

Atlas funds

Nurturing your investments

Atlas Money Market Fund

Atlas Income Fund

Atlas Stock Market Fund

THIRD QUARTER REPORT

31 March 2012

(UN-AUDITED)



Management Company

Atlas Asset Management

Rated AM2- by PACRA



Vision

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

Mission Statement

We are committed to offering our investors the best possible returns on a diverse range of products; to meeting not only the customers' current and future requirements, but also exceeding their expectations. We aim to be the company with which people prefer to do business. We are committed to providing a stimulating and challenging environment in which all our people can be valuable contributors to the achievement of our vision, while achieving career progression and job satisfaction. We recognize that our success comes from our people. We are committed to the highest ethical and fiduciary standards and firmly believe that by placing the best interests of our clients first, we will also serve the best interest of our employees, our shareholders, and the communities in which we operate.

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Atlas Funds

ORGANISATION

Management Company

Atlas Asset Management Limited

Board of Directors of the Management Company

Chairman Mr. Yusuf H. Shirazi
Members Mr. Tariq Amin
Mr. M. Ashraf Janjua
Mr. Frahim Ali Khan
Mr. Arshad P. Rana
Mr. Ali H. Shirazi

Chief Executive Officer Mr. M. Habib-ur-Rahman

Company Secretary Ms Lilly R. Dossabhoy

Board Committees

Audit Committee

Chairman Mr. Tariq Amin
Members Mr. M. Ashraf Janjua
Mr. Frahim Ali Khan

Secretary Ms Qurrat-ul-Ain Jafari

Human Resource Committee

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

Investment Committee

Chairman Mr. M. Habib-ur-Rahman
Members Mr. Ali H. Shirazi
Mr. Muhammad Abdul Samad
Mr. Khalid Mahmood

Secretary Mr. Muhammad Umar Khan

Management Committee

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

Secretary Mr. M. Irfan Dhedhi

Risk Management Committee

Chairman Mr. Muhammad Abdul Samad
Members Mr. Khalid Mahmood
Ms Qurrat-ul-Ain Jafari
Mr. Muhammad Umar Khan

Secretary Ms Zainab Hussain

Chief Internal Auditor

Ms Qurrat-ul-Ain Jafari

Registered Office

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

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CHAIRMAN'S REVIEW

It is my pleasure to present to you the un-audited financial statements of Atlas Money Market Fund (AMF), Atlas Income Fund (AIF), and Atlas Stock Market Fund (ASMF) for the nine months period ended 31 March 2012 of the FY 2011 - 12.

The Economy

Pakistan's economy is moving in right direction after overcoming both internal and external challenges it has faced in the past few years. During the period July - February FY 12, the total exports stood at US\$ 15.19 billion. The foreign exchange reserves of the country stood at US\$ 16.51 billion as on 31 March 2012. During July - March FY 12 period, foreign remittances reached a record level of US\$ 9.74 billion, which is 21.45% higher than the remittances received during the corresponding period last year. CPI inflation during July - March FY 12 period averaged 10.80% as compared to 14.00% during July - March FY 11. The SBP lowered its policy rate by a cumulative 200 basis points (bps) during current financial year i.e. 50 bps in July 2011 and 150 bps in October 2011. The decision was primarily driven by a high probability of meeting the 12% CPI inflation target for FY 12 and the need to revive the private investment demand in the economy.

Fund Operations - AMF

The Net Asset Value per unit of Atlas Money Market Fund has increased by 8.56% to Rs.504.45 as on 31 March 2012, thus providing an annualized total return of 11.36%. The AMF's total exposure in Treasury Bills stood at 90.64% with remaining in short term deposits with banks/cash. AMF presents a good investment opportunity for investors to earn attractive returns while maintaining high liquidity with low risk. The Net Assets of your Fund stood at Rs.4.26 billion, with 8.44 million units outstanding as of 31 March 2012.

The Investment Committee of Atlas Asset Management Limited, the Management Company of Atlas Money Market Fund, under the authority delegated by the Board of Directors of Atlas Asset Management Limited has approved the ninth interim bonus distribution of Rs.4.00 per unit (0.80% on the face value of Rs.500 per unit). This is in addition to the aggregate interim bonus distribution of Rs.35.00 per unit (7% on the face value of Rs.500 per unit) respectively, already distributed, upto 31 March 2012.

Fund Operations - AIF

The Net Asset Value per unit of Atlas Income Fund has increased by 2.73% to Rs.514.12 as on 31 March 2012. AIF return, after completion of provisioning in line with SECP requirement, has improved and shown greater stability. Additionally, it is expected that any gain as a result of reversal of provisions/income will have positive impact on the Fund's performance. AIF's return since completion of provisioning in August 2011 stands at 11.87% (annualized basis). AIF's current asset allocation is 63% in Treasury bills, 32% in TFC/ Sukuk and 5% in bank deposits/others. The Net Assets of the Fund stood at Rs.878.47 million with 1.71 million units outstanding as of 31 March 2012.

Fund Operations - ASMF

The Net Asset Value per unit of Atlas Stock Market Fund has increased by 18.80% to Rs.397.09 as on 31 March 2012. The benchmark KSE- 100 index has increased by 10.13% during the same period. The KSE- 100 has increased from 12,496 points as on 30 June 2011 to 13,761 points as on 31 March 2012. The ASMF's equity portfolio exposure was mainly in Oil & Gas, Banking, Electricity and Chemical sectors. ASMF's strategy will continue to focus on dividend plays and stocks which are trading at relatively cheap multiples with earning growth prospects. The Net Assets of the Fund stood at Rs.679.45 million, with 1.71 million units outstanding as of 31 March 2012.

RATINGS

• Asset Manager Rating

The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of "AM2-" (AM Two Minus) to Atlas Asset Management Limited. The rating denotes the Company's very strong capacity to manage the risks inherent in asset management and meets high investment management industry standards and benchmarks. The annual review by the rating agency is currently under finalization.

Atlas Funds

- 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. The annual review by the rating agency is currently in progress.

- Fund Stability Rating - AIF

PACRA has assigned a stability rating of "A+ (f)" (Single A Plus - fund rating) to the Fund. The Fund's rating denotes a strong capacity to manage relative stability in returns and low exposure to risks. The annual review by the rating agency is currently in progress.

- Star Ranking - ASMF

PACRA has assigned a “5 Star” short term ranking and a long term “4 Star” ranking to the Fund, for FY 2010 - 11. The short term ranking is based on performance during the trailing twelve months period, whereas long-term star ranking is based on performance during the trailing thirty six months.

Future Outlook

The sustainable economic growth over the medium term would call for a substantial increase in both the domestic and foreign investment in the economy. Growth prospects would largely depend upon improving the policy mix, relieving infrastructural bottlenecks especially in the energy sector, strengthening human capital, and ensuring a competitive business environment. In the short-run, successful auction of 3G license and inflows from coalition support fund will create fiscal space and lower fiscal deficit. The SBP's monetary policy is also trying to strike an appropriate balance among multiple and often competing considerations. These include bringing inflation further down, ensuring financial stability, preserving foreign exchange reserves, and supporting private investment in the economy.

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

گیسوئے تابدار کو اور بھی تابدار کر
(Let us shine more and more)

Acknowledgement

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

Karachi: 24 April 2012

Yusuf H. Shirazi
Chairman

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Atlas Money Market Fund

Corporate Information

Trustee

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

Auditors

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants

Legal Advisers

Bawaney & Partners

Bankers

Bank Alfalah Limited
Faysal Bank Limited
National Bank of Pakistan

Atlas Money Market Fund

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED)
AS AT 31 MARCH 2012

		31 March 2012 Un-audited	30 June 2011 Audited
	Note	----- Rupees -----	
Assets			
Bank balances and term deposits	4	417,015,058	345,287,703
Investments	5	3,861,099,900	2,981,640,690
Interest accrued		4,245,879	2,213,419
Prepayments		10,000	-
Deferred formation cost		450,000	600,000
Total assets		4,282,820,837	3,329,741,812
Liabilities			
Payable to the management company		4,664,467	3,566,401
Payable to the trustee		417,477	305,402
Payable to SECP		2,357,752	1,721,414
Accrued and other liabilities	6	15,667,637	7,532,955
Total liabilities		23,107,333	13,126,172
Net assets		4,259,713,504	3,316,615,640
Unit holders' fund		4,259,713,504	3,316,615,640
Number of units in issue		8,444,201	6,415,479
Net asset value per unit		504.45	516.97

The annexed notes from 1 to 10 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

Third Quarter Report 2011-12

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE NINE MONTHS ENDED 31 MARCH 2012

