



Atlas Money Market Fund

Atlas Sovereign Fund

Atlas Income Fund

Atlas Stock Market Fund

QUARTERLY REPORT

30 SEPTEMBER 2020

(UN-AUDITED)

**Atlas
funds**
Nurturing your investments



Managed By

Atlas Asset Management

**Rated AM2+ by PACRA
(as of December 26, 2019)**



Vision

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

Mission

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

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Atlas Funds

ORGANISATION

Management Company

Atlas Asset Management Limited

Board of Directors of the Management Company

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

Directors Mr. Tariq Amin
(Independent Director)
Ms Zehra Naqvi
(Independent Director)
Mr. Frahim Ali Khan
(Non-Executive Director)
Mr. Ali H. Shirazi
(Non-Executive Director)
Mr. M. Habib-ur-Rahman
(Non-Executive Director)

Chief Executive Officer Mr. Muhammad Abdul Samad
(Executive Director)

Company Secretary Ms Zainab Kazim

Board Committees

Audit Committee

Chairman Mr. Tariq Amin
Members Mr. Frahim Ali Khan
Mr. M. Habib-ur-Rahman
Secretary Mr. M. Uzair Uddin Siddiqui

Human Resource & Remuneration Committee

Chairperson Ms. Zehra Naqvi
Members Mr. Frahim Ali Khan
Mr. Ali H. Shirazi
Mr. Muhammad Abdul Samad
Secretary Ms Zainab Kazim

Investment Committee

Chairman Mr. Muhammad Abdul Samad
Members Mr. Ali H. Shirazi
Mr. Khalid Mahmood
Mr. Muhammad Umar Khan
Mr. Fawad Javaid
Secretary Mr. Faran-ul-Haq

Management Committee

Chairman Mr. Muhammad Abdul Samad
Members Mr. Khalid Mahmood
Ms Qurrat-ul-Ain Jafari
Ms Mishaal H. Shirazi
Mr. Tariq Ahmed Siddiqui
Ms Ayesha Farooq
Ms Zainab Kazim
Mr. M. Kamran Ahmed
Mr. Najam Shehzad
Secretary Mr. Muhammad Umar Khan

Risk Management Committee

Chairman Mr. Muhammad Abdul Samad
Members Mr. Khalid Mahmood
Secretary Mr. Shaikh Owais Ahmed

Chief Financial Officer

Ms Qurrat-ul-Ain Jafari

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
Fax: (92-21) 35379280
Email: info@atlasfunds.com.pk
Website: www.atlasfunds.com.pk

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CHAIRMAN'S REVIEWS

It is my pleasure to present you the un-audited Financial Statements of Atlas Money Market Fund (AMF), Atlas Sovereign Fund (ASF), Atlas Income Fund (AIF) and Atlas Stock Market Fund (ASMF) for the quarter ended September 30, 2020 of FY 2020-21.

THE ECONOMY

The gradual re-opening of nationwide lockdowns due to significant decline in active COVID cases and monetary easing by State Bank of Pakistan resulted in improved economic activity reflecting a partial yet encouraging pick-up in demand indicators. During Jul-Aug FY21, the Current Account Balance posted a surplus of US \$0.81 billion as compared to a deficit of US \$1.21 billion in same period last year. The Current Account largely benefitted from 31.19% YoY increase in Jul-Sep FY21 Worker's Remittances that stood at US \$7.15 billion. The Jul-Sep FY21 Imports increased by 0.56% YoY to US \$11.26 billion while Jul-Sep FY21 Exports fell by 0.94% YoY to stand at US \$5.46 billion. Total Liquid Foreign Exchange Reserves increased by 28.28% YoY to US \$19.53 billion as of Sept 25, 2020 (SBP's share stood at US \$12.36 billion) primarily due to significant improvement in Current Account Balance, multilateral inflows from IMF and World Bank to avert COVID based economic erosion and approval of debt suspension as part of G-20 debt relief deal. Average CPI inflation remained at 8.84% during Jul-Sep FY21, in line with SBP projected range of 7% to 9% for FY21. The State Bank of Pakistan kept policy rate unchanged at 7.00% in its latest Monetary Policy Committee meeting in order to support economic recovery and ensure funding availability for households and businesses.

FUND OPERATIONS - AMF

The Net Asset Value per unit of Atlas Money Market Fund increased by 1.54% to Rs. 505.84 as on September 30, 2020, providing an annualized total return of 6.15%. The AMF's total exposure in Short-Term Deposits with Banks/Cash, Treasury Bills and Others stood at 72.68%, 27.28% and 0.04%, respectively. AMF presents a good investment opportunity for investors to earn attractive returns while maintaining high liquidity. The Net Assets of the Fund stood at Rs. 17.67 billion, with 34.93 million units outstanding as of September 30, 2020.

FUND OPERATIONS - ASF

The Net Asset Value per unit of Atlas Sovereign Fund increased by 1.08% to Rs. 102.05 as on September 30, 2020, providing an annualized total return of 4.33%. The ASF's total exposure in Pakistan Investment Bonds, Treasury Bills and Short-Term Deposits with Banks/Others stood at 62.40%, 9.15% and 28.45%, respectively. ASF presents a good investment opportunity for investors to earn competitive returns while taking medium risk. The Net Assets of the Fund stood at Rs. 1.97 billion, with 19.28 million units outstanding as of September 30, 2020.

FUND OPERATIONS - AIF

The Net Asset Value per unit of Atlas Income Fund increased by 2.25% to Rs. 531.23 as on September 30, 2020, providing an annualized total return of 8.93%. AIF's total exposure in Pakistan Investment Bonds, Term Finance Certificates, Sukuks, Treasury Bills and Bank Deposits/MTS/Others stood at 25.43%, 15.68%, 8.77%, 17.02% and 33.10% respectively. AIF presents a good investment opportunity for investors to earn competitive returns while taking medium risk. The Net Assets of the Fund stood at Rs. 3.85 billion with 7.24 million units outstanding as of September 30, 2020.

FUND OPERATIONS - ASMF

The Net Asset Value per unit of Atlas Stock Market Fund increased by 20.63% to Rs. 623.33 as on September 30, 2020. The benchmark KSE-100 index increased by 17.87% during the same period. The KSE-100 index increased from 34,421.92 points as on June 30, 2020 to 40,571.48 points as on September 30, 2020. The ASMF's equity portfolio exposure stood at 95.79% that mainly comprised of Commercial Banks, Oil & Gas Exploration, Cement and Fertilizer sectors. ASMF strategy will continue to focus on dividend plays and stocks which are trading at relatively cheap multiple with prospects

Atlas Funds

of earnings growth. The Net Assets of your Fund stood at Rs. 8.71 billion, with 13.98 million units outstanding as of September 30, 2020.

MUTUAL FUND TAXATION

WORKER'S WELFARE FUND (WWF)

Against the decision of the Honorable Supreme Court of Pakistan (SCP) that declared the amendments made in the Finance Acts 2006 and 2008 pertaining to WWF as illegal citing that WWF was not in the nature of tax and could, therefore, not have been introduced through money bills, the Federal Board of Revenue (FBR) has filed a review petition in the SCP, which is pending for hearing. The Mutual Funds Association of Pakistan (MUFAP) consulted both legal and tax advisors who gave the opinion that the judgment has removed the very basis on which the demands were raised, therefore, there was no longer any liability against the mutual funds under the WWF Ordinance. Based on legal opinion, the entire provision against WWF held by the Mutual Funds and Voluntary Pension Funds till June 30, 2015 were reversed on January 12, 2017.

SINDH WORKER'S WELFARE FUND (SWWF)

As a consequence of the 18th amendment to the Constitution of Pakistan, Workers' Welfare Fund became a provincial subject. In May 2015 the Sindh Assembly passed the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) imposing SWWF on many entities, including financial institutions. The Sindh Revenue Board (SRB) demanded the SWWF from mutual funds on the plea that mutual funds are defined as financial institution under The Financial Institutions (Recovery of Finances) Ordinance, 2001. MUFAP has collectively on behalf of asset management companies contested that mutual funds are not financial institutions or industrial establishments but were pass through investment vehicles and did not employ workers. Mutual funds are also not included in the definition of financial institutions in the Companies Act, 2017. MUFAP has taken up the matter with the Sindh Finance Division for resolution of the matter. Although, based on legal opinion, SWWF is not applicable on mutual funds MUFAP has recommended that the provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from May 21, 2015). Accordingly, the provision for SWWF is being made on a daily basis going forward.

FEDERAL EXCISE DUTY (FED)

The Finance Act, 2013 imposed Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMC's) with effect from June 13, 2013 and this was withdrawn on June 30, 2016. On September 04, 2013 a constitutional petition was filed in SHC jointly by various AMCs, challenging the levy of FED. In a separate petition the Honorable Sindh High Court declared that the FED was unconstitutional and cannot be charged where provinces are collecting sales tax. FBR has challenged the decision of SHC in the Honorable Supreme Court of Pakistan (SCP). However, without prejudice, the mutual funds and pension funds have on prudent basis maintained the provision for FED till June 30, 2016.

WITHHOLDING TAX

With effect from July 01, 2015, FBR has required all entities whose income are exempt from income tax to obtain income tax exemption certificates from concerned Commissioner of Income Tax (CIT) by virtue of provision in section 159 of the Income Tax Ordinance, 2001 (Ordinance). After the promulgation of circular dated May 12, 2015, any person required to withhold income tax, may only allow exemption if a valid exemption certificate under section 159(1) of the Income Tax Ordinance, 2001 issued by the concerned Commissioner of Inland Revenue, is produced before him. So far, Mutual Funds and approved Pension Funds were automatically allowed exemption from withholding tax by virtue of clause 47(B) of Part IV of the Second Schedule to Ordinance. The Company along with other AMCs filed a petition in the Honorable Sindh High Court against the new requirement of FBR. The Honorable Sindh High Court decided that the requirement of obtaining exemption certificate will apply to those entities as well whose income are otherwise exempt from tax. Thereafter, a petition was filed in the Supreme Court of Pakistan on January 28, 2016 by the Company along with other AMCs. The SCP granted the petitioners leave to appeal from initial judgement of the SHC. Pending resolution to the

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matter, the amount of tax withheld is shown in Other Receivables, which is refundable. In the meanwhile, Mutual Funds are obtaining exemption certificates from Commissioner of Income Tax.

RATINGS

- **Asset Manager Rating**

The Pakistan Credit Rating Agency Limited (PACRA) has maintained "AM2+" (AM Two Plus) asset manager rating for Atlas Asset Management Limited (AAML). 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.

- **Fund Stability Rating - AMF**

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

- **Fund Stability Rating - ASF**

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 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

The State Bank of Pakistan has slightly increased its inflation forecast for FY21 (7% to 9%) primarily due to supply side shocks in food prices on the back of recent flood-related damages whereas demand-side inflationary risks remain well contained. The future direction of international crude oil prices, likely to remain subdued, will have an important bearing on the local inflation outlook. On the external front, the Current Account Deficit is expected to remain under 2% of GDP in FY21. The economy is expected to grow over 2% in FY21 driven primarily by manufacturing and construction related activities taking support from the State Bank's financing incentives and the government's construction sector package. Declining trajectory of number of daily COVID cases will eventually lead towards resumption of full-scale economic activity that will stimulate growth. Going forward, government's focus towards widening tax base and implementation of measures to support economic recovery will be instrumental in sustaining economic activity, safeguarding jobs and addressing social needs.

ACKNOWLEDGEMENT

I would like to thank the Securities and Exchange Commission of Pakistan and other Regulatory Bodies, the Board of Directors, and the Group Executive Committee for their help, support and guidance. I also thank the financial institutions and the unit holders for their help, support and the confidence reposed in the Fund and the Chief Executive Officer, Mr. Muhammad Abdul Samad and his management team for their hard work, dedication, and sincerity of purpose.

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

EY Ford Rhodes
Chartered Accountants

Legal Advisers

Bawaney & Partners

Bankers

Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Bank Al Habib Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
MCB Bank Limited
Samba Bank Limited
Zarai Taraqati Bank Limited

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CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED) AS AT 30 SEPTEMBER 2020

		30 September 2020 Un-audited	30 June 2020 Audited
	Note	-----Rupees-----	
Assets			
Cash and bank balances	4	12,928,372,961	7,522,447,993
Investments	5	4,852,347,686	2,617,567,408
Profit receivable on bank balances		3,388,386	1,373,040
Prepayment and other receivables		3,688,808	3,683,919
Total assets		17,787,797,841	10,145,072,360
Liabilities			
Payable to Atlas Asset Management Limited - Management Company	6	30,977,850	28,444,987
Payable to Central Depository Company of Pakistan Limited - Trustee		1,059,253	635,959
Payable to the Securities & Exchange Commission of Pakistan		794,692	2,295,677
Payable against redemption of units		16,431	16,431
Unclaimed dividend		25,152	25,152
Accrued expenses and other liabilities	7	86,266,457	82,173,939
Total liabilities		119,139,835	113,592,145
NET ASSETS		17,668,658,006	10,031,480,215
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		17,668,658,006	10,031,480,215
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NUMBER OF UNITS IN ISSUE		34,929,162	19,854,239
NET ASSET VALUE PER UNIT		505.8426	505.2600

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

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Iftikhar H. Shirazi
Chairman

Tariq Amin
Director

Atlas Money Market Fund

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)

FOR THE QUARTER ENDED 30 SEPTEMBER 2020

	Note	2020	2019
		-----Rupees-----	
Income			
Profit on saving and term deposits		66,135,690	162,021,099
Income from government securities		210,616,050	190,647,119
Capital (loss) / gain on sale of investments - net		(3,900,185)	1,935,490
Net unrealised diminution on remeasurement of investments classified as 'financial assets at fair value through profit or loss'		(2,070,187)	-
		(5,970,372)	1,935,490
Total income		270,781,368	354,603,708
Expenses			
Remuneration of Atlas Asset Management Limited - Management Company	6.1	13,907,107	11,683,833
Sindh Sales Tax on Remuneration of the Management Company	6.2	1,807,924	1,518,898
Remuneration of Central Depository Company of Pakistan Limited - Trustee		2,582,749	1,687,665
Sindh Sales Tax on Remuneration of the trustee		335,757	219,396
Annual fees to the Securities & Exchange Commission of Pakistan		794,692	519,257
Accounting and operational charges	9	4,768,151	2,596,407
Annual rating fee		119,469	108,297
Annual listing fee		6,856	6,913
Securities transaction cost		34,905	7,218
Auditors' remuneration		183,884	155,420
Printing charges		-	10,000
Legal and professional charges		30,780	64,416
Bank charges		19,518	50,223
Provision for Sindh Workers' Welfare Fund		4,923,792	6,719,515
		29,515,584	25,347,458
Net income for the period before taxation		241,265,784	329,256,250
Taxation	11	-	-
Net income for the period after taxation		241,265,784	329,256,250
Earning per units	12		
Allocation of net income for the period:			
- Net income for the period after taxation		241,265,784	329,256,250
- Income already paid on units redeemed		(12,522,784)	(16,115,466)
		228,743,000	313,140,784
Accounting income available for distribution:			
- Relating to capital gains		-	1,935,490
- Excluding capital gains		228,743,000	311,205,294
		228,743,000	313,140,784

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

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Ifthikhar H. Shirazi
Chairman

Tariq Amin
Director

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CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2020

	2020	2019
	-----Rupees-----	
Net income for the period after taxation	241,265,784	329,256,250
Other comprehensive income	-	-
Total comprehensive income for the period	241,265,784	329,256,250

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

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Iftikhar H. Shirazi
Chairman

Tariq Amin
Director

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CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE QUARTER ENDED 30 SEPTEMBER 2020

