shirazi Trading Company (Private) Limited - Employees
Provident Fund (Retirement benefit plan of a Group Company)**

Outstanding 23,564 (30 June 2016: 23,564) units - at net asset value 12,201,250 12,047,141

Key Management Personnel of Management Company 13.3

Outstanding 290,081 (30 June 2016: 261,898) units -at net asset value 150,200,910 133,895,169

13.3 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 Operating 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 as set by the Board of Directors of the Management Company for FY 2016-17.

13.4 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.

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14. GENERAL

Figures have been rounded off to the nearest Rupee.

15. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on 27 October 2016.

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

Atlas Stock Market Fund

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
Bank Al-Habib Limited
Faysal Bank Limited

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CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED) AS AT 30 SEPTEMBER 2016

		30 September 2016 Un-audited	30 June 2016 Audited
	Note	----- Rupees -----	
ASSETS			
Cash and bank balances	4	409,305,884	87,995,286
Investments	5	4,227,683,743	3,951,512,733
Dividend receivable		42,927,200	7,625,450
Profit receivable on bank balances		1,479,475	505,983
Receivable against sale of investments		-	46,155,287
Advances, deposits, prepayment and other receivables		12,682,581	12,641,445
Total assets		4,694,078,883	4,106,436,184
LIABILITIES			
Payable to Atlas Asset Management Limited - Management Company	6	31,592,534	30,743,464
Payable to the Central Depository Company of Pakistan Limited		566,211	511,785
Payable to the Securities and Exchange Commission of Pakistan		1,042,238	3,361,379
Payable against purchase of investments		37,922,349	16,516,818
Payable against redemption of units		273,811	884,179
Unclaimed dividend		502,858	618,890
Accrued expenses and other liabilities	7	38,031,592	36,611,735
Total liabilities		109,931,593	89,248,250
NET ASSETS		4,584,147,290	4,017,187,934
UNIT HOLDERS' FUNDS (AS PER STATEMENT ATTACHED)		4,584,147,290	4,017,187,934
CONTINGENCIES AND COMMITMENTS	8		
NUMBER OF UNITS IN ISSUE		8,376,772	7,979,640
NET ASSET VALUE PER UNIT		547.25	503.43

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

Tariq Amin
Director

Atlas Stock Market Fund

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2016

	Note	2016 ----- Rupees -----	2015 ----- Rupees -----
INCOME			
Profit on bank balances		3,197,528	2,502,240
Dividend income		47,640,625	43,493,100
Capital gain on sale of investments - net		153,468,253	46,385,882
Net unrealised appreciation/(diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		224,947,607	(401,864,925)
		378,415,860	(355,479,043)
Element of income and capital gains included in prices of units issued less those in units redeemed - net		11,914,810	3,461,409
Total income		441,168,823	(306,022,294)
EXPENSES			
Remuneration of Atlas Asset Management Limited - Management Company	6.1	21,941,848	16,812,311
Sindh sales tax on remuneration of the Management Company	6.2	2,852,440	2,730,319
Federal Excise Duty on remuneration of the Management Company	6.3	-	2,689,970
Remuneration of Central Depository Company of Pakistan Limited - Trustee		1,349,147	1,092,446
Sindh sales tax on remuneration of the trustee		175,389	152,942
Annual fee to the Securities and Exchange Commission of Pakistan		1,042,238	798,585
Accounting and operational charges	9	1,029,503	-
Sindh sales tax on accounting and operational charges		82,216	-
Auditors' remuneration		175,101	165,285
Annual listing fee		13,863	10,055
Annual ranking fee		-	32,678
Securities transaction cost		3,531,076	3,021,367
Printing charges		54,536	35,191
Bank charges		6,413	14,385
Total expenses		32,253,770	27,555,534
Net income/(loss) for the period before taxation		408,915,053	(333,577,828)
Taxation	11	-	-
Net income/(loss) for the period after taxation		408,915,053	(333,577,828)

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

Tariq Amin
Director

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CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2016

	2016	2015
	----- Rupees -----	
Net income/(loss) for the period after taxation	408,915,053	(333,577,828)
Other comprehensive income/(loss)	-	-
Total comprehensive income/(loss) for the period	<u>408,915,053</u>	<u>(333,577,828)</u>

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

Tariq Amin
Director

Atlas Stock Market Fund

CONDENSED INTERIM DISTRIBUTION STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2016

	2016	2015
	----- Rupees -----	
Undistributed income brought forward [includes unrealised gain on investments: Rs.202,102,807] (2015: includes unrealised gain on investments: Rs.77,101,829)	398,629,142	509,325,429
Cash dividend declared for the year ended 30 June 2016 at the rate of Rs. 5 per unit declared on 11 July 2016 (2015: Rs. 50 per unit declared on 7 July 2015)	(39,898,200)	(312,886,890)
Net income/(loss) for the period after taxation	408,915,053	(333,577,828)
Undistributed income/(accumulated losses) carried forward [includes unrealised gain on investments: Rs.360,610,137] (2015: includes unrealised loss on investments: Rs.394,899,867)	<u>767,645,995</u>	<u>(137,139,289)</u>

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

Tariq Amin
Director

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CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2016

	30 September 2016		30 September 2015	
	Units	Rupees	Units	Rupees
Net assets at beginning of the period Rs.503.43 (2015: Rs. 528.09) per unit]	7,979,640	4,017,187,934	6,257,738	3,304,661,688
Issue of units	693,448	370,865,141	1,235,071	593,483,702
Redemption of units	(296,316)	(161,007,828)	(48,651)	(22,807,944)
	397,132	209,857,313	1,186,420	570,675,758
Element of (income)/loss and capital (gains)/losses included in prices of units issued less those in units redeemed	-	(11,914,810)	-	(3,461,409)
Cash dividend declared for the year ended 30 June 2016 at the rate of Rs. 5 per unit declared on 11 July 2016 (2015: Rs. 50 per unit declared on 7 July 2015)	-	(39,898,200)	-	(312,886,890)
Capital gain on sale of investments - net	-	153,468,253	-	46,385,882
Net unrealised appreciation/(diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	-	224,947,607	-	(401,864,925)
Other income (net of expense) for the period	-	30,499,193	-	21,901,215
Total comprehensive income/(loss) for the period	-	408,915,053	-	(333,577,828)
Net assets at the end of the period [Rs. 547.25 (2015: Rs. 433.28) per unit]	8,376,772	4,584,147,290	7,444,158	3,225,411,319

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

Tariq Amin
Director

Atlas Stock Market Fund

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE QUARTER ENDED 30 SEPTEMBER 2016

