



Atlas Sovereign Liquid Fund

Atlas Money Market Fund

Atlas Income Fund

Atlas Stock Market Fund

Atlas Gold Fund

ANNUAL REPORT

30 June 2015

Atlas
funds
Nurturing your investments



Managed By

Atlas Asset Management

Rated AM2- by PACRA


A decorative graphic consisting of five squares of varying shades of gray arranged in a sparse, abstract pattern. One square is at the top center, one is to the left of the title, one is to the right of the title, and two are at the bottom left and bottom center.

Company Profile

Atlas Asset Management Limited (AAML), an Atlas Group Company, was incorporated on 20 August 2002 as an unlisted public limited company and is registered with the Securities and Exchange Commission of Pakistan as an asset management company for managing open-ended funds and closed-end funds. AAML is also a licensed pension fund manager to manage voluntary pension funds.

AAML is a wholly owned subsidiary of Shirazi Investments (Pvt.) Limited (SIL). As the parent company, SIL sponsors Atlas Group projects. Atlas Group is a diversified group dealing in engineering, financial services, power generation, real estate & trading.

AAML strives to be a market leader in providing quality fund management services with customer satisfaction as its aim, and is consistently committed to offering its investors the best possible risk adjusted returns on a diverse range of products, meeting not only the customers' current requirements but also exceeding their future expectations. With its strong emphasis on systems and controls, quality human resource and backing of Atlas Group, AAML enjoys a distinct advantage.

A decorative graphic consisting of five squares of varying shades of gray arranged in a sparse, abstract pattern. One square is on the left side, one is at the bottom left, one is at the bottom center, one is at the bottom right, and one is at the bottom right, slightly higher than the others.

A collection of light and dark gray squares of various sizes scattered across the page, some overlapping text areas.

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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Organisation

Management Company

Atlas Asset Management Limited

Board of Directors of the Management Company

Chairman	Mr. Yusuf H. Shirazi (Non-Executive Director)
Directors	Mr. Azam Faruque (Independent Director) Mr. Shamshad Nabi (Independent Director) Mr. Frahim Ali Khan (Non-Executive Director) Mr. Ali H. Shirazi (Non-Executive Director) Mr. Arshad P. Rana (Non-Executive Director)

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

Company Secretary Ms Qurrat-ul-Ain Jafari

Board Committees

Audit Committee

Chairman	Mr. Azam Faruque
Members	Mr. Shamshad Nabi Mr. Frahim Ali Khan
Secretary	Mr. M. Uzair Uddin Siddiqui

Board Evaluation Committee

Chairman	Mr. Azam Faruque
Members	Mr. Shamshad Nabi Mr. Ali H. Shirazi
Secretary	Mr. M. Habib-ur-Rahman

Human Resource & Remuneration Committee

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

The above information is as at 09 October 2015.

Investment Committee

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

Management Committee

Chairman	Mr. M. Habib-ur-Rahman
Members	Mr. Muhammad Abdul Samad Mr. Abbas Sajjad Mr. Khalid Mahmood Ms Qurrat-ul-Ain Jafari
Secretary	Mr. Muhammad Umar Khan

Risk Management Committee

Chairman	Mr. M. Habib-ur-Rahman
Members	Mr. Muhammad Abdul Samad Ms Zainab Hussain
Secretary	Syed Bilal Ejaz

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

Board of Directors of the Management Company

Mr. Yusuf H. Shirazi Chairman

Mr. Shirazi is a Law graduate (L.L.B) with BA (Hons) and JD (Diploma in Journalism) Punjab University and AMP Harvard. He served in the Financial Services of the Central Superior Services of Pakistan for eight years. He is the author of five books including 'Aid or Trade' adjudged by the Writers Guild as the best book of the year and continues to be a columnist, particularly on economy. Mr. Shirazi is the Chairman of the Atlas Group, which among others, has joint ventures with GS Yuasa International, Honda Motor Company and MAN, to name a few. He has been the president of Karachi Chamber of Commerce and Industries for two terms. He has been on the Board of Harvard Business School Alumni Association and is the Founder President of Harvard Club of Pakistan and Harvard Business School Club of Pakistan. He has been visiting faculty member of National Defence University, National School of Public Policy and Naval War College. He has been on the Board of Governors LUMS, GIK and FC College. Previously, he also served on the Board of Fauji Foundation Institute of Management and Computer Sciences (FFIMCS) and Institute of Space Technology - Space and Upper Atmosphere Research Commission (SUPARCO).

Mr. Azam Faruque Director

Mr. Azam Faruque is a Graduate in Electrical Engineering and Computer Sciences from the Princeton University, USA, and an MBA (High Honours) from the University of Chicago, Booth School of Business, USA. He is the Chief Executive of Cherat Cement Company Limited. He has served as a member on the Boards of the State Bank of Pakistan, National Bank of Pakistan, Oil & Gas Development Company Limited, Privatization Commission of Pakistan, and on the Board of Governors of the GIK Institute. He was also a member, of the National Commission on Science and Technology. Presently, he is on the Board of Directors of Faruque (Pvt.) Limited, Madian Hydro Power Limited and International Industries Limited. He is also a Member of the National Committee of the Aga Khan Foundation.

Mr. Shamshad Nabi Director

Mr. Shamshad Nabi is a Chartered Accountant by profession. He is a Fellow of the Institute of Chartered Accountants of England & Wales and Institute of Chartered Accountants of Pakistan. He has also completed his MBA in Finance from the University of Wales in the UK. Mr. Nabi has over 40 years working experience in the UK, Saudi Arabia and Pakistan mostly in asset management and development banking. He has had a long association with the Mutual fund industry in Pakistan, having served the NIT from 1966 to 1980 including the last four years as the NIT's Deputy Managing Director. He was the first Chief Executive Officer of the Mutual Funds Association of Pakistan from August 2007 to July 2012. During his association with the NIT, Mr. Nabi served on the Board of Directors of a large number of listed companies including ICI Pakistan Limited, Siemens Pakistan Limited, former Reckit & Colman of Pakistan Limited, Premier Tobacco Company Limited and Gul Ahmed Textiles Mills Limited besides many others. He has also served on the Board of Directors of the Karachi Stock Exchange. From 1980 until the end of 2002, Mr. Nabi worked for the Islamic Development Bank in Jeddah, Saudi Arabia for almost the entire period in the Grade of Director in the Treasury & Finance Department, Business Development Department and the Trade Finance Department. He has also worked for The Citizens Foundation in an Honorary capacity for four years as Advisor. Presently, he is on the Board of Directors of Cherat Cement Company Limited.

Mr. Frahim Ali Khan Director

Mr. Frahim Ali Khan has over 46 years of experience in General Management, Finance, Investment and Taxation. He graduated in Commerce from the Karachi University in 1965 and also obtained a degree in law from the same University. He has also attended the Senior Managers' Program from Harvard University, USA, Financial Management from Stanford University, USA, and General Management Program from Insead University, France. He joined the Atlas Group in 1967 and has served in different senior positions. Currently, his other directorships include Atlas Battery Limited, Atlas Engineering Limited, Atlas Power Limited, Shirazi Trading Company (Pvt.) Limited, Atlas Hi-Tech Limited, Atlas Autos (Pvt.) Limited, Atlas Metals (Pvt.) Limited and Atlas Foundation. Earlier, he has also served on the Boards of Atlas Honda Limited and Atlas Insurance Limited, and has been the CEO of Shirazi Investments (Pvt.) Limited, Shirazi Trading Company (Pvt.) Limited, and former Atlas Investment Bank Limited.

Board of Directors of the Management Company

Mr. Ali H. Shirazi Director

Mr. Ali H. Shirazi graduated in Political Science from Yale University, U.S.A. in 2000 and thereafter completed his Masters in Law from Bristol University, U.K. in 2005. He has worked with the Bank of Tokyo-Mitsubishi in New York as well as American Honda in Torrance, California. He is an Atlas Group Director, and is responsible for Group's financial services. He is also on the Boards of Atlas Insurance Limited, Atlas Battery Limited, Atlas Engineering Limited, Shirazi Capital (Pvt.) Ltd., Shirazi (Pvt.) Ltd., Shirazi Investments (Pvt.) Limited, Shirazi Trading Company (Pvt.) Limited, Atlas Metals (Pvt.) Limited, Atlas Venture Limited, Techlogix International Limited, National Clearing Company of Pakistan Limited, Ghulam Ishaq Khan Institute of Engineering Sciences and Technology (as alternate director), and National Management Foundation (sponsoring body of LUMS).

Mr. Arshad P. Rana Director

Mr. Arshad P. Rana is a graduate from Government College, Lahore; B.S. in Insurance & Economics from Iran and MBA from USA. He is a senior expert in insurance industry and has been affiliated with Atlas Insurance Limited, an associate company of the Atlas Group since 1991; first as General Manager and then as Chief Operating Officer before being appointed as the Chief Executive Officer of the company in March 2004. In his professional career that spans over 35 years, he has worked in Iran, USA and Middle East. Since his appointment to this position, Mr. Rana has been managing the company affairs with a professional approach having the vision to make Atlas Insurance Limited as one of the best performing companies in the market. Under his leadership, Atlas Insurance Limited has won several awards in the financial sector. Mr. Rana has been the Chairman, Insurance Association of Pakistan (IAP), Lahore Regional Committee in 2002-2003 and Vice Chairman, Central Committee (IAP) in the year 2004-2005 prior to becoming the Chairman, Insurance Association of Pakistan in 2005-2006.

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

Mr. M. Habib-ur-Rahman is an FCA from the Institute of Chartered Accountants of England & Wales and has attended the management level programme (PMD) from Harvard Business School, USA. He has been a founding member and past Chairman / Director of the Mutual Funds Association of Pakistan (MUFAP), and is currently on the Board of Directors of MUFAP. He played an instrumental role in setting up the first open-end mutual fund in the private sector in Pakistan. He has been SECP's nominee on the Board of Karachi Stock Exchange in 2000, 2001, & 2003, and has also been a member of the Commission's Advisory Group on Capital Markets, and the Commission's Enquiry Committee on management of Exposure Rules by KSE / LSE.

Chairman's Review

It is my pleasure to present to you the Annual Reports of Atlas Sovereign Liquid Fund (ASLF), Atlas Money Market Fund (AMF), Atlas Income Fund (AIF), Atlas Stock Market Fund (ASMF) and Atlas Gold Fund (AGF) and for the financial year / period ended 30 June 2015.

THE ECONOMY

The economy of Pakistan has shown improved performance in FY 2014-15 as 4.24% real GDP growth achieved is broad based and is the highest since 2008-09. Inflation remained in single digit; and on the external side remittances showed strong growth. CPI inflation for the FY 2014-15 averaged at 4.5% against 8.6% recorded in FY 2013-14. The SBP slashed Discount rate (DR) by 100bps in May-15 to stand at historic low of 7%. This was the fourth time during the year after 50bps cut in Nov-14, 100bps cut in Jan-15 and a 50bps in the Mar-15 review to 8.0%. Single digit inflation allowed the SBP to focus on encouraging private investment expenditures in the economy along with promoting economic growth and price stability. Overseas Pakistanis remitted an amount of US\$ 18.45 billion during the FY 2014-2015, showing a growth of 16.5% compared to US\$ 15.84 billion remitted during the FY 2013-14.

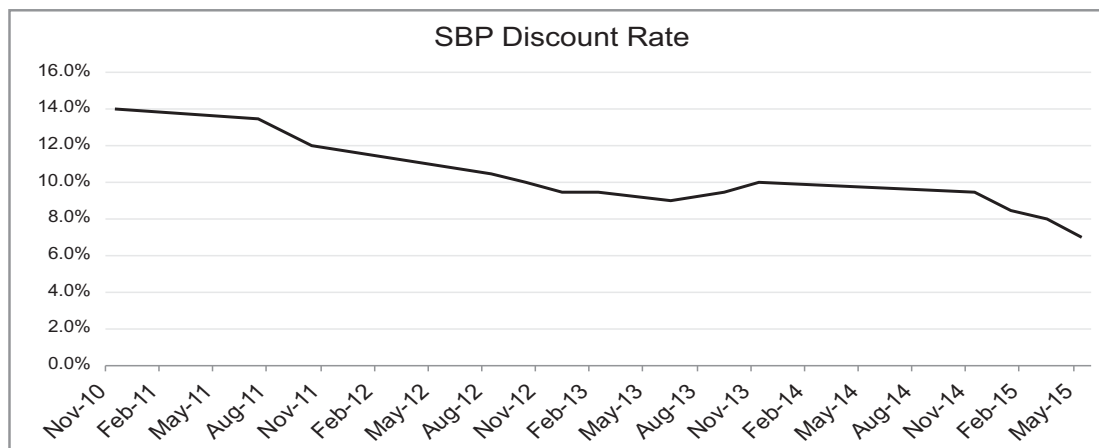
Exports during FY 2014-15 were US\$ 23.89 billion, as compared to US\$25.11 billion in FY 2013-14. Imports grew by 2.01% and stood at US\$ 45.98 billion during FY 2014-15. The current account deficit stood at US\$ 2.28 billion in FY 2014-2015 as compared to a deficit of US\$ 3.13 billion in the FY 2013-14 mainly due to higher CSF receipts and YoY higher remittances. Foreign worker's remittances have increased to record US\$18.45 billion during FY 2014-15, as compared to US\$ 15.84 billion for the last year's corresponding period. Pakistan's foreign exchange reserves has increased to US\$ 18.20 billion at the end-June 2015 compared to US\$ 14.14 billion at the end-June 2014.

CPI was 4.5% during FY 2014-15, as compared to 8.6% for the previous corresponding year. This is the lowest level of inflation after 2003. Food and non-food inflation averaged at 3.5% and 5.3% respectively in FY 2014-15 against 9% and 8.3% in the same period of last financial year. The slower increase in food inflation over the last year is due to moderate increase in prices of major consumable food items and lower prices of oil and other commodities in international market. A growth of 12.32% was witnessed in the M2 (money supply) during FY 2014-15, as compared to 11.43% growth during the previous year corresponding period.

Real GDP growth for FY 2014-15 stood at 4.24% as compared to a growth of 4.03% in the preceding year. The Agriculture sector recorded growth of 2.9% against previous year's growth rate of 2.7%. The Large Scale Manufacturing (LSM) recorded a growth of 4.5% against a negative growth of 1.0% last year. Overall, the commodity producing sectors has performed slightly lower in outgoing fiscal year as compared to last year. The Services sector recorded growth of 5% in FY 2014-15 as compared to 4.37% during the previous corresponding period.

THE MONEY MARKET

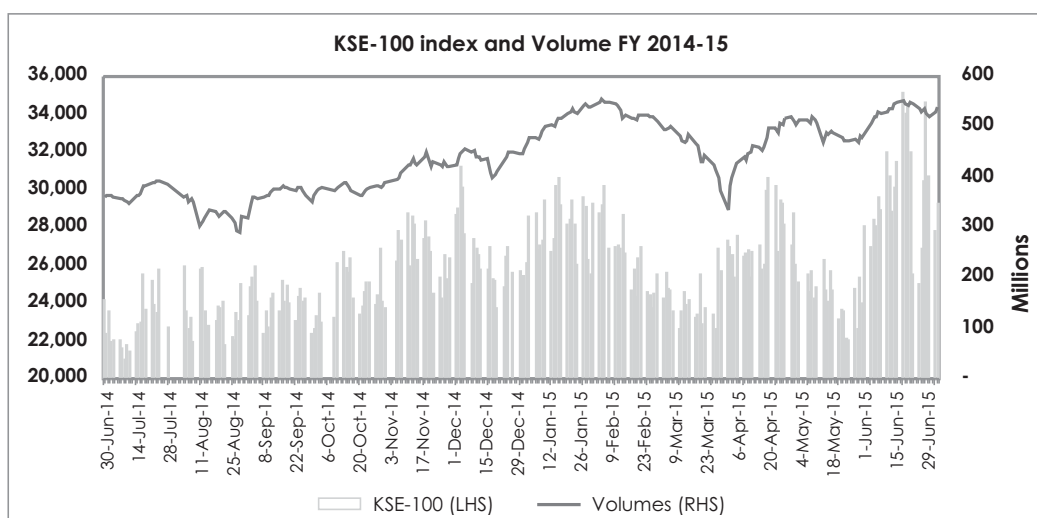
The inflationary trends during FY 2014-15 indicates that inflation is on downward trajectory since the start of the fiscal year on account of stability in exchange rate, better production of minor crops as compared to last year and vigilant monitoring of prices both at federal and provincial level as well better supply of commodities. The Consumer Price Index (CPI) on average was recorded at 4.5% during FY 2014-15, as compared to 8.6% for the FY 2013-14. The YoY decrease in inflation can be attributed to prudent expenditure management in containing the budget deficit, appropriate fiscal and monetary policies, decline in global prices of imported items (especially Crude Oil) that significantly impacted domestic price level.



The growth in money supply (M2) witnessed an increase of 12.32% during 2014-15 to stand at Rs. 1,228.5 billion against the expansion of 11.43% (Rs. 1,012.1 billion) in the comparable period last year mainly due to increase in net government borrowing specially from scheduled banks. Net Foreign Assets (NFA) of SBP remained the main driver of reserve money growth during the current fiscal year. Net Foreign Assets (NFA) witnessed an increase and reached to Rs. 220.9 billion during 2014-15 as against the net expansion of Rs. 333.3 billion in the comparable period of fiscal year 2013-14. Improvement in NFA during the current fiscal year was mainly due to official financial inflows, divestment of ABL, HBL and UBL and issuance of Sukuk bonds in the international market. Monetary policy have largely been accommodative on the back of improved key macroeconomic indicators like contained fiscal deficit, contracted current account deficit, low inflationary pressure, improvement in FX market sentiments as issuance of Sukuk Bond which contributed to improvement in overall Balance of Payment (BOP) position and external accounts. Furthermore, receipts of Coalition Support Fund (CSF) during current fiscal year and successful completion of 7th review with the IMF in May 2015 has also helped in improving the market sentiments. On the back of these developments, international rating agencies have upgraded outlook for Pakistan's economy from stable to positive which in turn will further improve the investor's confidence. Moreover, Moody's Investors Service upgraded Pakistan's foreign currency issuer and senior unsecured bond ratings to B3 from Caa1, and assigned a stable outlook. It has also upgraded the rating assigned to the US dollar Trust Certificates issued by the Second Pakistan International Sukuk Company Limited to B3. Moody's also changed Pakistan's foreign-currency bond ceiling to B2 from B3, the foreign-currency deposit ceiling to Caa1 from Caa2, and the local-currency country risk ceiling to Ba3 from B1. The rating company said that continued strengthening of the external payments position and sustained progress in structural reforms under the government's programme with the IMF encouraged it to place Pakistan in the B3 category. In November 2014, SBP reversed its stance from tight to accommodative due to improved economic environment and stable outlook. It reduced the policy rate by 50 bps to 9.5 percent in the second quarter of current fiscal year, further cut in policy rate by 100bps to 8.5 percent in January, 2015 and then by 50 bps to 8.0 percent in March 2015. Policy rate has been reduced further by 100 bps to 7.0 percent in May, 2015 which is the lowest rate in last 42 years reflecting improved macroeconomic conditions towards the end of fiscal year 2014-15. In this way, SBP has reduced the policy rate by a cumulative 300 basis points since the start of current fiscal year.