	2020	2019
Note	-----Rupees-----	
CASH FLOW FROM OPERATING ACTIVITIES		
Net income for the period after taxation	241,265,784	329,256,250
Adjustments for:		
Profit on saving and term deposits	(66,135,690)	(162,021,099)
Income from government securities	(210,616,050)	(190,647,119)
Capital loss / (gain) on sale of investments - net	3,900,185	(1,935,490)
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	2,070,187	-
Provision for Sindh Workers Welfare Fund	4,923,792	6,719,515
	(265,857,576)	(347,884,193)
(Increase) / decrease in assets		
Prepayment and other receivables	(4,889)	2,442,627
Increase / (decrease) in liabilities		
Payable to Atlas Asset Management Limited - Management Company	2,532,863	(898,320)
Payable to Central Depository Company of Pakistan Limited - Trustee	423,294	(263,389)
Payable to the Securities & Exchange Commission of Pakistan	(1,500,985)	(10,419,449)
Unclaimed dividend	-	(5,369,763)
Accrued expenses and other liabilities	(831,274)	(5,366,836)
	623,898	(22,317,757)
	(23,972,783)	(38,503,073)
Interest received	64,120,344	85,845,465
Investments made during the period	(25,897,628,556)	(15,020,623,072)
Investments sold / matured during the period	23,867,493,956	15,213,205,681
Net cash (used in) / generated from operating activities	(1,989,987,039)	239,925,001
CASH FLOWS FROM FINANCING ACTIVITIES		
Net receipts from issuance of units	11,666,816,503	2,402,005,351
Net payments against redemption of units	(4,034,387,780)	(3,452,873,804)
Refund of capital	(27,809,203)	(7,325,489)
First interim distribution of Rs. 4.25 per unit declared on 26 July 2019	-	(90,150,581)
Second interim distribution of Rs. 4.85 per unit declared on 23 August 2019	-	(93,826,792)
Third interim distribution of Rs. 4.90 per unit declared on 20 September 2019	-	(91,424,999)
First interim distribution of Rs. 2.10 per unit declared on 24 July 2020	(49,826,179)	-
Second interim distribution of Rs. 2.50 per unit declared on 28 August 2020	(73,589,308)	-
Third interim distribution of Rs. 2.60 per unit declared on 25 September 2020	(85,292,026)	-
Net cash generated from / (used in) financing activities	7,395,912,007	(1,333,596,314)
Net increase / (decrease) in cash and cash equivalents	5,405,924,968	(1,093,671,313)
Cash and cash equivalents at the beginning of the period	7,522,447,993	10,339,271,465
Cash and cash equivalents at the end of the period	12,928,372,961	9,245,600,152

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

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

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Iftikhar H. Shirazi
Chairman

Tariq Amin
Director

Atlas Money Market Fund

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

FOR THE QUARTER ENDED 30 SEPTEMBER 2020

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Atlas Money Market Fund (the Fund) is an open-ended Fund constituted under a trust deed entered into on 4 December 2009 between Atlas Asset Management Limited (AAML) as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the trustee. The Trust Deed has been revised through the First Supplement dated 23 May 2017. The offering document of the Fund has been revised through the First, Second, Third, Fourth, Fifth, Sixth and Seventh Supplements dated 24 March 2015, 3 August 2015, 30 September 2016, 2 June 2017, 2 October 2019, 30 October 2019 and 1 April 2020 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 has been 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 the Pakistan Stock Exchange Limited. 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, deposits with scheduled banks, certificates of deposit (CODs), certificates of Musharaka (COMs), 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) maintained the asset manager rating of the Management Company to AM2+ (AM Two Plus) [2019: AM2+ (AM Two Plus)] on 26 December 2019.

Moreover, PACRA has maintained the stability rating of the Fund at "AA+ (f)" [2019: "AA (f)"] on 17 October 2020 subsequently to the balance sheet date.
- 1.5 The titles to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited (CDC) as the Trustee of the Fund.

2 STATEMENT OF COMPLIANCE

These condensed interim financial statements have been prepared in accordance with 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 (IASB) as are notified under the Companies Act, 2017, 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 2020.

In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008,

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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 2019.

The comparatives in the condensed interim statement of assets and liabilities presented in the condensed interim financial statements as at 30 September 2020 have been extracted from the annual published audited financial statements of the Fund for the year ended 30 June 2020, whereas, the comparatives in the condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement have been extracted from the unaudited condensed interim financial statements of the Fund for the Quarter ended 30 September 2019.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 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 2020.

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 2020.

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 2020.

		30 September 2020 Un-audited	30 June 2020 Audited
	Note	----- Rupees -----	
4 CASH AND BANK BALANCES			
Balances with banks in saving accounts	4.1	12,928,372,961	7,458,580,094
Cheques in hand	4.2	-	63,867,899
		12,928,372,961	7,522,447,993

4.1 The rate of return on these accounts ranges between 3.00% and 7.65% (30 June 2020: 6.00% and 12.50%) per annum.

4.2 The denotes cheques received against issuance of units which were deposited and cleared in the bank account subsequently on Nil (30 June 2020: 02 October 2019).

		30 September 2020 Un-audited	30 June 2020 Audited
	Note	----- Rupees -----	
5 INVESTMENTS			
At fair value through profit or loss			
Investment in Government securities - Market Treasury Bills	5.1	4,852,347,686	2,617,567,408

Atlas Money Market Fund

5.1 Market Treasury Bills

Particulars	-----Face Value (Rupees)-----				Amortised cost as at 30 September 2020	Market Value as at 30 September 2020	Market value as a Percentage of	
	As at 01 July 2020	Purchased during the period	Sold / Matured during the period	As at 30 September 2020			Total Investments	Net Assets
	-----Rupees-----						-----%age-----	
3 Months	125,000,000	10,000,085,000	9,325,085,000	800,000,000	792,085,840	792,046,200	16.32	4.48
6 Months	1,950,000,000	4,035,000,000	4,700,000,000	1,285,000,000	1,274,230,484	1,273,506,525	26.25	7.21
9 Months	592,780,000	12,135,670,000	9,914,855,000	2,813,595,000	2,788,101,549	2,786,794,961	57.43	15.77
30 September 2020	2,667,780,000	26,170,755,000	23,939,940,000	4,898,595,000	4,854,417,873	4,852,347,686	100.00	27.46
30 June 2020					2,605,924,677	2,617,567,408	100.00	26.10

5.1.2 The cost of investments as on 30 September 2020 is Rs. 4,805,104,755 (30 June 2020: Rs. 2,559,416,610).

5.1.3 These Market Treasury Bills carry purchase yields ranging from 6.52% to 7.84% (30 June 2020: 7.48% to 11.24%) per annum and will mature between 05 November 2020 to 14 January 2021 (30 June 2020: 10 September 2020 to 17 December 2020).

	30 September 2020	30 June 2020
	Un-audited	Audited
Note	----- Rupees -----	

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

Remuneration of the Management Company	6.1	5,044,063	3,030,437
Sindh Sales Tax payable on Remuneration of the Management Company	6.2	3,775,891	3,514,120
Federal Excise Duty payable on Remuneration of the Management Company	6.3	20,428,502	20,428,502
Accounting and operational charges payable	9	1,729,394	1,471,928
		30,977,850	28,444,987

6.1 During the quarter ended 30 September 2020, the Management Company has charged its remuneration at the rate of 0.35% (30 June 2020: 0.35%) per annum of the average net assets for the year. The fee is payable to the Management Company monthly in arrears.

6.2 During the year, an amount of Rs. 1,807,924 (2019: Rs. 1,518,898) 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. 1,546,153 (2019: Rs. 1,605,261) was paid to the Management Company which acts as a collecting agent.

6.3 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

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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.

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.

During the year ended 30 June 2017, the SHC passed an order whereby 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) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from 1 July 2016. However, as a matter of abundant caution the provision for FED made till 30 June 2016 amounting to Rs 20.429 million (30 June 2020: 20.429 million) is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the said provision for FED not been maintained, the net asset value of the Fund as at 30 September 2020 would have been higher by Rs. 0.58 (30 June 2020: Rs. 1.03) per unit.

		30 September 2020	30 June 2020
		Un-audited	Audited
	Note	----- Rupees -----	-----
7 ACCRUED EXPENSES AND OTHER LIABILITIES			
Auditors' remuneration payable		684,734	500,850
Annual Rating Fee Payable		119,470	-
Annual Listing Fee Payable		6,856	-
Withholding tax payable		12,563,425	10,043,989
Capital Gain Tax payable		544,015	4,217,082
Provision for Sindh Workers' Welfare Fund	7.1	72,297,369	67,373,577
Zakat payable		50,588	38,441
		<u>86,266,457</u>	<u>82,173,939</u>

7.1 As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, was required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP had taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs/mutual funds, MUFAP recommended that as a matter of abundant caution, provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from May 21, 2015).

Had the provision for SWWF not been recorded in the financial statements of the Fund for the period from May 21, 2015 to September 30, 2020, the net asset value of the Fund as at September 30, 2019 would have been higher by Rs. 2.07 per unit (30 June 2020: Rs. 3.39 per unit).

Atlas Money Market Fund

8 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 30 September 2020 and 30 June 2020.

9 ACCOUNTING AND OPERATIONAL CHARGES

The Management Company is allowed to charge actual expenses related to registrar services, accounting, operations and valuation services to the CIS with effect from 20 June 2019 as per SECP SRO 639 (I) / 2019 dated 20 June 2019.

However, the management continued to charge expenses at the rate of 0.12% of the average annual net assets of the Fund, being lower than actual expenses.

10 EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 30 September 2020 is 0.74% (30 June 2020: 0.98%) which includes 0.20% (30 June 2020: 0.33%) representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as a money market scheme.

11 TAXATION

11.1 The income of the Fund is exempt from income tax under 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 amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unitholders. 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 for taxation has been made in these condensed interim financial statements.

12 EARNINGS PER UNIT

Earnings per unit has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating earnings per unit is not practicable.

13 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

13.1 Transactions for the period:

Atlas Asset Management Limited (Management Company)

	For the Quarter Ended 30 September	
	2020	2019
	Un-audited	Un-audited
	----- Rupees -----	
Reumeration of the Management Company	13,907,107	11,683,833
Sindh Sales tax on Remuneration of Management Company	1,807,924	1,518,898
Remuneration paid	11,893,481	12,348,162
Accounting and operational charges	4,768,151	2,596,407
Issue of 130,422 (2019: Nil) units	66,050,063	-
Redemption of 49,402 (2019: 1) units	25,000,000	304
Dividend declared	1,356,920	67,710

Central Depository Company of Pakistan Limited (Trustee)

Remuneration of the Trustee	2,582,749	1,687,665
Sindh Sales Tax on Remuneration of the Trustee	335,757	219,396
Remuneration paid	2,208,790	2,078,243

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	For the Quarter Ended 30 September	
	2020 Un-audited	2019 Un-audited
	----- Rupees -----	
Atlas Fund of Funds (Fund under common management)		
Issue of 171,933 (2019: 155,741) units	87,005,000	78,360,000
Redemption of 128,670 (2019: 116,366) units	65,329,199	59,094,074
Atlas Group of Companies Management Staff Gratuity Fund (Retirement benefit plan of a Group Company)		
Issue of 87,072 (2019: 57,045) units	44,048,197	28,777,475
Redemption of 14,841 (2019: 122,309) units	7,500,000	62,000,000
Dividend declared	1,048,197	1,777,475
Atlas Engineering Limited (Employees Provident Fund)		
Issue of 83 (2019: Nil) units	41,695	-
Dividend declared	41,695	-
Atlas Metals (Private) Limited		
Issue of 49,633 (2019: Nil) units	25,114,739	-
Dividend declared	91,450	-
Atlas Foundation (Group Company)		
Issue of 44,941 (2019: 44,812) units	22,742,941	22,741,591
Redemption of 9,847 (2019: Nil) units	5,000,000	-
Dividend declared	2,007,886	3,191,349
Atlas Battery Limited (Group Company)		
Issue of 1,000,299 (2019: 30) units	506,192,756	14,912
Redemption of Nil (2019: 4,157) units	-	2,100,307
Dividend declared	6,358,795	17,543
Batools Benefit Trust (Trust having common Director / Trustee)		
Issue of 79,942 (2019: 287) units	40,535,677	144,657
Dividend declared	461,085	170,184
Atlas Honda Limited (Group Company)		
Issue of 2,240,822 (2019: 128,790) units	1,135,964,109	64,801,673
Redemption of Nil (2019: 1,379,291) units	-	700,000,000
Dividend declared	37,879,965	76,236,873
Atlas Honda Limited (Employee Provident Fund) (Retirement benefit plan of a Group Company)		
Issue of 2,251 (2019: 4,023) units	1,137,493	2,024,327
Dividend declared	1,137,493	2,024,327
Atlas Insurance Limited (Group Company)		
Issue of 261,289 (2019: 952,793) units	132,371,693	481,144,551
Redemption of 479,618 (2019: 473,317) units	242,710,940	240,000,000
Dividend declared	2,374,310	10,444,953

Atlas Money Market Fund

	For the Quarter Ended	
	30 September	
	2020	2019
	Un-audited	Un-audited
	----- Rupees -----	
Atlas Honda Limited Non Management Staff Gratuity Fund		
(Retirement benefit plan of a Group Company)		
Issue of 216 (2019: 609) units	109,132	306,245
Redemption of 1,972 (2019: Nil units)	1,000,000	-
Dividend declared	109,132	306,245
Shirazi Investments (Private) Limited (Group Company)		
Dividend declared	10,396,679	13,926,728
Fauji Fertilizer Company Limited		
(Unit Holder with more than 10% holding)		
Issue of 9,087,018 (2019: 332,862) units	4,602,072,851	162,685,360
Dividend declared	45,158,375	73,700,870
Shirazi Investment (Private) Limited (Employee Provident Fund)		
(Retirement benefit plan of a Group Company)		
Issue of 413 (2019: Nil) units	208,769	-
Redemption 10,667 of (2019: Nil units)	5,401,157	-
Dividend declared	208,769	770,357
Atlas Die Casting (Private) Limited (Group Company)		
Issue of 1 (2019: 98) units	326	49,212
Dividend declared	384	-
Directors and their close family members and key management personnel of the Management Company		
Issue of 54,121 (2019: 57,305) units	27,395,635	28,875,940
Redemption of 161,337 (2019: 40,612) units	81,663,408	20,526,489
Dividend declared	5,254,005	4,522,196
	30 September	30 June
	2020	2020
	Un-audited	Audited
Note	----- Rupees -----	-----

13.2 Investments / outstanding balances as at period end

Atlas Asset Management Limited (Management Company)		
Remuneration payable to the Management Company	5,044,063	3,030,437
Sindh Sales Tax payable on Remuneration of the Management Company	3,775,891	3,514,120
Federal Excise Duty payable on Remuneration of the Management Company	20,428,502	20,428,502
Accounting and operational charges payable	1,729,394	1,471,928
Outstanding 257,281 (30 June 2020: 176,189) units - at net asset value	130,143,772	89,020,759
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration payable to the Trustee	936,755	562,796
Sindh Sales Tax payable on Remuneration of the trustee	121,778	73,163

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		30 September 2020	30 June 2020
		Un-audited	Audited
	Note	Rupees -----	
Atlas Fund of Funds (Fund under common management)			
Outstanding 43,263 (30 June 2020: Nil) units - at net asset value		21,884,270	-
Atlas Foundation (Group Company)			
Outstanding 294,907 (30 June 2020: 259,800) units - at net asset value		149,176,446	131,265,678
Atlas Honda Limited (Group Company)			
(Unit Holder with more than 10% holding)	13.3		
Outstanding 6,337,155 (30 June 2020: Nil) units - at net asset value		3,205,603,103	-
Atlas Insurance Limited (Group Company)			
Outstanding Nil (30 June 2020: 216,810) units - at net asset value		-	109,544,551
Atlas Honda Limited Employees Provident Fund			
(Retirement benefit plan of a Group Company)			
Outstanding 159,491 (30 June 2020: 157,231) units - at net asset value		80,677,469	79,441,919
Atlas Battery Limited (Group Company)			
Outstanding of 1,000,299 (30 June 2020: Nil) units - at net asset value		505,994,055	-
Shirazi Investments (Private) Limited - Employees Provident Fund			
(Retirement benefit plan of a Group Company)			
Outstanding 26,976 (30 June 2020: 37,227) units - at net asset value		13,645,633	18,809,076
Shirazi Investments (Private) Limited (Group Company)			
Outstanding 1,443,983 (30 June 2020: 1,443,983) units - at net asset value		730,428,210	729,580,878
Atlas Engineering Limited (Employees Provident Fund)			
Outstanding 5,846 (30 June 2020: Nil) units - at net asset value		2,957,290	-
Atlas Group of Companies Management Staff Gratuity Fund			
(Retirement benefit plan of a Group Company)			
Outstanding 189,919 (30 June 2020: 117,461) units - at net asset value		96,068,879	59,347,713
Atlas Die Casting (Private) Limited (Group Company)			
Outstanding 54 (30 June 2020: 53) units - at net asset value		27,210	26,851
Atlas Metals (Private) Limited			
Outstanding 49,633 (30 June 2020: Nil) units - at net asset value		25,106,678	-
Atlas Honda Limited Non Management Staff Gratuity Fund			
(Retirement benefit plan of a Group Company)			
Outstanding 15,302 (30 June 2020: 17,056) units - at net asset value		7,740,496	8,617,857
Batools Benefit Trust (Trust having common Director / Trustee)			
Outstanding 135,240 (30 June 2020: 55,295) units - at net asset value		68,410,048	27,938,122
Fauji Fertilizer Company Limited			
(Unit Holder with more than 10% holding)	13.3		
Outstanding 9,087,018 (30 June 2020: Nil) units - at net asset value		4,596,600,787	-
Directors and their close family members and key management personnel of the Management Company			
Outstanding 695,563 (30 June 2020: 798,559) units - at net asset value		351,845,329	403,476,734

Atlas Money Market Fund

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

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.