	2016	2015
Note	----- Rupees -----	-----
Cash flows from operating activities		
Net income/(loss) for the period after taxation	408,915,053	(333,577,828)
Adjustments:		
Profit on bank balances	(3,197,528)	(2,502,240)
Dividend income	(47,640,625)	(43,493,100)
Capital gain on sale of investments - net	(153,468,253)	(46,385,882)
Net unrealised (appreciation)/diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(224,947,607)	401,864,925
Element of income and capital gains included in prices of units issued less those in units redeemed - net	(11,914,810)	(3,461,409)
	(32,253,770)	(27,555,534)
Decrease/(Increase) in assets		
Receivable against sale of securities	46,155,287	(59,042,392)
Advances, deposits, prepayment and other receivables	(41,136)	(379,925)
	46,114,151	(59,422,317)
Increase/(decrease) in liabilities		
Payable to Atlas Asset Management Limited - Management Company	849,070	4,358,603
Payable to Central Depository Company of Pakistan Limited	54,426	83,612
Payable to the Securities and Exchange Commission of Pakistan	(2,319,141)	(769,567)
Payable against purchase of investments	21,405,543	(127,458,655)
Accrued expenses and other liabilities	1,419,857	546,632
	21,409,755	(123,239,375)
Profit received on bank balances	2,224,036	3,084,387
Dividend received	12,338,875	15,064,539
Investments made during the period	(1,745,945,000)	(1,778,922,716)
Investments sold during the period	1,848,189,838	1,317,825,854
Net cash generated from/(used in) operating activities	152,077,885	(653,165,162)
Cash flows from financing activities		
Net receipts from issuance of units	370,865,141	605,614,546
Net payments against redemption of units	(161,618,196)	(27,069,616)
Cash payout against distribution	(40,014,232)	(312,886,890)
Net cash generated from financing activities	169,232,713	265,658,040
Net increase/(decrease) in cash and cash equivalents	321,310,598	(387,507,122)
Cash and cash equivalents at the beginning of the period	87,995,286	406,778,750
Cash and cash equivalents at the end of the period	409,305,884	19,271,628

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

Tariq Amin
Director

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NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE QUARTER ENDED 30 SEPTEMBER 2016

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, 4 December 2009 and respectively, with the approval of the SECP. The Offering Document has been revised through the First, Second, Third, Fourth, Fifth, Sixth, Seventh and Eighth Supplements dated 21 June 2005, 24 July 2006, 29 October 2007, 6 March 2008, 4 December 2009, 14 October, 2013, 24 March 2015 and 03 August 2015 respectively, with the approval of the SECP. The registered office of AAML is situated at Ground Floor, Federation House, Shahrae Firdousi, Clifton, Karachi.
- 1.2 The Fund is an open-end collective investment scheme categorised as an 'equity scheme' by the Board of Directors pursuant to the provisions contained in Circular 7 of 2009. The Fund is listed on the Pakistan Stock Exchange (formerly Karachi Stock Exchange in which Lahore Stock Exchange and Islamabad Stock Exchange have amalgamated). The units of the Fund were initially offered for public subscription at a par value of Rs. 500 per unit. Thereafter, the units are being offered to the public for subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.
- 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.
- 1.4 The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of "AM2" for the Management Company on 8 June 2016.
- 1.5 Titles to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.

2. STATEMENT OF COMPLIANCE

These condensed interim financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, 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 the directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or directives issued by the SECP differ with the requirements of IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended 30 June 2016.

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 2016.

Atlas Stock Market Fund

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 2016.

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 2016.

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 2016.

		30 September 2016	30 June 2016
	Note	Un-audited	Audited
		-----	-----
		Rupees	Rupees
4. CASH AND BANK BALANCES			
Balances with banks:			
- in saving accounts	4.1	406,087,965	87,990,286
- in current account		5,000	5,000
Cheques in hand		3,212,919	-
		<u>409,305,884</u>	<u>87,995,286</u>

4.1 The rate of return on these accounts ranges between 3.75% and 6.50% (30 June 2016: 5.00% and 6.40%) per annum.

5. INVESTMENTS

At fair value through profit or loss - held for trading

- Investment in listed equity securities	5.1	4,227,683,743	3,951,512,733
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5.1 Listed equity securities

At fair value through profit or loss - equity securities

Name of Investee Company	Number of shares					Rupees		Percentage		
	Note	As at 01 July 2016	Purchases during the period	Bonus/Rights shares issued during the period	Sales during the period	As at 30 September 2016	Carrying Cost	Market Value	Market Value as a percentage of total Investments	Market Value as a percentage of net assets

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

INVESTMENT COMPANIES

Jahangir Siddiqui & Company Limited	-	1,100,000	-	-	1,100,000	24,457,675	25,069,000	0.59	0.55	0.12
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COMMERCIAL BANKS

Allied Bank Limited	50,000	-	-	50,000	-	-	-	-	-	-
Bank Alfalah Limited	2,950,000	3,250,000	-	-	6,200,000	170,925,750	178,126,000	4.21	3.89	0.39
Bank Al Habib Limited 5.3	4,570,000	805,000	-	2,475,000	2,900,000	125,746,560	130,442,000	3.09	2.85	0.26
The Bank of Punjab	-	3,000,000	-	500,000	2,500,000	29,896,100	33,300,000	0.79	0.73	0.16
Faysal Bank Limited	-	3,200,000	-	-	3,200,000	52,322,285	50,688,000	1.19	1.11	0.27
Habib Bank Limited	1,250,000	-	-	375,000	875,000	172,865,000	193,208,750	4.57	4.21	0.06
MCB Bank Limited	384,300	95,700	-	60,000	420,000	91,440,656	92,736,000	2.19	2.02	0.04
Meezan Bank Limited	-	1,004,000	-	1,004,000	-	-	-	-	-	-
National Bank of Pakistan	-	500,000	-	500,000	-	-	-	-	-	-
United Bank Limited 5.3	1,200,000	-	-	200,000	1,000,000	176,920,000	198,780,000	4.70	4.34	0.08
	10,404,300	11,854,700	-	5,164,000	17,095,000	820,116,351	877,280,750	20.74	19.15	-

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5.1 Listed equity securities (Continued...)