		For the Nine Months ended		For the Quarter ended	
		31 March		31 March	
		2012	2011	2012	2011
Note		Rupees			
Income					
Interest income	7	391,428,004	189,861,100	132,445,874	79,572,556
Net gain / (loss) on investments designated at fair value through income statement (held for trading)					
Net gain/(loss) on maturity/sale of investments		1,146,266	499,578	(226,785)	-
Net unrealised (loss)/gain on revaluation of investments		(1,445,857)	(376,700)	(493,308)	422,511
		(299,591)	122,878	(720,093)	422,511
Element of income/(loss) and capital gains/(losses) included in prices of units sold less those in units redeemed - net		936,658	18,161,450	(788,648)	6,338,728
		392,065,071	208,145,428	130,937,133	86,333,795
Expenses					
Remuneration of the management company		31,436,635	15,308,987	11,275,998	6,150,966
Sindh Sales Tax on Remuneration of the Management Company		5,029,862	-	1,804,160	-
Remuneration of the trustee		3,310,781	2,152,335	1,169,804	732,421
SECP annual fee		2,357,752	1,148,175	845,703	461,323
Annual rating fee		150,000	150,000	50,000	40,000
Annual listing fee		30,000	30,000	10,000	10,000
Brokerage		140,367	52,187	59,598	4,938
Auditors' remuneration		409,535	287,006	143,750	92,465
Printing charges		71,708	148,739	25,825	41,301
Amortisation of formation cost		150,000	150,138	50,000	50,138
Bank charges		63,725	73,660	24,244	20,062
Provision for Workers' Welfare Fund	6.1	6,978,294	3,772,884	2,309,561	1,574,604
		50,128,659	23,274,111	17,768,643	9,178,218
Net income for the period		341,936,412	184,871,317	113,168,490	77,155,577

The annexed notes from 1 to 10 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

Atlas Money Market Fund

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS ENDED 31 MARCH 2012

	<u>For the Nine Months ended</u>		<u>For the Quarter ended</u>	
	<u>31 March</u>		<u>31 March</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
	<u>----- Rupees -----</u>			
Net income for the period	341,936,412	184,871,317	113,168,490	77,155,577
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>341,936,412</u>	<u>184,871,317</u>	<u>113,168,490</u>	<u>77,155,577</u>

The annexed notes from 1 to 10 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

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CONDENSED INTERIM DISTRIBUTION STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS ENDED 31 MARCH 2012

	For the Nine Months ended	
	31 March 2012	31 March 2011
	Rupees -----	
Undistributed income brought forward	98,823,653	37,357,997
Final distribution at the rate of Rs.15 per unit declared on 7 July 2011 (2011: Rs.13.50 per unit declared on 8 July 2010)		
- Bonus units	(74,914,265)	(30,344,490)
- Cash payout against final distribution	(21,317,923)	(6,728,102)
	(96,232,188)	(37,072,592)
Interim distribution for the month ended 31 July 2011 at the rate of Rs.4 per unit declared on 29 July 2011 (2011: Nil)		
- Bonus units	(24,737,370)	-
- Cash payout against final distribution	(5,489,173)	-
	(30,226,543)	-
Interim distribution for the month ended 31 August 2011 at the rate of Rs.5 per unit declared on 26 August 2011 (2011: Nil)		
- Bonus units	(33,388,867)	-
- Cash payout against final distribution	(7,948,315)	-
	(41,337,182)	-
Interim distribution for the month ended 30 September 2011 at the rate of Rs.5 per unit declared on 28 September 2011 (2011: Nil)		
- Bonus units	(31,445,821)	-
- Cash payout against final distribution	(8,019,397)	-
	(39,465,218)	-
Interim distribution for the month ended 31 October 2011 at the rate of Rs.5 per unit declared on 28 October 2011 (2011: Rs.11.50 per unit declared on 12 October 2010 for the quarter ended 30 September 2010)		
- Bonus units	(30,831,496)	(34,378,832)
- Cash payout against final distribution	(8,021,249)	(6,864,106)
	(38,852,745)	(41,242,938)
Interim distribution for the month ended 30 November 2011 at the rate of Rs.4 per unit declared on 25 November 2011 (2011: Nil)		
- Bonus units	(26,165,674)	-
- Cash payout against final distribution	(6,416,999)	-
	(32,582,673)	-
Interim distribution for the month ended 31 December 2011 at the rate of Rs.4 per unit declared on 28 December 2011		
- Bonus units	(26,217,200)	-
- Cash payout against final distribution	(6,416,999)	-
	(32,634,199)	-
c/f	(212,507,095)	(40,957,533)

Atlas Money Market Fund

CONDENSED INTERIM DISTRIBUTION STATEMENT (UN-AUDITED) (Continued...)
FOR THE NINE MONTHS ENDED 31 MARCH 2012

	For the Nine Months ended	
	31 March 2012	31 March 2011
	----- Rupees -----	
b/f	(202,507,095)	(40,957,533)
Interim distribution for the month ended 31 January 2012 at the rate of Rs.4 per unit declared on 27 January 2012 (2011: Rs.11.50 per unit declared on 11 January 2011 for the quarter ended 31 December 2011)		
- Bonus units	(26,565,035)	(53,651,145)
- Cash payout against final distribution	(8,979,516)	(9,541,982)
	(35,544,551)	(63,193,127)
Interim distribution for the month ended 29 February 2012 at the rate of Rs.4 per unit declared on 24 February 2012 (2011: Nil)		
- Bonus units	(27,253,464)	-
- Cash payout against final distribution	(9,139,563)	-
	(36,393,027)	-
Interim distribution for the month ended 31 March 2012 at the rate of Rs.4 per unit declared on 29 March 2012 (2011: Nil)		
- Bonus units	(25,425,645)	-
- Cash payout against final distribution	(9,337,960)	-
	(34,763,605)	-
Net income for the period	341,936,412	184,871,317
Undistributed income carried forward	22,728,134	80,720,657

The annexed notes from 1 to 10 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

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CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS ENDED 31 MARCH 2012

	For the Nine Months ended	
	31 March 2012	31 March 2011
Note	Rupees -----	
Cash flows from operating activities		
Net income for the period	341,936,412	184,871,317
Adjustments for:		
Interest income	(391,428,004)	(189,861,100)
Net gain on maturity of investments	(1,146,266)	(499,578)
Net unrealised loss on revaluation of investments	1,445,857	376,700
Amortization of formation cost	150,000	150,138
Element of income and capital gains included in prices of units sold less those in units redeemed - net	(936,658)	(18,161,450)
	(391,915,071)	(207,995,290)
Increase in prepayments	(10,000)	(60,000)
Increase in liabilities		
Payable to the management company	1,098,066	816,932
Payable to the trustee	112,075	58,474
Payable to SECP	636,338	761,306
Accrued and other liabilities	8,134,682	3,779,182
	9,981,161	5,415,894
	(40,007,498)	(17,768,079)
Interest received	389,395,544	190,065,233
Investments made during the period	(9,475,731,691)	(6,202,145,970)
Investments matured / sold during the period	8,595,972,890	4,756,874,071
Net cash used in operating activities	(530,370,755)	(1,272,974,745)
Cash flows from financing activities		
Proceeds from issue of units	3,543,275,224	2,584,503,274
Payment on redemption of units	(2,850,090,020)	(1,578,398,577)
Cash payout against distribution	(91,087,094)	(23,134,190)
Net cash inflow from financing activities	602,098,110	982,970,507
Net increase / (decrease) in cash and cash equivalents	71,727,355	(290,004,238)
Cash and cash equivalents at the beginning of the period	345,287,703	399,710,538
Cash and cash equivalents at the end of the period 4	417,015,058	109,706,300

The annexed notes from 1 to 10 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

Atlas Money Market Fund

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED)
FOR THE NINE MONTHS ENDED 31 MARCH 2012

	For the Nine Months ended			
	31 March 2012		31 March 2011	
	Units	Rupees	Units	Rupees
Net assets at the beginning of the period [Rs.516.97 (2011: Rs.513.60) per unit]	6,415,479	3,316,615,640	2,746,118	1,410,416,954
Issue of units	7,017,139	3,543,275,224	5,070,545	2,584,503,274
Redemption of units	(5,638,647)	(2,850,090,020)	(3,093,422)	(1,578,398,577)
	1,378,492	693,185,204	1,977,123	1,006,104,697
Element of income/(loss) and capital gains/(losses) included in prices of units sold less those in units redeemed	-	(936,658)	-	(18,161,450)
Final distribution @ Rs.15 per unit declared on 7 July 2011 (2010: Rs.13.50 declared on 8 July 2010)				
Issue of bonus units	149,241	-	60,677	-
Cash payout against distribution	-	(21,317,923)	-	(6,728,102)
Interim distribution @ Rs.4 declared on 29 July 2011 (2011: Nil)				
Issue of bonus units	49,223	-	-	-
Cash payout against distribution	-	(5,489,173)	-	-
Interim distribution @ Rs.5 declared on 26 August 2011 (2011: Nil)				
Issue of bonus units	66,476	-	-	-
Cash payout against distribution	-	(7,948,315)	-	-
Interim distribution @ Rs.5 declared on 28 September 2011 (2011: Nil)				
Issue of bonus units	62,584	-	-	-
Cash payout against distribution	-	(8,019,397)	-	-
Interim distribution @ Rs.5 declared on 28 October 2011 (2011: Rs.11.50 declared on 12 October 2010)				
Issue of bonus units	61,294	-	68,284	-
Cash payout against distribution	-	(8,021,249)	-	(6,864,106)
Interim distribution @ Rs.4 declared on 25 November 2011 (2011: Nil)				
Issue of bonus units	52,031	-	-	-
Cash payout against distribution	-	(6,416,999)	-	-
Interim distribution @ Rs.4 declared on 28 December 2011 (2011: Nil)				
Issue of bonus units	52,092	-	-	-
Cash payout against distribution	-	(6,416,999)	-	-
c/f	8,286,910	3,945,234,131	4,852,202	2,384,767,993