THE STOCK MARKET

The KSE-100 index has increased from 29,652.53 points as on June 30, 2014 to 34,398.86 points as on June 30, 2015, increasing by 16.01%. The average volumes during the year increased by 1.93% to 220 million shares from 216 million shares traded last year. Net Foreign portfolio investment during the year was recorded at \$39 million which is a decline of 85% compared to last year. On the local front Mutual Funds were the most active participant investing \$122 million during the period. Whereas Individual investors, Banks/DFI and Companies reduced their exposure in stock market by divesting \$24 million, \$138 million and \$97 million, respectively.



During the period, the sectors that outperformed the market were Automobile & Parts, Power Generation & Distribution, Construction & Materials, Chemicals and General Industrials that posted 94%, 63%, 47%, 41% and 34% return. The stellar performance of Auto sector was on the back of increase in volumetric sales of CKD units, depreciation of Yen against Pak Rupee by 14.4%, stable USD/PKR parity and lower steel prices that resulted in better margins and improved bottom-line. Sectors that remained subdued were Oil & Gas Exploration Companies, Fixed Line Telecommunication, Commercial Banks and Personal Goods (Textiles) posting -25%, -19%, -6% and 3% returns, respectively. Oil & Gas sector decreased owing to decline in international oil prices from an average of \$106 in FY14 to average of \$71 in FY15, a decline of 33%. Fixed Line Telecommunication declined on the annulment of ICH whereas Banks remained under pressure due to monetary easing of 300bps during the period.

On the privatization front, Privatization Commission has successfully completed two capital market transactions during the year including ABL Offering (fetching proceeds of -PKR 14,440 million, including foreign exchange of - US\$19 million) and in April, 2015 HBL transaction fetching proceeds of PKR-102 billion (including foreign exchange of US\$-764 million).

The government in its budget announcement reduced corporate tax rate for non-banking companies to 32% from 33% for tax year 2016, while it is envisioned to be brought down by 1% annually to 30%. However, one time Super Tax at 3% on profit for Tax Year 2015 has been introduced. This is applicable on person and companies with annual earnings of more than Rs.500mn. Capital gains tax (CGT) on sale of securities was increased to 15% from existing 12.5%, for a holding period of less than 1 year. The CGT rate on holding of 1-2 years has been revised up from 10% to 12.5%. FY16 budget has introduced a new slab of holding period of 2-4 years, which was exempted earlier, and will now be taxed also at a rate of 7.5%. No Capital Gain Tax will be deducted for holding period exceeding four years.

THE COMMODITY MARKET

Spot Gold prices/ounce has decreased from US\$1,327.23 as on 30 June 2014 to US\$1,172.24 as on 30 June 2015, showing contraction of 11.7%. Spot Gold prices during financial year 2014-15 declined to the lowest since 2010 as the U.S. Dollar strengthened after the Bank of Japan unexpectedly boosted stimulus and the U.S. Federal Reserve ended asset purchases. U.S. Fed is weighing the timing of interest-rate increases as other central banks add to stimulus to bolster their economies. The U.S. central bank, which has held its key rate at zero to 0.25 percent since 2008, cited an improving job market in deciding to end bond buying, while maintaining a commitment to keep rates low for a considerable time. The Federal Open Market Committee said it would take "financial and international developments" into account when determining when to raise rates. However, strong U.S. jobs report increased expectations the U.S. Federal Reserve would hike interest rates in near term. U.S. nonfarm payrolls increased 295,000 in February 2015 after rising 239,000 in January 2015.



Strength in jewellery were balanced by weakness elsewhere as demand responded to local conditions in different market. Higher volumes in India, the US and the smaller South-East Asian markets were set against declines in China, Turkey, Russia and the Middle East. Movements within the investment space were more striking: net ETF outflows (SPDR Gold Shares) were 79 tons, a decrease of 10% YoY compared with 179 tons of outflows during corresponding period last year. Buying by central banks and other official sector institutions remain unchanged YoY. This contrast between the global picture and the more granular demand data demonstrates the multi-faceted nature of the gold market.

MUTUAL FUND INDUSTRY

Mutual fund industry with Rs 444 billion in assets under management as on 30 June 2015 witnessed a growth of 6.3% since 30 June 2014. Equity Funds category constituted Rs.165 billion of total assets under management followed by Income Funds category at Rs.106 billion and Money Market Funds category at Rs 83 billion. The Fund of Fund category constitute Rs.28 billion.

TAXATION

1. Finance Act - 2015

On budgetary measures, the following amendments related to mutual fund industry were introduced in the Income Tax Ordinance 2001 through Finance Act 2015.

- Limit for investment in shares and life insurance premium for tax credit under Section 62 has enhanced to one and a half million rupees from earlier one million rupees.
- Increase in rate of Capital Gain Tax on companies investing in mutual funds (other than stock funds) from 12.5% (less than one year holding) to 25%.
- Insertion of new proviso in Division VII of Part I of the first schedule, whereby for investment in Mutual Fund, no capital gain tax shall be deducted if the holding period is more than four years.
- Mutual funds and collective investment schemes or REIT Scheme, have been excluded from the definition of 'industrial establishment' subject to Workers' Welfare Fund (WWF) under the Workers' Welfare Fund Ordinance, 1971 (WWFO). However, VPS has not been included in the list of those excluded from the definition of 'industrial establishment'.
- Tax on dividend from mutual funds will be 10%, except for stock funds where it will be 12.5%.
- Turnover tax which increased from 1% to 8%, now all service provider will be subject to a minimum tax of 8%.

2. Exemption from withholding tax under clause 47B of Part IV of Second Schedule of Income Tax Ordinance, 2001

Despite a clear provision in law, the Federal Board of Revenue (FBR) on May 12, 2015 issued a clarification to its field offices, making it mandatory for every exempt entity whose income is exempt under clause 47B of Part IV of the Second Schedule to obtain a tax exemption certificate every year otherwise its tax will be withheld at source and they would thereby need to file refund claims at year end.

AAML has joined a few other asset management companies in filing a constitutional petition in the Honorable Sindh High Court against FBR's move that is contrary to the law. The Honorable High Court of Sindh has granted a stay order. As per stay order the Petitioner is also allowed to receive payments of Dividends, Profit on Debt, Commission & Brokerage and Capital Gains on disposal of Securities as per Section 150; 151, 233 and Division V11 of Part 1 of the first Schedule of the Ordinance, without being subjected to withholding of tax as provided under Clause 47B Part IV of the Second Schedule of the Ordinance; respectively.

During the year, the Securities and Exchange Commission of Pakistan made amendment in regulation 63 of NBFC & NE Regulations, 2008 according to which a Collective Investment Scheme shall, for every accounting year, distribute by way of dividend to the unit holders, certificate holders or shareholders, as the case may be, not less than ninety per cent of the accounting income of the Collective Investment Scheme received or derived from sources other than capital gains as reduced by such expenses as are chargeable to a Collective Investment Scheme under these Regulations. Provided that in case of a closed end fund, the realized capital gains shall also be distributed.

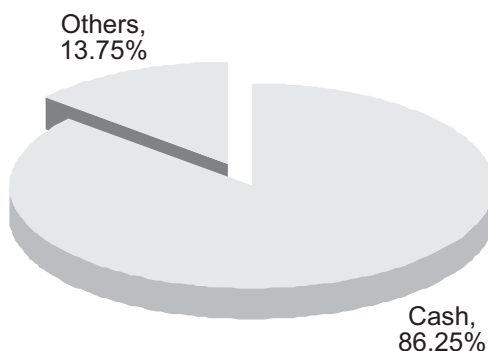
Delegation of Back-Office Functions by Atlas Asset Management Limited

Atlas Asset Management Limited (AAML) has entered into Service Level Agreement (SLA) with ITMinds Limited (a wholly owned subsidiary of Central Depository Company of Pakistan Limited) for delegation of back-office functions on 11 March 2015. ITMinds Limited will provide back office services in relation to settlement, unit management operations, NAV calculation / financial statements. The objectives for delegation of functions is to achieve better efficiencies and focus more on core business activities. Securities and Exchange Commission of Pakistan via Circular No. 24 of 2013 dated 06 December 2013 have prescribed the requirements for delegation of functions to a Service Provider in relation to Collective Investment Schemes (CIS). Subsequent to signing of agreement all necessary amendments have been incorporated in respective funds offering documents.

FUND OPERATIONS - ASLF

The Fund was launched on 01 December 2014. The Net Asset Value per unit of the Fund stood at Rs.102.55 per unit as on 30 June 2015 and has increased by 4.81% on an absolute basis, which is 8.32% on an annualized basis. This includes a total payout of Rs.4.75 per unit. The benchmark 30% of average 3-Month deposit rates of three scheduled banks (AA and above rated) and 70% average 3 Month PKRV rate for the period of return stood at 7.34%. During the year the quarterly average exposure of treasury bills in ASLF stood at 80.9%. The ASLF total exposure in Cash stood at 86.25% with remaining in others including receivables. ASLF presents a good investment opportunity for investors to earn attractive returns while maintaining high liquidity with low risk. The Net Assets of the Fund stood at Rs.605 million, with 5.90 million units outstanding as of 30 June 2015.

Portfolio Composition - 30 June 2015



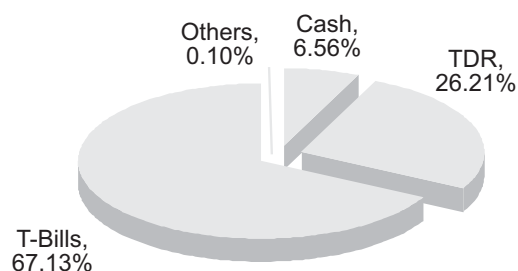
The Board of Directors of Atlas Asset Management Limited, the management company of Atlas Sovereign Liquid Fund in their meeting held on 07 July 2015, approved a Final cash dividend of Rs 2.50 per unit (2.50% on the face value of Rs.100 per unit). This is in addition to the Interim cash dividend of Rs.2.25 per unit (2.25% on the face value of Rs 100 per unit), already distributed. The total cash dividend for the financial period is Rs.4.75 per unit.

The Scheme has maintained provisions against WWF liability of Rs.323,547. If the same were not made the NAV per unit / return of the Scheme would be higher by Rs.0.05 / 0.05%. For details please read Note 12.1 of the latest Financial Statements of the Scheme. The Scheme is providing for FED liability which amounted to Rs.452,801 (Rs.0.08 per unit) as on 30 June 2015.

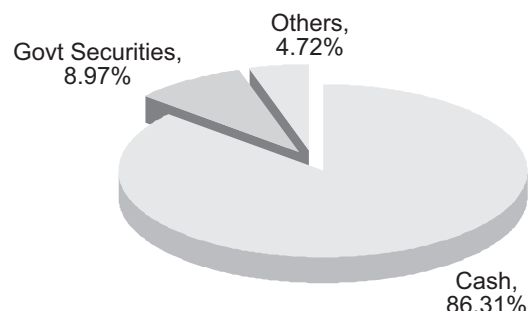
FUND OPERATIONS - AMF

The Net Asset Value per unit of the Fund increased by 8.59% to Rs.503.69 per unit as on 30 June 2015, which includes total payout of Rs 42.00 per unit. The benchmark 50% of average 3-Month deposit rates of three scheduled banks (AA and above rated) and 50% average 3 Month PKRV rate for the period of return stood at 7.59%. During the year the monthly average exposure of T bills in AMF stood at 81.9%. The AMF total exposure in Treasury Bills stood at 8.97% with remaining in short term deposits with banks/ cash. AMF presents a good investment opportunity for investors to earn attractive returns while maintaining high liquidity with low risk. The Net Assets of the Fund stood at Rs 3.70 billion, with 7.35 million units outstanding as of 30 June 2015.

Portfolio Composition - FY 2013-14



Portfolio Composition - FY 2014-15



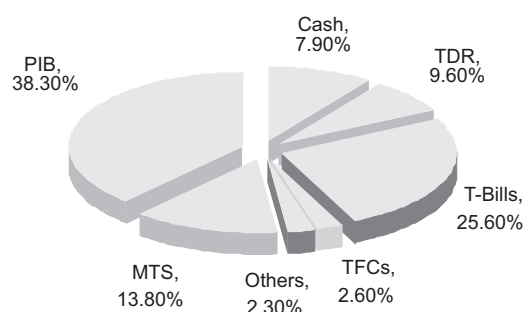
Committee of the Board of Directors of Atlas Asset Management Limited, the Management Company of Atlas Money Market Fund, under the authority delegated by the Board of Directors of Atlas Asset Management Limited has approved an interim cash dividend of Rs 42.00 per unit (8.40% on the face value of Rs. 500 per unit).

The Scheme has maintained provisions against WWF liability of Rs.35,840,884. If the same were not made the NAV per unit/return of the Scheme would be higher by Rs. Rs.4.88/0.97%. For details please read Note 11.1 of the latest Financial Statements of the Scheme. The Scheme is providing for FED liability which amounted to Rs.17,245,205 (Rs.2.35 per unit) as on 30 June 2015.

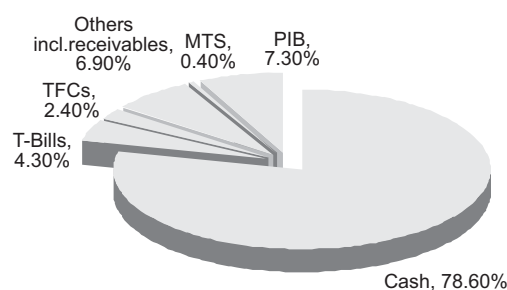
FUND OPERATIONS - AIF

AIF Net Asset Value per unit increased by 12.19% to Rs.510.24 as on 30 June 2015, which includes total payout of Rs.55 per unit. The benchmark average six months KIBOR rate stood at 8.97% during the period under review. During the year the monthly average exposure of PIBs in AIF stood at 48.2%. AIF current asset allocation is 4.3% in Treasury bills, 0.4% in MTS, 2.4% in TFC/ Sukuk, 7.3% in Pakistan Investment Bond, 78.6% in cash/deposits and 6.9% in others. The Net Assets of the Fund stood at Rs 5.58 billion with 10.93 million units outstanding as of 30 June 2015.

Portfolio Composition - FY 2013-14



Portfolio Composition - FY 2014-15



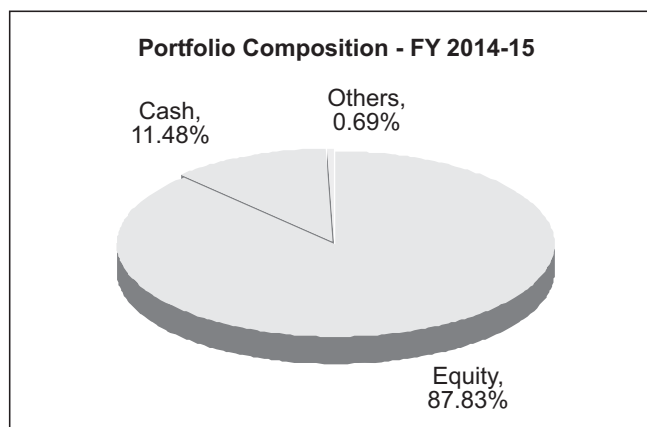
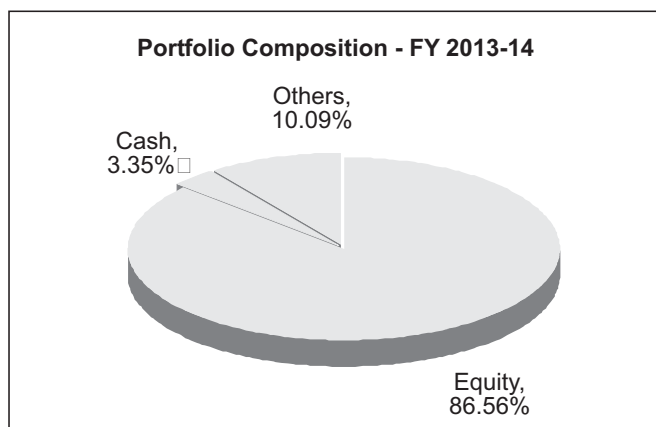
Committee of the Board of Directors of Atlas Asset Management Limited, the Management Company of Atlas Income Fund, under the authority delegated by the Board of Directors of Atlas Asset Management Limited has approved an interim cash dividend of Rs.55.00 per unit (11.00% on the face value of Rs.500 per unit).

The Scheme has maintained provisions against WWF liability of Rs.18,852,977. If the same were not made the NAV per unit/return of the Scheme would be higher by Rs. 1.73/0.34%. For details please read Note 13.1 of the latest Financial Statements of the Scheme. The Scheme is providing for FED liability which amounted to Rs.16,265,508 (Rs.1.49 per unit) as on 30 June 2015.

FUND OPERATIONS - ASMF

The Net Asset Value per unit of Atlas Stock Market Fund increased by 19.73% to Rs.528.09 as on 30 June 2015. The benchmark KSE-100 index has increased by 16.01% during the same period. The KSE- 100 has increased from 29,652.53 points as on 30 June 2014 to 34,398.86 points as on 30 June 2015. The main drivers of return for the index were HUBC, FFC, ENGRO, LUCK, HBL, DAWH, KAPCO, INDU, FCCL & DGKC as they contributed approximately 4,000 points to the index and were able to beat the broader index by a huge margin. It is pertinent to highlight that KSE-30 index yielded 5.67% return as against KSE- All index that yielded 9.39% return during the same period.

The ASMF's equity portfolio exposure was mainly in Commercial Banks, Oil & Gas Exploration, Fertilizers and Oil & Gas Marketing 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.3.30 billion, with 6.26 million units outstanding as of 30 June 2015.