14 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at 30 September 2020, the Fund has investments 'at fair value through profit and loss' measured using level 2 valuation technique. Particulars regarding their cost and market value are given note 5.1.

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 26 October 2020.

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

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Iftikhar H. Shirazi
Chairman

Tariq Amin
Director

Atlas Sovereign 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
Bank Alfalah Limited
Bank Al Habib Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
MCB Bank Limited
Samba Bank Limited
Soneri Bank Limited
Zarai Taraqiati Bank Limited

Atlas Sovereign Fund

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED)

AS AT 30 SEPTEMBER 2020

		30 September 2020	30 June 2020
	Note	Un-audited ----- Rupees -----	Audited
Assets			
Bank balances	4	546,403,374	301,477,720
Investments	5	1,419,076,781	1,867,851,534
Receivable against sale of units		3,000,000	-
Profit receivable		14,211,410	14,446,366
Other receivables		485,836	479,185
Total assets		1,983,177,401	2,184,254,805
Liabilities			
Payable to Atlas Asset Management Limited - Management Company	6	2,512,643	3,660,853
Payable to the Central Depository Company of Pakistan Limited - Trustee		127,847	139,491
Payable to the Securities and Exchange Commission of Pakistan		107,856	495,192
Payable against redemption of units		31,642	-
Accrued expenses and other liabilities	7	12,518,259	96,487,696
Total liabilities		15,298,247	100,783,232
NET ASSETS		1,967,879,154	2,083,471,573
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		1,967,879,154	2,083,471,573
CONTINGENCIES AND COMMITMENTS	8		
NUMBER OF UNITS IN ISSUE		19,283,148	20,635,634
NET ASSET VALUE PER UNIT		102.0518	100.9600

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Iftikhar H. Shirazi
Chairman

Tariq Amin
Director

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CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)

FOR THE QUARTER ENDED 30 SEPTEMBER 2020

	Note	2020 ----- Rupees -----	2019
Income			
Interest income	10	41,811,886	76,175,509
Capital (loss) / gain on sale of investments - net		(2,482,306)	9,853,357
Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		(10,369,240)	18,216,120
		(12,851,546)	28,069,477
Total income		28,960,340	104,244,986
Expenses			
Remuneration of Atlas Asset Management Limited - Management Company	6.1	3,796,742	4,560,348
Sindh Sales Tax on remuneration of management company	6.2	493,576	592,845
Remuneration of Central Depository Company of Pakistan Limited - Trustee		350,549	397,029
Sindh Sales Tax on remuneration of Trustee		45,571	51,614
Annual fees to the Securities & Exchange Commission of Pakistan		107,856	122,136
Accounting and operational charges	9	916,828	610,815
Annual rating fee		65,429	83,677
Annual listing fee		6,465	6,913
Securities transaction cost		-	7,409
Auditors' remuneration		92,010	62,857
Printing charges		-	10,000
Legal and professional charges		30,780	64,416
Bank charges		55,984	16,299
Provision for Sindh Workers' Welfare Fund		459,971	1,953,173
Total expenses		6,421,761	8,539,531
Net income for the period before taxation		22,538,579	95,705,455
Taxation	12	-	-
Net income for the period after taxation		22,538,579	95,705,455
Earning per unit	13		
Allocation of net income for the year:			
- Net income for the period after taxation		22,538,579	95,705,455
- Income already paid on units redeemed		(2,182,926)	(281,354)
		20,355,653	95,424,101
Accounting income available for distribution			
- Relating to capital gains		-	28,069,477
- Excluding capital gains		20,355,653	67,354,624
		20,355,653	95,424,101

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Ifthikhar H. Shirazi
Chairman

Tariq Amin
Director

Atlas Sovereign Fund

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2020

	2020	2019
	----- Rupees -----	
Net income for the period after taxation	22,538,579	95,705,455
Other comprehensive income	-	-
Total comprehensive income for the period	<u>22,538,579</u>	<u>95,705,455</u>

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Iftikhar 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 2020

	30 September 2020		
	Capital value	Undistributed income	Net assets
	-----Rupees-----		
Capital value	2,073,891,942	-	2,073,891,942
Undistributed income brought forward			
- Realised income	-	-	-
- Unrealised loss	-	9,579,631	9,579,631
Net assets at the beginning of the period (Units outstanding: 20,635,634) (Rs. 100.96 per unit)	2,073,891,942	9,579,631	2,083,471,573
Issue of 1,830,301 units	185,781,183	-	185,781,183
Redemption of 3,182,787 units	(321,729,255)	(2,182,926)	(323,912,181)
Total comprehensive income for the period	-	22,538,579	22,538,579
Net assets at end of the period (Units outstanding: 19,283,148) (Rs. 102.0518 per unit)	1,937,943,870	29,935,284	1,967,879,154
Undistributed income carried forward			
- Realised income	-	(3,074,913)	-
- Unrealised loss	-	33,010,197	-
	-	29,935,284	-
	30 September 2019		
	Capital value	Undistributed income	Net assets
	-----Rupees-----		
Capital value	2,298,220,458	-	2,298,220,458
Undistributed income brought forward			
- Realised income	-	4,865,277	4,865,277
- Unrealised income	-	(1,849,044)	(1,849,044)
Net assets at the beginning of the period (Units outstanding: 22,936,104) (Rs. 100.33 per unit)	2,298,220,458	3,016,233	2,301,236,691
Issue of 6,595,238 units	683,100,289	-	683,100,289
Redemption of 241,499 units	(24,266,710)	(281,354)	(24,548,064)
Total comprehensive income for the period	-	95,705,455	95,705,455
Net assets at end of the period (Units outstanding: 29,289,843) (Rs. 104.32 per unit)	2,957,054,037	98,440,334	3,055,494,371
Undistributed income carried forward			
- Realised income	-	81,397,581	-
- Unrealised income	-	17,042,753	-
	-	98,440,334	-

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

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

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Iftekhar H. Shirazi
Chairman

Tariq Amin
Director

Atlas Sovereign Fund

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE QUARTER ENDED 30 SEPTEMBER 2020

	2020	2019
Note	-----Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period after taxation	22,538,579	95,705,455
Adjustments for:		
Interest income	(22,198,744)	(59,955,451)
Capital loss / (gain) on sale of investments - net	2,482,306	(9,853,357)
Net unrealised diminution / (appreciation) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	10,369,240	(18,216,120)
Provision for Sindh Workers' Welfare Fund	459,971	1,953,173
	(8,887,227)	(86,071,755)
Increase in assets		
Other receivables	(6,651)	(26,360)
Receivable against sale of units	(3,000,000)	-
	(3,006,651)	(26,360)
Decrease in liabilities		
Payable to Atlas Asset Management Limited - Management Company	(1,148,210)	2,818,140
Payable to the Central Depository Company of Pakistan Limited - Trustee	(11,644)	(95,496)
Payable to the Securities and Exchange Commission of Pakistan	(387,336)	(308,286)
Payable against redemption of units	31,642	-
Accrued expenses and other liabilities	(84,429,408)	(14,168,990)
	(85,944,956)	(11,754,632)
	(75,300,255)	(2,147,292)
Interest received	3,817,259	9,613,230
Investments made during the period	(963,110,281)	(5,367,625,695)
Investments sold / matured during the period	1,417,649,929	4,538,683,801
Net cash generated from / (used in) operating activities	383,056,652	(821,475,956)
CASH FLOWS FROM FINANCING ACTIVITIES		
Amount received against issuance of units	185,781,183	683,100,289
Amount paid against redemption of units	(323,912,181)	(24,548,064)
Refund of Capital	-	-
Cash payout against distribution	-	-
Net cash (used in) / generated from financing activities	(138,130,998)	658,552,225
Net increase / (decrease) in cash and cash equivalents	244,925,654	(162,923,731)
Cash and cash equivalents at the beginning of the period	301,477,720	1,786,431,695
Cash and cash equivalents at the end of the period	4 546,403,374	1,623,507,964

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

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

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Iftikhar 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 2020

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Atlas Sovereign 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 Trust Deed has been revised through the First and Second Supplemental Trust Deeds dated 23 May 2017 and 3 September 2018 respectively, with the approval of the Securities and Exchange Commission of Pakistan (SECP). The Offering Document has been revised through the First, Second, Third, Fourth, Fifth, Sixth, Seventh, Eighth, Ninth and Tenth Supplements dated 24 March 2015, 3 August 2015, 23 June 2016, 13 October 2016, 2 June 2017, 18 April 2018, 20 August 2018, 2 October 2019, 30 October 2019 and 1 April 2020 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 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. 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 (CoMs), 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 The Pakistan Credit Rating Agency Limited (PACRA) maintained the asset manager rating of the Management Company to AM2+ (AM Two plus) [2019: AM2+ (AM Two plus)] on 26 December 2019.

Moreover, PACRA has maintained the stability rating of the Fund at "AA- (f)" [2019: "AA (f)"] on 16 October 2020 subsequently to the balance sheet date.
- 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 BASIS OF PREPARATION

2.1 Statement Of Compliance

These condensed interim financial statements have been prepared in accordance with 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 (IASB) as are notified under the Companies Act, 2017, 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 requirements of the said directives 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 2020.

Atlas Sovereign Fund

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 2020.

The comparatives in the condensed interim statement of assets and liabilities presented in the condensed interim financial statements as at 30 September 2020 have been extracted from the annual published audited financial statements of the Fund for the year ended 30 June 2020, whereas, the comparatives in the condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement have been extracted from the unaudited condensed interim financial statements of the Fund for the quarter ended 30 September 2019.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 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 2020.

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 2020.

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 2020.

		30 September 2020	30 June 2020
		Un-audited	Audited
	Note	----- Rupees -----	
4 BANK BALANCES			
Balances with banks in:			
- Saving accounts	4.1	546,403,374	301,477,720
		<u>546,403,374</u>	<u>301,477,720</u>

4.1 The rate of return on these accounts ranges between 3.00% to 7.65% (30 June 2020: 6.50% to 8.80%) per annum.

		30 September 2020	30 June 2020
		Un-audited	Audited
	Note	----- Rupees -----	
5 INVESTMENTS			
At fair value through profit or loss - held for trading			
Government securities			
- Government Treasury Bills	5.1	181,557,575	1,287,200,883
- Pakistan Investment Bonds	5.2	1,237,519,206	580,650,651
		<u>1,419,076,781</u>	<u>1,867,851,534</u>

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5.1 Market Treasury Bills

Treasury bills	Face value (Rupees)				Rupees		Percentage	
	As at 01 July 2020	Purchased during the period	Sold / matured during the period	As at 30 September 2020	Amortised Cost as at 30 September 2020	Market Value as at 30 September 2020	Market Value as a Percentage of Total Investments	Market Value as a Percentage of Net Assets
3 Months - T-bills	-	75,000,000	75,000,000	-	-	-	-	-
6 Months - T-bills	175,000,000	-	40,000,000	135,000,000	133,133,685	133,087,675	9.38	6.76
12 Months - T-bills	1,143,045,000	-	1,093,045,000	50,000,000	48,517,591	48,469,900	3.42	2.46
30 September 2020	<u>1,318,045,000</u>	<u>75,000,000</u>	<u>1,208,045,000</u>	<u>185,000,000</u>	<u>181,651,276</u>	<u>181,557,575</u>	<u>12.80</u>	<u>9.22</u>
30 June 2020					<u>1,271,027,821</u>	<u>1,287,200,883</u>	<u>68.91</u>	<u>61.78</u>

5.1.1 The cost of investments as on 30 September 2020 is Rs.174,794,310.00 (30 June 2020: Rs. 1,198,569,569).

5.1.2 These Market Treasury Bills carry purchase yields ranging from 7.48% to 11.98% (30 June 2020: 7.48% to 14.19%) per annum and will mature between 05 November 2020 and 11 March 2021 (30 June 2020: 27 August 2020 and 11 March 2021).

5.2 Pakistan Investment Bonds

PIBs	Face value (Rupees)				Rupees		Percentage	
	As at 01 July 2020	Purchased during the period	Sold / matured during the period	As at 30 September 2020	Amortised Cost as at 30 September 2020	Market Value as at 30 September 2020	Market Value as a Percentage of Total Investments	Market Value as a Percentage of Net Assets
3 Years PIB	470,500,000	175,000,000	215,000,000	430,500,000	439,513,088	435,411,828	30.68	22.13
5 Years PIB	90,000,000	627,500,000	-	717,500,000	732,792,279	726,627,378	51.20	36.92
10 Years PIB	-	75,000,000	-	75,000,000	75,489,375	75,480,000	5.32	3.84
30 September 2020	<u>560,500,000</u>	<u>877,500,000</u>	<u>215,000,000</u>	<u>1,223,000,000</u>	<u>1,247,794,742</u>	<u>1,237,519,206</u>	<u>87.20</u>	<u>62.89</u>
30 June 2020					<u>520,932,679</u>	<u>580,650,651</u>	<u>31.09</u>	<u>27.87</u>

5.2.1 The cost of investments as on 30 September 2020 is Rs.1,211,272,274 (30 June 2020: Rs. 520,932,679).

5.2.2 These Pakistan Investment Bonds carry purchase yields ranging from 8.12% to 12.38% (30 June 2020: 11.52% to 14.59%) per annum and will mature between 19 September 2022 and 18 June 2030 (30 June 2020: 19 September 2022 and 19 September 2024).

6 PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY (RELATED PARTY)	Note	30 September 2020	30 June 2020
		Un-audited	Audited
		-----Rupees-----	
Remuneration of the Management Company	6.1	1,044,360	2,036,614
Sindh Sales Tax payable on Remuneration of the Management Company	6.2	267,046	396,036
Federal Excise Duty payable on Remuneration of the Management Company	6.3	905,341	905,341
Accounting and operational charges payable	9	295,896	322,862
		<u>2,512,643</u>	<u>3,660,853</u>

Atlas Sovereign Fund

- 6.1 The management company has charged remuneration at the rate of 10% of the gross earnings calculated on a daily basis subject to a minimum fee of 0.60% of average daily net asset and maximum fee of 1.00% of average annual net assets. The amount of the remuneration is being paid on monthly basis in arrears.
- 6.2 During the period, an amount of Rs. 493,576 (2019: Rs.592,845) was charged on account of sales tax on management fee levied through Sindh Sales Tax on Services Act, 2011, an amount of Rs. 622,566 (2019: Rs. 272,564) has been paid to the Management Company which acts as a collecting agent.
- 6.3 The Finance Act, 2013 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 was of the view that further levy of FED was not justified.
- 6.4 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.