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CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED)
FOR THE NINE MONTHS ENDED 31 MARCH 2012

	For the Nine Months ended			
	31 March 2012		31 March 2011	
	Units	Rupees	Units	Rupees
b/f	8,286,910	3,945,234,131	4,852,202	2,384,767,993
Interim distribution @ Rs.4 declared on 27 January 2012 (2011: Rs.13.75 declared on 11 January 2011)				
Issue of bonus units	52,730	-	106,552	-
Cash payout against distribution	-	(8,979,516)	-	(9,541,982)
Interim distribution @ Rs.4 declared on 24 February 2012 (2011: Nil)				
Issue of bonus units	54,129	-	-	-
Cash payout against distribution	-	(9,139,563)	-	-
Interim distribution @ Rs.4 declared on 29 March 2012 (2011: Nil)				
Issue of bonus units	50,432	-	-	-
Cash payout against distribution	-	(9,337,960)	-	-
Net income for the period	-	341,936,412	-	184,871,317
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	341,936,412	-	184,871,317
Net assets at the end of the period [Rs.504.45 (2011: Rs.516.28) per unit]	8,444,201	4,259,713,504	4,958,753	2,560,097,328

The annexed notes from 1 to 10 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

Atlas Money Market Fund

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS ENDED 31 MARCH 2012

1. LEGAL STATUS AND NATURE OF BUSINESS

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

2. STATEMENT OF COMPLIANCE

- 2.1 These condensed interim financial statements have been prepared in accordance with International Accounting Standard - 34 "Interim Financial Reporting", the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and directives issued by the SECP. In case where requirements differ, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the requirements of the said directives prevail.
- 2.2 These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements of the Fund and should be read in conjunction with the financial statements of the Fund for the year ended 30 June 2011.

3. ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed interim financial statements are consistent with those of the previous financial year except as follows:

New and amended standards and interpretations

The Fund has adopted the following amended IFRS and IFRIC interpretation which became effective during the period.

- IFRS 7 - Financial Instruments: Disclosures
- IAS 24 - Related Party Disclosures (Revised)
- IFRIC 14 - Prepayments of a Minimum Funding Requirement (Amendment)

In May 2010, International Accounting Standards Board (IASB) issued amendments to various standards primarily with a view to removing inconsistencies and clarifying wording. These improvements are listed below:

- IFRS 7 - Financial Instruments Disclosures - Clarification of disclosures
- IAS 1 - Presentation of Financial Statements - Clarification of statement of changes in equity
- IAS 34 - Interim Financial Reporting - Significant events and transactions
- IFRIC 13 - Customer Loyalty Programmes - Fair value of award credits

The adoption of the above standards, amendments, interpretations and improvements did not have any effect on the condensed interim financial statements.

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	31 March 2012	30 June 2011
	Un-audited	Audited
Note	Rupees	

4. BANK BALANCES AND TERM DEPOSITS

PLS saving accounts	4.1	17,015,058	345,287,703
Term deposit accounts	4.2	400,000,000	-
		<u>417,015,058</u>	<u>345,287,703</u>

4.1 The rate of return on these accounts ranges between 5% to 11.00% (30 June 2011: 5% to 11.50%) per annum.

4.2 The rate of return on these deposits is 12% (30 June 2011: nil) per annum. These deposits will mature by 14 May 2012.

5. INVESTMENTS - at fair value through income statement

Government Securities

Market Treasury Bills - Held for trading	5.1	3,861,099,900	2,981,640,690
--	-----	---------------	---------------

5.1 Market Treasury Bills - Held for trading

	Face value (Rupees)				Rupees		Percentage of	
	At the beginning of the period	Acquired during the period	Matured/Disposed during the period	At the end of the period	Amotized cost	Market Value	Total Investments	Net Assets
Treasury bills								
3 Months - T - bills	1,567,500,000	3,870,000,000	4,555,000,000	882,500,000	872,213,101	872,049,260	22.59	20.47
6 Months - T - bills	1,510,000,000	3,677,500,000	3,495,000,000	1,692,500,000	1,673,445,600	1,672,638,270	43.32	39.27
12 Months - T - bills	-	1,925,000,000	595,000,000	1,330,000,000	1,316,887,055	1,316,412,370	34.09	30.90
	<u>3,077,500,000</u>	<u>9,472,500,000</u>	<u>8,645,000,000</u>	<u>3,905,000,000</u>	<u>3,862,545,757</u>	<u>3,861,099,900</u>	<u>100.00</u>	<u>90.64</u>

5.2 The cost of investments as on 31 March 2012 is Rs.3,749,078,825 (30 June 2011: Rs.2,934,799,375).

5.3 These Market Treasury Bills carry purchase yields ranging from 11.50% to 12.73% (30 June 2011: 13.07% to 13.74%) per annum and will mature between 05 April 2012 and 26 July 2012 (30 June 2011: 14 July 2011 and 29 December 2011).

	31 March 2012	30 June 2011
	Un-audited	Audited
Note	Rupees	

6. ACCRUED AND OTHER LIABILITIES

Auditors' remuneration payable		273,591	310,610
Printing charges payable		87,523	125,500
Payable to unit holders		2,821	2,686
Annual rating fee payable		150,000	-
Payable to brokers		71,938	1,116
Withholding tax payable		396,702	28,929
Sindh Sales Tax payable on remuneration of the Management Company		650,315	-
Zakat payable		-	7,661
Provision for Workers' Welfare Fund	6.1	14,034,747	7,056,453
		<u>15,667,637</u>	<u>7,532,955</u>

Atlas Money Market Fund

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

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

Subsequent to the year ended 30 June 2011, the Honorable Lahore High Court (LHC) in a Constitutional Petition relating to the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006, and the Finance Act, 2008, has declared the said amendments as unlawful and unconstitutional. The Management Company is hopeful that the decision of the LHC, will lend further support to the Constitutional Petition which is pending in the SHC. However, pending the decision of the said Constitutional Petition, the Management Company, as a matter of abundant caution, has decided to continue to maintain the provision for WWF amounting to Rs.14,034,747 (30 June 2011: Rs.7,056,453) in these condensed interim financial statements.

For the Nine Months ended		For the Quarter ended	
31 March		31 March	
2012	2011	2012	2011
Un-audited		Un-audited	
----- Rupees -----			

7. INTEREST INCOME

PLS saving and term deposit accounts	40,164,263	21,082,951	16,992,690	9,897,654
Placements	-	6,287,275	-	1,344,103
Government Securities-Market Treasury bills	351,263,741	162,490,874	115,453,184	68,330,799
	<u>391,428,004</u>	<u>189,861,100</u>	<u>132,445,874</u>	<u>79,572,556</u>

For the Nine Months ended	
31 March	
2012	2011
Un-audited	Un-audited
----- Rupees -----	

8. TRANSACTIONS WITH RELATED PARTIES/CONNECTED PERSONS

8.1 Transactions for the period

Atlas Asset Management Limited (Management Company)		
Remuneration of the Management Company	31,436,635	15,308,987
Remuneration paid	30,138,569	14,292,055
Sindh Sales Tax on Remuneration of the Management Company	5,029,862	-
Sale of 79,386 (2011: 69,138) units	40,000,000	35,000,000
Redemption of 106,773 (2011: 76,935) units	53,950,000	39,250,000
Bonus of 10,706 (2011: 8,522) units	5,381,267	4,279,781
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration of the Trustee	3,310,781	2,152,335

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For the Nine Months ended	
31 March 2012	31 March 2011
Un-audited	Un-audited
----- Rupees -----	