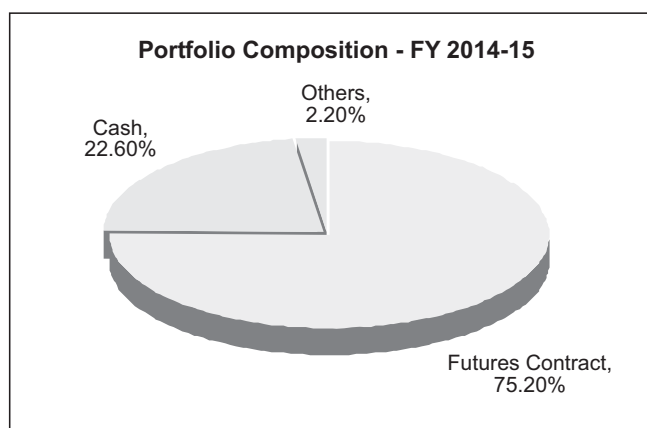
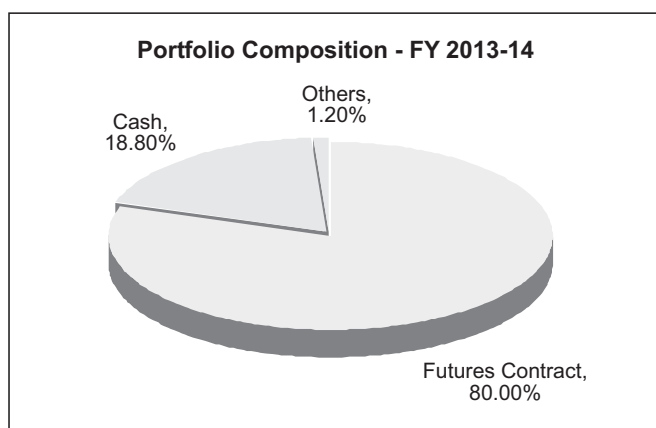


The Board of Directors of Atlas Asset Management Limited, the management company of Atlas Stock Market Fund in their meeting held on 07 July 2015, approved a final cash dividend of Rs 50.00 per unit (10.00% on the face value of Rs. 500 per unit).

The Scheme has maintained provisions against WWF liability of Rs.34,031,289. If the same were not made the NAV per unit/return of the Scheme would be higher by Rs. 5.44/1.03%. For details please read Note 12.1 of the latest Financial Statements of the Scheme. The Scheme is providing for FED liability which amounted to Rs.8,979,449 (Rs.1.44 per unit) as on 30 June 2015.

FUND OPERATIONS - AGF

The Net Asset Value per unit of Atlas Gold Fund decreased by 4.32% to Rs. 97.94 as on 30 June 2015. The benchmark decreased by 5.40% during the same period. The exposure in Gold Future Contracts was 75.20% as on 30 June 2015. The Net Assets of the Fund stood at Rs.201 million with 2.05 million units outstanding as of 30 June 2015. The Board of Directors has approved a Nil final cash dividend.



The Scheme has maintained provisions against WWF liability of Rs.194,578. If the same were not made the NAV per unit/return of the Scheme would be higher by Rs. 0.10/0.10%. For details please read Note 11.1 of the latest Financial Statements of the Scheme. The Scheme is providing for FED liability which amounted to Rs. 996,725 (Rs.0.50 per unit) as on 30 June 2015.

RATINGS

- **Asset Manager Rating**

The Pakistan Credit Rating Agency Limited (PACRA) maintained asset manager rating of Atlas Asset Management Limited (AAML) to "AM2-" (AM Two Minus). The rating denotes the company's very strong capacity to manage the risks inherent in asset management and meets high investment management industry standards and benchmarks.

- **Fund Stability Rating - ASLF**

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

- **Fund Stability Rating - AMF**

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

- **Fund Stability Rating - AIF**

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

- **Star Ranking - ASMF**

PACRA has assigned a 3 Star (1 Year), 3 Star (3 Years) and 4 Star (5 Years) ranking, for the period ending 30 June 2015. The term ranking is based on performance during the trailing twelve months period for 1 Year ranking, trailing thirty six months for 3 Year ranking and trailing sixty months for 5 Year ranking.

- **Star Ranking - AGF**

PACRA has assigned a 4 Star (1 Year) for the period ending 30 June 2015. The term ranking is based on performance during the trailing twelve months period for 1 Year ranking.

FUTURE OUTLOOK

Macro-economic indicators have shown marked improvement during the financial year. Curtailed fiscal deficit, subdued inflationary pressure and comfortable external account position have led to positive economic outlook. Steep decline in international oil prices, successfully reviews with IMF, issuance of Ijara Sukuk Bond after a period of nine years, growth in remittances and proceeds from successful privatization offering of ABL and HBL shares helped strengthened foreign exchange reserves. Average inflation for the year came at 4.53% vis-à-vis 8.62% last year resultantly a cumulative cut of 300bps in policy rate was witnessed during the period. Standard & Poor's and Moody's Investors Service have also upgraded rating from stable to positive on economic outlook. Government's commitment to structural reforms, particularly in energy, taxes and state owned enterprises to secure a positive response from private investors will provide impetus for a stronger economy. This will also help create the perception of an investment friendly country with solid macroeconomic fundamentals. Improved macro-economic outlook has thus opened a window of opportunity to speed up reforms to ensure improvements in the economy are sustainable.

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

چلتے ہیں جس کیلئے تیری آنکھوں کے دیے
ڈھونڈ لایا ہوں وہی گیت میں تیرے لئے

(Good better best:
Let it not rest:
Till your good is better:
And your better best)

AKNOWLEDGEMENT

I would like to thank the Securities and Exchange Commission of Pakistan, the Board of Directors, and the Group Executive Committee for their help, support and guidance. I also thank the financial institutions and the unit holders for their help, support and the confidence reposed in the 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: 31 August 2015

Yusuf H. Shirazi
Chairman

Directors' Report

The Board of Directors of Atlas Asset Management Limited, the Management Company of Atlas Sovereign Liquid Fund (ASLF), Atlas Money Market Fund (AMF), Atlas Income Fund (AIF), Atlas Stock Market Fund (ASMF) and Atlas Gold Fund (AGF) take pleasure in presenting the Annual Reports along with the audited financial statements and Auditors' Reports thereon of ASLF for the period 24 November 2014 to 30 June 2015 and AMF, AIF, ASMF and AGF for the year ended 30 June 2015.

EARNINGS PER UNIT, NET ASSETS AND SALES/REDEMPTIONS SUMMARY

Earnings per unit, net assets, and summary of sales / redemption of units of ASLF, AMF, AIF, ASMF and AGF for the year ended 30 June 2015 are as follows:

	ASLF (launched w.e.f. 24 November 2014)*	AMF		AIF		ASMF		AGF	
	2015	2015	2014	2015	2014	2015	2014	2015	2014
Earnings per unit – Rupees	2.69	13.31	41.27	15.39	23.91	87.01	106.97	(4.42)	6.11
Net assets – Rupees million	604.91	3,699.65	6,049.60	5,576.25	3,896.87	3,304.66	1,049.72	200.75	165.66
Sales – Rupees million	7,370.93	7,582.10	9,526.10	10,537.08	3,577.51	2,413.93	287.15	56.38	258.59
Sales – in units	72,037,552	14,784,233	8,920,367	19,924,669	7,067,214	4,776,645	609,315	550,175	2,590,905
Redemptions – Rupees million	6,786.33	10,348.42	7,796.88	9,323.22	1,805.10	441.76	559.59	6.23	106.56
Redemptions – in units	66,139,173	19,477,192	5,458,097	16,730,020	3,527,622	898,758	1,195,847	61,743	1,029,656
Units outstanding at year end	5,898,379	7,345,095	12,038,054	10,928,724	7,734,075	6,257,738	2,397,851	2,049,681	1,561,249

* As ASLF was launched during the period, there are no comparative figures to report.

INCOME DISTRIBUTION - ASLF

The Board of Directors of the Management Company, in their meeting held on 7 July 2015 approved a final cash dividend of Rs.2.50 per unit (2.50% on the face value of Rs.100 per unit) for the period ended 30 June 2015. This is in addition to the interim cash dividend of Rs.2.25 per unit (2.25% on the face value of Rs.100 per unit) declared on 08 June 2015.

INCOME DISTRIBUTION - AMF

The Committee of the Board of Directors of Atlas Asset Management Limited (AAML), the Management Company of Atlas Money Market Fund (AMF), under the authority delegated to them by the Board, in their meeting held on 29 June 2015 has approved an interim cash dividend of Rs.42.00 per unit (8.40% on the face value of Rs.500 per unit) for the period ending 29 June 2015, (2014: Bonus distribution Rs.40 per unit on the face value of Rs.500 per unit).

INCOME DISTRIBUTION - AIF

The Committee of the Board of Directors of Atlas Asset Management Limited (AAML), the Management Company of Atlas Income Fund (AIF), under the authority delegated to them by the Board, in their meeting held on June 29, 2015 has approved an interim cash dividend of Rs.55.00 per unit (11% on the face value of Rs.500 per unit) for the period ending June 29, 2015, (2014: Bonus distribution Rs.41.25 per unit on the face value of Rs.500 per unit).

INCOME DISTRIBUTION - ASMF

The Board of Directors of the Management Company, in their meeting held on 7 July 2015 approved a final cash dividend of Rs.50 per unit 10% (2014: Rs.75 per unit 12.50%) on the face value of Rs.500 per unit for the period ended 30 June 2015, (2014: Bonus distribution Rs.75 per unit on the face value of Rs.500 per unit).

CHAIRMAN'S REVIEW

The review included in the Annual Report of ASLF, AMF, AIF, ASMF and AGF deals inter alia with the performance of these Funds for the period and future prospects. The directors endorse the contents of the review.

CORPORATE GOVERNANCE

The Company strongly believes in following the highest standards of Corporate Governance, ethics, and good business practices, which are an integral part of the Atlas Group Culture. The Code of Conduct of the Company, approved in July 2012, defines the obligations and responsibilities of all - the Board members, the employees, and the Company towards the various stakeholders, each other, and the society as a whole. The Code of Conduct is available on the Company's website.

In February 2014, the Board of Directors of the Company approved the mechanism for the annual evaluation of the Board's performance, as required under the Code of Corporate Governance, and formed a Board Evaluation Committee (BEC) for this purpose. The BEC comprises of both the Independent Directors, Mr. Azam Faruque (Chairman BEC), Mr. Shamshad Nabi (Member BEC), and a representative of the sponsor family, Mr. Ali H. Shirazi (Non-Executive Director). The BEC carried out the initial Board Evaluation Process in May 2014.

COMPLIANCE WITH CODE OF CORPORATE GOVERNANCE

The Board of Directors states for ASLF, AMF, AIF, ASMF and AGF that:

- The financial statements, prepared by the Management Company of these funds present fairly their state of affairs, the results of operations, comprehensive income for the year / period, cash flows, and movement in Unit Holders' Funds.
- Proper books of account of these Funds have been maintained.
- Appropriate accounting policies have been consistently applied in the preparation of the financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in the preparation of the financial statements and any departure therefrom has been adequately disclosed.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There is no doubt about the Funds' ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.
- Summaries of key financial data/ performance tables of ASLF, AMF, AIF, ASMF and AGF are annexed on pages 24, 56, 95, 144 and 185 respectively, of the Annual Report.
- The statement as to the value of investments of provident fund is not applicable in the case of these funds as these relate to retirement benefits to the employees of the Management Company, and are not chargeable to these Funds.
- The pattern of unit holdings is appended as notes 20, 19, 24, 21 and 18 respectively, to the financial statements of ASLF, AMF, AIF, ASMF and AGF.

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY AND COMMITTEES THEREOF

The Board of Directors of the Management Company comprises of one executive and six non-executive directors. There was no casual vacancy during the year.

Eight Board Meetings were held and attended during FY 2014-15. The particulars of the dates of meetings, and the directors attending, as required under the NBFC Regulations, 2008, are appended as note 24, 23, 28, 25 and 22 respectively to the financial statements of ASLF, AMF, AIF, ASMF and AGF.

Committees of the Board comprise the Audit Committee, the Board Evaluation Committee, the Human Resource & Remuneration Committee, and the Investment Committee (which includes executive management personnel as required under the NBFC Regulations, 2008). These meetings were attended by the Directors as per the following details:

Audit Committee (AC) - four AC meetings were held during the year, and attended as follows:

Serial no.	Name of Director	Status	Meetings attended
1	Mr. Azam Faruque	Independent Director	4
2	Mr. Shamshad Nabi	Independent Director	3
3	Mr. Frahim Ali Khan	Non-Executive Director	3

Board Evaluation Committee (BEC) - one meeting was held during the year and attended as follows:

Serial no.	Name of Director	Status	Meeting attended
1	Mr. Azam Faruque	Independent Director	1
2	Mr. Shamshad Nabi	Independent Director	1*
3	Mr. Ali H. Shirazi	Non-Executive Director	1

*Attended through telephoniconference call.

Human Resource & Remuneration Committee (HR& RC) - three meetings was held during the year and attended as follows:

Serial no.	Name of Director	Status	Meeting attended
1	Mr. Frahim Ali Khan	Non-Executive Director	3
2	Mr. Ali H. Shirazi	Non-Executive Director	3
3	Mr. M. Habib-ur-Rahman	Chief Executive Officer	3

Investment Committee (IC) - 48 meetings were held during the year and attended as follows:

Serial no.	Name of Director	Status	Meetings attended
1	Mr. Ali H. Shirazi	Non-Executive Director	33
2	Mr. M. Habib-ur-Rahman	Chief Executive Officer	39
3	Mr. M. Abdul Samad (executive management)	Chief Operating Officer Member IC	44
4	Mr. Khalid Mahmood (executive management)	Chief Investment Officer Member IC	43
5	Mr. M. Umar Khan (executive management)	Fund Manager - Commodities Member IC	42
6	Mr. Fawad Javaid (executive management)	Fund Manager - Fixed Income Member IC	47
7	Mr. Faran-ul-Haq (executive management) (w.e.f 30 June 2015)	Fund Manager - Equity Markets Member IC	17

DIRECTORS' TRAINING PROGRAM REQUIREMENTS

Four members of the Board of Directors of the Management Company are exempt from the requirements of the Directors' Training Program as per the proviso to Clause xi of the Code, whilst the remaining three Board members have completed their Directors' certification programs from institutes meeting the criteria specified by the Securities & Exchange Commission of Pakistan.

TRANSACTIONS IN UNITS OF THE FUNDS

The Directors, CEO, executives and their spouses and minor children have made no transactions in the Fund's units during the year except as disclosed in notes 17, 15, 19, 17 and 15 respectively, to the financial statements of ASLF, AMF, AIF, ASMF and AGF.

RATINGS UPDATE

ASSET MANAGER RATING

The Pakistan Credit Rating Agency Limited - PACRA, maintained the asset manager rating of the Management Company at AM2 - (AM Two Minus). The rating denotes the Company's very strong capacity to manage the risks inherent in asset management and meets very high investment management industry standards and benchmarks.

FUND STABILITY RATING - ASLF

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

FUND STABILITY RATING - AMF

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

FUND STABILITY RATING - AIF

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

STAR RANKING - ASMF

PACRA has assigned a 3 Star (1 Year), 3 Star (3 Years) and 4 Star (5 Years) ranking, for the period ending 30 June 2015. The term ranking is based on performance during the trailing twelve months period for 1 Year ranking, trailing thirty six months for 3 Year ranking and trailing sixty months for 5 Year ranking.

STAR RANKING - AGF

PACRA has assigned a 4 Star (1 Year) for the period ending 30 June 2015. The term ranking is based on performance during the trailing twelve months period for 1 Year ranking

AUDITORS

The Audit Committee of the Board of Directors, in their meeting held on 27 August 2015, recommended the re-appointment of M/s. A. F. Ferguson & Co., Chartered Accountants, Karachi, being eligible, as auditors of the Atlas Money Market Fund, Atlas Income Fund and Atlas Stock Market Fund for the financial year ending 30 June 2016, and the re-appointment of M/s. Ernst & Young Ford Rhodes Sidat Hyder, Chartered Accountants, Karachi, being eligible, as auditors of Atlas Sovereign Liquid Fund and Atlas Gold Fund for the year ending 30 June 2016.

The Board approved the re-appointments, as applicable.

ACKNOWLEDGEMENT

The Board of Directors of the Management Company thanks the Securities and Exchange Commission of Pakistan for their valuable support, assistance and guidance. The Board also thanks the employees of the Management Company and the Trustee, for their dedication and hard work, and the Unit Holders, for their confidence in the Management Company.

For and on behalf of the Board

Karachi: 31 August 2015

M. Habib-ur-Rahman
Chief Executive Officer



Atlas Sovereign Liquid Fund

Corporate Information

Trustee

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

Auditors

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants

Legal Advisers

Bawaney & Partners

Bankers

Bank Alfalah Limited

Fund Manager's Report

Atlas Sovereign Liquid Fund (ASLF) is an Open-ended Money Market Fund. The objective of Atlas Sovereign Liquid Fund (ASLF) is to provide unit-holders competitive returns with low risk and high liquidity by investing primarily in short-term Government Securities. The Fund will invest 70% of assets - based on quarterly average investments calculated on daily basis in Authorized short term Government Securities and remaining in short term money market investment avenues with a maximum time to maturity of six months and weighted average time to maturity of ninety days. This is intended to reduce risk while maintaining liquidity. The Fund's investment strategy will be based on fundamental credit analysis of counter parties.

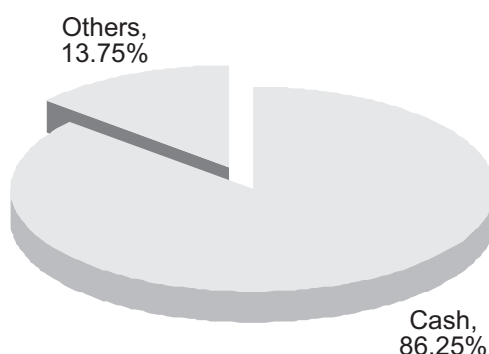
The Benchmark for "Atlas Sovereign Liquid Fund" is 70% that would be an average of "3 Month PKRV rate" for the period of return and 30% that would be an average of "3-Month deposit rates of three scheduled banks (AA and above rated)" for the period of return.

The Consumer Price Index (CPI) on average was recorded at 4.53% during FY 2014-15, as compared to 8.62% for the FY 2013-14. The YoY decrease in inflation can be attributed to prudent expenditure management in containing the budget deficit, appropriate fiscal and monetary policies, decline in global prices of imported items (especially Crude Oil) that significantly impacted domestic price level.