During the year ended 30 June 2017, the SHC passed an order whereby 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) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

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.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from 1 July 2016. However, as a matter of abundant caution the provision for FED made for the period from 13 June 2013 till 30 June 2016 amounting to Rs 0.905 million (30 June 2020: Rs 0.905 million) is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the said provision for FED not been maintained, the net asset value of the Fund as at 30 September 2020 would have been higher by Re. 0.05 per unit (30 June 2020: Re. 0.04 per unit).

	30 September 2020	30 June 2020
	Un-audited	Audited
Note	----- Rupees -----	-----
7 ACCRUED EXPENSES AND OTHER LIABILITIES		
Auditors' remuneration payable	344,460	252,450
Printing charges payable	8,025	8,025
Transaction charges payable	2,132	1,204
Annual listing fee payable	6,115	-
Fund rating fee payable	61,994	-
Withholding tax payable	1,624,254	31,010,400
Capital Gain Tax payable	43,060	511,711
Dividend payable	-	54,735,658
Provision for Sindh Workers' Welfare Fund	7.1 10,417,235	9,957,264
Other payable	10,984	10,984
	12,518,259	96,487,696

- 7.1 As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby

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it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. However, it may be stated that under Companies Act, 2017 mutual funds are explicitly excluded from the definition of financial institution. Thereafter, MUFAP has taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs / mutual funds, the MUFAP recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the Sindh WWF Act, 2014 (i.e. starting from May 21, 2015).

In view of the above developments regarding the applicability of WWF and SWWF on CISs / mutual funds, MUFAP has recommended the following to all its members on 12 January 2017:

- based on legal opinion, the entire provision against WWF held by the CISs till 30 June 2015 should be reversed on 12 January 2017; and
- as a matter of abundant caution, the provision in respect of SWWF should be made with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from 21 May 2015) on 12 January 2017.

Accordingly, on 12 January 2017 the provision for WWF was reversed and the provision for SWWF was made for the period from 21 May 2015 to 12 January 2017. Thereafter, the provision for SWWF is being made on a daily basis going forward.

The above decisions were communicated to the SECP and the Pakistan Stock Exchange Limited on 12 January 2017 and the SECP vide its letter dated 1 February 2017 has advised MUFAP that the adjustments relating to the above should be prospective and supported by adequate disclosures in the financial statements of the CISs/ mutual funds.

Had the provision for SWWF not been recorded in these financial statements of the Fund, the net asset value of the Fund as at 30 September 2020 would have been higher by Re. 0.54 per unit (30 June 2020: Re. 0.48 per unit).

8 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 30 September 2020 and 30 June 2020.

9 ACCOUNTING AND OPERATIONAL CHARGES

The Management Company is allowed to charge actual expenses related to registrar services, accounting, operations and valuation services to the CIS with effect from 20 June 2019 as per SECP SRO 639 (I) / 2019 dated 20 June 2019.

The Management Company has charged expenses at the rate of 0.17% of the average annual net assets of the Fund for the period for allocation of such expenses to the Fund.

10 INTEREST INCOME

PLS savings and term deposit accounts
Government securities - Market Treasury Bills
Government securities - Pakistan Investment Bonds

	For the Quarter Ended 30 September	
	2020	2019
	Un-audited	Un-audited
	----- Rupees -----	-----
	3,582,303	10,504,453
	18,616,441	49,450,998
	19,613,142	16,220,058
	41,811,886	76,175,509

Atlas Sovereign Fund

11 EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 30 September 2020 is 1.19% (30 June 2020: 1.61%) which includes 0.20% (30 June 2020: 0.45%) representing government levies on the Fund such as sales taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as a Money Market scheme.

12 TAXATION

The income of the Fund is exempt from income tax under 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 amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its net accounting income available for distribution for the year derived from sources other than capital gains, to the unitholders. The management intends to distribute at least 90% of the Fund's net accounting income available for distribution by the year end, as cash dividend, to the unit holders. Accordingly, no provision for taxation has been made in these condensed interim financial statements.

The Fund is also exempt from the provisions of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

13 EARNING PER UNIT

Earning per unit has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating loss per unit is not practicable.

14 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

	For Quarter Ended 30 September	
	2020 Un-audited	2019 Un-audited
	-----Rupees-----	
14.1 <u>Transactions for the period:</u>		
Atlas Asset Management Limited (Management Company)		
Remuneration of the Management Company	3,796,742	4,560,348
Remuneration paid	4,788,996	2,096,643
Sindh Sales tax on Remuneration of Management Company	493,576	592,845
Accounting and operation charges	916,828	610,815
Redemption of Nil (2019: 58,617) units	-	6,000,000
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration of Trustee	350,549	397,029
Remuneration paid	360,852	481,539
Sindh Sales tax on Remuneration of the trustee	45,571	51,614
Atlas Foundation (Group Company)		
Issue of 108,423 (2019: 192,400) units	11,000,000	20,000,000
Atlas Group of Companies - Management Staff Gratuity Fund (Retirement Benefit Plan of a Group Company)		
Issue of 187,565 (2019: Nil) units	19,000,000	-
Redemption of 343,763 (2019: Nil) units	35,000,000	-
Atlas Insurance Limited (Group Company)		
Issue of 986,539 (2019: 3,043,173) units	100,000,000	315,000,000
Redemption of 1,813,662 (2019: Nil) units	184,784,214	-

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	For Quarter Ended 30 September	
	2020	2019
	Un-audited	Un-audited
	-----Rupees-----	
Atlas Honda Limited (Group Company) Issue of 49,072 (2019: 2,894,635) units	5,005,257	300,000,000
Atlas Metals (Private) Limited Issue of 147,471 (2019: Nil) units	15,000,000	-
Batools Benefit Trust (Trust having common Director / Trustee) Issue of 181,492 (2019: Nil) units	18,500,000	-
Shirazi Investments (Private) Limited (Group Company) Issue of 50,535 (2019: Nil) units	5,154,393	-
Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement benefit plan of a Group Company) Issue of 13,400 (2019: 7,719) units Redemption of 9,491 (2019: Nil) units	1,360,000 962,020	800,000 -
Directors and their close family members and key management Personnel and executive of the Management Company Issue of 11,362 (2019: 241,625) units	1,158,869	24,865,404
	30 September 2020	30 June 2020
	Un-audited	Audited
	-----Rupees-----	
14.2 Investments / outstanding balances as at period / year end		
Atlas Asset Management Limited (Management Company) Remuneration payable to the Management Company Sindh Sales Tax payable on Remuneration of the Management Company Federal Excise Duty payable on Remuneration of the Management Company Accounting and operation charges payable	1,044,360 267,046 905,341 295,896	2,036,614 396,036 905,341 322,862
Central Depository Company of Pakistan Limited (Trustee) Remuneration payable to the Trustee Sindh Sales Tax payable on remuneration of the trustee	113,140 14,707	123,443 16,048
Atlas Honda Limited (Group Company) Outstanding 10,231,645 (30 June 2020: 10,182,572) units - at net asset value	1,044,157,752	1,028,032,469
Shirazi Investments (Private) Limited (Group Company) Outstanding 2,959,371 (30 June 2020: 2,908,836) units - at net asset value	302,009,142	293,676,083
Batool Benefit Trust Outstanding 181,492 (30 June 2020: Nil) units - at net asset value	18,521,634	-
Atlas Foundation (Group Company) Outstanding 936,644 (30 June 2020: 828,222) units - at net asset value	95,586,240	83,617,293
Atlas Metals (Private) Limited Outstanding 147,471 (30 June 2020: Nil) units - at net asset value	15,049,653	-

Atlas Sovereign Fund

	30 September 2020	30 June 2020
	Un-audited	Audited
	-----Rupees-----	
Shirazi Investments (Private) Limited - Employee Provident Fund (Retirement Benefit Plan of a Group Company)		
Outstanding 112,125 (30 June 2020: 108,216) units - at net asset value	11,442,606	10,925,487
Atlas Honda Limited - Employee Provident Fund (Retirement Benefit Plan of a Group Company)		
Outstanding 552,692 (30 June 2020: 552,692) units - at net asset value	56,403,177	55,799,784
Atlas Group of Companies - Management Staff Gratuity Fund (Retirement Benefit Plan of a Group Company)		
Outstanding 846,910 (30 June 2020: 1,003,109) units - at net asset value	86,428,721	101,273,885
Atlas Insurance Limited (Group Company)		
Outstanding Nil (30 June 2020: 827,123) units - at net asset value	-	83,506,338
Directors and their close family members and key management Personnel and executive of the Management Company		
Outstanding 731,808 (30 June 2020: 720,446) units - at net asset value	74,682,333	72,736,228

14.3 Holding being less than 10% in comparative period, disclosure is not applicable.

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 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Fair value of government securities is determined by reference to the quotation obtained from the brokers on the Reuters page. The fair values of financial assets and liabilities of the Fund, other than government securities, approximate their carrying amount due to short-term maturities of these instruments.

Fair value hierarchy

The Fund uses the following hierarchy for disclosure of the fair value of financial instruments by valuation technique:

Level 1: quoted prices in active markets for identical assets.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

As at 30 September 2020, the Fund has investments at 'at fair value through profit or loss' measured using level 2 valuation technique. The investment of the Fund in government securities is valued on the basis of rates announced by the Financial Markets Association of Pakistan.

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16 GENERAL

16.1 Figures have been rounded off to the nearest Rupee.

16.2 Units have been rounded off to the nearest decimal place.

17 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on 26 October 2020.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Iftikhar H. Shirazi
Chairman

Tariq Amin
Director

Atlas Income Fund

Corporate Information

Trustee

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

Auditors

EY Ford Rhodes
Chartered Accountants

Legal Advisers

Mohsin Tayebaly & Co.

Bankers

Allied Bank Limited
Bank Alfalah Limited
Bank Al Habib Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
JS Bank Limited
MCB Bank Limited
Samba Bank Limited
Soneri Bank Limited
Zarai Taraqati Bank Limited

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CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED) AS AT 30 SEPTEMBER 2020

		30 September 2020	30 June 2020
		Un-audited	Audited
	Note	-----Rupees-----	
ASSETS			
Cash and Bank balances	4	641,587,826	1,318,246,149
Investments	5	2,623,334,439	2,762,821,946
Receivable against Margin Trading System		602,946,110	-
Interest / profit accrued		41,836,745	49,575,012
Deposits, prepayment and other receivables		11,454,251	11,555,833
Total assets		3,921,159,371	4,142,198,940
LIABILITIES			
Payable to Atlas Asset Management Limited - Management Company	6	31,153,997	31,165,608
Payable to the Central Depository Company of Pakistan Limited - Trustee		267,616	265,807
Payable to the Securities and Exchange Commission of Pakistan		185,462	665,764
Payable against redemption of units		-	114,638
Unclaimed dividend		-	291,511,586
Accrued expenses and other liabilities	7	43,580,289	103,021,494
Total liabilities		75,187,364	426,744,897
NET ASSETS		3,845,972,007	3,715,454,043
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		3,845,972,007	3,715,454,043
CONTINGENCIES AND COMMITMENTS	8		
NUMBER OF UNITS IN ISSUE		7,239,749	7,151,571
NET ASSET VALUE PER UNIT		531.2300	519.5300

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Iftikhar H. Shirazi
Chairman

Tariq Amin
Director

Atlas Income Fund

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)

FOR THE QUARTER ENDED 30 SEPTEMBER 2020

	Note	2020 -----Rupees-----	2019
INCOME			
Interest income	10	104,155,526	94,834,474
Capital gain on sale / maturity of investments - net		2,371,078	10,668,573
Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		(11,302,643)	17,868,259
		(8,931,565)	28,536,832
Total income		95,223,961	123,371,306
EXPENSES			
Remuneration of Atlas Asset Management Limited - Management Company	6.1	9,274,339	6,094,369
Sindh Sales Tax on remuneration of the Management Company	6.2	1,205,664	792,268
Remuneration of Central Depository Company of Pakistan Limited - Trustee		695,575	571,347
Sindh Sales Tax on Remuneration of the trustee		90,425	74,275
Annual fees to the Securities and Exchange Commission of Pakistan		185,487	152,359
Accounting and operational charges	9	1,576,637	761,796
Auditors' remuneration		184,238	152,841
Annual rating fee		109,819	108,691
Annual listing fee		6,931	6,912
Securities transaction cost		591,444	187,388
Printing charges		-	10,000
Legal and professional charges		50,760	151,669
Bank charges		10,054	42,153
Provision for Sindh Workers' Welfare Fund		1,624,852	2,285,305
Total expenses		15,606,225	11,391,373
Net income for the period before taxation		79,617,736	111,979,933
Taxation	12	-	-
Net income for the period after taxation		79,617,736	111,979,933
Earning per unit	13		
Allocation of net income for the period:			
- Net income for the period after taxation		79,617,736	111,979,933
- Income already paid on units redeemed		(2,210,258)	(893,810)
		77,407,478	111,086,123
Accounting income available for distribution:			
- Relating to capital gains		-	28,536,832
- Excluding capital gains		77,407,478	82,549,291
		77,407,478	111,086,123

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Iftikhar H. Shirazi
Chairman

Tariq Amin
Director

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CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2020

	2020	2019
	-----Rupees-----	
Net income for the period after taxation	79,617,736	111,979,933
Other comprehensive income for the year	-	-
Total comprehensive income for the period	79,617,736	111,979,933

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Iftikhar 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 2020

	30 September 2020		
	Capital value	Undistributed income	Net assets
	-----Rupees-----		
Capital value	3,527,040,520	-	3,527,040,520
Undistributed income brought forward			
- Realised income	-	104,252,481	104,252,481
- Unrealised gain	-	84,161,043	84,161,043
Net assets at the beginning of the period (Units outstanding: 7,151,571) (Rs. 519.53 per unit)	3,527,040,520	188,413,524	3,715,454,043
Issue of 2,583,261 units	1,356,562,258	-	1,356,562,258
Redemption of 2,495,083 units	(1,303,451,772)	(2,210,258)	(1,305,662,030)
Total comprehensive income for the period	-	79,617,736	79,617,736
Net assets at end of the period (Units outstanding: 7,239,749) (Rs. 531.2300 per unit)	3,580,151,006	265,821,002	3,845,972,007
Undistributed income carried forward			
- Realised income	-	280,201,020	-
- Unrealised loss	-	(14,380,018)	-
	-	265,821,002	-
	30 September 2019		
	Capital value	Undistributed income	Net assets
	-----Rupees-----		
Capital value	2,848,807,829	-	2,848,807,829
Undistributed income brought forward			
- Realised income	-	154,356,101	154,356,101
- Unrealised loss	-	(14,668,787)	(14,668,787)
Net assets at the beginning of the period (Units outstanding: 5,820,926) (Rs. 513.41 per unit)	2,848,807,829	139,687,314	2,988,495,143
Issue of 116,581 units	61,342,510	-	61,342,510
Redemption of 118,039 units	(60,959,974)	(893,810)	(61,853,784)
Total comprehensive income for the period	-	111,979,933	111,979,933
Net assets at end of the period (Units outstanding: 5,819,468) (Rs. 532.69 per unit)	2,849,190,365	250,773,437	3,099,963,802
Undistributed income carried forward			
- Realised income	-	236,167,995	-
- Unrealised income	-	14,605,442	-
	-	250,773,437	-

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

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

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Ifitikhar H. Shirazi
Chairman