8.1 Transactions for the period (Continued...)

Atlas Fund of Funds (Fund under common management)		
Sale of 59,683 (2011: 58,214) units	30,000,000	30,000,000
Redemption of 109,536 (2011: nil) units	55,196,594	-
Bonus of 1,450 (2011: 1,590) units	728,041	800,442
Atlas Battery Limited (Group Company)		
Sale of 297,087 (2011: 194,166) units	150,000,000	100,000,000
Redemption of 418,560 (2011: nil) units	211,012,683	-
Bonus of 38,847 (2011: 531) units	19,531,248	267,307
Atlas Honda Limited (Group Company)		
Sale of 158,374 (2011: 116,939) units	80,000,000	60,000,000
Bonus of 79,204 (2011: 18,874) units	39,825,315	9,484,766
Atlas Insurance Limited (Group Company)		
Sale of 958,295 (2011: 498,675) units	483,800,000	255,000,000
Redemption of 700,457 (2011: 264,416) units	353,798,259	133,732,749
Bonus of 36,409 (2011: 15,928) units	18,312,161	8,008,992
Shirazi Investments (Private) Limited (Group Company)		
Sale of nil (2011: 437,298) units	-	220,000,000
Redemption of 199,335 (2011: 437,298) units	100,414,816	222,168,996
Bonus of 5,784 (2011: nil) units	2,903,263	-
Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)		
Sale of 4,827 (2011: 11,241) units	2,430,000	5,691,105
Redemption of 4,057 (2011: 9,720) units	2,050,000	5,000,000
Bonus of 2,369 (2011: 1,452) units	1,191,388	729,411
Atlas Foundation (Group Company)		
Sale of 32,058 (2011: 103,447) units	16,220,000	52,660,000
Redemption of 77,330 (2011: 3,307) units	38,995,000	1,700,000
Bonus of 11,255 (2011: 3,347) units	5,657,874	1,683,843
Batool Benefit Trust (Trust having Common Director / Trustee)		
Bonus of 106 (2011: 67) units	53,211	33,710
Iftikhar Shirazi Family Trust (Trust having Common Director/Trustee)		
Bonus of 7,546 (2011: 4,785) units	2,912,652	2,403,470
Key Management Personnel of Management Company		
Sale of 36,081 (2011: 21,374) units	18,238,000	10,800,000
Redemption of 11,015 (2011: 618) units	5,551,051	316,687
Bonus of 6,092 (2011: 2,306) units	3,025,172	1,159,676

31 March 2012	30 June 2011
Un-audited	Audited
----- Rupees -----	

8.2 Outstanding balances/investments held as at period/year end

Atlas Asset Management Limited (Management Company)		
Remuneration payable to the management company	4,064,467	2,766,401
Sindh Sales Tax payable on Remuneration of the Management Company	650,315	-
Payable in respect of formation cost	600,000	800,000
Units in issue 99,009 (30 June 2011: 115,690) - at net asset value	49,945,025	59,808,232

Atlas Money Market Fund

31 March 2012	30 June 2011
Un-audited	Audited
----- Rupees -----	

8.2 Outstanding balances/investments held as at period/year end (Continued...)

Central Depository Company of Pakistan Limited (Trustee) Remuneration payable to the Trustee	417,477	305,402
Atlas Fund of Funds (Fund under common management) Units in issue Nil (30 June 2011: 48,403) - at net asset value	-	25,022,749
Atlas Battery Limited (Group Company) Units in issue 295,373 (30 June 2011: 377,999) - at net asset value	149,000,690	195,414,012
Atlas Honda Limited (Group Company) Units in issue 874,106 (30 June 2011: 636,529) - at net asset value	440,943,012	329,066,266
Atlas Insurance Limited (Group Company) Units in issue 475,726 (30 June 2011: 181,479) - at net asset value	239,979,880	93,819,042
Shirazi Investments (Private) Limited (Group Company) Units in issue nil (30 June 2011: 193,551) - at net asset value	-	100,060,001
Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement benefit plan of a Group Company) Units in issue 22,658 (30 June 2011: 19,518) - at net asset value	11,429,900	10,090,460
Atlas Foundation (Group Company) Units in issue 75,173 (30 June 2011: 109,190) - at net asset value	37,920,790	56,447,921
Batool Benefit Trust (Trust having common Director / Trustee) Units in issue 1,046 (30 June 2011: 941) - at net asset value	527,829	486,216
Iftikhar Shirazi Family Trust (Trust having common Director / Trustee) Units in issue 74,603 (30 June 2011: 67,057) - at net asset value	37,633,549	34,666,650
<u>Key Management Personnel of Management Company</u> Units in issue 76,271 (30 June 2011: 45,115) - at net asset value	38,474,863	23,322,604

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

9. GENERAL

9.1 Figures have been rounded off to the nearest Rupee.

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

10. DATE OF AUTHORISATION FOR ISSUE

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

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

Third Quarter Report 2011-12

Atlas Income Fund

Corporate Information

Trustee

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

Auditors

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants

Legal Advisers

Mohsin Tayebaly & Co.

Bankers

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

Atlas Income Fund

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED) AS AT 31 MARCH 2012

		31 March 2012 Un-audited	30 June 2011 Audited
	Note	Rupees	
Assets			
Bank balances	4	31,227,569	74,058,608
Investments	5	848,547,206	708,002,041
Interest accrued		9,164,406	14,991,005
Prepayment		10,000	-
Security deposit		100,000	100,000
Total assets		889,049,181	797,151,654
Liabilities			
Payable to the management company		1,108,099	976,008
Payable to the trustee		125,581	110,801
Payable to SECP		440,411	745,307
Accrued and other liabilities	6	8,903,631	8,384,651
Total liabilities		10,577,722	10,216,767
Net assets		878,471,459	786,934,887
Unit holders' fund		878,471,459	786,934,887
Number of units in issue		1,708,687	1,530,383
Net asset value per unit		514.12	514.21

The annexed notes from 1 to 10 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

Third Quarter Report 2011-12

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE NINE MONTHS ENDED 31 MARCH 2012

Note	For the Nine Months ended		For the Quarter ended	
	31 March		31 March	
	2012	2011	2012	2011
	Rupees			
Income				
Interest income 7	89,697,984	98,948,067	37,123,865	31,535,525
Net gain/(loss) on investments designated at fair value through income statement				
Net gain/(loss) on sale of investments	191,926	(315,819)	-	768,336
Net unrealised loss on revaluation of investments	(52,480,456)	(35,494,177)	(12,176,828)	(11,301,124)
	(52,288,530)	(35,809,996)	(12,176,828)	(10,532,788)
Other income	19,012	-	-	-
Element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed - net	(1,182,116)	(4,697,332)	652,079	(2,520,825)
	36,246,350	58,440,739	25,599,116	18,481,912
Expenses				
Remuneration of the management company	8,808,182	11,293,105	3,160,532	2,933,341
Sindh Sales Tax on Remuneration of the Management Company	1,409,309	-	505,685	-
Remuneration of the trustee	998,268	1,462,496	358,195	401,075
SECP annual fee	440,411	596,245	158,025	178,256
Annual rating fee	150,000	150,000	50,000	40,000
Annual listing fee	30,000	30,000	10,000	10,000
Securities transaction cost	139,988	206,026	46,988	45,428
Auditors' remuneration	390,488	487,945	131,750	160,274
Printing charges	39,140	65,391	18,894	41,966
Legal and professional charges	-	70,000	-	-
Bank charges	19,112	50,879	5,247	11,936
Provision for Workers' Welfare Fund	476,429	880,573	423,076	293,193
	12,901,327	15,292,660	4,868,392	4,115,469
Net income for the period	23,345,023	43,148,079	20,730,724	14,366,443

The annexed notes from 1 to 10 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

Atlas Income Fund

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS ENDED 31 MARCH 2012

	<u>For the Nine Months ended</u>		<u>For the Quarter ended</u>	
	31 March		31 March	
	2012	2011	2012	2011
	<u>----- Rupees -----</u>			
Net income for the period	23,345,023	43,148,079	20,730,724	14,366,443
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>23,345,023</u>	<u>43,148,079</u>	<u>20,730,724</u>	<u>14,366,443</u>

The annexed notes from 1 to 10 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

Third Quarter Report 2011-12

CONDENSED INTERIM DISTRIBUTION STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS ENDED 31 MARCH 2012

	For the Nine Months ended	
	31 March 2012	31 March 2012
	----- Rupees -----	
Undistributed income brought forward	26,412,737	27,765,782
Final distribution for the year ended 30 June 2011 at the rate of Rs.13.75 per unit declared on 7 July 2011 (2010: Rs.8.00 per unit declared on 8 July 2010)		
- Bonus units	(21,042,760)	(14,330,629)
- Cash payout against final distribution	-	(5,743,956)
	(21,042,760)	(20,074,585)
Interim distribution: Nil (2011:Rs.12.50 per unit declared on on 11 January 2011)		
- Bonus units	-	(24,319,633)
- Cash payout against distribution	-	(619,645)
	-	(24,939,278)
Net income for the period	23,345,023	43,148,079
Undistributed income carried forward	28,715,000	25,899,998

The annexed notes from 1 to 10 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