In November 2014, SBP reversed its stance from tight to accommodative due to improved economic environment and stable outlook. It reduced the policy rate by 50 bps to 9.5 percent in the second quarter of current fiscal year, further cut in policy rate by 100bps to 8.5 percent in January, 2015 and then by 50 bps to 8.0 percent in March 2015. Policy rate has been reduced further by 100 bps to 7.0 percent w.e.f 25th May, 2015 which is the lowest rate in last 42 years reflecting improved macroeconomic conditions towards the end of FY 2014-15. In this way, SBP has reduced the policy rate by a cumulative 300 basis points since the start of current fiscal year.

The fund was launched on 01 December 2014. The Net Asset Value per unit of the Fund stood at Rs.102.55 per unit as on 30 June 2015 and has increased by 4.81% on an absolute basis, which is 8.32% on an annualized basis. This includes a total payout of Rs.4.75 per unit. The benchmark 30% of average 3-Month deposit rates of three scheduled banks (AA and above rated) and 70% average 3 Month PKRV rate for the period of return stood at 7.34%. During the year the quarterly average exposure of T bills in ASLF stood at 80.9%. The ASLF total exposure in Cash stood at 86.25% with remaining in others including receivables. ASLF presents a good investment opportunity for investors to earn attractive returns while maintaining high liquidity with low risk. The Net Assets of the Fund stood at Rs.605 million, with 5.90 million units outstanding as of 30 June 2015.

Portfolio Composition - 30 June 2015



The Board of Directors of Atlas Asset Management Limited, the management company of Atlas Sovereign Liquid Fund in their meeting held on 07 July 2015, approved a final cash dividend of Rs 2.50 per unit (2.5% on the face value of Rs. 100 per unit). This is in addition to the Interim cash dividend of Rs 2.25 per unit (2.25% on the face value of Rs 100 per unit), already distributed. The total cash dividend for the financial year is Rs 4.75 per unit.

Breakdown of Unit holding by size:

Type of investor	No. of Investors	Amount of Investment (Rs.)	% of Total
Individuals	14	5,141,271	0.85%
Associated Companies/ Directors	7	535,904,926	88.59%
Retirement Funds	2	63,860,754	10.56%
Total	23	604,906,951	100.00%

The Scheme has maintained provisions against WWF liability of Rs.323,547. If the same were not made the NAV per unit/return of the Scheme would be higher by Rs.0.05/0.05%. For details please read Note 12.1 of the latest Financial Statements of the Scheme.

The Finance Act, 2013 has enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from 13 June 2013. As the asset management services rendered by the Management Company of the Fund are already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund, the management company is of the view that further levy of FED is not justified, and has filed a constitutional petition in the Honourable Sindh High Court, the hearing of which is pending. In the meantime, as a matter of abundant caution, The Scheme is providing for FED liability which amounted to Rs.452,801 (Rs.0.08 per unit) as on 30 June 2015.

The NAV before distribution stood at Rs.102.55 per unit and after adjustment for final dividend stood at Rs.100.05 per unit.

During the year under review, the Investment Committee held forty eight meetings to review investment of the Fund and the Risk Committee held twenty three meetings to review risk management.

Karachi: 31 August 2015

Fawad Javaid
Fund Manager

Performance Since Inception

	2015*
Net Assets (Rs. in '000)	604,907
Number of units in issue	5,898,379
Net assets value per unit	102.55
Net income (Rs. in 000)	15,854
Earnings per unit	2.69
Annual return of the fund (%)	8.32
Offer Price **	102.55
Redemption Price **	102.55
Highest offer Price	104.61
Lowest offer Price	100.12
Highest repurchase price per unit	104.61
Lowest repurchase price per unit	100.12

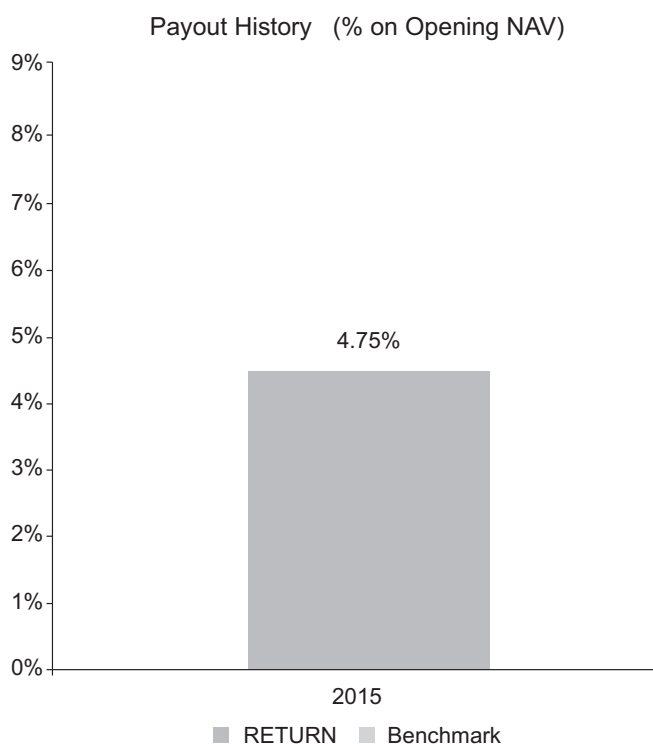
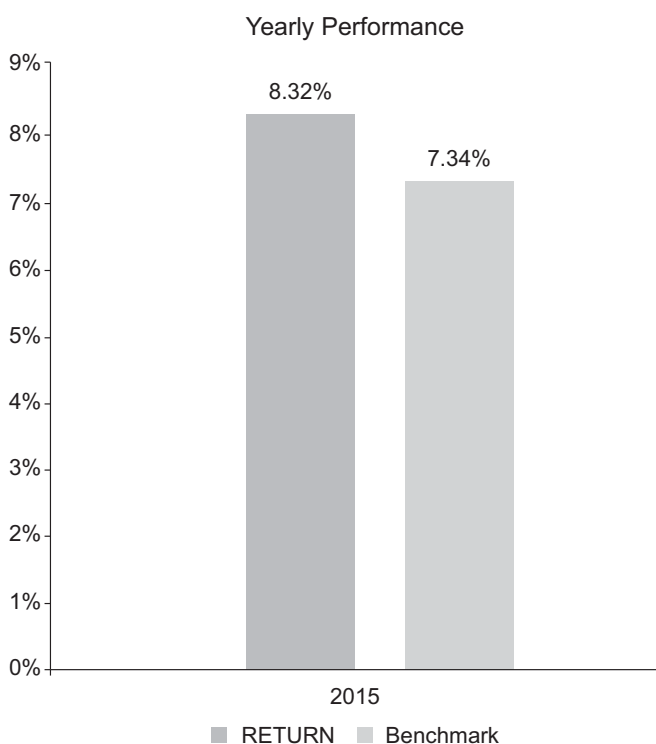
Distribution Details

2015	Distribution Date	Cash Distribution	Distribution %
Interim distribution	8 June 2015	2.25	2.25%
Final distribution	7 July 2015	2.50	2.50%

For the Period From 24 November to 30 June 2015 (Date of Launch: 01 December 2014)

** Relates to announced prices

Note: Past Performance of the Fund is not indicative of future performance, and the price and investment return may go down, as well as up.



STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

FOR THE PERIOD FROM 24 NOVEMBER 2014 TO 30 JUNE 2015

This statement is being presented to comply with the Code of Corporate Governance (the Code) contained in Regulation No. 35 of Listing Regulations of the Lahore Stock Exchange for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practice of corporate governance.

Atlas Asset Management Limited (AAML), the Management Company, is not listed and hence, the Code is not applicable to it. However, Atlas Sovereign Liquid Fund, being listed at the Lahore Stock Exchange, comes under the ambit of the Code. The Fund, being a unit trust scheme, does not have its own Board. The Board of Directors of the Management Company manages the affairs of the Fund and has appointed the Chief Executive Officer (CEO), and Chief Financial Officer (CFO)/Company Secretary and other necessary personnel to manage the affairs of the Fund.

The Management Company has applied the principles contained in the Code in the following manner:

1. The Management Company encourages representation of independent non-executive directors. At present the board includes:

Category	Name of Director
Independent Directors	Mr. Azam Faruque Mr. Shamshad Nabi
Non-Executive Directors	Mr. Yusuf H. Shirazi Mr. Fahim Ali Khan Mr. Ali H. Shirazi Mr. Arshad P. Rana
Executive Director (CEO)	Mr. M. Habib-ur-Rahman

The independent directors meet the criteria of independence under clause i (b) of the Code.

2. The directors have confirmed that none of them is serving as a director in more than seven listed companies.
3. All the resident directors of the Management Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. No casual vacancy occurred during the year.
5. The Management Company has prepared a "Code of Conduct", and has ensured that appropriate steps have been taken to disseminate it throughout the Management Company along with its supporting policies and procedures.
6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies for the Fund. A complete record of the particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of the remuneration and terms and conditions of employment of the CEO have been taken by the Board.
8. The meetings of the Board were presided over by the Chairman, and the Board met at least once in every quarter during the period. Written notes of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meeting were appropriately recorded and circulated.
9. Four members of the Board of Directors of the Management Company are exempt from the requirements of the Directors' Training Program as per the proviso to Clause xi of the Code, whilst the remaining three Board members have completed their Directors' certification programs from institutes meeting the criteria specified by the Securities & Exchange Commission of Pakistan.

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

FOR THE PERIOD FROM 24 NOVEMBER 2014 TO 30 JUNE 2015

10. No new appointment of the Chief Financial Officer & Company Secretary and Chief Internal Auditor was made during the year ended June 30, 2015. The terms of remuneration of the Chief Financial Officer & Company Secretary, and the Chief Internal Auditor have been approved by the Board.
11. The Directors' Report for the year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
12. The financial statements of the Fund were duly endorsed by CEO and CFO before the approval of the Board.
13. The Directors, CEO and Executives do not hold units other than those disclosed in note 17 to the financial statements "Transactions with Related Parties / Connected Persons", and as disclosed in the pattern of unit holdings disclosed in note 20 to the financial statements. These transactions have been placed before the Audit Committee and as per their recommendation, approved by the Board of Directors of the Management Company.
14. The Management Company has complied with the corporate and financial reporting requirements of the Code.
15. The Board has formed an Audit Committee comprising of three members, all of whom are non-executive directors and the Chairman of the Committee is an independent director.
16. Meetings of the Audit Committee were held every quarter, prior to approval of the interim and annual results of the Fund, as required by the Code. The terms of reference of the Committee have been formed and advised to the Committee for compliance.
17. The Board has formed a Human Resource and Remuneration Committee. It comprises of three members, of whom two are non-executive directors and the Chairman of the committee is a non-executive director.
18. The Board has set up an effective internal audit function headed by a full time Chief Internal Auditor who is considered suitably qualified and experienced, and is conversant with the policies and procedures of the Fund.
19. The Statutory Auditors of the Fund have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (ICAP), that they or any of the partners of the firm, their spouse and minor children do not hold units of the Fund, and that the Firm and all its partners are in compliance with the International Federation of Accountants (IFAC) guidelines on the Code of Ethics as adopted by the ICAP.
20. The Statutory Auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Listing Regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The 'closed period' prior to the announcement of interim/financial results, and business decisions, which may materially affect the market price / net asset value, was determined and intimated to directors, employees and the stock exchange.
22. Material /price sensitive information has been disseminated among all market participants at once through the Stock Exchange.'
23. We confirm that all other material principles contained in the Code have been complied with.

Karachi: 31 August 2015

M. Habib-ur-Rahman
Chief Executive Officer

TRUSTEE REPORT TO THE UNIT HOLDERS

Report of the Trustee pursuant to Regulation 41(h) and Clause 9 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of Atlas Sovereign Liquid Fund (the Fund) are of the opinion that Atlas Asset Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the period November 24, 2014 till June 30, 2015 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Karachi: September 22, 2015

Muhammad Hanif Jakhura
Chief Executive Officer
Central Depository Company of Pakistan Limited

REVIEW REPORT TO THE UNIT HOLDERS ON THE STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES OF THE CODE OF CORPORATE GOVERNANCE

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of the Management Company of Atlas Sovereign Liquid Fund (the Fund) for the period from 24 November 2014 to 30 June 2015 to comply with the requirements of Listing Regulation No 35 of the Lahore Stock Exchange where the Fund is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Management Company of the Fund. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Management Company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the Management Company's personnel and review of various documents prepared by the Management Company to comply with the Code.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Management Company's corporate governance procedures and risks.

The Code requires the Management Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Management Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Fund for the year ended 30 June 2015.

Karachi: 31 August 2015

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of **Atlas Sovereign Liquid Fund** (the Fund), which comprise the statement of assets and liabilities as at 30 June 2015, and the related statements of income, comprehensive income, distribution, cash flows and movement in unit holders' fund for the period from 24 November 2014 to 30 June 2015, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

The Management Company of the Fund is responsible for the preparation and fair presentation of these financial statements in accordance with the requirements of approved accounting standards as applicable in Pakistan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards as applicable in Pakistan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion the financial statements give a true and fair view of the state of the Fund's affairs as at 30 June 2015 and of its financial performance, cash flows and transactions for the period then ended in accordance with approved accounting standards as applicable in Pakistan.

Report on other legal and regulatory requirements

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and Non-Banking Finance Companies and Notified Entities Regulations, 2008.

Karachi: 31 August 2015

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants

Arslan Khalid
Audit Engagement Partner

STATEMENT OF ASSETS AND LIABILITIES

AS AT 30 JUNE 2015

	Note	2015 Rupees
Assets		
Bank balances	4	1,041,938,687
Investments	5	-
Interest accrued		3,927,147
Receivable against issue of units	6	161,144,973
Deferred formation cost	7	1,040,000
Total assets		1,208,050,807
Liabilities		
Payable to Atlas Asset Management Limited - Management Company	8	4,012,011
Payable to Central Depository Company of Pakistan Limited - Trustee	9	231,970
Annual fee payable to the Securities & Exchange Commission of Pakistan	10	283,002
Payable against redemption of units	11	595,443,630
Accrued expenses and other liabilities	12	3,173,243
Total liabilities		603,143,856
NET ASSETS		604,906,951
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		604,906,951
CONTINGENCIES AND COMMITMENTS	13	
NUMBER OF UNITS IN ISSUE		5,898,379
NET ASSET VALUE PER UNIT		102.55

The annexed notes from 1 to 28 form an integral part of these financial statements.

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Azam Faruque
Director

INCOME STATEMENT

FOR THE PERIOD FROM 24 NOVEMBER 2014 TO 30 JUNE 2015

	Note	2015 Rupees
Income		
Interest Income	14	27,258,080
Net loss on maturity / sale of investments		(259,335)
		26,998,745
Element of (loss) / income and capital (losses) / gains included in prices of units sold less those in units redeemed - net		(5,229,536)
		21,769,209
Expenses		
Remuneration of Atlas Asset Management Limited - Management Company	8.1	2,830,006
Sindh Sales Tax on remuneration of the Management Company	8.2	492,421
Federal Excise Duty on remuneration of the Management Company	8.3	452,801
Remuneration of Central Depository Company of Pakistan Limited - Trustee	9	416,887
Annual fees - Securities & Exchange Commission of Pakistan	10	283,002
Annual rating fee		232,000
Annual listing fee		110,000
Securities transaction cost		98,967
Printing charges		125,000
Amortisation of formation cost	7	260,000
Bank charges		15,796
Auditors' remuneration	15	275,000
Provision for Workers' Welfare Fund	12.1	323,547
		5,915,427
Net income for the period before taxation		15,853,782
Taxation	3.10 & 16	-
Net income for the period after taxation		15,853,782

The annexed notes from 1 to 28 form an integral part of these financial statements.

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Azam Faruque
Director

STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD FROM 24 NOVEMBER 2014 TO 30 JUNE 2015

2015
Rupees

Net income for the period after taxation	15,853,782
Other comprehensive income	-
Total comprehensive income for the period	15,853,782

The annexed notes from 1 to 28 form an integral part of these financial statements.

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Azam Faruque
Director

DISTRIBUTION STATEMENT

FOR THE PERIOD FROM 24 NOVEMBER 2014 TO 30 JUNE 2015

2015
Rupees

Undistributed income brought forward

-

Net income for the period after taxation

15,853,782

Other comprehensive income

-

Total comprehensive income for the period

15,853,782

Interim distribution for the period ended 08 June 2015
at the rate of Rs.2.25 per unit.

(784,781)

Undistributed income carried forward

15,069,001

The annexed notes from 1 to 28 form an integral part of these financial statements.

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Azam Faruque
Director

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND FOR THE PERIOD FROM 24 NOVEMBER 2014 TO 30 JUNE 2015

	2015	
	Units	Rupees
Net assets at the beginning of the period	-	-
Issue of units	72,037,552	7,370,933,602
Redemption of units	(66,139,173)	(6,786,325,188)
	5,898,379	584,608,414
Element of loss / (income) and capital losses / (gains) included in prices of units sold less those in units redeemed - net		5,229,536
Net loss on maturity / sale of investments	-	(259,335)
Net unrealised (loss) / gain on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	-	-
Other net income for the period	-	16,113,117
Total comprehensive income for the period		15,853,782
Total interim distributions for the period ended 08 June 2015 (As per Distribution Statement)		
Cash payout against distribution		(784,781)
Net assets at the end of the period	5,898,379	604,906,951

The annexed notes from 1 to 28 form an integral part of these financial statements.

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Azam Faruque
Director

CASH FLOW STATEMENT

FOR THE PERIOD FROM 24 NOVEMBER 2014 TO 30 JUNE 2015

	Note	2015 Rupees
Cash flows from operating activities		
Net income for the period after taxation		15,853,782
Adjustments for:		
Interest income		(27,258,080)
Net loss on maturity / sale of investments		259,335
Amortisation of formation cost		260,000
Element of loss / (income) and capital losses / (gains) included in prices of units sold less those in units redeemed - net		5,229,536
		(21,509,209)
Increase in assets		
Receivable against sale of units		(161,144,973)
Deferred formation cost		(1,300,000)
		(162,444,973)
Increase in liabilities		
Payable to Atlas Asset Management Limited - Management Company		4,012,011
Payable to Central Depository Company Pakistan Limited- trustee		231,970
Payable to Security & Exchange Commission of Pakistan		283,002
Payable against redemption of units		595,443,630
Accrued expenses and other liabilities		3,173,243
		603,143,856
		435,043,456
Interest received		23,330,933
Investment made during the period		(7,141,906,331)
Investment sold / matured during the period		7,141,646,996
		23,071,598
Net cash generated from operating activities		458,115,054
Cash flows from financing activities		
Proceeds from issue of units		7,370,933,602
Payment on redemption of units		(6,786,325,188)
Cash payout against distribution		(784,781)
Net cash generated from financing activities		583,823,633
Net increase in cash and cash equivalents		1,041,938,687
Cash and cash equivalents at the beginning of the period		-
Cash and cash equivalents at the end of the period	4	1,041,938,687

The annexed notes from 1 to 28 form an integral part of these financial statements.