Tariq Amin
Director

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CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE QUARTER ENDED 30 SEPTEMBER 2020

	2020	2019
Note	-----Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period after taxation	79,617,736	111,979,933
Adjustments for:		
Interest income	(104,155,526)	(94,834,474)
Capital gain on sale / maturity of investments - net	(2,371,078)	(10,668,573)
Net unrealised diminution / (appreciation) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	11,302,643	(17,868,259)
Provision for Sindh Workers' Welfare Fund	1,624,852	2,285,305
	(93,599,109)	(121,086,001)
(Increase) / decrease in assets		
Receivable against Margin Trading System	(602,946,110)	4,041,602
Deposits, prepayment and other receivables	101,582	(159,032)
	(602,844,528)	3,882,570
Decrease in liabilities		
Payable to Atlas Asset Management Limited - Management Company	(11,611)	(81,294)
Payable to the Central Depository Company of Pakistan Limited - Trustee	1,809	(117,485)
Payable to the Securities and Exchange Commission of Pakistan	(480,302)	(3,063,777)
Unclaimed dividend	(291,511,586)	(61,527,790)
Accrued expenses and other liabilities	(61,066,057)	(15,270,207)
	(353,067,747)	(80,060,553)
	(969,893,648)	(85,284,051)
Interest received	94,230,277	98,570,983
Investments made during the period	(2,446,170,078)	(3,150,996,270)
Investment sold / redeemed / matured during the period	2,594,389,536	2,768,178,254
Net cash used in operating activities	(727,443,913)	(369,531,084)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net receipts from issuance of units	1,356,562,258	61,342,510
Net payments against redemption of units	(1,305,776,668)	(62,329,222)
Net cash generated from / (used in) financing activities	50,785,590	(986,712)
Net decrease in cash and cash equivalents	(676,658,323)	(370,517,796)
Cash and cash equivalents at the beginning of the period	1,318,246,149	1,426,198,107
Cash and cash equivalents at the end of the period	4 641,587,826	1,055,680,311

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Iftikhar 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 2020

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Atlas Income Fund (the Fund) is an open ended mutual fund constituted under a Trust Deed entered into on 20 February 2003 between Atlas Asset Management Limited (AAML) as 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 the First, Second, Third, Fourth and Fifth Supplemental Trust Deeds dated 11 June 2005, 29 October 2007, 23 June 2010, 12 November 2010 and 23 May 2017 respectively with the approval of the Securities and Exchange Commission of Pakistan (SECP). Furthermore, the Offering Document of the Fund has been revised through the First, Second, Third, Fourth, Fifth, Sixth, Seventh, Eighth, Ninth, Tenth, Eleventh, Twelfth, Thirteen and Fourteen 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, 29 September 2016, 02 June 2017, 02 October 2019, 30 October 2019 and 01 April 2020 respectively with the approval of the SECP. The investment activities and administration of the Fund are managed by Atlas Asset Management Limited situated at Ground Floor, Federation House, Shahrae Firdousi, Clifton, Karachi.
- 1.2 The Fund has been 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 the Pakistan Stock Exchange Limited. 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 for public subscription on a continuous basis from 22 March 2004 and are transferable and redeemable by surrendering them to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited.
- 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 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), Term Deposit Receipts (TDRs), commercial papers, reverse repos, term finance certificates (TFCs) / sukuks, transactions on Margin Trading System (MTS), spread transactions and any other instruments that may be allowed by the SECP. The investment objectives and policies are explained in the Fund's offering document.
- 1.4 The Pakistan Credit Rating Agency Limited (PACRA) maintained the asset manager rating of the Management Company to AM2+ (AM Two Plus) [2019: AM2+ (AM Two Plus)] on 26 December 2019.

Furthermore, PACRA maintained the stability rating of "AA- (f)" (Double A minus) to the Fund [2019: "AA(f)" (Double A minus)] on 16 October 2020, subsequently to the balance sheet date.
- 1.5 The titles to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited (CDC) as the Trustee of the Fund.

2 STATEMENT OF COMPLIANCE

These condensed interim financial statements has 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 Act, 2017, 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 2020.

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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 2020.

The comparatives in the condensed interim statement of assets and liabilities presented in the condensed interim financial statements as at 30 September 2020 have been extracted from the annual published audited financial statements of the Fund for the year ended 30 June 2020, whereas, the comparatives in the condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement have been extracted from the unaudited condensed interim financial statements of the Fund for the Quarter ended 30 September 2019.

3 ACCOUNTING POLICIES

3.1 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 2020.

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 2020.

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 2020.

	Note	30 September 2020	30 June 2020
		Un-audited	Audited
		-----Rupees-----	
4 CASH AND BANK BALANCES			
Balances with banks in:			
- Savings accounts	4.1	641,582,826	1,188,844,960
- Current account		5,000	5,000
Cheques in hand	4.2	-	129,396,189
		641,587,826	1,318,246,149

4.1 The rate of return on these accounts ranges between 5.75% and 7.65% (30 June 2020: 6.00% to 7.80%) per annum.

4.2 The denotes cheques received against issuance of units which were deposited and cleared in the bank account subsequently on Nil (30 June 2020: 08 July 2020)

	Note	30 September 2020	30 June 2020
		Un-audited	Audited
		-----Rupees-----	
5 INVESTMENTS			
At fair value through profit or loss			
Term finance certificates - listed	5.1 & 5.6	322,234,402	324,639,911
Term finance certificates - unlisted	5.2 & 5.6	292,746,932	185,418,554
Sukuk certificates	5.3 & 5.6	343,729,637	364,308,040
Government Securities - Market Treasury Bills	5.4	667,516,100	1,103,202,480
Government Securities - Pakistan Investment Bonds	5.5	997,107,368	785,252,961
		2,623,334,439	2,762,821,946

Atlas Income Fund

5.1 Term finance certificates - listed

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

Name of investee company	-----Number of Certificates-----				-----Rupees-----		Market Value as a Percentage of		
	As at 01 July 2020	Purchased during the period	Disposed during the period	As at 30 September 2020	Carrying value as at 30 September 2020	Market value as at 30 September 2020	Total Investment	Net Assets	Total Issue Size
BANKS									
Habib Bank Limited Tier - II (face value of Rs. 100,000 per certificate)	2,945	-	-	2,945	287,741,530	285,903,954	10.90	7.43	2.94
Soneri Bank Limited	7,428	-	-	7,428	36,833,317	36,330,448	1.38	0.94	1.11
	10,373	-	-	10,373	324,574,847	322,234,402	12.28	8.37	4.05
TELECOMMUNICATION									
Telecard Limited 5.7.1	4,000	-	-	4,000	-	-	-	-	-
PERSONAL GOODS									
Azgard Nine Limited 5.7.1	5,000	-	-	5,000	-	-	-	-	-
Total - 30 September 2020					324,574,847	322,234,402	12.28	8.38	
Total - 30 June 2020					325,351,311	324,639,911	11.75	8.74	

5.2 Term finance certificates - Unlisted

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

Name of investee company	-----Number of Certificates-----				-----Rupees-----		Market Value as a Percentage of		
	As at 01 July 2020	Purchased during the period	Disposed during the period	As at 30 September 2020	Carrying value as at 30 September 2020	Market value as at 30 September 2020	Total Investment	Net Assets	Total Issue Size
BANKS									
Askari Bank Limited - V	20,000	-	20,000	-	-	-	-	-	-
Bank AL Habib Limited	20,000	-	-	20,000	91,589,979	90,068,086	3.43	2.34	2.50
The Bank of Punjab Limited (Face Value of Rs. 100,000 per certificate)	-	527	-	527	49,994,909	52,678,846	2.01	1.57	2.11
Askari Bank Limited - VII (Face Value of Rs. 1000,000 per certificate)	-	150	-	150	150,075,000	150,000,000	5.72	3.90	2.14
CHEMICALS									
Agritech Limited- I 5.6.1	2,000	-	-	2,000	-	-	-	-	-
Agritech Limited - II 5.6.1	8,000	-	-	8,000	-	-	-	-	-
Agritech Limited- IV 5.6.1	2,203	-	-	2,203	-	-	-	-	-
	12,203	-	-	12,203	-	-	-	-	-
PERSONAL GOODS									
Azgard Nine Limited-V 5.6.1	1,075	-	-	1,075	-	-	-	-	-
Total - 30 September 2020					291,659,888	292,746,932	11.16	7.61	
Total - 30 June 2020					196,372,744	185,418,554	6.71	4.99	

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5.3 Sukuk certificates

Name of investee company	-----Number of Certificates-----				-----Rupees-----		Market Value as a Percentage of		
	As at 01 July 2020	Purchased during the period	Disposed during the period	As at 30 September 2020	Carrying value as at 30 September 2020	Market value as at 30 September 2020	Total Investment	Net Assets	Total Issue Size
CHEMICALS									
Agritech Limited	4,060	-	-	4,060	-	-	-	-	-
BANKS									
Meezan Bank Limited Tier - II - Unlisted (face value of Rs. 1,000,000 per certificate)	47	-	-	47	48,175,000	48,290,197	1.84	1.26	0.67
FERTILIZERS									
Dawood Hercules Corporation Limited Sukuk 2 - Listed (Face Value Rs. 80,000)	2,000	-	-	2,000	142,551,360	141,801,940	5.41	3.69	2.33
POWER GENERATION AND DISTRIBUTION									
The Hub Power Company Limited - Listed (face value of Rs. 100,000 per certificate)	1,500	-	-	1,500	153,217,200	153,637,500	5.86	3.99	2.14
Total - 30 September 2020					343,943,560	343,729,637	13.10	8.94	
Total - 30 June 2020					356,678,872	364,308,040	13.19	9.81	

5.4 Government Securities - Market Treasury Bills

Tenor	-----Face value (Rupees)-----				-----Rupees-----		Market value as a percentage of	
	As at 01 July 2020	Purchased during the period	Disposed / Matured during the period	As at 30 September 2020	Carrying Value as at 30 September 2020	Market Value as at 30 September 2020	Total Investments	Net Assets
3 months - T- Bills	-	865,000,000	565,000,000	300,000,000	297,051,983	297,033,200	11.32	7.72
6 months - T- Bills	300,000,000	275,000,000	425,000,000	150,000,000	149,394,733	149,389,350	5.69	3.88
12 months - T- Bills	835,000,000	550,000,000	1,160,000,000	225,000,000	221,210,371	221,093,550	8.43	5.75
Total - 30 September 2020	1,135,000,000	1,690,000,000	2,150,000,000	675,000,000	667,657,087	667,516,100	25.45	17.36
Total - 30 June 2020					1,088,005,268	1,103,202,480	39.93	29.69

5.4.1 Market treasury bills carry purchase yield of 7.05% to 13.3% (30 June 2020: 7.48% to 13.30%) per annum and will mature between 22 October 2020 and 11 March 2021 (30 June 2020: 24 September 2020 and 25 March 2021). The cost of these investments as on 30 September 2020 is Rs. 645,381,700 (30 June 2020: Rs. 1,045,141,985).

5.5 Government Securities - Pakistan Investment Bonds

Tenor	-----Face value (Rupees)-----				-----Rupees-----		Market value as a percentage of	
	As at 01 July 2020	Purchased during the period	Disposed / Matured during the period	As at 30 September 2020	Carrying Value as at 30 September 2020	Market Value as at 30 September 2020	Total Investments	Net Assets
3 Years	684,000,000	50,000,000	335,000,000	399,000,000	410,521,828	404,960,791	15.44	10.53
5 Years	75,000,000	435,000,000	-	510,000,000	520,790,496	516,666,577	19.70	13.43
10 Years	-	75,000,000	-	75,000,000	75,489,375	75,480,000	2.88	1.96
Total - 30 September 2020	759,000,000	560,000,000	335,000,000	984,000,000	1,006,801,699	997,107,368	38.01	25.93
Total - 30 June 2020					702,441,841	785,252,961	28.42	21.13

Atlas Income Fund

5.5.1 Pakistan Investment Bonds carry purchase yield of 8.12% to 12.29% (30 June 2020: 11.52% to 12.65%) per annum and will mature between 12 July 2021 and 18 June 2030 (30 June 2020: 12 July 2021 and 19 September 2024). The cost of these investments is Rs. 963,196,627 (2020: Rs. 702,513,897).

5.6 Particulars of non-compliant investments

5.6.1 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	Type of Investment	Value before provision	Provision held	Net carrying value	Percentage of	
					Net assets	Gross assets
----- Rupees ----- % age -----						
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	Term finance certificate	5,375,000	5,375,000	-	-	-
		53,860,000	53,860,000	-	-	-
Unlisted						
Agritech Limited	Sukuk certificate	15,225,000	15,225,000	-	-	-
30 September 2020		81,625,501	81,625,501	-	-	-
30 June 2020		81,625,501	81,625,501	-	-	-

5.6.2 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. 81.63 million (30 June 2020: Rs 81.63 million), has been made in accordance with the provisioning requirements specified by the SECP.

	30 September 2020	30 June 2020
	Un-audited	Audited
Note	----- Rupees -----	

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

Remuneration of the Management Company	6.1	3,114,098	3,123,029
Sindh Sales Tax payable on remuneration of the Management Company	6.2	3,927,531	3,928,692
Federal Excise Duty payable on remuneration of the Management Company	6.3	23,582,971	23,582,971
Accounting and operational charges payable		529,397	530,916
		31,153,997	31,165,608

6.1 As per the amendments made in the NBFC Regulations, 2008 vide SRO 639 (1) / 2019 dated 20 June 2019, the Management Company shall set and disclose in the offering document the maximum rate of fee chargeable

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to Collective Investment Scheme within allowed expense ratio. The Management Company has charged management fee at the rate of 1.00% of the average annual net assets of the Fund. The fee is payable to the Management Company monthly in arrears.

- 6.2 During the year, an amount of Rs. 1,205,664 (2019: Rs. 792,268) was charged on account of sales tax on remmuration of the Management Company levied through Sindh Sales Tax on Services Act, 2011, and an amount of Rs. 1,206,825 (2019: Rs. 800,689) has been paid to the Management Company which acts as a collecting agent.
- 6.3 The Finance Act, 2013 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 were already subject to provincial sales tax on services levied by the Sindh Revenue Board (as explained in note 6.2 above) which is being charged to the Fund, the Management Company was of the view that further levy of FED was 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.

During the year ended 30 June 2017, the SHC passed an order whereby 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) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

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 view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from 01 July 2016. However, as a matter of abundant caution the provision for FED made for the period from 13 June 2013 till 30 June 2016 amounting to Rs 23.583 million (30 June 2020: Rs 23.583 million) is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the said provision for FED not been recorded in the financial statements of the Fund, the net asset value of the Fund as at 30 September 2020 would have been higher by Rs. 3.26 per unit (30 June 2020: Rs. 3.30 per unit).

	Note	30 September 2020	30 June 2020
		Un-audited	Audited
		-----Rupees-----	
7 ACCRUED AND OTHER LIABILITIES			
Auditors' remuneration payable		683,884	499,646
NCCPL charges payable		61,366	61,366
Printing charges payable		5,294	5,294
Transaction charges payable		209,715	84,374
Annual rating fee payable		109,819	-
Annual listing fee payable		6,931	-
Withholding tax payable		1,534,179	62,697,926
Capital gain tax Payable		126,634	513,001
Zakat payable		1,649	1,649
Other Payable		392,071	334,343
Provision for Sindh Workers' Welfare Fund	7.1	40,448,747	38,823,895
		43,580,289	103,021,494

- 7.1 As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) was passed by the government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh

Atlas Income Fund

Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. However, it may be stated that under the Companies Act, 2017 mutual funds are explicitly excluded from the definition of financial institution. Thereafter, MUFAP took up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF.

In view of the above developments regarding the applicability of WWF and SWWF on CISs / mutual funds, MUFAP has recommended the following to all its members on 12 January 2017:

- based on legal opinion, reverse the entire provision against WWF on 12 January 2017 held by the CISs till 30 June 2015; and
- as a matter of abundant caution, create provision in respect of SWWF on 12 January 2017 with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from 21 May 2015).