Atlas Income Fund

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS ENDED 31 MARCH 2012

	For the Nine Months ended	
	31 March 2012	31 March 2011
Note	Rupees	
Cash flows from operating activities		
Net income for the period	23,345,023	43,148,079
Adjustments for:		
Interest income	(89,697,984)	(98,948,067)
Net (gain) / loss on sale of investments	(191,926)	315,819
Net unrealised loss on revaluation of investments	52,480,456	35,494,177
Element of loss and capital losses included in prices of units issued less those in units redeemed - net	1,182,116	4,697,332
	(36,227,338)	(58,440,739)
Increase in prepayment	(10,000)	(60,000)
Increase / (Decrease) in liabilities		
Payable to the management company	132,091	(1,272,302)
Payable to the trustee	14,780	(86,922)
Payable to SECP	(304,896)	(758,093)
Accrued and other liabilities	518,980	(8,962,019)
	360,955	(11,079,336)
	(12,531,360)	(26,431,996)
Interest received	95,524,582	120,501,772
Investments made during the period	(1,002,302,955)	(1,431,902,650)
Investments sold / redeemed / matured during the period	809,469,261	1,557,354,857
Net cash (used in)/inflow from operating activities	(109,840,472)	219,521,983
Cash flows from financing activities		
Proceeds from issue of units	287,508,048	34,470,147
Payment on redemption of units	(220,498,615)	(518,542,373)
Cash payout against distribution	-	(6,363,601)
Net cash inflow from / (used in) financing activities	67,009,433	(490,435,828)
Net decrease in cash and cash equivalents	(42,831,039)	(270,913,845)
Cash and cash equivalents at the beginning of the period	74,058,608	317,903,999
Cash and cash equivalents at the end of the period	4 31,227,569	46,990,154

The annexed notes from 1 to 10 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

Third Quarter Report 2011-12

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED)
FOR THE NINE MONTHS ENDED 31 MARCH 2012

	For the Nine Months ended			
	31 March 2012		31 March 2011	
	Units	Rupees	Units	Rupees
Net assets as at the beginning of the period [Rs.514.21 (2011: Rs.511.01) per unit]	1,530,383	786,934,887	2,509,323	1,282,286,500
Issue of units	579,060	287,508,048	67,892	34,470,147
Redemption of units	(442,802)	(220,498,615)	(1,025,785)	(518,542,373)
	136,258	67,009,433	(957,893)	(484,072,227)
Element of loss and capital losses included in prices of units issued less those in units redeemed - net	-	1,182,116	-	4,697,332
Final distribution for the year ended 30 June 2011 / 2010				
Issue of bonus units	42,047	-	28,490	-
Cash payout against distribution	-	-	-	(5,743,956)
Interim distribution for the half year ended 31 December 2011 / 2010				
Issue of bonus units	-	-	47,954	-
Cash payout against distribution	-	-	-	(619,645)
Net income for the period	-	23,345,023	-	43,148,079
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	23,345,023	-	43,148,079
Net assets as at the end of the period [Rs.514.12 (2011: Rs.515.82) per unit]	1,708,687	878,471,459	1,627,874	839,696,083

The annexed notes from 1 to 10 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

Atlas Income Fund

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS ENDED 31 MARCH 2012

1. LEGAL STATUS AND NATURE OF BUSINESS

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

2. STATEMENT OF COMPLIANCE

- 2.1 These condensed interim financial statements have been prepared in accordance with International Accounting Standard - 34 "Interim Financial Reporting", the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and directives issued by the SECP. In case where requirements differ, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the requirements of the said directives prevail.
- 2.2 These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the Fund for the year ended 30 June 2011.

3. ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed interim financial statements are consistent with those of the previous financial year except as follows:

New and amended standards and interpretations

The Fund has adopted the following amended IFRS and IFRIC interpretation which became effective during the period:

- IFRS 7 - Financial Instruments: Disclosures
- IAS 24 - Related Party Disclosures (Revised)
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In May 2010, International Accounting Standards Board (IASB) issued amendments to various standards primarily with a view to removing inconsistencies and clarifying wording. These improvements are listed below:

- IFRS 7 - Financial Instruments Disclosures - Clarification of disclosures
- IAS 1 - Presentation of Financial Statements - Clarification of statement of changes in equity
- IAS 34 - Interim Financial Reporting - Significant events and transactions
- IFRIC 13 - Customer Loyalty Programmes - Fair value of award credits

The adoption of the above standards, amendments, interpretations and improvements did not have any effect on the condensed interim financial statements.

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		31 March 2012 Un-audited	30 June 2011 Audited
Note		Rupees	
4. BANK BALANCES			
	4.1	31,227,569	74,058,608
4.1 These carry rate of return ranges from 5% to 11% (30 June 2011 : 5% to 11.50%) per annum.			
5. INVESTMENTS			
Designated at fair value through income statement			
	5.2	236,810,810	279,662,236
	5.3	49,827,350	73,293,655
	5.4	-	9,754,684
	5.5	560,854,850	343,231,728
		847,493,010	705,942,303
Held to maturity			
	5.6	1,054,196	2,059,738
		848,547,206	708,002,041

5.1 Total cost of investments amounts to Rs.1,052,952,016 (30 June 2011 : Rs.870,941,392).

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

5.2 Term finance certificates - listed

Banks

Askari Bank Limited - I	2,400	-	-	2,400	12,115,980	1.43	1.38
Askari Bank Limited - II	6,775	-	-	6,775	33,875,075	3.99	3.86
Bank Al Habib Limited - II	1,192	-	-	1,192	6,116,595	0.72	0.70
NIB Bank Limited	1,399	-	-	1,399	6,966,348	0.82	0.79
Standard Chartered Bank (Pakistan) Limited - III	12,000	-	-	12,000	30,624,480	3.61	3.49
United Bank Limited - II	2,000	-	-	2,000	9,502,529	1.12	1.08
United Bank Limited - III	5,500	-	-	5,500	22,806,319	2.69	2.60
United Bank Limited - IV	8,000	-	-	8,000	40,217,509	4.74	4.58
	39,266	-	-	39,266	162,224,835	19.12	18.47

Financial Services

Escort Investment Bank Limited	5,000	-	-	5,000	4,604,752	0.54	0.52
IGI Investment Bank Limited	1,000	-	1,000	-	-	-	-
Orix Leasing Pakistan Limited	4,000	-	-	4,000	3,281,545	0.39	0.37
	10,000	-	1,000	9,000	7,886,297	0.93	0.90

Personal Goods

Azgard Nine Limited	5.7.1	5,000	-	-	5,000	-	-
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Telecommunication

Pakistan Mobile Communications Limited		13,800	-	-	13,800	66,699,678	7.86	7.59
Telecard Limited	5.7.1	4,000	-	-	4,000	-	-	-
		17,800	-	-	17,800	66,699,678	7.86	7.59

71,066	236,810,810	27.91	26.96
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Atlas Income Fund

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

5.3 Term finance certificates - unlisted

Oil & Gas Exploration Companies

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

Engro Fertilizers Limited		10,000	-	-	10,000	49,827,350	5.87	5.67
Agri-tech Limited- I	5.7.1	2,000	-	-	2,000	-	-	-
Agri-tech Limited- II	5.7.1	8,000	-	-	8,000	-	-	-
Agri-tech Limited- IV	5.7.1	-	2,203	-	2,203	-	-	-
		20,000	2,203	-	22,203	49,827,350	5.87	5.67

Construction Material

Gharibwal Cement Limited	5.7.1	5,000	-	-	5,000	-	-	-
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Miscellaneous

Bunny's Limited	5.7.1	424	-	-	424	-	-	-
					32,627	49,827,350	5.87	5.67

5.4 Sukuk certificates - unlisted

Chemicals								
Agri-tech Limited- Sukuk	5.7.1	4,060	-	-	4,060	-	-	-

	31 March 2012	30 June 2011
	Un-audited	Audited
Note	----- Rupees -----	

5.5 Government Securities

Market Treasury Bills	5.5.1	560,854,850	343,231,728
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5.5.1 Market Treasury Bills

Treasury bills	Face value (Rupees)				Rupees		Percentage of	
	At the beginning of the period	Acquired during the period	Disposed/ Matured during the period	At the end of the period	Amortized Cost	Market Value	Total Investments	Net Assets
3 months - T Bills	202,500,000	483,000,000	447,500,000	238,000,000	233,836,107	233,797,050	27.55	26.61
6 months - T Bills	150,000,000	322,500,000	262,500,000	210,000,000	206,453,055	206,339,450	24.32	23.49
12 months - T Bills	-	190,000,000	65,000,000	125,000,000	120,578,461	120,718,350	14.23	13.74
	352,500,000	995,500,000	775,000,000	573,000,000	560,867,623	560,854,850	66.10	63.84

5.5.2 The cost of investments as on 31 March 2012 is Rs.544,146,625 (30 June 2011: Rs.336,955,250).

5.5.2 These Market Treasury Bills carry purchase yields ranging from 11.65% to 13.32% (30 June 2011: 13.16% to 13.67%) per annum and will mature between 5 April 2012 and 20 September 2012 (30 June 2011: 14 July 2011 to 17 November 2011).