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Azam Faruque
Director

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 24 NOVEMBER 2014 TO 30 JUNE 2015

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Atlas Sovereign Liquid Fund (the Fund) is an open ended Fund constituted by a trust deed entered into on 19 August, 2014 between Atlas Asset Management Limited (AAML) as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the trustee. The offering document has been revised through First Supplement dated 24 March, 2015 with the approval of the Securities and Exchange Commission of Pakistan. The investment activities and administration of the Fund are managed by AAML situated at Ground Floor, Federation House, 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 the Lahore Stock Exchange Limited. Units of the Fund are offered for public subscription on a continuous basis since 01 December 2014, and are transferable and redeemable by surrendering them to the Fund.
- 1.3 According to the Trust Deed, the objective of the Fund is to provide unit-holders competitive returns with low risk and high liquidity. The Fund aims to deliver this objective by investing primarily in short term Government securities, bank deposits (excluding TDRs), treasury bills, money market placements, deposits, certificates of deposits (CoDs), certificate of musharikas (CoM), commercial papers and reverse repo with weighted average time to maturity of net assets not exceeding 90 days and in case of a single asset, maximum time to maturity of six months. The investment objectives and policies are more fully defined in Fund's Offering document.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These condensed financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, the Non Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non Banking Finance Companies and Notified Entities Regulations 2008 (the NBFC Regulations) and directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP differ with the requirements of IFRS, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the requirements of the said directives prevail.

2.2 New Standards, interpretations and amendments applicable to the financial statements for the period ended 30 June 2015

The Fund has adopted the following accounting standard and the amendments and interpretation of IFRSs which became effective for the current year:

IAS 32 - Financial Instruments : Presentation – (Amendment) ' – Offsetting Financial Assets and Financial Liabilities

IAS 36 - Impairment of Assets – (Amendment) - Recoverable Amount Disclosures for Non-Financial Assets

IAS 39 - Financial Instruments: Recognition and Measurement – (Amendment) –
Novation of Derivatives and Continuation of Hedge Accounting

IFRIC 21 - Levies

Improvements to accounting standards issued by the IASB

IFRS 8 - Operating Segments – Aggregation of operating segments and Reconciliation of the total of the -
reportable segments' - assets to the entity's assets

IFRS 13 - Fair Value Measurement - Scope of paragraph 52 (portfolio exception)

IAS 24 - Related Party Disclosures - Key management personnel

The adoption of the above amendments and improvements to accounting standards and interpretations did not have any effect on the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 24 NOVEMBER 2014 TO 30 JUNE 2015

Standards, interpretations and amendments to published approved accounting standards that are not yet effective:

The following revised standards, interpretations and amendments with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standards, interpretation and amendments:

2.3 Standard, interpretation or amendment	Effective date (accounting periods beginning)
IFRS 10 - Consolidated Financial Statements	01 January 2015
IFRS 10 - Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other - Entities and IAS 27 Separate Financial Statements – Investment Entities (Amendment)	01 January 2015
IFRS 10 - Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements – Investment Entities: Applying the Consolidation Exception (Amendment)	01 January 2016
IFRS 10 - Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	01 January 2016
IFRS 11 - Joint Arrangements	01 January 2015
IFRS 11 - Joint Arrangements - Accounting for Acquisition of Interest in - Joint Operation (Amendment)	01 January 2016
IFRS 12 - Disclosure of Interests in Other Entities	01 January 2015
IFRS 13 - Fair Value Measurement	01 January 2015
IAS 1 - Presentation of Financial Statements - Disclosure Initiative (Amendment)	01 January 2016
IAS 27 - Separate Financial Statements – Equity Method in Separate Financial Statements (Amendment)	01 January 2016

The Fund expects that the adoption of the above amendments and interpretation of the standards will not affect the Fund's financial statements in the period of initial application.

There are certain new and amended standards and interpretation that are mandatory for the Fund's accounting periods beginning on or after 1 July 2015 but are considered not to be relevant or do not have any significant effect on the Fund's operations and are therefore not detailed in these financial statements.

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

	Effective date (accounting periods beginning)
IFRS 9 – Financial Instruments: Classification and Measurement	01 January 2018
IFRS 14 – Regulatory Deferral Accounts	01 January 2016
IFRS 15 – Revenue from Contracts with Customers	01 January 2018

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 24 NOVEMBER 2014 TO 30 JUNE 2015

2.4 Critical accounting estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumption that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making judgements about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on ongoing basis.

The estimates and judgements that have a significant effect on the financial statements are in respect of the following:

	Note
Investments	3.1 & 5
Provisions	3.7 & 12.1
Element of income / loss and capital gains / losses in prices of units issued less those in units redeemed - net	3.1

2.5 Accounting convention

These financial statements have been prepared under the historical cost convention except for investments which are carried at fair value.

2.6 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is the Fund's functional and presentation currency.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these financial statements are set out below:

3.1 Investments

The investments of the Fund, upon initial recognition, are classified as investment at fair value through income statement or available-for-sale investment, as appropriate.

All investments, are initially measured at fair value plus, in the case of investments not at fair value through income statement, transaction costs that are directly attributable to acquisition.

All regular way purchases / sales of investments are recognised on the trade date, i.e. the date on which the Fund commits to purchase / sell the investment.

Investments at fair value through income statement

These include held-for-trading investments and such other investments that, upon initial recognition, are designated under this category. Investments are classified as held-for-trading if they are acquired for the purpose of selling in the near term. After initial measurement, such investments are carried at fair value and gains or losses on revaluation are recognised in the income statement.

Fair value of government securities is determined by reference to the quotations obtained from the PKRV rate sheet on the Reuters page.

Available-for-sale

Investments which are not classified in the preceding categories are classified as available-for-sale investments. After initial measurement, such investments are measured at fair value with unrealised gain or loss recognised directly in the statement of comprehensive income until the investment is derecognised or determined to be impaired at which time the cumulative gain or loss previously recognised in the statement of comprehensive income is taken to the income statement.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 24 NOVEMBER 2014 TO 30 JUNE 2015

3.2 Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Subsequent to initial recognition financial assets classified as loans and receivables are carried at amortised cost using the effective interest method.

Gain or loss is also recognised in the income statement when financial assets carried at amortised cost are derecognised or impaired.

3.3 Derivatives

These are measured at fair value. Derivatives with positive fair values (unrealised gains) are included in other assets and derivatives with negative fair values (unrealised losses) are included in other liabilities in the statement of assets and liabilities. The resultant gains and losses are included in the income statement.

3.4 Issue and redemption of units

Units issued are recorded at the offer price, determined by the management company for the application received by the distribution company / management company during business hours on that day. The offer price represents the Net Asset Value (NAV) per unit as of the close of the business day, plus the allowable sales load and provision of any duties and charges if applicable. The sales load is payable to the distribution company and the management company.

Units redeemed are recorded at the redemption price applicable to units for which the distribution company / management company receives redemption application during business hours of that day. The redemption price shall be equal to NAV as of the close of the business day, less an amount as the management company may consider to be an appropriate provision of duties and charges.

3.5 Revenue recognition

Interest income on government securities is recognised using effective interest method at the rate of return implicit in the instrument.

Interest income on bank balances, placements and deposits is recognised on an accrual basis.

Element of income / loss and capital gains / losses in prices of units issued less those in units redeemed is recognised when the units are issued and redeemed at the transaction date.

3.6 Expenses

All expenses chargeable to the Fund including remuneration of management company, trustee, and annual fee of the SECP are recognised in the income statement on an accrual basis.

3.7 Provisions

Provisions are recognised when the Fund has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

3.8 Element of income / loss and capital gains / losses in prices of units sold less those in units redeemed

To prevent the dilution of per unit income and distribution of income already paid out on redemption as dividend, an equalisation account called "element of income / loss and capital gains / losses in prices of units issued less those in units redeemed" (the element) is created.

Upon sale and redemption of units, the amount representing net income / loss and capital gains / losses accounted for in net asset value and included in the sale / redemption price is taken to the element account.

The element is computed to the extent that it is represented by the increase / decrease in net income / loss and capital gains / losses earned / incurred during the period.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 24 NOVEMBER 2014 TO 30 JUNE 2015

3.9 Deferred formation cost

Formation cost refers to all the preliminary and floatation expenses of the Fund incurred upto the initial issue of units, to the extent allowable under the NBFC Regulations. These costs are being amortised over a period of five years commencing from January 2010, in accordance with the requirements of the NBFC Regulations. These expenses were paid off by the management company and are reimbursable to it by the Fund.

3.10 Taxation

The Fund is exempt from taxation under clause 99 of the Part I of the 2nd Schedule of the Income Tax Ordinance, 2001, subject to the condition that not less than 90% of its accounting income excluding realised and unrealised capital gains for the year is distributed amongst the Fund's unit holders. The Fund intends to avail this exemption for current and future periods. Accordingly, no provision is made for current and deferred taxation in these financial statements.

3.11 Financial instruments

All financial assets and financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the contractual rights to receive cash flows related to the asset expire. Financial liabilities are derecognised when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gain or loss on derecognition of the financial assets and financial liabilities is taken to income statement.

3.12 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are only offset and the net amount reported in the statement of assets and liabilities when there is a legally enforceable right to set off the recognised amount and the Fund intends to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

3.13 Distribution to unit holders

Distribution to unit holders is recognised upon declaration and approval by the Board of Directors of the management company.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the period in which such distributions are declared and approved by the Board of Directors of the management company.

3.14 Net asset value per unit

The net asset value per unit disclosed in the statement of assets and liabilities is calculated by dividing the net assets of the Fund by the number of units in issue at the period end.

3.15 Earnings per unit

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

3.16 Cash and cash equivalents

Cash and cash equivalents include deposits with banks and other short term highly liquid investments with original maturities of three months or less.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 24 NOVEMBER 2014 TO 30 JUNE 2015

30 June 2015

----- Rupees -----

4. BANK BALANCES

In local currency	
- PLS saving accounts	1,041,938,687
	<u>1,041,938,687</u>

4.1 The rate of return on these accounts is varies between 5.00% to 7.10% per annum.

5. INVESTMENTS - at fair value through income statement

Government Securities

Market Treasury Bills - Held for trading -

Market Treasury Bills - held for trading

	Face value (Rupees)				Rupees		Percentage of	
	At the beginning of the period	Acquired during the period	Disposed during the period	At the end of the period	Amortised cost	Market value	Total investments	Net assets
Treasury bills								
3 Months	-	2,274,400,000	2,274,400,000	-	-	-	-	-
6 Months	-	4,634,200,000	4,634,200,000	-	-	-	-	-
12 Months	-	300,000,000	300,000,000	-	-	-	-	-
	<u>-</u>	<u>7,208,600,000</u>	<u>7,208,600,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

6. RECEIVABLE AGAINST ISSUE OF UNITS

This represents receivable against units issued to the unit holders on 30 June 2015, based on their request for transfer of units to Atlas Sovereign Liquid Fund from Atlas Income Fund, Atlas Stock Market Fund and Atlas Islamic Income Fund, managed by the Management Company of the Fund amounting to Rs. 4,354,699, Rs. 768,476 and Rs. 640,718 respectively.

30 June 2015

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

7. DEFFERED FORMATION COST

Deferred formation cost	1,300,000
Amortisation of deferred formation cost	(260,000)
	<u>1,040,000</u>

8. PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - Related party

Management fee	8.1	1,905,469
Sindh Sales Tax payable on remuneration of the Management Company	8.2	353,741
Federal Excise Duty payable on remuneration of the Management Company	8.3	452,801
Formation cost payable		1,300,000
		<u>4,012,011</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 24 NOVEMBER 2014 TO 30 JUNE 2015

- 8.1 In accordance with the provisions of the NBFC Regulations, the management company is entitled to receive a remuneration during the first five years of the Fund, at the rate not exceeding 3% of the average annual net assets of the Fund and thereafter at the rate of 2% of such assets. For the current period the management company has charged its remuneration at the rate of 0.75% per annum of the average net assets for the period.
- 8.2 During the period, an amount of Rs.492,421 was charged on account of sales tax on management fee levied through Sindh Sales Tax on Services Act, 2011, and an amount of Rs.138,680 has been paid to the Management Company which acts as a collecting agent.
- 8.3 The Finance Act, 2013 has enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from 13 June 2013. As the asset management services rendered by the Management Company of the Fund are already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund as explained in note 8.2 above, the Management Company is of the view that further levy of FED is not justified.

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

In view of the pending decision, as a matter of abundant caution, the Management Company of the Fund has charged FED to the Fund with effect from the date of inception. Had the same not been made, the net asset value per unit of the Fund would have been higher by Re.0.06 per unit.

9. PAYABLE TO THE TRUSTEE - Related party

The trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the trust deed as follows:

On net assets:

- | | |
|-------------------------------------|--|
| - up to Rs.1000 million | 0.15% per annum of Net Assets |
| - Rs.1 billion to Rs.10,000 million | Rs.1.5 million plus 0.075% per annum of Net Assets exceeding Rs.1,000 million |
| - exceeding Rs.10,000 million | Rs.8.25 million plus 0.06% per annum of Net Assets exceeding Rs.10,000 million |

10. PAYABLE TO THE SECP

In accordance with the NBFC Regulations, the Fund is required to pay SECP an amount of 0.075% of the average annual net assets of the Fund as annual fee.

11. PAYABLE AGAINST REDEMPTION OF UNITS

This represents payable against units redeemed to the unit holders on 30 June 2015, based on their request for transfer of units from Atlas Sovereign Liquid Fund to Atlas Islamic Stock Fund, Atlas Money Market Fund, Atlas Income Fund, Atlas Stock Market Fund and Atlas Islamic Income Fund, managed by the Management Company of the Fund amounting to Rs.2,751,477, Rs.182,473,494, Rs.370,137,634, Rs.10,473,963 and Rs.21,196,703 respectively.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 24 NOVEMBER 2014 TO 30 JUNE 2015

		30 June 2015
	Note	----- Rupees -----
12. ACCRUED AND OTHER LIABILITIES		
Auditors' remuneration payable		207,075
Printing charges payable		94,700
Payable to brokers		95,864
Withholding tax payable		2,452,057
Provision for Workers' Welfare Fund	12.1	323,547
		<u>3,173,243</u>

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

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

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

In view of the pending decision of the SHC, the Management Company of the Fund, as a matter of abundant caution, has decided to continue to maintain the provision for WWF amounting to Rs. 323,547 these financial statements. Had the same not been made the net asset value per unit of the Fund would have been higher by Rs.0.05 per unit.

The Finance Act, 2015 which is effective from 01 July 2015, has excluded Mutual Funds and Collective Investment Schemes from the definition of 'industrial establishment' subject to WWF under WWF Ordinance, 1971. However, provision made till 30 June 2015 has not been reversed as the above lawsuit is pending in the SHC.

13. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 30 June, 2015.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 24 NOVEMBER 2014 TO 30 JUNE 2015

For the period from
24 November 2014 to
30 June 2015

----- Rupees -----

14. INTEREST INCOME

Profit on bank deposits	4,674,242
Government securities - Market Treasury bills	22,583,838
	<u>27,258,080</u>

15. AUDITORS' REMUNERATION

Annual audit fee	125,000
Half yearly review of financial statements	62,500
Review of statement of compliance with Code of Corporate Governance	40,000
Certification charges	30,000
Sindh Sales tax on Services @ 5%	12,875
Out of pocket expense	4,625
	<u>275,000</u>

16. TAXATION

The income of the Fund is exempt from income tax as per clause 99 of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders. Subsequent to the year end, the management has distributed 90 percent of the Fund's net accounting income earned by the year end to the unit holders. Accordingly, no provision in respect of taxation has been made in these financial statements.

17. TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

- 17.1** Connected persons include Atlas Asset Management Limited being the Management Company, Central Depository Company Limited being the Trustee, other collective investment schemes managed by the Management Company, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the Fund and directors and key management personnel of the Management Company.
- 17.2** Transactions with connected persons essentially comprise sale and repurchase of units, fee on account of managing the affairs of the Fund, other charges and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.
- 17.3** Remuneration to the Management Company and the Trustee of the Fund is determined in accordance with the provisions of the NBFC regulations and the Trust Deed.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 24 NOVEMBER 2014 TO 30 JUNE 2015

- 17.4 The details of significant transactions carried out by the Fund with connected persons and balances with them at the year end are as follows:

	2015 ----- Rupees -----
Atlas Asset Management Limited (Management Company)	
Remuneration of the management company	2,830,006
Remuneration paid	924,537
Sindh sales tax on remuneration of the Management Company	353,741
Federal Excise Duty on remuneration of the Management Company	452,801
Issue of 335,404 units	33,556,809
Redemption of 29,265 units	3,000,000
Cash Dividend	742,412
Outstanding 306,139 units at the year end - at net asset value	31,394,505
Central Depository Company of Pakistan Limited (Trustee)	
Remuneration of the Trustee	416,887
Remuneration paid	184,917
Atlas Hitec (Private) Limited (Group Company)	
Issue of 478,480 units	48,977,248
Redemption of Nil units	-
Outstanding 478,480 units at the year end - at net asset value	49,068,159
Atlas Battery Limited (Group Company)	
Issue of 6,638,279 units	679,565,384
Redemption of 5,899,444 units	605,664,557
Outstanding 738,835 units at the year end - at net asset value	75,767,592
Atlas Honda Limited (Group Company)	
Issue of 34,994,897 units	3,580,792,579
Redemption of 32,775,021 units	3,363,156,863
Outstanding 2,219,875 units at the year end - at net asset value	227,648,267
Shirazi Investments (Private) Limited (Group Company)	
Issue of 16,172,758 units	1,653,557,032
Redemption of 14,709,486 units	1,509,517,844
Outstanding 1,463,272 units at the year end - at net asset value	150,058,544
Atlas Insurance Limited (Group Company)	
Issue of 1,632,103 units	167,062,154
Redemption of 1,632,103 units	167,372,254
Outstanding Nil units at the year end - at net asset value	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 24 NOVEMBER 2014 TO 30 JUNE 2015

2015
----- Rupees -----

Atlas Metals (Private) Limited (Group Company)

Issue of 115,457 units	11,820,561
Redemption of 115,457 units	11,840,189
Outstanding Nil units at the year end - at net asset value	-

Atlas Foundation (Group Company)

Issue of 1,393,664 units	142,697,266
Redemption of 1,393,664 units	142,920,253

Batools Benefit Trust (Trust having common Director / Trustee)

Issue of 746,302 units	76,413,903
Redemption of 746,302 units	76,533,121

Shirazi Capital (Private) Limited (Group Company)

Issue of 2,882,837 units	295,301,995
Redemption of 2,882,837 units	295,634,948

Key Management Personnel of the Management Company

Issue of 18,946 units	1,924,516
Cash Dividend	42,143
Outstanding 18,946 units at the year end - at net asset value	1,942,935

- 17.5** The balances due from / to related parties / connected persons are included in the respective notes to the financial statements.
- 17.6** For the purpose of this disclosure, transactions by the Board of Directors, and key management personnel falling within the scope of "executive" under the Code of Corporate Governance, 2012 are included herein. The term "executive" includes the Chief Executive Officer, Chief Operating Officer, Chief Financial Officer & Co. Secretary, Chief Internal Auditor, and executives of the Management Company of the Fund whose gross remuneration is Rs.4 million and above, as set by the Board of Directors of the Management Company for Financial Year 2014-15.
- 17.7** 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 24 NOVEMBER 2014 TO 30 JUNE 2015

18. FINANCIAL INSTRUMENTS BY CATEGORY

	As at 30 June 2015			Total
	Loans and receivables	At fair value through profit or loss	Available for sale	
	Rupees			
Assets				
Bank balances	1,041,938,687	-	-	1,041,938,687
Investments	-	-	-	-
Interest accrued	3,927,147	-	-	3,927,147
Receivable against issue of units	161,144,973	-	-	161,144,973
	1,207,010,807	-	-	1,207,010,807

	As at 30 June 2015			Total
	Liabilities at fair value through profit or loss	Others		
	Rupees			
Liabilities				
Payable to Atlas Asset Management Limited - Management Company	-	4,012,011		4,012,011
Payable to Central Depository Company of Pakistan Limited - Trustee	-	231,970		231,970
Payable against redemption of units	-	595,443,630		595,443,630
Accrued expenses and other liabilities	-	397,639		397,639
	-	600,085,250		600,085,250

19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

19.1 The Fund's objective in managing risk is the creation and protection of unit holders' value. Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily set up to be performed based on limits established by the management company, Fund's constitutive documents and the regulations and directives of the SECP. These limits reflect the business strategy and market environment of the Fund as well as the level of the risk that Fund is willing to accept. The Board of Directors of the management company supervises the overall risk management approach within the Fund. The Fund is exposed to market risk, credit risk and liquidity risk arising from the financial instruments it holds.

19.2 Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates and foreign exchange rates.

(i) Interest rate risk

Interest rate risk is the risk that the value of the financial instruments will fluctuate due to changes in the market interest rates. As of 30 June 2015, the Fund is exposed to such risk in respect of bank balances. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within acceptable limits.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 24 NOVEMBER 2014 TO 30 JUNE 2015

19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued...)

a) Sensitivity analysis for variable rate instruments

Presently, the Fund holds balances with banks which exposes the fund to cash flow interest rate risk. In case of 100 basis points increase in market interest rates as at 30 June 2015, with all other variables held constant, the net income for the year and net assets would have been higher by Rs.10,419,387. In case of 100 basis points decrease in market interest rates as at 30 June 2015, with all other variables held constant, the net income for the year and net assets would have been lower by Rs.10,419,387.

b) Sensitivity analysis for fixed rate instruments

The composition of the fund's investment portfolio and interest rates are expected to change over time. Accordingly, the sensitivity analysis prepared as of 30 June 2015 is not necessarily indicative of the impact on the Fund's net assets of the future movements in interest rates.

Yield / interest rate sensitivity position for on balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off balance sheet instruments is based on settlement date.

19.3 The fund's interest rate sensitivity related to financial assets and financial liabilities as at 30 June 2015 can be determined as follows:

----- As at 30 June 2015 -----					
Effective yield / interest rate	Exposed to yield / profit rate risk			Not exposed to yield/ interest rate risk	Total
	Upto three months	More than three months and upto one year	More than one year		
Percentage	----- Rupees -----				
Financial Assets					
Bank balances	5.00 - 7.10	1,041,938,687	-	-	1,041,938,687
Investments		-	-	-	-
Interest accrued		3,927,147	-	-	3,927,147
Receivable against issue of units		161,144,973	-	-	161,144,973
		1,207,010,807	-	-	1,207,010,807
Financial Liabilities					
Payable to Atlas Asset Management Company Limited		-	-	4,012,011	4,012,011
Payable to Central Depository Company		-	-	231,970	231,970
Payable against redemption of units		-	-	595,443,630	595,443,630
Accrued expenses and other liabilities		-	-	397,639	397,639
		-	-	600,085,250	600,085,250
Total Investment rate sensitivity gap		1,207,010,807	-	(600,085,250)	606,925,557

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 24 NOVEMBER 2014 TO 30 JUNE 2015

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instruments will fluctuate because of changes in foreign exchange rates. The Fund does not have any financial instruments in foreign currencies and hence is not exposed to such risk.

19.4 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to redemptions of its redeemable units on a regular basis. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is therefore to invest the majority of its assets in short term instruments in order to maintain liquidity.

The fund can borrow in the short term to ensure settlement. The maximum amount available to the fund from the borrowing would be limited to fifteen percent of the net assets upto 90 days and would be secured by the assets of the fund. The facility would bear interest at commercial rates. However, no borrowing was obtained by the fund during the current period.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The fund did not withhold any redemptions during the period.

The table below summaries the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity date. However, the assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month.

2015	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Total
	----- Rupees -----				
Assets					
Bank balances and Term Deposit	1,041,938,687	-	-	-	1,041,938,687
Investments	-	-	-	-	-
Interest accrued	3,927,147	-	-	-	3,927,147
Receivable against issue of units	161,144,973	-	-	-	161,144,973
	1,207,010,807	-	-	-	1,207,010,807
Liabilities					
Payable to Atlas Asset Management Limited - Management Company	1,905,469	260,000	-	1,040,000	3,205,469
Payable to Central Depository Company of Pakistan Limited - Trustee	231,970	-	-	-	231,970
Payable against redemption of units	595,443,630	-	-	-	595,443,630
Accrued and other liabilities	-	397,639	-	-	397,639
	597,581,069	657,639	-	1,040,000	599,278,708
Net assets / (liabilities)	609,429,738	(657,639)	-	(1,040,000)	607,732,099

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 24 NOVEMBER 2014 TO 30 JUNE 2015

19.5 Credit risk

Credit risk arises from the inability of the issuers of the instruments or the counter party to fulfill their obligations. The fund is exposed to credit risk with respect to its bank balances and interest accrued. The Fund's policy is to enter into financial contracts in accordance with the interest risk management policies and investment guidelines approved by the Investment Committee. The exposure is with respect to bank balances and interest accrued.

19.5.1 Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings or to historical information about counterparty default rates. All the financial assets of the Fund that are exposed to credit risk are rated 'AA'.

19.6 Fair value of financial instruments

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.

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 PKRV rate sheet on the Reuters page. The estimated fair value of all other financial assets and liabilities is considered not significantly different from their book values. As at 30 June 2015, the Fund have no investments to value at fair value.

19.7 Unit holders fund risk management

The Fund's objective when managing unit holders' fund is to safe guard the Fund's ability to continue as a going concern so that it can continue to provide optimum returns to its unit holders and to ensure reasonable safety of capital. The Fund manages its investment portfolio and other assets by monitoring return on net assets and makes adjustments to it in the light of changes in markets' conditions. The capital structure depends on the issuance and redemption of units.

The Fund has no restrictions on the subscription and redemption of units. As required under NBFC Regulations, every open end scheme shall maintain fund size (i.e. net assets of the Fund) of Rs 100 million at all times during the life of scheme. The Fund has maintained and complied with the requirement of minimum fund size during the current year.

The Fund's objectives when managing unit holders' funds are to safeguard its ability to continue as a going concern so that it can continue to provide returns to the unit holders and to maintain a strong base of assets to meet unexpected losses or opportunities.

In accordance with the risk management policies as stated in note 19, the Fund endeavours to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemption requests, such liquidity being augmented by short-term borrowings or disposal of investments where necessary.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 24 NOVEMBER 2014 TO 30 JUNE 2015

20. UNIT HOLDING PATTERN OF THE FUND

Category	2015		
	Number of unit holders	Rupees	% of total
Individuals	14	5,141,271	0.85%
Associated Companies/ Directors	7	535,904,926	88.59%
Retirement Funds	2	63,860,754	10.56%
Total	23	604,906,951	100.00%

21. LIST OF TOP TEN BROKERS BY PERCENTAGE OF THE COMMISSION PAID

Name of broker	2015 Percentage of commission paid
Arif Habib Limited	59.43%
Global Securities Pakistan Limited	14.19%
Invest Capital Markets Limited	26.38%

22. THE MEMBERS OF THE INVESTMENT COMMITTEE

Following are the members of the Investment Committee of the Fund:

Name	Designation	Qualification	Overall experience
Mr. M. Habib-ur-Rahman	Chief Executive Officer	FCA	47 Years
Mr. Ali H. Shirazi	Director	Masters in Law	11.5 Years
Mr. M. Abdul Samad	Chief Operating Officer	MBA, M.Com	15 Years
Mr. Khalid Mehmood	Chief Investment Officer	MBA - Finance	11 Years
Mr. Muhammad Umar Khan	Fund Manager - Commodities	MSc - Finance	7 Years
Mr. Fawad Javaid	Fund Manager - Fixed Income	CMA	7 Years
Mr. Faran-ul-Haq	Fund Manager - Equity Markets	B. A, CFA	4 Years

23. NAME AND QUALIFICATION OF FUND MANAGER

Name	Designation	Qualification	Other Funds managed by the Fund Manager
Mr. Fawad Javaid	Fund Manager - Fixed Income	CMA	Atlas Income Fund Atlas Money Market Fund

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 24 NOVEMBER 2014 TO 30 JUNE 2015

24. MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

The details of dates of Board meetings of the management company of the Fund, and the attendance of the Board members are given below:

Name of Directors	Meeting held on							
	07 Jul. 2014	23 Jul. 2014	28 Aug. 2014	30 Oct. 2014	31 Dec. 2014	26 Feb. 2015	27 Apr. 2015	23 Jun. 2015
Mr. Yusuf H. Shirazi	P	P	P	P	P	P	P	P
Mr. Azam Faruque	P	P	P	P	P	P	P	P
Mr. Shamshad Nabi	P	P*	P	P	P*	L	P*	P
Mr. Frahim Ali Khan	P	P	P	P	P	L	P	P
Mr. Ali H. Shirazi	P	P	P	P	P	P	P	P
Mr. Arshad P. Rana	P	P*	P	P	P*	P	P	L
Mr. M. Habib-ur-Rahman	P	P	P	P	P	P	P	P
Ms. Lilly R. Dossabhoy (CFO & Co. Secretary)	P	P	P	P	L	P	P	P

* Attended through teleconference call.

P Present

L Leave of absence

25. RATING OF THE FUND AND THE MANAGEMENT COMPANY

The Pakistan Credit Rating Agency Limited (PACRA) has maintained the asset manager rating of the Management Company at AM2- (AM Two Minus).

PACRA has assigned a stability rating of "AA(f)" (Double A: Fund Rating) to the Fund on 25 March 2015.

26. SUBSEQUENT EVENT

The Board of Directors of Management Company, in their meeting held on 07 July 2015, approved a final cash dividend of Rs.2.50 per unit on the face value of Rs.100 each, i.e. 2.50% amounting to Rs.14,745,949. This is in addition to an interim cash dividend of Rs.2.25 per unit on the face value of Rs.100 i.e 2.25%, distributed on 08 June 2015.

27. GENERAL

27.1 Figures have been rounded off to the nearest Rupee.

27.2 Being first accounting period of the Fund, there are no comparative figures to report.

28. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the management company 31 August 2015.

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

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Azam Faruque
Director



Atlas Money Market Fund

Corporate Information

Trustee

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

Auditors

A. F. Ferguson & Co.
Chartered Accountants

Legal Advisers

Bawaney & Partners

Bankers

Bank Alfalah Limited
Faysal Bank Limited
Askari Bank Limited
United Bank Limited

Fund Manager's Report

Atlas Money Market Fund is an Open-ended Money Market Fund. The investment objective of Atlas Money Market Fund is to provide its unit-holders competitive returns from a portfolio of low risk, short duration assets while maintaining high liquidity. The Fund will invest the entire assets in Authorized short term money market investment avenues with a maximum time to maturity of six months and weighted average time to maturity of ninety days. This is intended to reduce risk while maintaining liquidity. The Fund's investment strategy will be based on fundamental credit analysis of counter parties. Specifically, the Investment strategy will seek to invest in those money market instruments that offer attractive market returns and are issued by sponsors with good credit rating, strong financials and ability to repay.

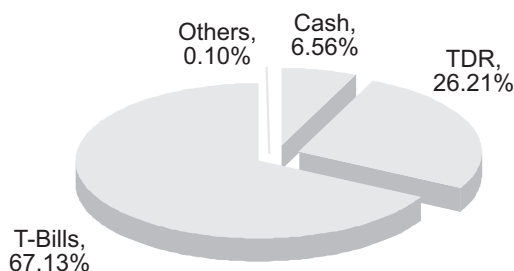
The Benchmark for "Atlas Money Market Fund" is 50% that would be an average of "3-Month deposit rates of three scheduled banks (AA and above rated)" for the period of return; and 50% that would be an average of "3 Month PKRV rate" for the period of return as available through Reuters and Financial Markets Association of Pakistan (FMA).

The Consumer Price Index (CPI) on average was recorded at 4.53% during FY 2014-15, as compared to 8.62% for the FY 2013-14. The YoY decrease in inflation can be attributed to prudent expenditure management in containing the budget deficit, appropriate fiscal and monetary policies, decline in global prices of imported items (especially Crude Oil) that significantly impacted domestic price level.

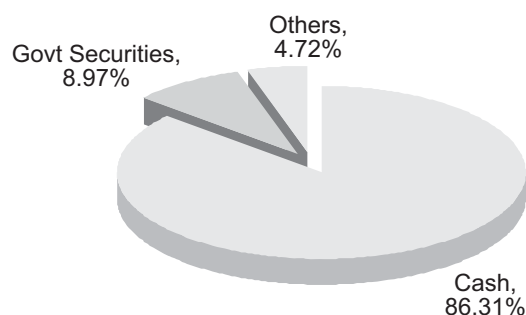
In November 2014, SBP reversed its stance from tight to accommodative due to improved economic environment and stable outlook. It reduced the policy rate by 50 bps to 9.5 percent in the second quarter of current fiscal year, further cut in policy rate by 100bps to 8.5 percent in January, 2015 and then by 50 bps to 8.0 percent in March 2015. Policy rate has been reduced further by 100 bps to 7.0 percent w.e.f 25 May 2015 which is the lowest rate in last 42 years reflecting improved macroeconomic conditions towards the end of FY 2014-15. In this way, SBP has reduced the policy rate by a cumulative 300 basis points since the start of current fiscal year.

The Net Asset Value per unit of the Fund increased by 8.59% to Rs. 503.69 per unit as on 30 June 2015, which includes total payout of Rs.42 per unit. The benchmark 50% of average 3-Month deposit rates of three scheduled banks (AA and above rated) and 50% average 3 Month PKRV rate for the period of return stood at 7.59%. During the year the monthly average exposure of T bills in AMF stood at 81.9%. The AMF total exposure in Treasury Bills stood at 8.97% with remaining in short term deposits with banks/ cash. AMF presents a good investment opportunity for investors to earn attractive returns while maintaining high liquidity with low risk. The Net Assets of the Fund stood at Rs 3.70 billion, with 7.35 million units outstanding as of 30 June 2015.

Portfolio Composition - FY 2013-14



Portfolio Composition - FY 2014-15



Committee of the Board of Directors 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 an interim cash dividend of Rs 42.00 per unit (8.40% on the face value of Rs. 500 per unit).

Breakdown of Unit holding by size:

Type of investor	No. of Investors	Amount of Investment (Rs.)	% of Total
Individuals	118	693,924,306	18.76%
Associated Companies/ Directors	6	1,054,725,084	28.51%
Insurance Companies	4	572,342,892	15.47%
Retirement Funds	11	175,527,216	4.74%
Others	10	1,203,134,698	32.52%
Total	149	3,699,654,196	100.00%

The Scheme has maintained provisions against WWF liability of Rs.35,840,884. If the same were not made the NAV per unit/return of the Scheme would be higher by Rs.4.88/0.97%. For details please read Note 11.1 of the latest Financial Statements of the Scheme.

The Finance Act, 2013 has enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from 13 June 2013. As the asset management services rendered by the Management Company of the Fund are already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund, the management company is of the view that further levy of FED is not justified, and has filed a constitutional petition in the Honourable Sindh High Court, the hearing of which is pending. In the meantime, as a matter of abundant caution, The Scheme is providing for FED liability which amounted to Rs.17,245,205 (Rs.2.35 per unit) as on 30 June 2015.

The NAV before distribution stood at Rs.545.60 per unit and after adjustment for interim dividend stood at Rs.503.60 per unit.

During the year under review, the Investment Committee held forty eight meetings to review investment of the Fund and the Risk Committee held twenty three meetings to review risk management.