The above decisions were communicated to the SECP and the Pakistan Stock Exchange Limited on 12 January 2017 in response to which the SECP vide its letter dated 1 February 2017 advised MUFAP that the adjustments relating to the above should be prospective and supported by adequate disclosures in the financial statements of the CISs / mutual funds.

Accordingly, necessary adjustments in this respect were recorded in the books of the Fund on 12 January 2017 whereby the entire provision for WWF was reversed and the provision for SWWF was made for the period from 21 May 2015 to 12 January 2017. Thereafter, the provision for SWWF is being made by the Fund on a daily basis going forward.

Had the provision for SWWF not been recorded in these financial statements of the Fund, the net asset value of the Fund as at 30 September 2020 would have been higher by Rs. 5.59 per unit (30 June 2020: Rs. 5.43 per unit).

8 CONTINGENCIES AND COMMITMENTS

8.1 There were no contingencies and commitments outstanding as at 30 September 2020 and 30 June 2020.

9 ACCOUNTING AND OPERATIONAL CHARGES

The Management Company is allowed to charge actual expenses related to registrar services, accounting, operations and valuation services to the CIS with effect from 20 June 2019 as per SECP SRO 639 (I) / 2019 dated 20 June 2019.

The Management Company has charged expenses at the rate of 0.17% of the average annual net assets of the Fund for the period for allocation of such expenses to the Fund.

	Note	For the Quarter Ended 30 September	
		2020	2019
		Un-audited	Un-audited
		----- Rupees -----	-----
10 INTEREST INCOME			
Interest on:			
Saving and term deposits		10,339,436	24,008,078
Margin Trading System		27,927,050	1,384
Term finance certificates	10.1	18,406,070	23,784,188
Sukuk certificates		8,467,703	11,841,429
Government Securities - Market Treasury Bills		17,663,516	19,131,955
Government Securities - Pakistan Investment Bonds		21,351,751	16,067,440
		104,155,526	94,834,474

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10.1 This includes mark-up received on non-performing term finance certificates amounting to Rs. Nil (2019: Rs. Nil). Furthermore in accordance with the requirements specified by the SECP, mark-up on non performing securities amounting to Rs. 70.74 million (2019: Rs. 70.74 million) based on outstanding principal has not been recognised during the period.

11 EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 30 September 2020 is 1.68% (30 June 2020: 1.67%) which includes 0.33% (30 June 2020: 0.45%) representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 2% prescribed under the NBFC Regulations for a collective investment scheme categorised as an income scheme.

12 TAXATION

The income of the Fund is exempt from income tax under 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 amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its net accounting income available for distribution for the year derived from sources other than capital gains, to the unitholders. The management intends to distribute at least 90% of the Fund's net accounting income available for distribution by the year end, as cash dividend, to the unit holders. Accordingly, no provision for taxation has been made in these condensed interim financial statements.

13 EARNINGS PER UNIT

Earnings per unit has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating loss per unit is not practicable.

14 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

	For the Quarter Ended	
	30 September	
	2020	2019
	Un-audited	Un-audited
	-----Rupees-----	
14.1 Transactions for the period:		
Atlas Asset Management Limited (Management Company)		
Remuneration charged	9,274,339	6,094,369
Remuneration paid	9,283,270	6,159,145
Sindh Sales Tax on remuneration of the Management Company	1,205,664	792,268
Accounting and operational charges	1,576,637	761,796
Issue of Nil (2019: 1) units	-	304
Central Depository Company of Pakistan Limited		
Remuneration of the Trustee	695,575	571,347
Remuneration paid	696,245	673,316
Sindh Sales Tax on remuneration of the Trustee	90,425	74,275
Settlement charges	-	3,012
Sindh Sales Tax on settlement charges	-	392
Atlas Foundation (Trust having common Director / Trustee)		
Issue of 63,320 (2019: 615) units	33,000,000	326,805
Redemption of Nil (2019: 23,074) units	-	12,000,000
Atlas Honda Limited		
Issue of Nil (2019: 135) units	-	71,923

Atlas Income Fund

	For the Quarter Ended 30 September	
	2020	2019
	Un-audited	Un-audited
	-----Rupees-----	
Batool Benefit Trust (Trust having common Director / Trustee)		
Issue of 56,853 (2019: Nil) units	30,041,703	-
Redemption of 5,814 (2019: 14,079) units	3,036,000	7,296,001
Shirazi Investments (Private) Limited (Group Company)		
Issue of 3,868 (2019: 1,983) units	2,015,774	1,054,011
Atlas Metals (Private) Limited		
Issue of 28,557 (2019: Nil) units	15,000,000	-
Atlas Group of Companies - Management Staff Gratuity Fund (Retirement benefit plan of group company)		
Issue of 43,791(2019: Nil) units	23,000,000	-
Key Management Personnel of Management Company		
Issue of 20,291 (2019: Nil) units	10,751,301	-
	30 September 2020	30 June 2020
14.2 Details of balances with related parties as at the period / year end are as follows:	Un-audited	Audited
	-----Rupees-----	
Atlas Asset Management Limited (Management Company)		
Remuneration payable to the Management Company	3,114,098	3,123,029
Sindh Sales Tax payable on remuneration of the Management Company	3,927,531	3,928,692
Federal Excise Duty payable on remuneration of the Management Company	23,582,971	23,582,971
Accounting and operational charges payable	529,397	530,916
Outstanding 100,335 (30 June 2020: 100,335) units - at net asset value	53,300,777	52,126,862
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration payable to the Trustee	233,557	234,227
Sindh Sales Tax payable on remuneration of the trustee	30,669	30,450
Settlement charges payable	3,000	1,000
Sindh Sales Tax payable on Settlement Charges	390	130
Atlas Foundation (Trust having common Director / Trustee)		
Outstanding 586,253 (30 June 2020 : 522,933) units - at net asset value	311,435,151	271,679,336
Atlas Honda Limited (Group Company)		
Outstanding 564,023 (30 June 2020: 564,023) units - at net asset value	299,625,989	293,026,919
Atlas Metals (Private) Limited		
Outstanding 28,557 (30 June 2020: Nil) units - at net asset value	15,170,455	-
Atlas Insurance Limited (Group Company)		
Outstanding 98,569 (30 June 2020: 98,569) units - at net asset value	52,363,027	51,209,765
Atlas Honda Limited - Non-management Staff Gratuity Fund (Retirement benefit plan of group company)		
Outstanding 32,779 (30 June 2020: 32,779) units - at net asset value	17,413,225	17,029,710
Atlas Honda Limited - Employees Provident Fund (Retirement benefit plan of group company)		
Outstanding 67,449 (30 June 2020: 67,449) units - at net asset value	35,830,973	35,041,818

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	30 September 2020 Un-audited	30 June 2020 Audited
-----Rupees-----		
Atlas Group of Companies - Management Staff Gratuity Fund (Retirement benefit plan of group company)		
Outstanding 43,791 (30 June 2020: Nil) units - at net asset value	23,263,200	-
Batool Benefit Trust (Trust having common Director / Trustee)		
Outstanding 67,448 (30 June 2020: 16,408) units - at net asset value	35,830,245	8,524,427
Honda Atlas Cars (Pakistan) Limited - Employees Gratuity Fund (Retirement benefit plan of group company)		
Outstanding 37,012 (30 June 2020: 37,012) units - at net asset value	19,662,139	19,229,093
Honda Atlas Cars (Pakistan) Limited - Employees Provident Fund (Retirement benefit plan of group company)		
Outstanding 152,336 (30 June 2020: 152,336) units - at net asset value	80,925,193	79,142,868
Shirazi Investments (Private) Limited (Group company)		
Outstanding 3,925,631 (30 June 2020: 3,921,763) units - at net asset value	2,085,412,764	2,037,473,329
Key Management Personnel of Management Company		
Outstanding 175,226 (30 June 2020: 154,935) units -at net asset value	93,085,270	80,493,240

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

15 FAIR VALUE MEASUREMENT

Fair value is the amount for which an asset could be exchanged or a liability settled between knowledgeable willing parties in an arm's length transaction. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at 30 September 2020, the Fund has investments 'at fair value through profit and loss' measured using level 2 valuation technique. Particulars regarding their cost and market value are given note 5.

Atlas Income Fund

16 GENERAL

Figures have been rounded off to the nearest Rupee.

17 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on October 26, 2020.

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

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Iftikhar 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

EY Ford Rhodes
Chartered Accountants

Legal Advisers

Mohsin Tayebaly & Co.

Bankers

Bank Alfalah Limited
Habib Bank Limited
MCB Bank Limited

Atlas Stock Market Fund

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED)

AS AT 30 SEPTEMBER 2020

		30 September 2020 Un-audited	30 June 2020 Audited
	Note	-----Rupees-----	
ASSETS			
Cash and bank balances	4	349,924,451	75,706,293
Investments	5	8,622,717,372	6,990,442,843
Dividend receivable		10,179,236	-
Receivable against sale of units		3,995,783	-
Profit receivable on bank balances		1,138,002	413,904
Advances, deposits, prepayment and other receivables		13,529,987	13,529,987
Total assets		9,001,484,831	7,080,093,027
LIABILITIES			
Payable to Atlas Asset Management Limited - Management Company	6	44,433,714	39,612,278
Payable to the Central Depository Company of Pakistan Limited		926,030	736,735
Payable to the Securities and Exchange Commission of Pakistan		416,165	1,245,447
Payable against purchase of investments		159,802,736	-
Payable against redemption of units		2,332,275	132,732,432
Unclaimed dividend		401,955	401,733
Accrued expenses and other liabilities	7	80,002,259	63,694,863
Total liabilities		288,315,134	238,423,488
NET ASSETS		8,713,169,697	6,841,669,539
UNIT HOLDERS' FUNDS (AS PER STATEMENT ATTACHED)		8,713,169,697	6,841,669,539
CONTINGENCIES AND COMMITMENTS	8		
NUMBER OF UNITS IN ISSUE		13,978,476	13,240,837
NET ASSET VALUE PER UNIT		623.3276	516.7100

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

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Iftikhar H. Shirazi
Chairman

Tariq Amin
Director

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CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)

FOR THE QUARTER ENDED 30 SEPTEMBER 2020

	Note	2020 -----Rupees-----	2019
INCOME			
Profit on bank balances		2,302,553	3,538,317
Dividend income		35,337,204	80,899,025
Capital gain / (loss) on sale of investments - net		151,075,836	(8,276,048)
Net unrealised appreciation / (diminution) on re-measurement of investments / classified as 'financial assets at fair value through profit or loss'		1,344,544,991	(329,838,830)
		1,495,620,827	(338,114,878)
Total income		1,533,260,584	(253,677,536)
EXPENSES			
Remuneration of Atlas Asset Management Limited - Management Company	6.1	49,939,860	23,809,239
Sindh sales tax on remuneration of the Management Company	6.2	6,492,182	3,095,201
Remuneration of Central Depository Company of Pakistan Limited - Trustee		2,332,882	1,441,828
Sindh sales tax on remuneration of the trustee		303,275	187,438
Annual fee to the Securities and Exchange Commission of Pakistan		416,165	238,092
Accounting and operational charges	9	3,537,407	1,190,462
Auditors' remuneration		169,817	136,213
Annual listing fee		6,428	6,913
Securities transaction cost		3,285,712	1,489,545
Printing charges		-	10,000
Legal and professional charges		30,780	98,053
Provision for Sindh Workers' Welfare Fund		29,334,757	-
Bank charges		8,244	8,372
Total expenses		95,857,509	31,711,356
Net income / (loss) for the period before taxation		1,437,403,075	(285,388,892)
Taxation	11	-	-
Net income / (loss) for the period after taxation		1,437,403,075	(285,388,892)
Earnings per unit	12		
Allocation of net income for the period:			
- Net income for the period after taxation		1,437,403,075	-
- Income already paid on units redeemed		(54,113,001)	-
		1,383,290,074	-
Accounting income available for distribution:			
- Relating to capital gains		1,495,620,827	-
- Excluding capital gains		(112,330,753)	-
		1,383,290,074	-

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

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Iftikhar H. Shirazi
Chairman

Tariq Amin
Director

Atlas Stock Market Fund

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2020

	2020	2019
	-----Rupees-----	
Net income / (loss) for the period after taxation	1,437,403,075	(285,388,892)
Other comprehensive income / (loss)	-	-
Total comprehensive income / (loss) for the period	<u>1,437,403,075</u>	<u>(285,388,892)</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)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Iftikhar 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 2020

	30 September 2020		
	Capital value	Undistributed income	Net assets
	-----Rupees-----		
Capital value	6,499,701,211	-	6,499,701,211
Undistributed income brought forward			
- Realised income	-	909,302,970	909,302,970
- Unrealised loss	-	(567,334,642)	(567,334,642)
Net assets at the beginning of the period (Units outstanding: 13,240,837) (Rs. 516.71 per unit)	6,499,701,211	341,968,328	6,841,669,539
Issue of 2,104,537 units	1,267,865,487	-	1,267,865,487
Redemption of 1,366,898 units	(779,655,403)	(54,113,001)	(833,768,404)
Total comprehensive income for the period	-	1,437,403,075	1,437,403,075
Net assets at end of the period (Units outstanding: 13,978,476) (Rs. 623.3276 per unit)	6,987,911,295	1,725,258,402	8,713,169,697
Undistributed income carried forward			
- Realised income	-	976,452,912	-
- Unrealised income	-	748,805,490	-
	-	1,725,258,402	-
	30 September 2019		
	Capital value	Undistributed income	Net assets
	-----Rupees-----		
Capital value	4,841,549,792	-	4,841,549,792
Undistributed income brought forward			
- Realised income	-	1,073,009,596	1,073,009,596
- Unrealised income	-	(870,121,506)	(870,121,506)
Net assets at the beginning of the period (Units outstanding: 10,009,549) (Rs. 503.96 per unit)	4,841,549,792	202,888,090	5,044,437,882
Issue of 1,193,384 units	547,662,817	-	547,662,817
Redemption of 333,961 units	(154,254,846)	-	(154,254,846)
Total comprehensive loss for the period	-	(285,388,892)	(285,388,892)
Net assets at end of the period (Units outstanding: 10,868,972) (Rs. 474.05 per unit)	5,234,957,763	(82,500,802)	5,152,456,961
Undistributed income carried forward			
- Realised income	-	1,017,507,001	-
- Unrealised loss	-	(1,100,007,803)	-
	-	(82,500,802)	-

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

For Atlas Asset Management Limited (Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Iftikhar H. Shirazi
Chairman

Tariq Amin
Director

Atlas Stock Market Fund

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE QUARTER ENDED 30 SEPTEMBER 2020

	Note	2020 -----Rupees-----	2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income / (loss) for the period after taxation		1,437,403,075	(285,388,892)
Adjustments:			
Profit on bank balances		(2,302,553)	(3,538,317)
Dividend income		(35,337,204)	(80,899,025)
Capital (gain) / loss on sale of investments - net		(151,075,836)	8,276,048
Net unrealised (appreciation) / diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		(1,344,544,991)	329,838,830
Provision for Sindh Workers' Welfare Fund		29,334,757	-
		(66,522,752)	(31,711,356)
(Increase) / Decrease in assets			
Receivable against sale of units		(3,995,783)	52,821,580
Advances, deposits, prepayment and other receivables		-	(20,587)
		(3,995,783)	52,800,993
Increase / (Decrease) in liabilities			
Payable to Atlas Asset Management Limited - Management Company		4,821,436	(1,189,483)
Payable to the Central Depository Company of Pakistan Limited		189,295	(57,262)
Payable to the Securities and Exchange Commission of Pakistan		(829,282)	(5,197,557)
Payable against purchase of investments		159,802,736	1,320,000
Unclaimed dividend		222	-
Accrued expenses and other liabilities		(13,027,361)	21,334
		150,957,046	(5,102,968)
Profit received on bank balances		1,578,455	2,558,027
Dividend received		25,157,968	19,328,200
Investments made during the period		(1,486,091,949)	(847,880,900)
Investments sold during the period		1,349,438,247	385,976,361
Net cash used in operating activities		(29,478,768)	(424,031,643)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net receipts from issuance of units		1,267,865,487	547,662,817
Net payments against redemption of units		(964,168,561)	(350,794,972)
Net cash generated from financing activities		303,696,926	196,867,845
Net increase / (decrease) in cash and cash equivalents		274,218,158	(227,163,798)
Cash and cash equivalents at the beginning of the period		75,706,293	266,018,200
Cash and cash equivalents at the end of the period	4	349,924,451	38,854,402

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

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Iftikhar 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 2020

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Atlas Stock Market Fund (the Fund) is an open ended Mutual Fund constituted under 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, Fifth and Sixth Supplemental Trust Deeds dated 21 June 2005, 24 July 2006, 29 October 2007, 06 March 2008, 04 December 2009 and 23 May 2017 respectively, with the approval of the Securities and Exchange Commission of Pakistan (SECP). The Offering Document has been revised through the First, Second, Third, Fourth, Fifth, Sixth, Seventh, Eighth, Ninth, Tenth, Eleventh, Twelfth, Thirteenth and Fourteenth Supplements dated 21 June 2005, 24 July 2006, 29 October 2007, 06 March 2008, 04 December 2009, 14 October 2013, 24 March 2015, 03 August 2015, 29 September 2016, 02 June 2017, 25 May 2018, 5 September 2019, 25 November 2019 and 1 April 2020 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 has been categorised as an 'equity scheme' by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009. The Fund is listed on the Pakistan Stock Exchange Limited. 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) maintained the asset manager rating of the Management Company to AM2+ (AM Two Plus) [2019: AM2+ (AM Two Plus)] on 26 December 2019.
- 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 has 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 Act, 2017, 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 2020.