Name of Investee Company	Number of shares				Rupees		Percentage			
	As at 01 July 2016	Purchases during the period	Bonus/ Rights shares issued during the period	Sales during the period	As at 30 September 2016	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
Shares of listed companies- fully paid ordinary shares with a face value of Rs 10 each unless stated other wise										
INSURANCE										
Adamjee Insurance Company Limited	-	1,000,000	-	20,000	980,000	51,039,629	53,527,600	1.27	1.17	0.28
TEXTILE COMPOSITE										
Gul Ahmed Textile Mills Limited	1,000,000	-	-	1,000,000	-	-	-	-	-	-
Nishat (Chunian) Limited	-	700,000	-	-	700,000	31,725,370	32,102,000	0.76	0.70	0.29
Nishat Mills Limited	1,450,000	-	-	275,000	1,175,000	126,782,500	165,557,500	3.92	3.61	0.33
	2,450,000	700,000	-	1,275,000	1,875,000	158,507,870	197,659,500	4.68	4.31	
CEMENT										
Cherat Cement Company Limited	308,500	-	-	-	308,500	36,887,345	39,691,610	0.94	0.87	0.17
Deewan Cement Limited	-	2,000,000	-	2,000,000	-	-	-	-	-	-
D.G. Khan Cement Company Limited	1,200,000	120,000	-	450,000	870,000	165,785,249	161,715,600	3.83	3.53	0.20
Fauji Cement Company Limited	2,500,000	1,000,000	-	-	3,500,000	127,489,875	123,445,000	2.92	2.69	0.25
Kohat Cement Company Limited	200,000	-	-	25,000	175,000	45,836,000	45,004,750	1.06	0.98	0.11
Lucky Cement Limited	235,000	-	-	107,500	127,500	82,685,025	86,350,650	2.04	1.88	0.04
Pioneer Cement Limited	700,000	75,000	-	75,000	700,000	75,150,029	73,983,000	1.75	1.61	0.31
	5,143,500	3,195,000	-	2,657,500	5,681,000	533,833,523	530,190,610	12.54	11.56	
REFINERY										
Attock Refinery Limited	-	60,000	-	60,000	-	-	-	-	-	-
National Refinery Limited	139,300	-	-	29,300	110,000	52,294,000	62,214,900	1.47	1.36	0.14
	139,300	60,000	-	89,300	110,000	52,294,000	62,214,900	1.47	1.36	
POWER GENERATION AND DISTRIBUTION										
Engro Powergen Qadirpur Limited	-	420,000	-	-	420,000	13,213,415	13,179,600	0.31	0.29	0.13
The Hub Power Company Limited	300,000	1,058,800	-	300,000	1,058,800	135,873,734	126,177,195	2.98	2.75	0.09
K-Electric Limited	7,000,000	2,000,000	-	2,000,000	7,000,000	57,720,795	64,470,000	1.52	1.41	0.07
Nishat Chunian Power Limited	836,500	216,500	-	-	1,053,000	55,879,220	58,704,750	1.39	1.28	0.29
Nishat Power Limited	-	2,116,000	-	-	2,116,000	112,228,415	119,025,000	2.82	2.60	0.60
Saif Power Limited	-	32,500	-	32,500	-	-	-	-	-	-
	8,136,500	5,843,800	-	2,332,500	11,647,800	374,915,579	381,556,545	9.02	8.33	
OIL AND GAS MARKETING COMPANIES										
Hi-Tech Lubricants Limited	650,000	420,000	-	1,070,000	-	-	-	-	-	-
Pakistan State Oil Company Limited	650,000	-	-	200,000	450,000	168,957,000	186,363,000	4.41	4.07	0.17
Sui Northern Gas Pipelines Limited	-	900,000	-	-	900,000	42,229,021	45,108,000	1.07	0.98	0.14
	1,300,000	1,320,000	-	1,270,000	1,350,000	211,186,021	231,471,000	5.48	5.05	

Atlas Stock Market Fund

5.1 Listed equity securities (Continued...)

Name of Investee Company	Note	Number of shares				Rupees			Percentage		
		As at 01 July 2016	Purchases during the period	Bonus/Rights shares issued during the period	Sales during the period	As at 30 September 2016	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
Shares of listed companies- fully paid ordinary shares with a face value of Rs 10 each unless stated other wise											
OIL AND GAS EXPLORATION COMPANIES											
Mari Petroleum											
Company Limited		285,000	132,150	-	112,150	305,000	285,320,540	291,131,650	6.89	6.35	0.28
Oil & Gas Development Company Limited		1,550,000	400,000	-	700,000	1,250,000	172,800,205	176,537,500	4.18	3.85	0.03
Pakistan Oilfields Limited		568,000	209,400	-	307,400	470,000	169,229,849	188,615,700	4.46	4.11	0.20
Pakistan Petroleum Limited	5.3	1,100,000	25,000	-	725,000	400,000	62,083,249	65,468,000	1.55	1.43	0.02
		3,503,000	766,550	-	1,844,550	2,425,000	689,433,843	721,752,850	17.08	15.74	
ENGINEERING											
Amreli Steels Limited											
International Industries Limited		730,000	565,000	-	645,000	650,000	33,435,763	46,338,500	1.10	1.01	0.22
Mughal Iron And Steel Industries Limited		1,280,500	-	-	480,500	800,000	64,696,000	107,824,000	2.55	2.35	0.67
		2,512,725	565,000	-	1,622,500	1,455,225	98,482,831	154,609,290	3.66	3.37	
AUTOMOBILE ASSEMBLER											
Indus Motor Company Limited											
Millat Tractors Limited		58,050	12,200	-	40,250	30,000	28,596,917	45,011,400	1.06	0.98	0.04
		106,050	42,200	-	88,250	60,000	46,879,651	65,380,800	1.54	1.42	
AUTOMOBILE PARTS AND ACCESSORIES											
Agriauto Industries Limited											
(Par value Rs 5/ share)		75,000	-	-	75,000	-	-	-	-	-	-
TRANSPORT											
Pakistan International Bulk Terminal Limited											
Pakistan National Shipping Corporation		1,000,000	-	-	1,000,000	-	-	-	-	-	-
		1,000,000	341,000	-	1,000,000	341,000	35,897,465	38,417,060	0.91	0.84	0.26
TECHNOLOGY AND COMMUNICATION											
Netsol Technologies Limited											
HUM Network Limited		-	150,000	-	150,000	-	-	-	-	-	-
Pakistan Telecommunication Company Limited		-	134,500	-	134,500	-	-	-	-	-	-
		2,500,000	1,250,000	-	-	3,750,000	59,745,880	68,550,000	1.62	1.50	0.10
		2,500,000	1,534,500	-	284,500	3,750,000	59,745,880	68,550,000	1.62	1.50	
FERTILIZER											
Engro Fertilizers Limited											
Engro Corporation Limited		2,937,000	1,183,000	-	-	4,120,000	267,636,200	254,039,200	6.01	5.54	0.31
Fauji Fertilizer Bin Qasim Limited		600,000	470,000	-	140,000	930,000	297,569,193	270,862,500	6.41	5.91	0.18
Fauji Fertilizer Company Limited		700,000	-	-	700,000	-	-	-	-	-	-
		4,837,000	1,653,000	-	1,440,000	5,050,000	565,205,393	524,901,700	12.42	11.45	
PHARMACEUTICALS											
Abbott Laboratories (Pakistan) Limited											
Glaxosmithkline Pakistan Limited		19,300	31,700	-	-	51,000	41,179,786	43,273,500	1.02	0.94	0.05
		19,300	221,700	-	90,000	151,000	62,751,882	64,863,500	1.53	1.41	

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5.1 Listed equity securities (Continued...)