Karachi: 31 August 2015

Fawad Javaid
Fund Manager

Performance Since Inception

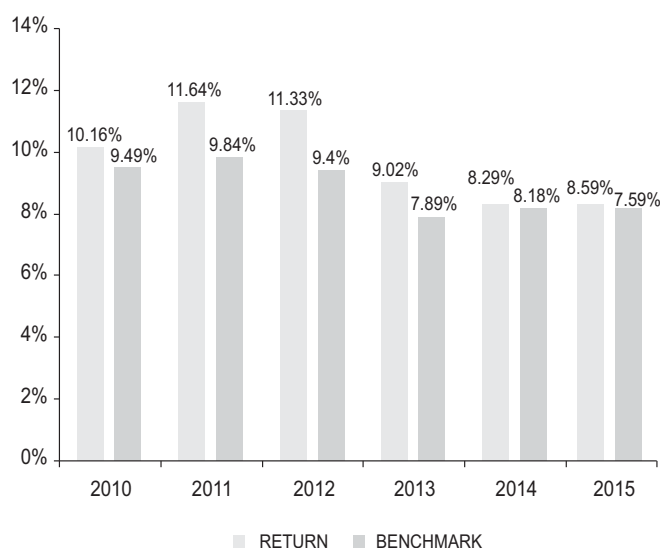
	2015	2014	2013	2012	2011	2010*
Net assets (Rs. in "000")	3,699,654	6,049,597	3,821,637	4,532,025	3,316,616	1,410,417
Number of units in issue	7,345,095	12,038,054	7,607,048	9,015,663	6,415,479	2,746,118
Net asset value per unit (Rs.)	503.69	502.54	502.38	502.68	516.97	513.60
Net income (Rs. in "000")	97,766	496,778	348,581	467,312	283,224	62,542
Earnings per unit (Rs.)	13.31	41.27	45.82	51.83	44.15	22.77
Annual return of the Fund (%)	8.59	8.29	9.02	11.33	11.64	10.16
Offer price **	503.69	502.54	502.19	502.54	516.97	513.60
Redemption price **	503.69	502.54	502.19	502.54	516.97	513.60
Highest offer price (Rs.)	544.97	506.35	508.59	508.12	517.25	513.60
Lowest offer price (Rs.)	502.78	501.14	502.07	502.27	501.41	502.07
Highest repurchase price per unit (Rs.)	544.97	506.35	508.59	508.12	517.25	513.60
Lowest repurchase price per unit (Rs.)	502.78	501.14	502.07	502.27	501.41	502.07
Weighted average portfolio (No. of days)	6.95	47.49	44.61	55.12	78.82	50.81

* Date of Launch: 20 January 2010

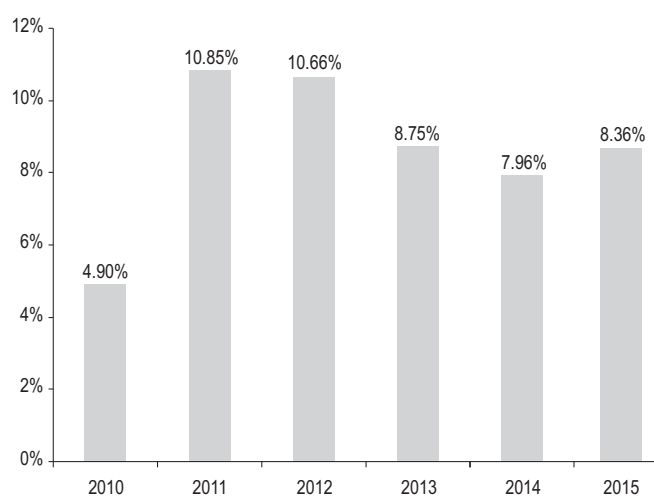
**Relates to announced prices

Note: Past Performance of the Fund is not indicative of future performance, and the price and investment return may go down, as well as up.

Yearly Performance (Annualized)



Payout History (% on opening Ex - NAV)



Distribution History

Yearly Distribution - 2015	Date of distribution	Distribution per unit (Rs.)	Distribution as a % of Opening Ex-NAV of units
1st Interim distribution	29 June 2015	42	8.36%

Monthly Distribution - 2014	Date of distribution	Distribution per unit (Rs.)	Distribution as a % of Opening Ex-NAV of units
1st Interim distribution	31 July 2013	3.00	0.60%
2nd Interim distribution	30 August 2013	3.00	0.60%
3rd Interim distribution	27 September 2013	3.00	0.60%
4th Interim distribution	24 October 2013	3.25	0.65%
5th Interim distribution	29 November 2013	3.25	0.65%
6th Interim distribution	27 December 2013	3.25	0.65%
7th Interim distribution	31 January 2014	3.50	0.70%
8th Interim distribution	28 February 2014	3.25	0.65%
9th Interim distribution	28 March 2014	3.50	0.70%
10th Interim distribution	29 April 2014	3.50	0.70%
11th Interim distribution	30 May 2014	3.50	0.70%
12th Interim distribution	18 June 2014	4.00	0.80%

Monthly Distribution - 2013	Date of distribution	Distribution per unit (Rs.)	Distribution as a % of Opening Ex-NAV of units
1st Interim distribution	27 July 2012	4.00	0.80%
2nd Interim distribution	31 August 2012	4.00	0.80%
3rd Interim distribution	28 September 2012	3.75	0.75%
4th Interim distribution	31 October 2012	3.75	0.75%
5th Interim distribution	30 November 2012	3.25	0.65%
6th Interim distribution	26 December 2012	3.25	0.65%
7th Interim distribution	31 January 2013	3.25	0.65%
8th Interim distribution	28 February 2013	2.75	0.55%
9th Interim distribution	29 March 2013	3.00	0.60%
10th Interim distribution	30 April 2013	4.00	0.80%
11th Interim distribution	31 May 2013	4.00	0.80%
12th Interim distribution	27 June 2013	5.00	0.99%

Monthly Distribution - 2012	Date of distribution	Distribution per unit (Rs.)	Distribution as a % of Opening Ex-NAV of units
1st Interim distribution	29 July 2011	4.00	0.80%
2nd Interim distribution	26 August 2011	5.00	1.00%
3rd Interim distribution	28 September 2011	5.00	1.00%
4th Interim distribution	28 October 2011	5.00	1.00%
5th Interim distribution	25 November 2011	4.00	0.80%
6th Interim distribution	28 December 2011	4.00	0.80%
7th Interim distribution	27 January 2012	4.00	0.80%
8th Interim distribution	24 February 2012	4.00	0.80%
9th Interim distribution	29 March 2012	4.00	0.80%
10th Interim distribution	27 April 2012	4.50	0.90%
11th Interim distribution	25 May 2012	5.00	1.00%
12th Interim distribution	27 June 2012	5.00	1.00%

Quarterly Distribution	2011	2010*
First quarter Interim distribution (Bonus)	11.50	11.00
First quarter Interim distribution as a % of opening Ex-NAV of units	2.30%	2.20%
Date of distribution - Interim	12 October 2010	6 April 2010
Second quarter Interim distribution (Bonus)	13.75	-
Second quarter Interim distribution as a % of opening Ex-NAV of units	2.75%	-
Date of distribution - Interim	11 January 2011	-
Third quarter Interim distribution (Bonus)	14.00	-
Third quarter Interim distribution as a % of opening Ex-NAV of units	2.80%	-
Date of distribution - Interim	7 April 2011	-

Final Distribution		
Final Distribution (Bonus)	15.00	13.50
Final Distribution as a % of opening Ex-NAV of units	3.00%	2.70%
Date of distribution - Final	7 July 2011	8 July 2010

* Date of Launch: 20 January 2010.

Note: The distribution % has been calculated on the opening Ex-NAV of units at the start of each financial year.

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

FOR THE YEAR ENDED 30 JUNE 2015

This statement is being presented to comply with the Code of Corporate Governance ("the Code") contained in Regulation No. 35 (Chapter XI) of Listing Regulations of the Lahore Stock Exchange for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of Corporate Governance.

Atlas Asset Management Limited (AAML), the Management Company, is not listed and hence, the Code is not applicable to it. However, Atlas Money Market Fund, being listed at the Lahore Stock Exchange, comes under the ambit of the Code. The Fund, being a unit trust scheme, does not have its own Board. The Board of Directors of the Management Company manages the affairs of the Fund and has appointed the Chief Executive Officer (CEO), and Chief Financial Officer (CFO)/Company Secretary and other necessary personnel to manage the affairs of the Fund.

The Management Company has applied the principles contained in the Code in the following manner:

1. The Management Company encourages representation of independent non-executive directors. At present the board includes:

Category	Name of Director
Independent Directors	Mr. Azam Faruque Mr. Shamshad Nabi
Non-Executive Directors	Mr. Yusuf H. Shirazi Mr. Fahim Ali Khan Mr. Ali H. Shirazi Mr. Arshad P. Rana
Executive Director (CEO)	Mr. M. Habib-ur-Rahman

The independent directors meets the criteria of independence under clause i (b) of the Code.

2. The directors have confirmed that none of them is serving as a director in more than seven listed companies.
3. All the resident directors of the Management Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. No casual vacancy occurred on the Board during the year.
5. The Management Company has prepared a "Code of Conduct", and has ensured that appropriate steps have been taken to disseminate it throughout the Management Company along with its supporting policies and procedures.
6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies for the Fund. A complete record of the particulars of significant policies along with the dates on which these were approved or amended have been maintained.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of the remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors, have been taken by the Board.
8. The meetings of the Board were presided over by the Chairman, and the Board met at least once in every quarter during the period. Written notes of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meeting were appropriately recorded and circulated.
9. Four members of the Board of Directors of the Management Company are exempt from the requirements of the Directors' Training Program as per the proviso to Clause xi of the Code, whilst the remaining three Board members have completed their Directors' certification programs from institutes meeting the criteria specified by the Securities and Exchange Commission of Pakistan. The directors are conversant with the relevant laws applicable to the company, its policies and procedures and provisions of memorandum and articles of association and are aware of their duties and responsibilities.

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2015

10. No new appointment of the Chief Financial Officer & Company Secretary and Head of Internal Audit was made during the year. The terms of remuneration of the Chief Financial Officer & Company Secretary, and the Head of Internal Audit have been approved by the Board.
11. The Directors' Report for the year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
12. The financial statements of the Fund were duly endorsed by CEO and CFO of the Management Company before the approval of the Board.
13. The Directors, CEO and Executives do not hold units other than those disclosed in note 15 to the financial statements "Transactions with Related Parties/Connected Persons", and as disclosed in the pattern of unit holdings disclosed in note 19 to the financial statements. These transactions have been placed before the Audit Committee and as per their recommendation, approved by the Board of Directors of the Management Company.
14. The Management Company has complied with the corporate and financial reporting requirements of the Code.
15. The Board has formed an Audit Committee comprising of three members, all of whom are non-executive directors and the Chairman of the Committee is an independent director.
16. Meetings of the Audit Committee were held every quarter, prior to approval of the interim and annual results of the Fund, as required by the Code. The terms of reference of the Audit Committee have been approved in the meeting of the Board and Committee has been advised to ensure compliance with those terms of reference.
17. The Board has formed a Human Resource and Remuneration Committee. It comprises of three members, of whom two are non-executive directors and the Chairman of the committee is a non-executive director.
18. The Board has set up an effective internal audit function headed by a full time Head of Internal Audit who is considered suitably qualified and experienced, and is conversant with the policies and procedures of the Fund.
19. The statutory auditors of the Fund have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (ICAP), that they or any of the partners of the firm, their spouse and minor children do not hold units of the Fund, and that the Firm and all its partners are in compliance with the International Federation of Accountants (IFAC) guidelines on the Code of Ethics as adopted by the ICAP.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Listing Regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The 'closed period' prior to the announcement of interim/financial results, and business decisions, which may materially affect the market price / net asset value, was determined and intimated to directors, employees and the stock exchange.
22. Material /price sensitive information has been disseminated among all market participants at once through the Stock Exchange.
23. We confirm that all other material principles contained in the Code have been complied with.

Karachi: 31 August 2015

M. Habib-ur-Rahman
Chief Executive Officer

TRUSTEE REPORT TO THE UNIT HOLDERS

Report of the Trustee pursuant to Regulation 41(h) and Clause 9 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of Atlas Money Market Fund (the Fund) are of the opinion that Atlas Asset Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2015 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Karachi: September 22, 2015

Muhammad Hanif Jakhura
Chief Executive Officer
Central Depository Company of Pakistan Limited

REVIEW REPORT TO THE UNIT HOLDERS ON THE STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES OF THE CODE OF CORPORATE GOVERNANCE

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of the Management Company of Atlas Money Market Fund (the Fund) for the year ended 30 June 2015 to comply with the requirements of Listing Regulation No 35 of the Lahore Stock Exchange where the Fund is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Management Company of the Fund. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Management Company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the Management Company's personnel and review of various documents prepared by the Management Company to comply with the Code.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Management Company's corporate governance procedures and risks.

The Code requires the Management Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Management Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Fund for the year ended 30 June 2015.

Karachi: 31 August 2015

A. F. Ferguson & Co.
Chartered Accountants

Engagement Partner: Salman Hussain

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of **ATLAS MONEY MARKET FUND** (hereinafter referred to as the 'Fund'), which comprise the statement of assets and liabilities as at June 30, 2015, and the related income statement, statement of comprehensive income, distribution statement, statement of movement in unit holders' fund and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management Company's responsibility for the financial statements

The Management Company (**Atlas Asset Management Limited**) of the Fund is responsible for the preparation and fair presentation of these financial statements in accordance with approved accounting standards as applicable in Pakistan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing as applicable in Pakistan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the state of the financial position of the Fund as at June 30, 2015 and of its financial performance, cash flows and transactions for the year then ended in accordance with the approved accounting standards as applicable in Pakistan.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

OTHER MATTER

The financial statements of the Fund for the year ended June 30, 2014 were audited by another firm of Chartered Accountants who had expressed an unqualified opinion thereon vide their report dated August 28, 2014.

Karachi: 31 August 2015

A. F. Ferguson & Co.
Chartered Accountants

Engagement Partner: Salman Hussain

STATEMENT OF ASSETS AND LIABILITIES

AS AT 30 JUNE 2015

	Note	2015 ----- Rupees -----	2014 -----
Assets			
Bank balances and term deposits	4	3,451,660,808	2,000,304,767
Investments	5	358,587,875	4,098,146,929
Profit receivable on bank deposits		5,804,368	5,943,939
Receivable against issue of units	6	182,965,575	-
Total assets		3,999,018,626	6,104,395,635
Liabilities			
Payable to Atlas Asset Management Limited - Management Company	7	23,025,320	15,203,671
Payable to the Central Depository Company of Pakistan Limited - Trustee	8	301,844	428,838
Payable to the Securities and Exchange Commission of Pakistan	9	4,672,347	4,675,297
Payable against redemption of units	10	175,532,256	3,509
Dividend payable		30,977,172	-
Accrued expenses and other liabilities	11	64,855,491	34,486,937
Total liabilities		299,364,430	54,798,252
NET ASSETS		3,699,654,196	6,049,597,383
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		3,699,654,196	6,049,597,383
CONTINGENCIES AND COMMITMENTS	12		
NUMBER OF UNITS IN ISSUE		7,345,095	12,038,054
NET ASSET VALUE PER UNIT		503.69	502.54

The annexed notes from 1 to 27 form an integral part of these financial statements.

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Azam Faruque
Director

INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 ----- Rupees -----	2014 -----
Income			
Profit on bank deposits		81,038,018	54,591,618
Income from government securities		499,558,981	542,146,268
Capital gain / (loss) on sale of investments - net		9,599,055	(1,870,778)
Net unrealised appreciation / (diminution) on remeasurement of investments classified as 'financial assets at fair value through profit or loss'		573,727	(873,289)
		10,172,782	(2,744,067)
Element of loss / capital losses included in prices of units issued less those in units redeemed - net		(407,928,246)	(3,647,244)
Total income		182,841,535	590,346,575
Expenses			
Remuneration of Atlas Asset Management Limited - Management Company	7.1	52,953,293	52,986,739
Sindh Sales Tax on remuneration of the Management Company	7.2	9,213,873	9,834,339
Federal Excise Duty on remuneration of the Management Company	7.3	8,472,527	8,477,878
Remuneration of the Central Depository Company of Pakistan Limited - Trustee	8.1	5,423,035	5,425,302
Annual fees to the Securities and Exchange Commission of Pakistan	9.1	4,672,347	4,675,297
Auditors' remuneration	13	1,463,703	559,446
Annual rating fee		301,600	242,000
Annual listing fee		40,000	40,000
Securities transaction cost		305,622	336,299
Printing charges		140,000	285,566
Amortisation of formation cost		-	200,000
Legal and professional charges		-	276,667
Bank charges		93,863	90,747
Provision for Workers' Welfare Fund	11.1	1,995,233	10,138,326
Total expenses		85,075,096	93,568,606
Net income for the year before taxation		97,766,439	496,777,969
Taxation	14	-	-
Net income for the year after taxation		97,766,439	496,777,969

The annexed notes from 1 to 27 form an integral part of these financial statements.

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

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Azam Faruque
Director

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014
	----- Rupees -----	
Net income for the year after taxation	97,766,439	496,777,969
Other comprehensive income	-	-
Total comprehensive income for the year	97,766,439	496,777,969

The annexed notes from 1 to 27 form an integral part of these financial statements.

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

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Azam Faruque
Director

DISTRIBUTION STATEMENT FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014
	Rupees	
Undistributed income brought forward [includes unrealised loss on investments: Rs.873,289] (2014: includes unrealised gain on investments: Rs.993,758)	13,939,197	5,661,146
Net income for the year after taxation	97,766,439	496,777,969
Other comprehensive income	-	-
Total comprehensive income for the year	97,766,439	496,777,969
Interim distribution: Nil units (2014: Rs.3 per unit declared on 31 July 2013)		
- Nil bonus units (2014: 52,470 bonus units)	-	(26,371,028)
- Cash payout against interim distribution	-	(175,909)
	-	(26,546,937)
Interim distribution: Nil units (2014: Rs 3 per unit declared on 30 August 2013)		
- Nil bonus units (2014: 54,844 bonus units)	-	(27,566,801)
- Cash payout against interim distribution	-	(175,909)
	-	(27,742,710)
Interim distribution: Nil units (2014: Rs 3 per unit declared on 27 September 2013)		
- Nil bonus units (2014: 59,279 bonus units)	-	(29,782,672)
- Cash payout against interim distribution	-	(143,175)
	-	(29,925,847)
Interim distribution: Nil units (2014: Rs 3.25 per unit declared on 24 October 2013)		
- Nil bonus units (2014: 81,841 bonus units)	-	(41,092,499)
- Cash payout against interim distribution	-	(155,106)
	-	(41,247,605)
Interim distribution: Nil units (2014: Rs 3.25 per unit declared on 29 November 2013)		
- Nil bonus units (2014: 79,851 bonus units)	-	(40,119,591)
- Cash payout against interim distribution	-	(155,106)
	-	(40,274,697)
Interim distribution: Nil units (2014: Rs 3.25 per unit declared on 27 December 2013)		
- Nil bonus units (2014: 84,723 bonus units)	-	(42,565,045)
- Cash payout against interim distribution	-	(158,338)
	-	(42,723,383)
c/f	111,705,636	293,977,936

DISTRIBUTION STATEMENT (Continued...) FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014
	Rupees	
b/f	111,705,636	293,977,936
Interim distribution: Nil units (2014: Rs.3.50 per unit declared on 31 January 2014)		
- Nil bonus units (2014: 90,900 bonus units)	-	(45,711,751)
- Cash payout against interim distribution	-	(150,523)
	-	(45,862,274)
Interim distribution: Nil units (2014: Rs.3.25 per unit declared on 28 February 2014)		
- Nil bonus units (2014: 95,034 bonus units)	-	(47,785,935)
- Cash payout against interim distribution	-	(113,342)
	-	(47,899,277)
Interim distribution: Nil units (2014: Rs.3.50 per unit declared on 28 March 2014)		
- Nil bonus units (2014: 102,465 bonus units)	-	(51,498,734)
- Cash payout against interim distribution	-	(110,255)
	-	(51,608,989)
Interim distribution: Nil units (2014: Rs.3.50 per unit declared on 29 April 2014)		
- Nil bonus units (2014: 103,293 bonus units)	-	(51,944,122)
- Cash payout against interim distribution	-	(110,255)
	-	(52,054,377)
Interim distribution: Nil units (2014: Rs.3.50 per unit declared on 30 May 2014)		
- Nil bonus units (2014: 95,458 bonus units)	-	(48,010,322)
- Cash payout against interim distribution	-	(110,255)
	-	(48,120,577)
Interim distribution: Rs 42 per unit declared on 29 June 2015 (2014: Rs.4 per unit declared on 18 June 2014)		
- Nil bonus units (2014: 68,578 bonus units)	-	(34,367,239)
- Cash	(89,309,804)	(126,006)
	-	(34,493,245)
Undistributed income carried forward [includes unrealised gain on investments: Rs.10,374,125] (2014: includes unrealised loss on investments: Rs.873,289)	22,395,832	13,939,197

The annexed notes from 1 to 27 form an integral part of these financial statements.