Atlas Stock Market Fund

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 2020.

The comparatives in the condensed interim statement of assets and liabilities presented in the condensed interim financial statements as at 30 September 2020 have been extracted from the annual published audited financial statements of the Fund for the year ended 30 June 2020, whereas, the comparatives in the condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement have been extracted from the unaudited condensed interim financial statements of the Fund for the quarter ended 30 September 2019.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 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 2020.

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 2020.

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 2020.

		30 September 2020	30 June 2020
		Un-audited	Audited
	Note	-----Rupees-----	
4 CASH AND BANK BALANCES			
Balances with banks:			
- in saving accounts	4.1	349,919,451	74,051,293
- in current account		5,000	5,000
- Cheques in hand	4.2	-	1,650,000
		349,924,451	75,706,293

4.1 The rate of return on these accounts ranges between 3.00% and 5.50% (30 June 2020: 6.00% and 6.50%) per annum.

4.2 This denotes cheque received against issue of units which was deposited and cleared in the bank account subsequent to the year end by Nil (30 June 2020: 06 July 2020)

5 INVESTMENTS

At fair value through profit or loss

-Investment in listed equity securities	5.1	8,622,717,372	6,990,442,843
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5.1 Listed equity securities

At fair value through profit or loss - equity securities

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

Name of Investee Company	-----Number of Shares-----				-----Rupees-----		-----Percentage-----		
	As at 01 July 2020	Purchases during the period	Bonus / Rights shares issued during the period	Sales during the period	As at 30 September 2020	Carrying value as at 30 September 2020	Market value as at 30 September 2020	Market Value as a percentage of total investments	Market Value as a percentage of net assets

COMMERCIAL BANKS

Bank Al Habib Limited	5,975,175	500,000	-	2,274,500	4,200,675	226,255,799	271,237,585	3.15	3.11	0.38
Bank Alfalah Limited	3,307,500	-	-	3,305,735	1,765	59,251	61,387	0.00	0.00	0.00
Bankislami Pakistan Limited	8,284,250	-	-	-	8,284,250	62,628,930	85,410,618	0.99	0.98	0.75
Faysal Bank Limited	5,100,943	-	-	-	5,100,943	71,056,136	87,379,154	1.01	1.00	0.34
Habib Bank Limited (see note 5.3)	3,633,600	603,800	-	27,000	4,210,400	425,211,110	550,467,696	6.38	6.32	0.29
Habib Metropolitan Bank Limited	4,211,500	628,000	-	-	4,839,500	139,232,405	162,171,645	1.88	1.86	0.46
MCB Bank Limited	415,300	50,000	-	-	465,300	75,957,881	80,878,446	0.94	0.93	0.04
Meezan Bank Limited	3,161,135	400,000	200,063	1,160,500	2,600,698	170,265,340	213,803,383	2.48	2.45	0.18
The Bank Of Punjab	5,174,500	-	-	-	5,174,500	43,465,800	51,124,060	0.59	0.59	0.20
United Bank Limited (see note 5.3)	2,078,325	1,956,138	-	-	4,034,463	438,045,041	464,407,056	5.39	5.33	0.33
	41,342,228	4,137,938	200,063	6,767,735	38,912,494	1,652,177,693	1,966,941,010	22.81	22.57	2.96

INSURANCE

Adamjee Insurance Company Limited	1,576,500	-	-	176,500	1,400,000	46,354,000	56,140,000	0.65	0.64	0.40
EFU Life Assurance Limited	-	173,700	-	-	173,700	35,238,308	35,589,393	0.41	0.41	0.09
Jubilee Life Insurance Company Limited	-	48,100	-	11,000	37,100	13,302,755	16,477,223	0.19	0.19	0.02
Pakistan Reinsurance Company Limited	1,028,500	150,000	-	-	1,178,500	28,170,840	31,890,210	0.37	0.37	0.39
	2,605,000	371,800	-	187,500	2,789,300	123,065,903	140,096,826	1.62	1.61	0.90

TEXTILE COMPOSITE

Gul Ahmed Textile Mills Limited	1,850,000	-	-	1,150,000	700,000	20,041,000	26,124,000	0.30	0.30	0.16
Interloop Limited	3,000	-	-	3,000	-	-	-	-	-	-
Kohinoor Textile Mills Limited	1,507,500	481,000	-	57,000	1,931,500	75,324,872	104,513,465	1.21	1.20	6.37
Nishat (Chunian) Limited	869,500	-	-	-	869,500	28,215,275	34,249,605	0.40	0.39	0.36
Nishat Mills Limited	650,000	600,000	-	-	1,250,000	104,431,195	126,337,500	1.47	1.45	0.36
	4,880,000	1,081,000	-	1,210,000	4,751,000	228,012,342	291,224,570	3.38	3.34	7.26

CEMENT

Attock Cement Pakistan Limited	388,600	198,500	-	1,500	585,600	77,963,656	89,409,408	1.04	1.03	0.43
Cherat Cement Company Limited	1,309,400	-	-	665,000	644,400	56,172,348	75,240,144	0.87	0.86	0.33
D.G. Khan Cement Company Limited	987,500	-	-	-	987,500	84,263,375	101,821,125	1.18	1.17	0.23
Fauji Cement Company Limited	30,500	1,850,000	-	-	1,880,500	33,146,840	37,384,340	0.43	0.43	0.14
Kohat Cement Company Limited	551,500	-	-	101,500	450,000	61,852,500	76,833,000	0.89	0.88	0.22
Lucky Cement Limited	740,500	12,000	-	-	752,500	349,020,447	486,920,175	5.65	5.59	0.23
Maple Leaf Cement Factory Limited	45,000	-	-	45,000	-	-	-	-	-	-
Pioneer Cement Limited	3,609,000	-	-	1,102,500	2,506,500	158,009,760	227,339,550	2.64	2.61	1.10
	7,662,000	2,060,500	-	1,915,500	7,807,000	822,428,926	1,094,947,742	12.70	12.57	2.68

POWER GENERATION & DISTRIBUTION

K-Electric Limited (face value Rs. 3.5)	6,750,000	-	-	-	6,750,000	20,317,500	28,417,500	0.33	0.33	0.02
Lalpir Power Limited	2,950,000	900,000	-	-	3,850,000	47,026,500	50,589,000	0.59	0.58	1.01
Nishat Chunian Power Limited	619,000	-	-	619,000	-	-	-	-	-	-
Paikun Power Limited	4,208,500	-	-	-	4,208,500	50,544,085	75,753,000	0.88	0.87	1.13
The Hub Power Company Limited	6,148,820	300,000	-	-	6,448,820	471,046,879	505,974,417	5.87	5.81	0.50
	20,676,320	1,200,000	-	619,000	21,257,320	588,934,964	660,733,917	7.66	7.58	2.67

OIL & GAS MARKETING COMPANIES

Hi-Tech Lubricants Limited	2,000	-	-	2,000	-	-	-	-	-	-
Pakistan State Oil Company Limited	1,169,153	509,024	-	25,000	1,653,177	281,189,710	330,966,035	3.84	3.80	0.35
Shell Pakistan Limited	264,700	-	-	146,400	118,300	21,599,214	29,037,918	0.34	0.33	0.11
Sui Northern Gas Pipelines Limited	1,565,200	-	-	1,550,000	15,200	829,920	939,512	0.01	0.01	0.00
	3,001,053	509,024	-	1,723,400	1,786,677	303,618,844	360,943,465	4.19	4.14	0.47

Atlas Stock Market Fund

Name of Investee Company	Number of Shares				Rupees		Percentage			
	As at 01 July 2020	Purchases during the period	Bonus / Rights shares issued during the period	Sales during the period	As at 30 September 2020	Carrying value as at 30 September 2020	Market value as at 30 September 2020	Market Value as a percentage of total investments	Market Value as a percentage of net assets	Paid up capital of investee company
OIL & GAS EXPLORATION COMPANIES										
Mari Petroleum Company Limited	353,669	-	-	23,840	329,829	407,883,033	451,707,412	5.24	5.18	0.25
Oil & Gas Development Company Limited	3,003,100	740,000	-	-	3,743,100	411,710,132	387,785,160	4.50	4.45	0.09
Pakistan Oilfields Limited	533,020	-	-	-	533,020	186,892,803	224,577,317	2.60	2.58	0.19
Pakistan Petroleum Limited (see note 5.3)	2,148,602	890,000	-	-	3,038,602	275,861,023	279,733,700	3.24	3.21	0.11
	6,038,391	1,630,000	-	23,840	7,644,351	1,282,346,991	1,343,803,589	15.58	15.42	0.63
ENGINEERING										
Aisha Steel Mills Limited	-	3,000,000	-	-	3,000,000	31,994,451	47,160,000	0.55	0.54	6.76
International Industries Limited	300,000	70,000	-	-	370,000	37,993,125	53,627,800	0.62	0.62	0.09
Mughal Iron And Steel Industries Limited	213	-	-	-	213	8,494	13,692	0.00	0.00	0.00
	300,213	3,070,000	-	-	3,370,213	69,996,070	100,801,492	1.17	1.16	6.85
AUTOMOBILE ASSEMBLER										
Indus Motor Company Limited	71,060	1,400	-	-	72,460	72,509,989	92,758,944	1.08	1.06	0.09
Millat Tractors Limited	84,850	-	-	-	84,850	59,917,676	73,416,463	0.85	0.84	0.17
	155,910	1,400	-	-	157,310	132,427,665	166,175,407	1.93	1.91	0.26
AUTOMOBILE PARTS & ACCESSORIES										
Thal Limited (face value Rs. 5 per share)	248,000	32,000	-	-	280,000	92,507,268	117,692,400	1.36	1.35	0.35
	248,000	32,000	-	-	280,000	92,507,268	117,692,400	1.36	1.35	0.35
CABLES & ELECTRICAL GOODS										
Pak Elektron Limited	-	1,200,000	-	-	1,200,000	33,950,248	39,672,000	0.46	0.46	0.24
TPL Corp Limited	-	1,198,500	-	1,198,500	-	-	-	-	-	-
Waves Singer Pakistan Limited	-	611,500	-	-	611,500	18,567,100	16,002,955	0.19	0.18	0.33
	-	3,010,000	-	1,198,500	1,811,500	52,517,348	55,674,955	0.65	0.64	0.57
TRANSPORT										
Pakistan International Bulk Terminal Limited	4,897,500	-	-	397,500	4,500,000	39,600,000	55,620,000	0.65	0.64	0.25
	4,897,500	-	-	397,500	4,500,000	39,600,000	55,620,000	0.65	0.64	0.25
TECHNOLOGY & COMMUNICATIONS										
Avanceon Limited	-	1,470,500	-	-	1,470,500	56,821,965	98,847,010	1.15	1.13	0.69
Pakistan Telecommunication Company Ltd. Systems Limited	-	3,250,000	-	-	3,250,000	33,187,572	35,132,500	0.41	0.40	0.09
TRG Pakistan Limited - Class 'A'	1,627,050	500	-	417,400	1,210,150	222,300,017	329,209,206	3.82	3.78	0.98
	-	1,125,000	-	125,000	1,000,000	39,600,950	52,160,000	0.60	0.60	0.18
	1,627,050	5,846,000	-	542,400	6,930,650	351,910,504	515,348,716	5.98	5.91	1.94
FERTILIZER										
Engro Corporation Limited	1,126,700	200,001	-	360,000	966,701	285,912,418	291,006,002	3.57	3.34	0.17
Engro Fertilizers Limited (see note 5.3)	3,163,500	-	-	850,000	2,313,500	139,457,780	140,707,070	1.63	1.61	0.17
Fauji Fertilizer Bin Qasim Limited	1,520,500	-	-	-	1,520,500	24,267,180	30,638,075	0.36	0.35	0.16
Fauji Fertilizer Company Limited	1,146,000	200,000	-	21,000	1,325,000	145,770,677	143,086,750	1.66	1.64	0.10
	6,956,700	400,001	-	1,231,000	6,125,701	595,408,055	605,437,897	7.02	6.95	0.61
PHARMACEUTICALS										
Abbott Laboratories (Pakistan) Limited	129,200	-	-	88,950	40,250	26,685,750	30,857,260	0.36	0.35	0.04
AGP Limited	523,000	-	-	523,000	-	-	-	-	-	-
Glaxosmithkline Pakistan Limited	362,000	-	-	360,900	1,100	191,488	201,993	0.00	0.00	0.00
Highnoon Laboratories Limited	132,320	42,500	-	-	174,820	92,588,232	107,339,480	1.24	1.23	0.51
The Searle Company Limited	706,602	128,900	-	6,500	829,002	172,721,847	212,481,503	2.46	2.44	0.39
	1,853,122	171,400	-	979,350	1,045,172	292,187,317	350,880,236	4.07	4.03	0.94
CHEMICALS										
Archroma Pakistan Limited	113,450	-	-	33,400	80,050	47,181,470	45,385,148	0.53	0.52	0.23
Berger Paints Pakistan Limited	-	339,000	-	-	339,000	28,941,950	28,001,400	0.32	0.32	1.66
Engro Polymer & Chemicals Limited	5,340,000	-	-	840,000	4,500,000	112,410,000	181,170,000	2.10	2.08	0.50
ICI Pakistan Limited	72,000	20,000	-	17,000	75,000	52,871,301	54,269,250	0.63	0.62	0.08
Lotte Chemical Pakistan Limited	5,500,000	-	-	-	5,500,000	54,725,000	66,000,000	0.77	0.76	0.36
Sinara Chemical Industries Limited	-	121,300	-	-	121,300	39,377,694	39,017,358	0.45	0.45	0.57
	11,025,450	480,300	-	890,400	10,615,350	335,507,415	413,843,156	4.80	4.75	3.40

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Name of Investee Company	-----Number of Shares-----					-----Rupees-----		-----Percentage-----		
	As at 01 July 2020	Purchases during the period	Bonus / Rights shares issued during the period	Sales during the period	As at 30 September 2020	Carrying value as at 30 September 2020	Market value as at 30 September 2020	Market Value as a percentage of total investments	Market Value as a percentage of net assets	Paid up capital of investee company