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

5.6 Term finance certificates - listed

Leasing Companies

Orix Leasing Pakistan Limited	1,285	-	-	1,285	1,054,196	0.12	0.12
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5.7 PARTICULARS OF NON-COMPLIANT INVESTMENTS

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

Non-compliant investment	Type of Investment	Value before provision	Provision held	Net carrying value	Percentage of	
					Net assets	Gross assets
			Rupees		%	%
Charibwal Cement Limited	Term finance certificate	18,266,625	18,266,625	-	-	-
Pak Hy Oils Limited	Term finance certificate	18,750,000	18,750,000	-	-	-
Azzard Nine Limited	Term finance certificate	18,118,912	18,118,912	-	-	-
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	Sukuk certificate	15,225,000	15,225,000	-	-	-
Agritech Limited-IV	Term finance certificate	11,015,000	11,015,000	-	-	-
Telecard Limited	Term finance certificate	5,512,500	5,512,500	-	-	-
Bunny's Limited	Term finance certificate	1,590,000	1,590,000	-	-	-
		125,948,037	125,948,037	-	-	-

5.7.2 The securities stated above have been classified as non-performing as per the requirements of SECP's Circular 1 of 2009 and accordingly an aggregate provision of Rs.125.948 million (30 June 2011: Rs.72.494 million), net of market discount on valuation, as permitted under SECP's Circular 3 of 2010 dated 20 January 2010 has been made in accordance with the provisioning requirements of both the above mentioned circulars and the Provisioning Policy for Non - Performing Exposure of Collective Investment Schemes approved by the Board of Directors of the Management Company.

5.7.3 The impact of above provision of Rs.53.454 million made during the period against non-performing securities is included in net unrealised loss on revaluation of investments as shown in the condensed interim income statement.

	31 March 2012	30 June 2011
	Un-audited	Audited
Note	----- Rupees -----	

6. ACCRUED AND OTHER LIABILITIES

Auditors' remuneration payable	248,101	456,829
NCCPL Charges Payable	15,000	-
Printing charges payable	94,455	165,000
Rating fee payable	150,000	-
Payable to unitholders against redemption of units	23,931	16,307
Sindh Sales Tax payable on Remuneration of the Management Company	177,294	-
Withholding tax payable	-	9,082
Provision for Workers' Welfare Fund	6.1	8,194,850
Others	-	19,012
	8,903,631	8,384,651

Atlas Income Fund

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

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

Subsequent to the year ended 30 June 2011, the Honorable Lahore High Court (LHC) in a Constitutional Petition relating to the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006, and the Finance Act, 2008, has declared the said amendments as unlawful and unconstitutional. The Management Company is hopeful that the decision of the LHC, will lend further support to the Constitutional Petition which is pending in the SHC. However, pending the decision of the said Constitutional Petition, the Management Company, as a matter of abundant caution, has decided to continue to maintain the provision for WWF amounting to Rs.8,194,850 (30 June 2011: Rs.7,718,421) in these condensed interim financial statements.

		For the Nine Months ended		For the Quarter ended	
		31 March		31 March	
		2012	2011	2012	2011
		Un-audited		Un-audited	
Note		----- Rupees -----			
7. INTEREST INCOME					
PLS saving accounts		3,451,784	16,672,173	1,001,653	3,582,383
Placements		-	1,852,397	-	353,945
Term finances	7.1	46,355,684	54,120,850	21,037,944	15,691,698
Musharaka/Certificate of investment		-	401,602	-	-
Government Securities - T - bills		39,890,516	25,901,045	15,084,268	11,907,499
		89,697,984	98,948,067	37,123,865	31,535,525

7.1 Mark-up on non performing securities amounting to Rs.38.38 million (2011: Rs.27.96 million) based on outstanding principal has not been recognised, in accordance with the SECP's Circular 1 of 2009.

For the Nine Months ended	
31 March	31 March
2012	2011
Un-audited	Un-audited
----- Rupees -----	

8. TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

8.1 Transactions for the period

Atlas Asset Management Limited (Management Company)		
Remuneration charged	8,808,182	11,293,105
Remuneration paid	8,676,091	12,565,407
Sindh Sales Tax on Remuneration of the Management Company	1,409,309	-
Sale of 12,730 (2011: nil) units	6,500,000	-
Central Depository Company of Pakistan Limited (Trustee)		
Trustee fee	998,268	1,462,496
Settlement charges	4,500	4,688

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For the Nine Months ended	
31 March 2012	31 March 2011
Un-audited	Un-audited
----- Rupees -----	

8.1 Transactions for the period (Continued...)

Atlas Battery Limited (Group Company)		
Sale of 62,174 (2011: nil) units	30,000,000	-
Atlas Foundation (Group Company)		
Sale of 26,870 (2011: nil) units	13,700,000	-
Redemption of 447 (2011: 63,312) units	225,000	31,975,000
Bonus of 2,732 (2011: 5,512) units	1,367,341	2,784,732
Atlas Fund of Funds (Fund under common management)		
Sale of 20,523 (2011: nil) units	10,000,000	-
Atlas Honda Limited (Group Company)		
Redemption of 101,789 (2011: nil) units	50,000,000	-
Bonus of 20,605 (2011: 28,812) units	10,311,841	14,565,456
Atlas Insurance Limited (Group Company)		
Sale of 355,553 (2011: 49,339) units	176,700,000	25,000,000
Redemption of 213,234 (2011: nil) units	106,661,958	-
Bonus of 1,897 (2011: 1,880) units	949,240	952,268
Batool Benefit Trust (Trust having common Director / Trustee)		
Sale of 466 (2011: Nil) units	231,000	-
Redemption of 5,912 (2011: 3,172) units	2,919,000	1,605,000
Bonus of 4,738 (2011: 6,766) units	2,371,208	3,420,452
Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)		
Sale of nil (2011: 9,966) units	-	5,129,903
Redemption of 17,984 (2011: 987) units	9,000,000	500,000
Bonus of 632 (2011: 744) units	316,512	376,365
<u>Key Management Personnel of Management Company</u>		
Sale of 20,135 (2011: 5,941) units	10,075,000	3,000,000
Redemption of 104 (2011: nil) units	51,017	-
Bonus of 591 (2011: 733) units	295,773	370,993

31 March 2012	30 June 2011
Un-audited	Audited
----- Rupees -----	

8.2 Outstanding balances/investments held as at period / year end

Atlas Asset Management Limited (Management Company)		
Remuneration payable to the management company	1,108,099	976,008
Sindh Sales Tax payable on Remuneration of the Management Company	177,294	-
Units in issue - 12,730 (30 June 2011: nil) - at net asset value	6,544,682	-
Central Depository Company of Pakistan Limited (Trustee)		
Trustee fee payable	125,581	110,801
Atlas Battery Limited (Group Company)		
Units in issue - 62,174 (30 June 2011: nil) - at net asset value	31,964,685	-
Atlas Foundation (Group Company)		
Units in issue - 128,598 (30 June 2011: 99,443) - at net asset value	66,114,829	51,134,583

Atlas Income Fund

31 March 2012 Un-audited	30 June 2011 Audited
----- Rupees -----	

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

Atlas Fund of Funds (Group Company)		
Units in issue - 20,523 (30 June 2011: nil) - at net asset value	10,551,462	-
Atlas Honda Limited (Group Company)		
Units in issue - 668,767 (30 June 2011: 749,952) - at net asset value	343,826,684	385,632,874
Atlas Insurance Limited (Group Company)		
Units in issue - 213,251 (30 June 2011: 69,036) - at net asset value	109,636,462	35,498,810
Batool Benefit Trust (Trust having common Director / Trustee)		
Units in issue - 171,744 (30 June 2011: 172,452) - at net asset value	88,297,250	88,676,297
Shirazi Investments (Private) Limited-Employees Provident Fund (Retirement Benefit Plan of a Group Company)		
Units in issue - 5,667 (30 June 2011: 23,019) - at net asset value	2,913,521	11,836,626
<u>Key Management Personnel of Management Company</u>		
Units in issue - 42,133 (30 June 2011: 21,511) - at net asset value	21,661,175	11,061,049

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

9. GENERAL

9.1 Figures have been rounded off to the nearest Rupee.

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

10. DATE OF AUTHORISATION FOR ISSUE

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

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

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Atlas Stock Market Fund

Corporate Information

Trustee

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

Auditors

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants

Legal Advisers

Mohsin Tayebaly & Co.