Name of Investee Company	Number of shares				Rupees		Percentage			
	As at 01 July 2016	Purchases during the period	Bonus/Rights shares issued during the period	Sales during the period	As at 30 September 2016	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
Shares of listed companies- fully paid ordinary shares with a face value of Rs 10 each unless stated other wise										
CHEMICALS										
Akzo Nobel Pakistan Limited	-	188,100	-	188,100	-	-	-	-	-	-
ICI Pakistan Limited	-	30,000	-	-	30,000	18,338,991	19,565,700	0.46	0.43	-
	-	218,100	-	188,100	30,000	18,338,991	19,565,700	0.46	0.43	
FOODS AND PERSONAL CARE PRODUCTS										
Al Shaheer Corporation Limited	656,250	425,000	-	-	1,081,250	61,874,303	68,972,938	1.63	1.50	0.87
Engro Foods Limited	100,000	-	-	-	100,000	16,333,000	14,631,000	0.35	0.32	0.01
Nestle Pakistan Limited	5,500	-	-	-	5,500	40,150,000	41,800,000	0.99	0.91	0.01
Rafhan Maize Products Company Limited	-	6,000	-	-	6,000	42,502,249	42,600,000	1.01	0.93	0.07
	761,750	431,000	-	-	1,192,750	160,859,552	168,003,938	3.98	3.66	
MISCELLANEOUS										
Shifa International Hospitals Ltd.	130,000	-	-	700	129,300	38,790,000	42,669,000	1.01	0.93	0.24
Total as at 30 September 2016	43,018,425	30,846,550	-	19,441,900	54,423,075	4,002,736,136	4,227,683,743	100.00	92.23	
Total as at 30 June 2016						3,749,410,221	3,951,512,733			

5.2 The cost of listed equity securities as at 30 September 2016 is Rs. 3,867,073,606 (30 June 2016: Rs.3,749,409,926).

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 2016	30 June 2016	30 September 2016	30 June 2016
	Un-audited	Audited	Un-audited	Audited
	----- Rupees -----			
Bank Al Habib Limited	425,000	425,000	19,116,500	18,326,000
United Bank Limited	100,000	100,000	19,878,000	17,692,000
Pakistan Petroleum Limited	297,000	297,000	48,609,990	46,049,850
	822,000	822,000	87,604,490	82,067,850

6. PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY (RELATED PARTY)	Note	30 September 2016	30 June 2016
		Un-audited	Audited
Remuneration of the Management Company	6.1	7,364,160	6,554,764
Sindh sales tax payable on remuneration of the Management Company	6.2	3,926,386	3,886,712
Federal Excise Duty payable on remuneration of the Management Company	6.3	20,301,988	20,301,988
		31,592,534	30,743,464

Atlas Stock Market Fund

- 6.1 As per the amendments made in the NBFC Regulations, 2008 vide SRO 1160(1)/2015 dated 25 November 2015, the Management Company is entitled to a remuneration equal to an amount not exceeding 2% of the average annual net assets incase of equity schemes. Previously, the Management Company was 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. During the quarter ended 30 September 2016 the Management Company has charged its remuneration at the rate of 2% (2015: 2%) per annum of the average net assets.
- 6.2 During the period, an amount of Rs.2,852,440 (2015: Rs.2,730,319) 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.2,812,766 (2015: Rs. 2,232,389) has 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 Hon'ble SHC has issued a stay order against recovery proceedings till the date of next hearing. Pending decision of the SHC, the Fund is not making payment in respect of FED.

In a recent order of the SHC, all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) have been set aside. However as a matter of abundant caution full provision for FED on remuneration of the Management Company is being retained in the financial statements of the Fund from 13 June 2013 till 30 June 2016 as the management believes that the Federal government retains the right to appeal against the said order in the Supreme Court within the prescribes timeline. Has the same not been made the net asset value per unit of the Fund would have been higher by Rs. 2.42 (30 June 2016: Rs. 2.54) per unit.

With effect from 01 July 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

In response to the above mentioned judgment, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan. Thereafter, during the pendency of the present civil petition, the Supreme Court has suspended the operation of impugned SHC judgment. The matter is still pending adjudication.

	30 September 2016	30 June 2016
Note	Un-audited	Audited
	-----	-----
	Rupees	
7. ACCRUED EXPENSES AND OTHER LIABILITIES		
Auditors' remuneration payable	139,178	389,094
Printing charges payable	144,536	90,000
NCCPL charges payable	67,766	58,487
Withholding and capital gain tax payable	684,031	49,081
Zakat payable	113,345	-
Accounting and operational charges	554,700	327,738
Sindh sales tax payable on opeartional charges	44,376	19,666
Transaction charges payable	2,252,371	1,646,380
Provision for Workers' Welfare Fund	7.1 34,031,289	34,031,289
	38,031,592	36,611,735

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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 which it was construed that all Collective Investment Schemes / mutual funds (CISs) whose income exceeded Rs 0.5 million in a tax year were 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 was higher. In light of this, the Mutual Funds Association of Pakistan (MUFAP) filed a constitutional petition in the Honourable Sindh High Court challenging the applicability of WWF on CISs which is pending adjudication.

The Finance Act, 2015 introduced an amendment under which mutual funds and collective investment schemes have been excluded from the definition of industrial establishment. Consequently, mutual funds are not subject to this levy after the introduction of this amendment which is applicable for tax year 2016. The provision made till June 30, 2015 has not been reversed as the law suit referred to in the previous paragraph is still pending in the SHC.

Although the Management Company is hopeful that the case will be decided in favour of the Funds, it has retained the provision in the financial statements as at 30 September 2016 in respect of the liability towards WWF amounting to Rs. 34,031,289 (30 June 2016: Rs. 34,031,289). Had the same not been made the net asset value per unit of the Fund would have been higher by Rs. 4.06 (30 June 2016: Rs. 4.26) per unit.

8. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 30 September 2016 and 30 June 2016.

9. ACCOUNTING AND OPERATIONAL CHARGES

In accordance with the provisions of the NBFC Regulations, 2008 (amended vide S.R.O 1160(I) / 2015 dated 25 November 2015), the Management Company of the Fund is entitled to reimbursement of fees and expenses incurred by the Management Company in relation to registrar services, accounting, operation and valuation services related to the Fund upto a maximum of 0.1% of the average annual net assets of the Scheme or actual whichever is less. Accordingly, the Management Company has charged accounting and operational charges to the Fund at the rate of 0.1% per annum of the average annual net assets of the Fund.

10. EXPENSE RATIO

Total Expense Ratio (TER) of the Fund is 2.94% including expenses representing Government levy, WWF and SECP Fee. However, after deducting Government levy, WWF and SECP Fee i.e. 0.45%, the expense ratio will be 2.49% which is inline with the limit specified by the Commission under the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

11. TAXATION

11.1 The income of the Fund 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. The Management intends to distribute atleast 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.

11.2 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 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. 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 until 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.

During the year ended 30 June 2015, the Commissioner Inland Revenue - Appeals (CIR - Appeals) has 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.