PAPER & BOARD

Packages Limited	57,200	116,700	-	-	173,900	67,764,702	87,355,187	1.01	1.00	0.19
	57,200	116,700	-	-	173,900	67,764,702	87,355,187	1.01	1.00	0.19

VANASPATI & ALLIED INDUSTRIES

Unity Foods Limited	53,000	-	-	53,000	-	-	-	-	-	-
	53,000	-	-	53,000	-	-	-	-	-	-

LEATHER & TANNERIES

Bata Pakistan Limited	59,600	4,000	-	-	63,600	86,440,378	107,099,856	1.24	1.23	0.84
Service Industries Limited	80,475	-	20,118	-	100,593	65,646,677	76,119,729	0.88	0.87	0.43
	140,075	4,000	20,118	-	164,193	152,087,055	183,219,585	2.12	2.10	1.27

FOODS & PERSONAL CARE PRODUCTS

As-Tahur Limited	2,462,500	-	-	-	2,462,500	42,428,875	52,081,871	0.60	0.60	1.53
National Foods Limited (face value Rs. 5 per share)	72,200	-	-	70,800	1,400	350,630	399,868	0.00	0.00	0.00
	2,534,700	-	-	70,800	2,463,900	42,779,505	52,481,739	0.61	0.60	1.53

GLASS & CERAMICS

Tariq Glass Industries Limited	230,250	-	-	-	230,250	14,855,730	20,862,953	0.24	0.24	0.21
	230,250	-	-	-	230,250	14,855,730	20,862,953	0.24	0.24	0.21

MISCELLANEOUS

Synthetic Products Enterprises Limited	900,000	-	-	896,000	4,000	166,320	178,240	0.00	0.00	0.00
TPL Properties Limited	-	3,857,000	-	-	3,857,000	37,871,764	38,454,290	0.45	0.44	1.18
Tri-Pack Films Limited	-	16,500	-	16,500	-	-	-	-	-	-
	900,000	3,873,500	-	912,500	3,861,000	38,038,084	38,632,530	0.45	0.44	1.18

Total as at 30 September 2020

7,278,172,381	8,622,717,372	100.00	98.96
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Total as at 30 June 2020

7,113,226,257	6,990,442,843
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- 5.2 The cost of listed equity securities as at 30 September 2020 is Rs. 7,873,911,882 (30 June 2020: Rs. 7,557,777,485).
- 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 in accordance with circular no. 11 dated 23 October 2007 issued by the SECP.

	Quantity		Market value	
	30 September 2020	30 June 2020	30 September 2020	30 June 2020
	Un-audited	Audited	Un-audited	Audited
	-----Number of Shares-----		-----Rupees-----	
Pakistan Petroleum Limited	297,000	297,000	27,341,820	25,773,660
Habib Bank Limited	60,000	60,000	7,844,400	5,812,200
Engro Fertilizers Limited	425,000	425,000	25,848,500	25,619,000
United Bank Limited	100,000	100,000	11,511,000	10,336,000
	882,000	882,000	72,545,720	67,540,860

Atlas Stock Market Fund

6 PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY (RELATED PARTY)	Note	30 September 2020	30 June 2020
		Un-audited	Audited
		-----Rupees-----	
Remuneration of the Management Company	6.1	17,623,301	13,608,253
Sindh sales tax payable on remuneration of the Management Company	6.2	5,260,075	4,738,119
Federal Excise Duty payable on remuneration of the Management Company	6.3	20,301,988	20,301,988
Accounting and operational charges payable	9	1,248,350	963,918
		44,433,714	39,612,278

- 6.1** As per the amendments made in the NBFC Regulations, 2008 vide SRO 639 (1) / 2019 dated 20 June 2019, the Management Company shall set and disclose in the offering document the maximum rate of fee chargeable to Collective Investment Scheme within allowed expense ratio. With effect from 01 January 2020 the Management Company decided to revise the management fee from 2% to 2.4%. Previously, the Management Company was entitled to an amount not exceeding 2% per annum of the average annual net assets and therefore charged 2% of the average annual net assets per annum. The fee is payable to the Management Company monthly in arrears.
- 6.2** During the year, an amount of Rs. 6,492,182 (2019: Rs. 3,095,201) was charged on account of sales tax on remuneration of Management Company levied through Sindh Sales Tax on Services Act, 2011, and an amount of Rs. 5,970,226 (2019: Rs. 3,226,373) has been paid to the Management Company which acts as the collecting agent.
- 6.3** The Finance Act, 2013 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 were already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund, the Management Company was of the view that further levy of FED was 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.

During the year ended 30 June 2017, the SHC passed an order whereby 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) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

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.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from 1 July 2016. However, as a matter of abundant caution the provision for FED made for the period from 13 June 2013 till 30 June 2016 amounting to Rs 20.302 million (30 June 2020: Rs 20.302 million) is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the said provision for FED not been recorded in the financial statements of the Fund, the net asset value of the Fund as at 30 September 2020 would have been higher by Rs. 1.45 (30 June 2020: Rs. 1.53) per unit.

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7 ACCRUED EXPENSES AND OTHER LIABILITIES	Note	30 September	30 June
		2020	2020
		Un-audited	Audited
		-----Rupees-----	
Auditors' remuneration payable		651,399	481,582
NCCPL charges payable		25,000	25,000
Withholding and capital gain tax payable		3,772,840	15,621,799
Zakat payable		48,633	48,075
Sales Load Payable		80,193	27,614
Transaction charges payable		1,511,636	2,919,420
Annual listing fee payable		6,428	-
Provision for Sindh Workers' Welfare Fund	7.1	73,906,130	44,571,373
		80,002,259	63,694,863

7.1 As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, was required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP had taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF.

In view of the above developments regarding the applicability of WWF and SWWF on CISs / mutual funds, MUFAP has recommended the following to all its members on 12 January 2017:

- based on legal opinion, the entire provision against WWF held by the CISs till 30 June 2015 should be reversed on 12 January 2017; and
- as a matter of abundant caution, the provision in respect of SWWF should be made with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from 21 May 2015) on 12 January 2017.

The above decisions were communicated to the SECP and the Pakistan Stock Exchange Limited on 12 January 2017 in response to which the SECP vide its letter dated 1 February 2017 advised MUFAP that the adjustments relating to the above should be prospective and supported by adequate disclosures in the financial statements of the CISs / mutual funds.

Accordingly, necessary adjustments in this respect were recorded in the books of the Fund on 12 January 2017 whereby the entire provision for WWF was reversed and the provision for SWWF was made for the period from 21 May 2015 to 12 January 2017. Thereafter, the provision for SWWF is being made by the Fund on a daily basis going forward.

Had the provision for SWWF not been recorded in these financial statements, the net asset value of the Fund as at 30 September 2020 would have been higher by Rs. 5.29 per unit (30 June 2020: Rs. 3.37 per unit)

8 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 30 September 2020 and 30 June 2020.

Atlas Stock Market Fund

9 ACCOUNTING AND OPERATIONAL CHARGES

The Management Company is allowed to charge actual expenses related to registrar services, accounting, operations and valuation services to the CIS with effect from 20 June 2019 as per SECP SRO 639 (I) / 2019 dated 20 June 2019.

The Management Company has charged expenses at the rate of 0.17% of the average annual net assets of the Fund for the period for allocation of such expenses to the Fund.

10 EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 30 September 2020 is 4.60% (30 June 2020: 3.13%) which includes 1.78% (30 June 2020: 0.46%) representing government levies on the Fund such as sales taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 4% prescribed under the NBFC Regulations for a collective investment scheme categorised as an equity scheme.

11 TAXATION

11.1 The income of the Fund is exempt from income tax under 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 amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its net accounting income available for distribution for the year derived from sources other than capital gains, to the unitholders. The management intends to distribute at least 90% of the Fund's net accounting income available for distribution by the year end, as cash dividend, to the unit holders. Accordingly, no provision for taxation has been made in these condensed interim financial statements.

12 EARNINGS PER UNIT

Earnings per unit has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating loss per unit is not practicable.

13 TRANSACTIONS WITH CONNECTED PERSONS / OTHER RELATED PARTIES

	For the Quarter Ended	
	30 September	
	2020	2019
	Un-audited	Un-audited
	-----Rupees-----	
13.1 Details of transaction with related parties during the period are as follows:		
Atlas Asset Management Limited (Management Company)		
Remuneration of the Management Company	49,939,860	23,809,239
Remuneration paid	45,924,812	24,818,241
Sindh Sales Tax on remuneration of the Management Company	6,492,182	3,095,201
Accounting and operational charges	3,537,407	1,190,462
Issue of 28,121 (2019: Nil) units	14,984,586	-
Redemption of 79,400 (2019: Nil) units	50,000,000	-
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration of the Trustee	2,332,882	1,441,828
Remuneration paid	2,165,364	1,492,502
Sindh Sales Tax on remuneration of the trustee	303,275	187,438
Settlement charges	119,792	56,468
Sindh Sales Tax on settlement charges	15,573	7,341

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For the Quarter Ended
30 September

	2020	2019
	Un-audited	Un-audited
	-----Rupees-----	

Atlas Battery Limited (Group Company)

Redemption of Nil (2019: 5) units

	-	2,347
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Atlas Foundation (Group Company)

Issue of 23,822 (2019: nil) units

	14,000,000	-
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Atlas Insurance Limited (Group Company)

Issue of 162,851 (2019: nil) units

	100,000,000	-
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Atlas Group of Companies Management Staff Gratuity Fund (Retirement Benefit plan of a Group Company)

Issue of Nil (2019: 10,521) units

	-	5,000,000
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Redemption of 12,990 (2019: Nil) units

	8,000,000	-
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Atlas Honda Limited

Redemption of Nil (2019: 1,146) units

	-	537,873
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Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement Benefit plan of a Group Company)

Redemption of 1,539 (2019: Nil) units

	1,000,000	-
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Atlas Metals (Private) Limited

Issue of 30,727 (2019: Nil) units

	20,000,000	-
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Sindh General Provident Investment Fund

Issue of Nil (2019: 1,099,069) units

	-	504,000,000
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Directors and their close family members and key management personnel of the Management Company

Issue 15,719 (2019: 1,169) units

	9,752,900	554,726
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Redemption of 1,594 (2019: 449) units

	1,025,000	219,369
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	30 September 2020	30 June 2020
	Un-audited	Audited
	-----Rupees-----	

13.2 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

	17,623,301	13,608,253
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Sindh Sales tax payable on remuneration of the Management Company

	5,260,075	4,738,119
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Federal Excise Duty payable on remuneration of the Management Company

	20,301,988	20,301,988
--	------------	------------

Accounting and operational charges payable

	1,248,350	963,918
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Outstanding 155,282 (30 June 2020: 206,561) units - at net asset value

	96,791,363	106,731,932
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Central Depository Company of Pakistan Limited (Trustee)

Trustee fee payable

	816,496	648,978
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Sindh Sales tax payable on remuneration of trustee

	106,144	84,367
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Settlement charges payable

	3,000	3,000
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Sindh Sales tax payable on settlement charges

	390	390
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Atlas Stock Market Fund

	30 September 2020 Un-audited	30 June 2020 Audited
	-----Rupees-----	
Atlas Honda Limited (Group Company) Outstanding 28,216 (30 June 2020: 28,216) units - at net asset value	17,587,575	14,579,293
Atlas Foundation (Group Company) Outstanding 892,898 (30 June 2020: 869,076) units - at net asset value	556,567,927	449,060,074
Atlas Insurance Limited (Group Company) Outstanding 275,910 (30 June 2020: 113,329) units - at net asset value	171,982,592	58,558,370
Atlas Group of Companies Management Staff Gratuity Fund (Retirement Benefit plan of a Group Company) Outstanding 121,236 (30 June 2020: 134,226) units - at net asset value	75,569,768	69,355,779
Atlas Honda Limited - Employees Provident Fund (Retirement Benefit plan of a Group Company) Outstanding 99,795 (30 June 2020: 99,795) units - at net asset value	62,204,937	51,565,041
Atlas Honda Limited - Non Management Staff Gratuity Fund (Retirement Benefit plan of a Group Company) Outstanding 22,236 (30 June 2020: 22,236) units - at net asset value	13,860,501	11,489,720
Atlas Metals (Private) Limited Outstanding 30,727 (30 June 2020: Nil) units - at net asset value	19,153,139	-
Batools Benefit Trust (Trust having common Director / Trustee) Outstanding 213,744 (30 June 2020: 213,744) units - at net asset value	133,232,599	110,443,716
Honda Atlas Cars (Pakistan) Limited - Employees Gratuity Fund (Retirement Benefit plan of a Group Company) Outstanding 32,035 (30 June 2020: 32,035) units - at net asset value	19,968,575	16,553,033
Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement Benefit plan of a Group Company) Outstanding 25,009 (30 June 2020: 26,549) units - at net asset value	15,589,101	13,717,917
Shirazi Investments (Private) Limited (Group Company) Outstanding 4,729,966 (30 June 2020: 4,729,966) units - at net asset value	2,948,318,096	2,444,020,517
Sindh Province Pension Fund (10% Holding) Outstanding 1,452,355 (30 June 2020: Nil) units - at net asset value	905,292,708	-
Directors and their close family members and key management personnel of the Management Company Outstanding 1,246,275 (30 June 2020: 1,232,151) units - at net asset value	776,837,630	636,664,632

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

14 FAIR VALUE MEASUREMENT

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences can arise between carrying values and the fair value estimates.

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Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not significantly different from book value.

Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: Quoted price (unadjusted) in an active market for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: Inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

The Fund only invests in listed equity securities the fair values of which are based on level 1 valuation technique.

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 26 October 2020.

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

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Iftikhar H. Shirazi
Chairman

Tariq Amin
Director

Head Office- Karachi

Ground Floor,
Federation House,
Shahra-e-Firdousi, Clifton,
Karachi-75600.
Ph: (92-21) 35379501 - 04
Fax: (92-21) 35379280

Savings Center- Karachi

Faiyaz Center, Ground Floor,
Shahra-e-Faisal
(opp. FTC building),
Karachi-74400.
Ph: (92-21) 34522601-02
Fax: (92-21) 34522603

SITE Office- Karachi

C/o. Atlas Honda Limited,
F/36, Estate Avenue,
S.I.T.E.,
Karachi.

Landhi Office- Karachi

C/o. Atlas Engineering Limited,
15th Mile,
National Highway,
Landhi, Karachi.
Ph: (92-21) 35015525, Ext: 361

Hyderabad Office

C/o. Atlas Honda Limited,
3rd Floor, Dawood Center,
Opposite Foundation Public
School, Auto Bhan Road,
Hyderabad.

Savings Center - Lahore

64, Block -XX,
Khayaban-e-Iqbal,
Phase-III, DHA Lahore.
Ph: (92-42) 32560890-92
(92-42) 37132688-89

Multan Office

C/o. Atlas Regional Office,
Azmat Wasti Road,
Near Dera Adda,
Multan.
Ph: 061-4570431-4, Ext. 186

Faisalabad Office

C/o. Atlas Honda Ltd,
Customer Care Center,
1st Floor,
Meezan Executive Tower,
4-Liaqat Road, Faisalabad.
Ph: (92-41) 2541013, Ext: 112

Rawalpindi Office

C/o. Atlas Honda Ltd.
Ground Floor,
Islamabad Corporate Center,
Golra Road, Rawalpindi.
Ph: (92-51) 2801140
Fax: (92-51) 5495928

Savings Center- Islamabad

Ground Floor, East End Plaza,
Plot No. 41, Sector F-6/G6,
Ataturk Avenue,
Blue Area, Islamabad.
Ph: (92-51) 2871831-34
Ext: 253 & 255

www.atlasfunds.com.pk | cs@atlasfunds.com.pk | 021-111-MUTUAL (6-888-25)

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