Bankers

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

Atlas Stock Market Fund

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED)
AS AT 31 MARCH 2012

	Note	31 March 2012 Un-audited	30 June 2011 Audited
		----- Rupees -----	
Assets			
Bank balances	4	21,150,963	28,563,363
Receivable against sale of securities		14,312,396	17,382,476
Investments	5	655,435,712	641,106,326
Dividend receivable		14,933,077	1,275,000
Interest accrued		125,287	310,038
Security deposits, prepayments and other receivable		2,649,777	2,614,777
Total assets		708,607,212	691,251,980
Liabilities			
Payable against purchase of securities		16,599,718	30,665,420
Payable to unit holders against redemption of units		141,391	74,776
Payable to the management company		1,125,288	1,104,068
Payable to the trustee		122,149	116,917
Payable to the SECP		449,004	597,418
Accrued and other liabilities	6	10,715,051	8,434,516
Total liabilities		29,152,601	40,993,115
Net assets		679,454,611	650,258,865
Unit holders' fund		679,454,611	650,258,865
Number of units in issue		1,711,071	1,463,694
Net asset value per unit		397.09	444.26

The annexed notes from 1 to 9 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

Third Quarter Report 2011-12

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE NINE MONTHS ENDED 31 MARCH 2012

	For the Nine Months ended		For the Quarter ended	
	31 March		31 March	
	2012	2011	2012	2011
Note	Rupees			
Income				
Dividend income	40,483,008	27,925,980	17,486,706	9,905,000
Interest income	1,484,320	10,297,310	370,643	4,372,537
Net gain on investments at fair value through income statement (held-for-trading)				
Net gain on sale of investments	43,251,498	139,764,858	38,059,288	64,487,518
Net unrealised gain/(loss) on revaluation of investments	48,695,424	55,525,787	112,035,780	(2,246,039)
	91,946,922	195,290,645	150,095,068	62,241,479
Element of loss and capital loss included in prices of units issued less those in units redeemed-net	(8,359,595)	(23,208,440)	(6,022,159)	(5,174,992)
	125,554,655	210,305,495	161,930,258	71,344,024
Expenses				
Remuneration of the Management Company	9,452,857	8,830,477	3,186,314	2,863,401
Sindh Sales Tax on Remuneration of the Management Company	1,512,457	-	509,810	-
Remuneration of the trustee	945,281	919,648	318,629	312,766
SECP annual fee	449,004	436,835	151,344	148,562
Annual rating fee	75,000	75,000	25,000	25,000
Annual listing fee	30,000	30,000	10,000	10,000
Securities transaction cost	2,946,795	2,977,761	890,626	1,269,396
Auditors' remuneration	321,000	306,000	112,000	102,000
Printing charges	99,580	145,000	34,580	60,000
Bank charges	14,551	7,464	3,398	1,941
Provision for Workers' Welfare Fund 6.1	2,194,163	3,931,546	2,194,163	1,331,019
	18,040,688	17,659,731	7,435,864	6,124,085
Net income for the period	107,513,967	192,645,764	154,494,394	65,219,939

The annexed notes from 1 to 9 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

Atlas Stock Market Fund

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS ENDED 31 MARCH 2012

	<u>For the Nine Months ended</u>		<u>For the Quarter ended</u>	
	<u>31 March</u>		<u>31 March</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
	<u>----- Rupees -----</u>			
Net income for the period	107,513,967	192,645,764	154,494,394	65,219,939
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>107,513,967</u>	<u>192,645,764</u>	<u>154,494,394</u>	<u>65,219,939</u>

The annexed notes from 1 to 9 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

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CONDENSED INTERIM DISTRIBUTION STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS ENDED 31 MARCH 2012

	For the Nine Months ended	
	31 March 2012	31 March 2011
	Rupees	
Accumulated loss brought forward	(91,450,675)	(95,085,890)
Final Distribution for the year ended 30 June 2011 at the rate of Rs.110 per unit declared on 7 July 2011 (2010: Rs.125 per unit declared on 8 July 2010)		
- Bonus units	(125,664,521)	(145,237,526)
- Cash payout against distribution	(35,341,823)	(37,135,197)
	(161,006,344)	(182,372,723)
Net income for the period	107,513,967	192,645,764
Accumulated loss carried forward	(144,943,052)	(84,812,849)

The annexed notes from 1 to 9 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

Atlas Stock Market Fund

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS ENDED 31 MARCH 2012

	For the Nine Months ended	
	31 March 2012	31 March 2011
	Note	Rupees
Cash flows from operating activities		
Net income for the period	107,513,967	192,645,764
Adjustments for:		
Dividend income	(40,483,008)	(27,925,980)
Interest income	(1,484,320)	(10,297,310)
Net gain on sale of investments	(43,251,498)	(139,764,858)
Net unrealised gain on revaluation of investments	(48,695,424)	(55,525,787)
Element of loss and capital loss included in prices of units issued less those in units redeemed - net	8,359,595	23,208,440
	(125,554,655)	(210,305,495)
Decrease/(increase) in assets		
Receivable against sale of securities	3,070,080	(4,175,427)
Security deposits, prepayments and other receivable	(35,000)	(35,000)
	3,035,080	(4,210,427)
(Decrease)/ increase in liabilities		
Payable against purchase of securities	(14,065,702)	(111,516)
Payable to unit holders against redemption of units	66,615	34,661
Payable to the management company	21,220	(214,558)
Payable to the trustee	5,232	(3,701)
Payable to the SECP	(148,414)	(301,753)
Accrued and other liabilities	2,280,535	3,818,985
	(11,840,514)	3,222,118
	(26,846,122)	(18,648,040)
Dividend received	26,824,931	18,775,620
Interest received	1,669,071	9,324,552
Investments made during the period	(1,299,858,867)	(1,445,818,217)
Investments sold during the period	1,377,476,403	1,653,328,799
Net cash inflow from operating activities	79,265,416	216,962,714
Cash flows from financing activities		
Proceeds from issue of units	250,604,386	69,292,125
Payment on redemption of units	(301,940,379)	(205,999,465)
Cash payout against distribution	(35,341,823)	(37,135,197)
Net cash used in financing activities	(86,677,816)	(173,842,537)
Net (decrease)/increase in cash and cash equivalents	(7,412,400)	43,120,177
Cash and cash equivalents at the beginning of the period	28,563,363	52,507,667
Cash and cash equivalents at the end of the period 4	21,150,963	95,627,844

The annexed notes from 1 to 9 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

Third Quarter Report 2011-12

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE NINE MONTHS ENDED 31 MARCH 2012

	For the Nine Months ended			
	31 March 2012		31 March 2011	
	Units	Rupees	Units	Rupees
Net assets at the beginning of the period [Rs.444.26 (2011: Rs.442.18) per unit]	1,463,694	650,258,865	1,458,982	645,128,995
Issue of units	738,965	250,604,386	178,588	69,292,125
Redemption of units	(867,536)	(301,940,379)	(573,013)	(205,999,465)
	(128,571)	(51,335,993)	(394,425)	(136,707,340)
Element of loss and capital loss included in prices of units issued less those in units redeemed - net	-	8,359,595	-	23,208,440
Issue of bonus units	375,948	-	457,903	-
Cash payout against distribution	-	(35,341,823)	-	(37,135,197)
Net income for the period	-	107,513,967	-	192,645,764
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	107,513,967	-	192,645,764
Net assets at the end of the period [Rs.397.09 (2011: Rs.451.34) per unit]	1,711,071	679,454,611	1,522,460	687,140,662

The annexed notes from 1 to 9 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

Atlas Stock Market Fund

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS ENDED 31 MARCH 2012

1. LEGAL STATUS AND NATURE OF BUSINESS

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

2. STATEMENT OF COMPLIANCE

- 2.1 These condensed interim financial statements have been prepared in accordance with International Accounting Standard - 34 "Interim Financial Reporting", the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and directives issued by the SECP. In case where requirements differ, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the requirements of the said directives prevail.
- 2.2 These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the Fund for the year ended 30 June 2011.

3. ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed interim financial statements are consistent with those of the previous financial year except as follows:

New and amended standards and interpretations

The Fund has adopted the following amended IFRS and IFRIC interpretation which became effective during the period:

- IFRS 7 - Financial Instruments: Disclosures
- IAS 24 - Related Party Disclosures (Revised)
- IFRIC 14 - Prepayments of a Minimum Funding Requirement (Amendment)

In May 2010, International Accounting Standards Board (IASB) issued amendments to various standards primarily with a view to removing inconsistencies and clarifying wording. These improvements are listed below:

- IFRS 7 - Financial Instruments Disclosures - Clarification of disclosures
- IAS 1 - Presentation of Financial Statements - Clarification of statement of changes in equity
- IAS 34 - Interim Financial Reporting - Significant events and transactions
- IFRIC 13 - Customer Loyalty Programmes - Fair value of award credits

The adoption of the above standards, amendments, interpretations and improvements did not have any effect on the condensed interim financial statements.