Atlas Stock Market Fund

12. TRANSACTIONS WITH CONNECTED PERSONS/OTHER RELATED PARTIES

For the Quarter Ended	
30 September 2016	30 September 2015
Un-audited	Un-audited
----- Rupees -----	

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	21,941,848	16,812,311
Remuneration paid	21,132,452	15,641,607
Sindh Sales Tax on remuneration of the Management Company	2,852,440	2,730,319
Federal Excise Duty on remuneration of the Management Company	-	2,689,970
Issue of 1,514 (2015: 70,176) units	754,525	34,225,101
Cash dividend	838,361	-

Central Depository Company of Pakistan Limited (Trustee)

Remuneration of the Trustee	1,349,147	1,092,446
Remuneration paid	1,308,453	1,034,135
Sindh Sales Tax on remuneration of the trustee	175,389	152,942
Settlement charges	150,891	106,360
Sindh Sales Tax on settlement charges	-	14,890
Settlement charges paid	145,409	124,122

Atlas Battery Limited (Group Company)

Issue of 5,069 (2015: Nil) units	2,526,658	-
Cash Dividend	2,807,398	24,419,543

Atlas Insurance Limited (Group Company)

Issue of 274,693 (2015: 59,120) units	149,528,684	28,206,903
Redemption of 214,147 (2015: Nil) units	116,800,057	-
Cash Dividend	3,031,871	-

Atlas Insurance Limited - Staff Provident Fund Trust (Retirement Benefit plan of a Group Company)

Issue of 260 (2015: 2,453) units	129,560	1,172,932
Cash Dividend	129,560	-

Atlas Metals (Private) Limited (Group Company)

Issue of 114 (2015: 1,031) units	56,911	508,189
Cash Dividend	63,235	580,788

Atlas Foundation (Group Company)

Issue of 217,556 (2015: 63,349) units	115,810,975	30,193,104
Cash Dividend	3,123,305	-

Atlas Group of Companies Management Staff Gratuity Fund (Retirement Benefit plan of a Group Company)

Issue of 1,386 (2015: 26,106) units	691,061	13,000,000
Cash Dividend	691,060	3,630,611

Atlas Honda Limited - Employees Provident Fund (Retirement Benefit plan of a Group Company)

Issue of 809 (2015: Nil) units	403,249	-
Cash Dividend	403,248	4,032,485

Atlas Honda Limited - Non Management Staff Gratuity Fund (Retirement Benefit plan of a Group Company)

Issue of 226 (2015: Nil) units	112,715	-
Cash Dividend	112,715	1,127,149

Atlas Honda Limited

Issue of 1,977 (2015: Nil) units	985,375	-
Cash Dividend	1,094,861	-

Atlas Engineering Limited - Employees Provident Fund (Retirement Benefit plan of a Group Company)

Issue of 161 (2015: Nil) units	80,046	-
Cash Dividend	80,046	800,459

Batools Benefit Trust (Trust having common Director/Trustee)

Issue of 1,686 (2015: 10,217) units	840,362	4,884,529
Cash Dividend	933,735	-

Honda Atlas Cars (Pakistan) Limited - Employees Gratuity Fund (Retirement Benefit plan of a Group Company)

Issue of 18,585 (2015: Nil) units	10,060,513	-
Cash Dividend	60,513	605,134

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	Note	30 September 2016	30 September 2015
		Un-audited	Un-audited
----- Rupees -----			
12.1 Details of transaction with related parties during the period are as follows: (Continued...)			
Shirazi Capital (Private) Limited (Group Company)			
Issue of 5,457 (2015: 44,308) units		2,719,838	21,183,222
Cash Dividend		3,022,040	-
Shirazi Investments (Private) Limited (Group Company)			
Issue of 22,504 (2015: 483,400) units		11,216,656	237,902,058
Cash Dividend		12,462,951	-
Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement Benefit plan of a Group Company)			
Issue of 560 (2015: 13,741) units		288,172	6,572,285
Cash Dividend		163,172	-
Key Management Personnel of Management Company	12.3		
Issue 17,359 (2015: 90,984) units		9,135,665	44,000,698
Cash Dividend		2,060,452	305,269
		30 September 2016	30 June 2016
		Un-audited	Audited
		----- Rupees -----	
12.2 Details of balances with related parties as at the period/year end are as follows:			
Atlas Asset Management Limited (Management Company)			
Remuneration payable to the management company		7,364,160	6,554,764
Sindh Sales tax payable on remuneration of the Management Company		3,926,386	3,886,712
Federal Excise Duty payable on remuneration of the Management Company		20,301,988	20,301,988
Outstanding 169,186 (30 June 2016: 167,672) units - at net asset value		92,587,089	84,411,260
Central Depository Company of Pakistan Limited (Trustee)			
Trustee fee payable		450,400	409,706
Sindh Sales tax payable on remuneration of trustee		58,552	57,359
Settlement charges payable		50,672	39,228
Sindh Sales tax payable on settlement charges		6,587	5,492
Atlas Battery Limited (Group Company)			
Outstanding 566,549 (30 June 2016: 561,480) units - at net asset value		310,043,846	282,665,672
Atlas Honda Limited (Group Company)			
Outstanding 220,949 (30 June 2016: 218,972) units - at net asset value		120,914,426	110,237,174
Atlas Insurance Limited (Group Company)			
Outstanding 666,920 (30 June 2016: 606,374) units - at net asset value		364,971,837	305,266,948
Atlas Insurance Limited - Staff Provident Fund Trust (Retirement Benefit plan of a Group Company)			
Outstanding 26,172 (30 June 2016: 25,912) units - at net asset value		14,322,602	13,044,887
Atlas Metals (Private) Limited (Group Company)			
Outstanding 12,761 (30 June 2016: 12,647) units - at net asset value		6,983,586	6,366,907
Atlas Foundation (Group Company)			
Outstanding 842,217 (30 June 2016: 624,661) units - at net asset value		460,903,096	314,473,082
Atlas Group of Companies Management Staff Gratuity Fund (Retirement Benefit plan of a Group Company)			
Outstanding 139,599 (30 June 2016: 138,212) units - at net asset value		76,395,362	69,580,156
Atlas Honda Limited - Employees Provident Fund (Retirement Benefit plan of a Group Company)			
Outstanding 81,459 (2015: 80,650) units - at net asset value		44,578,293	40,601,478
Atlas Honda Limited - Non Management Staff Gratuity Fund (Retirement Benefit plan of a Group Company)			
Outstanding 22,769 (30 June 2016: 22,543) units - at net asset value		12,460,399	11,348,811

Atlas Stock Market Fund

30 September 2016
Un-audited
Note ----- Rupees -----
30 June 2016
Audited

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

**Atlas Engineering Limited - Employees Provident Fund
(Retirement Benefit plan of a Group Company)**

Outstanding 16,170 (30 June 2016: 16,009) units - at net asset value 8,848,913 8,059,504

Batoos Benefit Trust (Trust having common Director/Trustee)

Outstanding 188,433 (30 June 2016: 186,747) units - at net asset value 103,119,955 94,014,030

**Honda Atlas Cars (Pakistan) Limited - Employees Gratuity Fund
(Retirement Benefit plan of a Group Company)**

Outstanding 30,688 (30 June 2016: 12,103) units - at net asset value 16,793,949 6,092,849

Shirazi Capital (Private) Limited (Group Company)

Outstanding 609,865 (30 June 2016: 604,408) units - at net asset value 333,748,683 304,277,272

**Shirazi Investments (Private) Limited - Employees Provident Fund
(Retirement Benefit plan of a Group Company)**

Outstanding 33,195 (30 June 2016: 32,635) units - at net asset value 18,165,886 16,429,159

Shirazi Investments (Private) Limited (Group Company)

Outstanding 2,515,094 (30 June 2016: 2,492,590) units - at net asset value 1,376,385,305 1,254,844,701

Key Management Personnel of Management Company

Outstanding 429,449 (30 June 2016: 412,090) units - at net asset value 12.3 235,015,908 207,458,637

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 Operating 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 and above, as set by the Board of Directors of the Management Company for FY 2016-17.