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	31 March 2012	30 June 2011
	Un-audited	Audited
Note	----- Rupees -----	-----

4. BANK BALANCES

In PLS saving accounts	4.1	21,150,963	28,543,138
In current accounts		-	20,225
		<u>21,150,963</u>	<u>28,563,363</u>

4.1 The rate of return on these accounts ranges from 5% to 11% (30 June 2011: 5% to 11.5%) per annum.

5. INVESTMENTS - at fair value through income statement

Listed equity securities - held-for-trading	5.1	<u>655,435,712</u>	<u>641,106,326</u>
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Number of shares					Rupees		Percentage of		
At the beginning of the period	Acquired during the period	Bonus shares during the period	Disposed during the period	At the end of the period	Market Value	Total investments	Net assets	Paid-up Capital of Investee company	

5.1 Listed equity securities - held for trading (Ordinary shares have a face value of Rs.10/- each unless stated otherwise)

Oil & Gas

Attock Petroleum Limited	110,000	176,038	-	211,038	75,000	33,993,750	5.19	5.00	0.11
Attock Refinery Limited	-	125,000	-	125,000	-	-	-	-	-
National Refinery Limited	-	150,000	-	150,000	-	-	-	-	-
Oil & Gas Development Company Limited	-	125,000	-	125,000	-	-	-	-	-
Pakistan Oilfields Limited	165,000	153,500	-	138,500	180,000	65,743,200	10.03	9.68	0.08
Pakistan Petroleum Limited	185,000	415,000	15,000	250,000	365,000	66,718,350	10.18	9.82	0.03
Pakistan State Oil Company Limited	75,000	194,297	-	179,297	90,000	22,438,800	3.42	3.30	0.05
	535,000	1,338,835	15,000	1,178,835	710,000	188,894,100	28.82	27.80	

Chemicals

Engro Corporation Limited	150,000	829,979	90,000	769,979	300,000	29,784,000	4.54	4.38	0.06
Fatima Fertilizer Company Limited	1,500,000	4,200,000	-	4,500,000	1,200,000	28,464,000	4.34	4.19	0.06
Fauji Fertilizer Bin Qasim Limited	700,000	700,000	-	1,400,000	-	-	-	-	-
Fauji Fertilizer Company Limited	250,000	510,000	112,500	672,500	200,000	24,968,000	3.82	3.68	0.02
ICI Pakistan Limited	124,499	50,501	-	175,000	-	-	-	-	-
Lotte Pakistan PTA Limited	400,000	814,291	-	1,214,291	-	-	-	-	-
	3,124,499	7,104,771	202,500	8,731,770	1,700,000	83,216,000	12.70	12.25	

Construction and Materials (Cement)

D G Khan Cement Company Limited	350,000	1,800,000	-	1,650,000	500,000	18,185,000	2.77	2.68	0.11
Lucky Cement Limited	150,000	1,084,334	-	934,334	300,000	34,035,000	5.20	5.01	0.09
	500,000	2,884,334	-	2,584,334	800,000	52,220,000	7.97	7.69	

Engineering

Millat Tractors Limited	-	25,000	-	25,000	-	-	-	-	-
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Food Producers

Engro Foods Limited	-	50,000	-	50,000	-	-	-	-	-
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Personal Goods (Textile)

Nishat (Chunian) Limited	400,000	604,900	-	1,004,900	-	-	-	-	-
Nishat Mills Limited	1,200,000	1,596,850	-	1,996,850	800,000	44,072,000	6.72	6.49	0.23
	1,600,000	2,201,750	-	3,001,750	800,000	44,072,000	6.72	6.49	

Atlas Stock Market Fund

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

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

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

Fixed Line Telecommunication

Pakistan Telecommunication

Company Limited	192,003	4,450,000	-	1,642,003	3,000,000	36,930,000	5.63	5.44	0.08
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Electricity

Kot Addu Power Company Limited	-	100,000	-	100,000	-	-	-	-	-
Nishat Chunian Power Limited	1,900,000	1,826,022	-	2,726,022	1,000,000	13,970,000	2.13	2.06	0.27
Nishat Power Limited	-	1,517,042	-	259,879	1,257,163	17,373,993	2.65	2.56	0.36
The Hub Power Company Limited	850,000	1,976,491	-	1,326,491	1,500,000	56,445,000	8.61	8.31	0.13
	2,750,000	5,419,555	-	4,412,392	3,757,163	87,788,993	13.39	12.92	

Commercial Banks

Allied Bank Limited	770,500	593,559	89,585	553,644	900,000	57,672,000	8.80	8.49	0.10
Bank Alfalah Limited	-	300,000	-	300,000	-	-	-	-	-
Habib Bank Limited	125,000	240,000	10,000	175,000	200,000	22,274,000	3.40	3.28	0.02
MCB Bank Limited	300,000	294,800	30,000	374,800	250,000	43,860,000	6.69	6.46	0.03
Meezan Bank Limited	-	179,664	-	179,664	-	-	-	-	-
National Bank of Pakistan	175,000	836,396	-	1,011,396	-	-	-	-	-
Sonari Bank Limited	-	350,000	-	350,000	-	-	-	-	-
United Bank Limited	870,000	1,297,174	-	1,664,975	502,199	38,508,619	5.88	5.66	0.04
	2,240,500	4,091,593	129,585	4,609,479	1,852,199	162,314,619	24.77	23.89	

Non Life Insurance

Adamjee Insurance Company

Limited	100,000	77,501	-	177,501	-	-	-	-	-
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Market value of investments as at 31 March 2012

655,435,712 100.00 96.46

5.2 The cost of held-for-trading investments as at 31 March 2012 Rs.600,923,628 (30 June 2011: Rs.631,343,902).

5.3 The above investments include 25,000, 110,000, 62,000, 125,000, 75,000, 2,000,000, 200,000 and 100,000 shares of Attock Petroleum Limited, Pakistan Oilfields Limited, Pakistan Petroleum Limited, Engro Corporation Limited, Fauji Fertilizer Company Limited, Pakistan Telecommunication Company Limited, The Hub Power Company Limited and MCB Bank Limited respectively, pledged with NCCPL. The aggregate market value of shares pledged amounts to Rs.134,303,630 (30 June 2011: Rs.139,269,940).

Note	31 March 2012	30 June 2011
	Un-audited	Audited
	----- Rupees -----	

6. ACCRUED AND OTHER LIABILITIES

Auditors' remuneration payable	225,399	304,976
NCCPL charges payable	25,547	25,791
Printing charges payable	216,896	227,000
Sindh Sales Tax payable on Remuneration of the Management Company	180,046	-
Withholding tax payable	2,152	8,238
Zakat payable	2,442	105
Provision for Workers' Welfare Fund	10,062,569	7,868,406
	<u>10,715,051</u>	<u>8,434,516</u>

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

Subsequent to the year ended 30 June 2010, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) which stated that Mutual Funds are not liable to contribute to WWF on the basis of their income. In December 2010 the Ministry filed its response against the Constitutional Petition requesting the Court to dismiss the same, whereafter, show cause notices were issued by Federal Board of Revenue (FBR) to several Mutual Funds (CISs)/Pension Funds for the collection of WWF. In respect of such show cause notices, certain Mutual Funds (CISs) / Pension Funds have been granted stay by Honorable SHC on the basis of the pending Constitutional Petition as referred above.

Subsequent to the year ended 30 June 2011, the Honorable Lahore High Court (LHC) in a Constitutional Petition relating to the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006, and the Finance Act, 2008, has declared the said amendments as unlawful and unconstitutional. The Management Company is hopeful that the decision of the LHC, will lend further support to the Constitutional Petition which is pending in the SHC. However, pending the decision of the said Constitutional Petition, the Management Company, as a matter of abundant caution, has decided to continue to maintain the provision for WWF amounting to Rs.10,062,569 (30 June 2011: Rs.7,868,406) in these financial statements.

For the Nine Months ended	
31 March 2012	31 March 2011
Un-audited	Un-audited
----- Rupees -----	

7. TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

7.1 Transactions for the period

Atlas Asset Management Limited (Management Company)		
Remuneration of the management company	9,452,857	8,830,477
Remuneration paid	9,431,637	9,045,035
Sindh Sales Tax on Remuneration of the Management Company	1,512,457	-
Central Depository Company of Pakistan Limited (Trustee)		
Trustee fee	945,281	919,648
Settlement charges	69,630	78,057
Atlas Fund of Funds (Fund under common management)		
Sale of 182,550 (2011: 50,439) units	60,393,476	18,121,706
Bonus 23,140 (2011: 19,878) units	7,734,852	6,304,869
Redemption of 229,075 (2011: 50,439) units	76,813,328	18,121,706
Atlas Insurance Limited (Group Company)		
Sale of 319,372 (2011: Nil) units	112,200,000	-
Bonus 3,345 (2011: 2,871) units	1,118,034	910,748
Redemption of 107,872 (2011: Nil) units	42,000,000	-
Key Management Personnel of Management Company		
Sale 8,716 (2011: Nil) units	2,818,000	-
Bonus 31,547 (2011: 26,912) units	10,544,880	8,535,957

Atlas Stock Market Fund

	31 March 2012 Un-audited	30 June 2011 Audited
	----- Rupees -----	
7.2 Outstanding balances/investments held as at period/year end		
Atlas Asset Management Limited (Management Company)		
Remuneration payable to the management company	1,125,288	1,104,068
Sindh Sales Tax payable on Remuneration of the Management Company	180,046	-
Central Depository Company of Pakistan Limited (Trustee)		
Trustee fee payable	112,528	111,079
Settlement charges payable	9,621	5,838
Atlas Fund of Funds (Fund under common management)		
Outstanding 46,932 (30 June 2011: 70,317) units	18,636,404	31,238,959
Atlas Insurance Limited (Group Company)		
Outstanding 225,008 (30 June 2011: 10,164) units	89,348,421	4,515,436
<u>Key Management Personnel of Management Company</u>		
Outstanding 136,125 (30 June 2011: 95,862) units	54,054,025	42,587,893

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

8. GENERAL

8.1 Figures have been rounded off to the nearest Rupee.

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

9. DATE OF AUTHORISATION FOR ISSUE

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

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

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