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

Figures have been rounded off to the nearest Rupee.

14. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on 27 October 2016.

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

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

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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

EY Ford Rhodes
Chartered Accountants

Legal Advisers

Bawaney & Partners

Bankers

Allied Bank Limited
Bank Alfalah Limited

Atlas Gold Fund

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED) AS AT 30 SEPTEMBER 2016

		30 September 2016 Un-audited	30 June 2016 Audited
	Note	----- Rupees -----	-----
ASSETS			
Bank balances	4	40,812,001	193,747,341
Investments in government securities	5	228,527,310	-
Financial assets at fair value through profit or loss		-	9,854,024
Interest accrued		1,017,799	446,064
Deferred formation cost		416,920	477,135
Prepayment and other receivables		365,306	332,396
Margin deposits with Pakistan Mercantile Exchange Limited against future contracts		36,326,664	32,435,953
Total assets		307,466,000	237,292,913
LIABILITIES			
Financial liabilities at fair value through profit or loss	6	3,137,650	-
Payable to Atlas Asset Management Limited - Management Company	7	2,280,146	2,450,059
Payable to Central Depository Company of Pakistan Limited - trustee		48,031	36,309
Annual fee payable to the Securities & Exchange Commission of Pakistan		56,671	151,492
Accrued expenses and other liabilities	8	479,910	556,597
Unclaimed dividend		2,192	2,192
Total liabilities		6,004,600	3,196,649
NET ASSETS		301,461,400	234,096,264
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		301,461,400	234,096,264
CONTINGENCIES AND COMMITMENTS	9		
NUMBER OF UNITS IN ISSUE		2,849,849	2,113,174
NET ASSET VALUE PER UNIT		105.78	110.78

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

First Quarter Report 2016-17

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2016

	Note	2016 Rupees	2015 Rupees
Income			
Interest income	11	4,099,975	3,203,791
Net loss on investments and derivatives			
Net gain on sale of government securities		-	2,999
Net unrealised loss on government securities		(4,523)	-
Realised gain/(loss) on gold future contracts		160,788	(8,785,985)
Net unrealised (loss)/gain on gold future contracts	6.1	(3,137,650)	880,326
		(2,981,385)	(7,902,660)
Element of income and capital gains included in prices of units sold less those in units redeemed - net		507,291	124,296
		1,625,881	(4,574,573)
Expenses			
Remuneration of Atlas Asset Management Limited - Management Company	7.1	755,574	488,951
Sindh Sales Tax on remuneration of the Management Company	7.2	98,225	79,406
Federal Excise Duty on remuneration of the Management Company	7.3	-	78,232
Remuneration of Central Depository Company of Pakistan Limited - Trustee		128,438	83,122
Sindh Sales Tax on remuneration of the Trustee		16,697	11,637
Annual fee - Securities and Exchange Commission of Pakistan		56,671	36,671
Accounting and operational charges	10	75,580	-
Sindh Sales Tax on accounting and operational charges		6,046	-
Auditors' remuneration		84,148	88,176
Annual listing fee		11,090	7,541
Fund ranking fee		-	32,678
Printing charges		3,755	35,191
Securities transaction cost		318,826	202,540
Amortisation of formation cost		60,216	60,051
Bank charges		5,113	1,700
		1,620,379	1,205,896
Net Income/(loss) for the period before taxation		5,502	(5,780,469)
Taxation	13	-	-
Net income/(loss) for the period after taxation		5,502	(5,780,469)

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

Atlas Gold Fund

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2016

	2016	2015
	----- Rupees -----	----- Rupees -----
Net income/(loss) for the period after taxation	5,502	(5,780,469)
Other comprehensive income/(loss)	-	-
Total comprehensive income/(loss) for the period	5,502	(5,780,469)

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

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CONDENSED INTERIM DISTRIBUTION STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2016

	2016	2015
	----- Rupees -----	
Undistributed income/(loss) brought forward [Includes unrealized gain on future contracts of gold Rs.9,854,024] (2015: Includes unrealized loss on future contracts of gold Rs.3,689,544)	21,756,978	(5,371,683)
Cash dividend for the year ended 30 June 2016 at the rate of Rs.5.00 per unit declared on 11 July 2016 (2015: Nil)	(10,565,869)	-
Net income/(loss) for the period after taxation	5,502	(5,780,469)
Undistributed income/(loss) carried forward [Includes unrealized loss on future contracts of gold Rs.3,137,650] (2015: Includes unrealized gain on future contracts of gold Rs.880,326)	<u>11,196,611</u>	<u>(11,152,152)</u>

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

Atlas Gold Fund

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2016

	30 September 2016		30 September 2015	
	Units	Rupees	Units	Rupees
Net assets at the beginning of the period [Rs.110.78 (2015: Rs.97.94) per unit]	2,113,174	234,096,264	2,049,681	200,749,138
Issue of units	857,975	91,329,480	-	-
Redemption of units	(121,300)	(12,896,686)	(48,402)	(4,616,240)
	736,675	78,432,794	(48,402)	(4,616,240)
Element of (income)/loss and capital (gains)/losses included in prices of units sold less those in units redeemed - net	-	(507,291)	-	(124,296)
Cash dividend for the year ended 30 June 2016 at the rate of Rs.5.00 per unit declared on 11 July 2016 (2015: Nil)	-	(10,565,869)	-	-
Net gain on sale of government securities	-	-	-	2,999
Net unrealised loss on government securities	-	(4,523)	-	-
Realised gain/(loss) on gold future contracts	-	160,788	-	(8,785,985)
Net unrealised (loss)/gain on gold future contracts	-	(3,137,650)	-	880,326
Net other income for the period	-	2,986,887	-	2,122,191
Total comprehensive income/(loss) for the period	-	5,502	-	(5,780,469)
Net assets at the end of the period [Rs.105.78 (2015: Rs.95.05) per unit]	2,849,849	301,461,400	2,001,279	190,228,133

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

First Quarter Report 2016-17

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE QUARTER ENDED 30 SEPTEMBER 2016

	2016	2015
Note	----- Rupees -----	-----
Cash flows from operating activities		
Net gain/(loss) for the period after taxation	5,502	(5,780,469)
Adjustments:		
Interest income	(4,099,975)	(3,203,791)
Net gain on sale of government securities	-	(2,999)
Net unrealised loss on government securities	4,523	-
Realised (gain)/loss on gold future contracts	(160,788)	8,785,985
Net unrealised loss/(gain) on gold future contracts	3,137,650	(880,326)
Amortization of formation cost	60,216	60,051
Element of income and capital gains included in prices of units sold less those in units redeemed - net	(507,291)	(124,296)
	(1,565,665)	4,634,624
	(1,560,163)	(1,145,845)
(Increase)/decrease in assets		
Prepayment and other receivables	(32,910)	(22,459)
Margin deposits with Pakistan Mercantile Exchange Limited against future contracts	(3,890,711)	5,527,205
	(3,923,621)	5,504,746
(Decrease)/Increase in liabilities		
Payable to Atlas Asset Management Limited - Management Company	(169,913)	(255,900)
Payable to Central Depository Company of Pakistan Limited - trustee	11,722	2,393
Annual fee payable to the Securities and Exchange Commission of Pakistan	(94,821)	(115,197)
Accrued expenses and other liabilities	(76,687)	(67,491)
	(329,699)	(436,195)
Interest received	3,528,240	2,821,853
Investments made during the period	(483,517,022)	(150,142,500)
Investments sold/matured during the period	265,000,000	287,441,972
Net cash (used in)/generated from operating activities	(220,802,265)	144,044,031
Cash flows from financing activities		
Proceeds from issue of units	91,329,480	-
Payment on redemption of units	(12,896,686)	(4,616,240)
Dividend paid	(10,565,869)	-
Net cash generated from/(used in) financing activities	67,866,925	(4,616,240)
Net (decrease)/increase in cash and cash equivalents during the period	(152,935,340)	139,427,791
Cash and cash equivalents at the beginning of the period	193,747,341	36,783,124
Cash and cash equivalents at the end of the period	40,812,001	176,210,915

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

Atlas Gold Fund

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2016

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 First, Second, Third and Forth Supplements dated 13 May 2014, 24 March 2015, August 2015 and 30 September 2016 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, Shabrae 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 Pakistan Stock Exchange (formerly Karachi Stock Exchange in which Lahore Stock Exchange and Islamabad Stock Exchange have amalgamated).
- 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.
- 1.4 The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM2 to the Management Company on 8 June 2016.
- 1.5 Titles to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.

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 2016.

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 2016.

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 2016.

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 2016.

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 2016.

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		30 September 2016 Un-audited	30 June 2016 Audited
	Note	----- Rupees -----	----- Rupees -----
4. BANK BALANCES			
In PLS saving accounts	4.1	<u>40,812,001</u>	<u>193,747,341</u>

4.1 The rate of return on these accounts ranges between 3.75% to 6.50% (30 June 2016: 5.00% to 6.40%) per annum.

5. INVESTMENTS - at fair value through Income Statement

Government securities

Market Treasury Bills - held-for-trading	5.1	<u>228,527,310</u>	<u>-</u>
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5.1 Market Treasury Bills - held-for-trading

	Face value (Rupees)				Rupees		Percentage	
	As at 01 July 2016	Acquired during the period	Sold/ Matured during the period	As at 30 September 2016	Amortised cost	Market Value	Market value as a percentage of total investments	Market value as a percentage of net assets
Treasury bills								
6 Months - T-bills	-	230,000,000	-	230,000,000	228,531,833	228,527,310	100.00	75.81
12 Months - T-bills	-	265,000,000	265,000,000	-	-	-	-	-
	<u>-</u>	<u>495,000,000</u>	<u>265,000,000</u>	<u>230,000,000</u>	<u>228,531,833</u>	<u>228,527,310</u>	<u>100.00</u>	<u>75.81</u>

5.2 The cost of investment as on 30 September 2016 is Rs. 228,238,200 (30 June 2016: Rs. Nil).

5.3 These Market treasury bills carry purchase yields of 5.87% per annum and will mature by 10 November 2016 (30 June 2016: Nil).

		30 September 2016 Un-audited	30 June 2016 Audited
	Note	----- Rupees -----	----- Rupees -----

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

Held-for-trading - derivative financial instruments

Future Gold Contracts

- Financial liabilities at fair value through profit and loss	6.1	<u>3,137,650</u>	<u>-</u>
- Financial assets at fair value through profit and loss		<u>-</u>	<u>9,854,024</u>

6.1 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 2016	25 Nov 2016	1,740	2,296,104	240,218,400	0.80
Liabilities against gold futures at contracted rates			USD\$ 2,326,095	243,356,050	
Unrealised loss on future contracts of gold				<u>3,137,650</u>	

Atlas Gold Fund

		30 September 2016	30 June 2016
	Note	Un-audited	Audited
		Rupees	
7. PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED			
- MANAGEMENT COMPANY - RELATED PARTY			
Management fee	7.1	250,064	187,355
Formation cost payable		477,800	716,700
Sindh Sales Tax payable on Remuneration of the Management Company	7.2	232,371	226,093
Federal Excise Duty payable on remuneration of the Management Company	7.3	1,319,911	1,319,911
		2,280,146	2,450,059

- 7.1** In accordance with the provisions of the NBFC Regulations amended vide S.R.O 1160(I) / 2015 dated 25 November, 2015, the Management Company is entitled to receive a remuneration at the rate not exceeding 1% of the average annual net assets of the Fund. The Management Company has charged its remuneration at the rate of 1% (30 June 2016: 1%) per annum of the average annual net assets. The fee is payable to the Management Company monthly in arrears.
- 7.2** During the period, an amount of Rs.98,225 (2015: Rs.79,406) 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.91,947 (2015: Rs.83,676) has been paid to the Management Company which acts as a collecting agent.
- 7.3** 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 7.2 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 Hon'ble SHC has issued a stay order against recovery proceedings till the date of next hearing. Pending decision of the SHC, the Fund is not making payment in respect of FED.

In a recent order of the SHC, all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) have been set aside. However as a matter of abundant caution full provision for FED on remuneration of the Management Company is being retained in the financial statements of the Fund from 13 June 2013 till 30 June 2016 as the management believes that the Federal government retains the right to appeal against the said order in the Supreme Court within the prescribes timeline. Has the same not been made the net asset value per unit of the Fund would have been higher by Rs.0.46 per unit (30 June 2016: Rs.0.62 per unit).

With effect from 01 July 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

In response to the above mentioned judgment, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan. Thereafter, during the pendency of the present civil petition, the Supreme Court has suspended the operation of impugned SHC judgment. The matter is still pending adjudication.

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	Note	30 September 2016	30 June 2016
		Un-audited	Audited
		Rupees -----	
8. ACCRUED AND OTHER LIABILITIES			
Auditors' remuneration payable		74,196	243,686
Printing charges payable		93,755	90,000
Transaction charges payable		38,155	1,027
Accounting and operational charges	10	25,030	18,736
Sindh Sales Tax payable on operational charges		2,002	1,124
Withholding tax payable		52,194	7,446
Provision against Workers' Welfare Fund	8.1	194,578	194,578
		479,910	556,597

8.1 The Finance Act, 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance) as a result of which it was construed that all Collective Investment Schemes/ mutual funds (CISs) whose income exceeded Rs 0.5 million in a tax year were 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 was higher. In light of this, the Mutual Funds Association of Pakistan (MUFAP) filed a constitutional petition in the Honourable Sindh High Court challenging the applicability of WWF on CISs which is pending adjudication.

The Finance Act, 2015 introduced an amendment under which mutual funds and collective investment schemes have been excluded from the definition of industrial establishment. Consequently, mutual funds are not subject to this levy after the introduction of this amendment which is applicable for tax year 2016. The provision made till June 30, 2015 has not been reversed as the law suit referred to in the previous paragraph is still pending in the SHC.

Although the Management Company is hopeful that the case will be decided in favour of the Funds, it has retained the provision in the financial statement as at September 30, 2016 in respect of the liability towards WWF amounting to Rs 194,578 (30 June 2016: 194,578). Had the same not been made, the net asset value per unit of the Fund would have been higher by Rs.0.07 per unit (30 June 2016: Rs.0.09 per unit).

9. CONTINGENCIES AND COMMITMENTS

9.1 There were no contingencies outstanding as at 30 September 2016 and 30 June 2016.

	30 September 2016	30 June 2016
	Un-audited	Audited
Rupees -----		
9.2 COMMITMENTS		
Purchase of:		
Ounce Gold Contracts US \$ 2,296,104 (30 June 2016: US \$ 1,706,958)	240,218,400	178,769,733

9.2.1 This represents the investment in future gold contracts with settlement date of 25 November 2016 (30 June 2016: 26 July 2016).

10. ACCOUNTING AND OPERATIONAL CHARGES

In accordance with the provisions of the NBFC Regulations amended vide S.R.O 1160(I) / 2015 dated 25 November 2015, the Management Company of the Fund is entitled for reimbursement of fees and expenses incurred by the Management Company in relation to registrar services, accounting, operation and valuation services related to Fund maximum up to 0.1% of average annual net assets of the Scheme or actual whichever is less. Accordingly, the Management Company has charged accounting and operational charges to the Fund at the rate of 0.1% per annum of the average annual net assets of the Fund.

Atlas Gold Fund

11. INTEREST INCOME	For the Quarter Ended	
	30 September 2016	30 September 2015
	Un-audited	Un-audited
	----- Rupees -----	
Profit on PLS Saving account and deposits	2,590,787	2,044,441
Government Securities - Market Treasury bills	1,509,188	1,159,350
	4,099,975	3,203,791

12. EXPENSE RATIO

Total Expense Ratio (TER) of the Fund is 2.14% including expenses representing Government levy, WWF and SECP Fee. However, after deducting Government levy, WWF and SECP Fee i.e. 0.24%, the expense ratio will be 1.90% which is inline with the limit specified by the Commission under the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

13. 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. 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.

14. TRANSACTIONS WITH RELATED PARTIES/CONNECTED PERSONS	For the Quarter Ended	
	30 September 2016	30 September 2015
	Un-audited	Un-audited
	----- Rupees -----	

14. TRANSACTIONS WITH RELATED PARTIES/CONNECTED PERSONS

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

Atlas Asset Management Limited (Management Company)		
Remuneration of the Management Company	755,574	488,951
Remuneration paid	692,865	579,914
Sindh Sales Tax on Remuneration of the Management Company	98,225	79,406
Federal Excise Duty on Remuneration of the Management Company	-	78,232
Formation cost paid	238,900	238,900
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration of the Trustee	128,438	83,122
Remuneration paid	112,751	84,483
Sindh sales tax on the remuneration of the trustee	16,697	11,637
Atlas Battery Limited (Group Company)		
Issue of 18,225 (2015: Nil) units	1,927,825	-
Cash Dividend	2,570,433	-
Atlas Foundation (Group Company)		
Issue of 5,468 (2015: Nil) units	578,348	-
Cash Dividend	771,130	-
Atlas Honda Limited (Group Company)		
Issue of 17,248 (2015: Nil) units	1,824,459	-
Cash Dividend	2,432,612	-
Atlas Insurance Limited (Group Company)		
Issue of 3,703 (2015: Nil) units	391,611	-
Cash Dividend	522,148	-

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	For the Quarter Ended	
	30 September 2016	30 September 2015
Note	Un-audited	Un-audited
	-----	-----
	Rupees	Rupees

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

Batools Benefit Trust (Trust having common Director / Trustee)

Issue of 5,468 (2015: Nil) units	578,348	-
Cash Dividend	771,130	-

Atlas Group of Companies Management Staff Gratuity Fund (Retirement benefit plan of a Group Company)

Issue of 15,544 (2015: Nil) units	1,644,181	-
Cash Dividend	1,644,181	-

Atlas Honda Limited Non Management Staff Gratuity Fund (Retirement benefit plan of a Group Company)

Issue of 1,084 (2015: Nil) units	114,622	-
Cash Dividend	114,622	-

Atlas Honda Limited Employees Provident Fund (Retirement benefit plan of a Group Company)

Issue of 2,173 (2015: Nil) units	229,929	-
Cash Dividend	229,929	-

Key Management Personnel of Management Company 14.3

Issue of 2,193 (2015: Nil) units	231,969	-
Cash Dividend	257,743	-

30 September 2016	30 June 2016
Un-audited	Audited
-----	-----
Rupees	Rupees

14.2 Details of balances with related parties as at the period / year end are as follows:

Atlas Asset Management Limited (Management Company)

Remuneration payable to the management company	250,064	187,355
Formation cost payable	477,800	716,700
Sindh sales tax payable on remuneration of the Management Company	232,371	226,093
Federal Excise Duty payable on remuneration of the Management Company	1,319,911	1,319,911

Central Depository Company of Pakistan Limited (Trustee)

Trustee fee payable	42,505	31,850
Sindh sales tax payable on remuneration of the Trustee	5,526	4,459

Atlas Battery Limited (Group Company)

Outstanding 532,311 (30 June 2016: 514,086) units - at net asset value	56,307,909	56,950,517
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Atlas Foundation (Group Company)

Outstanding 159,693 (30 June 2016: 154,225) units - at net asset value	16,892,373	17,085,155
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Atlas Honda Limited (Group Company)

Outstanding 503,770 (30 June 2016: 486,522) units - at net asset value	53,288,792	53,896,945
--	------------	------------

Atlas Insurance Limited (Group Company)

Outstanding 108,132 (30 June 2016: 104,429) units - at net asset value	11,438,165	11,568,702
--	------------	------------

Atlas Gold Fund

30 September
2016
Un-audited

30 June
2016
Audited

Note ----- Rupees -----

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

Batools Benefit Trust (Trust having common Director/Trustee)		
Outstanding 159,693 (30 June 2016: 154,225) units - at net asset value	16,892,373	17,085,155
Atlas Group of Companies Management Staff Gratuity Fund (Retirement benefit plan of a Group Company)		
Outstanding 344,380 (30 June 2016: 328,836) units - at net asset value	36,428,480	36,428,480
Atlas Honda Limited Non Management Staff Gratuity Fund (Retirement benefit plan of a Group Company)		
Outstanding 24,008 (30 June 2016: 22,924) units - at net asset value	2,539,559	2,539,559
Atlas Honda Limited Employees Provident Fund (Retirement benefit plan of a Group Company)		
Outstanding 48,159 (30 June 2016: 45,986) units - at net asset value	5,094,306	5,094,306
<u>Key Management Personnel of Management Company</u> 14.3		
Outstanding 53,741 (30 June 2016: 51,548) units - at net asset value	5,684,769	5,710,543

14.3 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 Operating 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 2016-17.

14.4 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.

15. GENERAL

Figures have been rounded off to the nearest Rupee.

16. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the management company on 27 October 2016.

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

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

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