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

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Azam Faruque
Director

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND FOR THE YEAR ENDED 30 JUNE 2015

	2015		2014	
	Units	Rupees	Units	Rupees
Net assets at the beginning of the year [Rs.502.54 per unit (2014: 502.38 per unit)]	12,038,054	6,049,597,383	7,607,048	3,821,637,191
Issue of units	14,784,233	7,582,095,759	8,920,367	9,526,101,907
Redemption of units	(19,477,192)	(10,348,423,827)	(5,458,097)	(7,796,882,749)
	(4,692,959)	(2,766,328,068)	3,462,270	1,729,219,158
Element of loss and capital losses included in prices of units issued less those in units redeemed - net	-	407,928,246	-	3,647,244
Capital gain / (loss) on sale of investments - net	-	9,599,055	-	(1,870,778)
Net unrealised appreciation / (diminution) on remeasurement of investments classified as 'financial assets at fair value through profit or loss'	-	573,727	-	(873,289)
Other income (net of expenses) for the year	-	87,593,657	-	499,522,036
Total comprehensive income for the year	-	97,766,439	-	496,777,969
Total interim distributions for the year ended 30 June 2015 (as per distribution statement)	-	-		
Issue of bonus units	-	-	968,736	-
Cash	-	(89,309,804)	-	(1,684,179)
Net assets at the end of the year [Rs.503.69 per unit (2014: Rs.502.54 per unit)]	7,345,095	3,699,654,196	12,038,054	6,049,597,383

The annexed notes from 1 to 27 form an integral part of these financial statements.

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Azam Faruque
Director

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 ----- Rupees -----	2014 ----- Rupees -----
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year after taxation		97,766,439	496,777,969
Adjustments for:			
Interest Income		(81,038,018)	(54,591,618)
Income from government securities		(499,558,981)	(542,146,268)
Capital gain / (loss) on sale of investments - net		(9,599,055)	1,870,778
Net unrealised (appreciation) / diminution on remeasurement of investments classified as 'financial assets at fair value through profit or loss'		(573,727)	873,289
Element of loss and capital losses included in prices of units issued less those in units redeemed - net		407,928,246	3,647,244
Amortisation of formation cost		-	200,000
		(182,841,535)	(590,146,575)
Increase / (decrease) in liabilities			
Payable to Atlas Asset Management Limited - Management Company		7,821,649	10,929,367
Payable to the Central Depository Company of Pakistan Limited - Trustee		(126,994)	138,809
Payable to the Securities and Exchange Commission of Pakistan		(2,950)	1,650,496
Accrued expenses and other liabilities		30,368,554	10,202,796
		38,060,259	22,921,468
		(47,014,837)	(70,447,138)
Interest received		580,736,570	591,822,192
Investments made during the year		(28,310,255,346)	(34,524,969,444)
Investments sold / matured during the year		32,059,987,182	34,172,687,358
		4,330,468,406	239,540,106
Net cash generated from operating activities		4,283,453,569	169,092,968
CASH FLOWS FROM FINANCING ACTIVITIES			
Net receipts from issuance of units		7,340,797,552	9,524,417,728
Net payments against redemption of units		(10,172,895,080)	(7,796,882,749)
Net cash (used in) / generated from financing activities		(2,832,097,528)	1,727,534,979
Net increase in cash and cash equivalents		1,451,356,041	1,896,627,947
Cash and cash equivalents at the beginning of the year		2,000,304,767	103,676,820
Cash and cash equivalents at the end of the year	4	3,451,660,808	2,000,304,767

The annexed notes from 1 to 27 form an integral part of these financial statements.

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

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Azam Faruque
Director

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Atlas Money Market Fund (the Fund) is an open ended Fund constituted by a trust deed entered into on 4 December 2009 between Atlas Asset Management Limited (AAML) as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the trustee. The registered office of AAML is situated at Ground Floor, Federation House, Shahr-e 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 the Lahore Stock Exchange Limited. The units of the Fund are being offered for public subscription on a continuous basis from 20 January 2010 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), certificate of musharakas (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 more fully defined in the Fund's offering document.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. 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 Ordinance, 1984, the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the 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.

2.2 Standards, interpretations and amendments to published approved accounting standards that are effective in the current year

The Fund has adopted the following accounting standards, amendments and interpretations of IFRSs which became effective during the current year:

- IAS 32 - Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities (Amendment)
- IAS 36 - Impairment of Assets - Recoverable amount disclosures for Non-Financial Assets (Amendment)
- IAS 39 - Financial Instruments: Recognition and Measurement (Amendment)
- IFRIC 21 - Levies

Improvements to accounting standards issued by the IASB

- IFRS 8 - Operating Segments - Aggregation of operating segments and reconciliation of the total of the reportable segments' assets to the entity's assets
- IFRS 13 - Fair Value Measurement - Scope of paragraph 52 (portfolio exception)
- IAS 24 - Related Party Disclosures - Key management personnel

The adoption of the above amendments and improvements to accounting standards and interpretations did not have any effect on the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

Standards, interpretations and amendments to published approved accounting standards that are not yet effective:

The following revised standards, interpretations and amendments with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standards, interpretation and amendments:

2.3 Standard, interpretation or amendment	Effective date (accounting periods beginning)
IFRS 10 - Consolidated Financial Statements	01 January 2015
IFRS 10 - Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other - Entities and IAS 27 Separate Financial Statements – Investment Entities (Amendment)	01 January 2015
IFRS 10 - Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements – Investment Entities: Applying the Consolidation Exception (Amendment)	01 January 2016
IFRS 10 - Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	01 January 2016
IFRS 11 - Joint Arrangements	01 January 2015
IFRS 11 - Joint Arrangements – Accounting for Acquisition of Interest in - Joint Operation (Amendment)	01 January 2016
IFRS 12 - Disclosure of Interests in Other Entities	01 January 2015
IFRS 13 - Fair Value Measurement	01 January 2015
IAS 1 - Presentation of Financial Statements – Disclosure Initiative (Amendment)	01 January 2016
IAS 27 - Separate Financial Statements – Equity Method in Separate Financial Statements (Amendment)	01 January 2016

The Fund expects that the adoption of the above amendments and interpretation of the standards will not affect the Fund's financial statements in the period of initial application.

There are certain new and amended standards and interpretation that are mandatory for the Fund's accounting periods beginning on or after 1 July 2015 but are considered not to be relevant or do not have any significant effect on the Fund's operations and are therefore not detailed in these financial statements.

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standard	Effective date (accounting periods beginning)
IFRS 9 – Financial Instruments: Classification and Measurement	01 January 2018
IFRS 14 – Regulatory Deferral Accounts	01 January 2016
IFRS 15 – Revenue from Contracts with Customers	01 January 2017

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

2.4 Critical accounting estimates and judgments

The preparation of financial statements in accordance with the approved accounting standards as applicable in Pakistan requires the management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates, judgements and associated assumptions are based on historical experience and various other factors including expectations of future events that are believed to be reasonable under the circumstances, the result of which form the basis of making judgements about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

The estimates and judgements that have a significant effect on the financial statements relate to classification and valuation of investments and provision there against (as disclosed in notes 3.2 and 5 to these financial statements).

2.5 Accounting convention

These financial statements have been prepared under the historical cost convention except that certain investments have been carried at fair values.

2.6 Functional and presentation currency

These financial statements are presented in Pakistani Rupees which is the Fund's functional and presentation currency.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all the years presented unless otherwise stated.

3.1 Cash and cash equivalents

These comprise balances with banks, cheques in hand and short-term highly liquid investments with original maturities of three months or less.

3.2 Financial assets

3.2.1 Classification

The management determines the appropriate classification of the financial assets of the Fund in accordance with the requirements of International Accounting Standard (IAS) 39: 'Financial Instruments: Recognition and Measurement' at the time of the purchase of the financial assets and re-evaluates this classification on a regular basis. The classification depends on the purpose for which the financial assets are acquired. The financial assets of the Fund are categorised as follows:

a) Financial assets at fair value through profit or loss

These are acquired principally for the purpose of generating profit from short-term fluctuations in prices.

b) Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

c) Available-for-sale

These are those non-derivative financial assets that are designated as available for sale or are not classified as (a) financial assets at fair value through profit or loss, or (b) loans and receivables. These are intended to be held for an indefinite period of time which may be sold in response to the needs for liquidity or change in price.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

3.2.2 Regular way contracts

All regular way purchases / sales of investments are recognised on the trade date, i.e. the date on which the Fund commits to purchase / sell the investment. Regular way purchases / sales of investments require delivery of securities within two days after transaction date as per the stock exchange regulations.

3.2.3 Initial recognition and measurement

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement.

3.2.4 Subsequent measurement

Subsequent to initial recognition, financial assets are valued as follows:

a) **Financial assets at fair value through profit or loss' and 'available-for-sale financial assets'**

Basis of valuation of government securities

The investment of the Fund in government securities is valued on the basis of rates announced by the Financial Markets Association of Pakistan.

Net gains and losses arising on changes in the fair values of financial assets carried 'at fair value through profit or loss' are taken to the Income Statement.

Net gains and losses arising from changes in fair value of 'available-for-sale financial assets' are taken to the Statement of Comprehensive Income' as 'other comprehensive income' until these are derecognised or impaired. At this time, the cumulative gain or loss previously recognised as 'other comprehensive income' is transferred to the Income Statement as capital gain / (loss).

b) **Loans and receivables**

These are carried at amortised cost using the effective interest method.

Gains or losses are recognised in the Income Statement through the amortisation process or when the financial assets carried at amortised cost are derecognised or impaired.

3.2.5 Impairment

The Fund assesses at each reporting date whether there is objective evidence that the financial asset or a group of financial assets is impaired. In case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered, among other indicators, as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in income statement is reclassified from unit holders' fund to 'income statement'. Impairment losses recognised on equity instruments are not reversed through the income statement.

For financial assets classified as 'loans and receivables', a provision for impairment is established when there is objective evidence that the Fund will not be able to collect all amounts due according to the original terms. The amount of the provision is determined based on the provisioning criteria specified by the SECP.

3.2.6 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

3.2.7 Derivatives

Derivative instruments are initially recognised at fair values and subsequent to initial measurement each derivative instrument is remeasured to its fair value and the resultant gain or loss is recognised in the income statement. Presently, the Fund does not have any derivative instrument.

3.3 Financial liabilities

Financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair values and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired.

3.4 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount reported in the statement of assets and liabilities when there is a legally enforceable right to set off the recognised amount and the Fund intends to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

3.5 Provisions

Provisions are recognised when the Fund has a present, legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

3.6 Net asset value per unit

The net asset value (NAV) per unit disclosed in the statement of assets and liabilities is calculated by dividing the net assets of the Fund by the number of units in issue at the year end.

3.7 Issue and redemption of units

Units issued are recorded at the offer price determined by the Management Company for the applications received by the distribution company / Management Company during business hours on that day. The offer price represents the Net Asset Value (NAV) per unit as of the close of the business day, plus the allowable sales load and provision of any duties and charges if applicable. The sales load is payable to the Management Company / distributors.

Units redeemed are recorded at the redemption price applicable to units for which the distribution company / Management Company receives redemption application during business hours of that day. The redemption price is equal to NAV as of the close of the business day, less an amount as the management company may consider to be an appropriate provision of duties and charges.

3.8 Distribution to unit holders

Distribution to unit holders is recognised upon declaration and approval by the Investment Committee of the Management Company, under the powers delegated to them by the Board of Directors of the Management Company.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the period in which such distributions are declared and approved by the Investment Committee of the Management Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

3.9 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

To prevent the dilution of per unit income and distribution of income already paid out on redemption as dividend, an equalisation account called 'element of income / loss and capital gains / losses in prices of units issued less those in units redeemed' (the element) is created.

Upon sale and redemption of units, the amount representing net income / loss and capital gains / losses is accounted for in net asset value and included in the sale / redemption price is taken to the Income Statement.

The element is computed to the extent that it is represented by the increase / decrease in net income / loss and capital gains / losses earned / incurred during the year.

3.10 Revenue recognition

- Capital gains / (losses) arising on sale of investments are included in the income statement on the date at which the transaction takes place.
- Income from investments in government securities is recognised on an accrual basis using effective interest method at the rate of return implicit in the instrument.
- Unrealised gains / (losses) arising on re-measurement of investments classified as 'financial assets at fair value through profit or loss' are included in the income statement in the period in which they arise.
- Interest income on bank balances and term deposits is recognised on an accrual basis.
- Element of income / loss and capital gains / losses in prices of units issued less those in units redeemed is recognised when the units are issued and redeemed at the transaction date.

3.11 Taxation

Current

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 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders.

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.

Deferred

The Fund provides for deferred taxation using the balance sheet liability method on all major temporary differences between the amounts used for financial reporting purposes and the amounts used for taxation purposes. In addition, the Fund also records deferred tax asset on unutilised tax losses to the extent that it is probable that the related tax benefit will be realised. However, the Fund has not recognised any amount in respect of deferred tax in these financial statements as the Fund intends to continue availing the tax exemption in future years by distributing at least ninety percent of its accounting income for the year as reduced by capital gains, whether realised or unrealised, to its unit holders every year.

3.12 Earnings per unit

Earnings per unit (EPU) has not been disclosed as in the opinion of the management the determination of cumulative weighted average number of outstanding units for calculation EPU is not practicable.

3.13 Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 Rupees	2014 Rupees
4. BANK BALANCES AND TERM DEPOSITS			
Balances with banks in:			
- savings accounts	4.1	3,426,660,808	400,304,767
- term deposit account		-	1,600,000,000
Cheques in hand		25,000,000	-
		3,451,660,808	2,000,304,767

4.1 The rate of return on these accounts ranges between 5.00% and 7.10% (2014: 6.50% and 9.20%) per annum.

5. INVESTMENTS

At fair value through profit or loss - held for trading

Government securities - Market Treasury Bills	5.1	358,587,875	4,098,146,929
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5.1 Market Treasury Bills - held-for-trading

	Face value (Rupees)				Rupees		Percentage of	
	As at 1 July 2014	Purchased during the year	Sold / Matured during the year	As at 30 June 2015	Amortised cost	Market value	Total investments	Net assets
Treasury bills								
3 Months - T-bills	1,965,500,000	17,218,500,000	19,184,000,000	-	-	-	-	-
6 Months - T-bills	2,200,000,000	9,228,900,000	11,066,400,000	362,500,000	358,014,148	358,587,875	100.00	9.69
12 Months - T-bills	-	1,975,000,000	1,975,000,000	-	-	-	-	-
	4,165,500,000	28,422,400,000	32,225,400,000	362,500,000	358,014,148	358,587,875	100.00	9.69
Total as on								
30 June 2015	3,790,000,000	34,620,790,000	34,245,290,000	4,165,500,000	4,099,020,218	4,098,146,929	100.00	67.74

5.2 The cost of investments as on 30 June 2015 is Rs.348,213,750 (30 June 2014: Rs.4,037,077,530).

5.3 Market treasury bills carry purchase yields ranging between 8.12% and 8.38% (2014: 9.90% and 9.99%) per annum and will mature between 20 August 2015 and 3 September 2015 (2014: 10 July 2014 and 16 October 2014).

6. RECEIVABLE AGAINST ISSUE OF UNITS

This includes units issued to the unit holders of Atlas Sovereign Liquid Fund based on their requests for transfer of units received on or before 30 June 2015 in respect of which amounts were received subsequent to the year ended 30 June 2015.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 ----- Rupees -----	2014 ----- Rupees -----
7. PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY (Related party)			
Remuneration of the Management Company	7.1	2,700,533	4,161,521
Sindh Sales Tax payable on remuneration of the Management Company	7.2	3,079,582	2,069,472
Federal Excise Duty payable on remuneration of the Management Company	7.3	17,245,205	8,772,678
Formation cost payable		-	200,000
		23,025,320	15,203,671

7.1 In accordance with the provisions of the NBFC Regulations, the management company is entitled to receive a remuneration during the first five years of the Fund, at the rate not exceeding 3% of the average annual net assets of the Fund and thereafter at the rate of 2% of such assets. For the current year the management company has charged its remuneration at the rate of 0.85% (2014: 0.85%) per annum of the average net assets for the year. The fee is payable to the Management Company monthly in arrears.

7.2 During the year, an amount of Rs 9,213,873 (2014: Rs 9,834,339) 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 8,203,763 (2014: Rs 8,299,254) was paid to the Management Company which acts as a collecting agent.

7.3 The Finance Act, 2013 has enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from 13 June 2013. As the asset management services rendered by the Management Company of the Fund are already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund as explained in note 7.2 above, the Management Company is of the view that the further levy of FED is not justified.

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

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

	Note	2015 ----- Rupees -----	2014 ----- Rupees -----
8. PAYABLE TO THE CENTRAL DEPOSITORY COMPANY			
Trustee fee	8.1	301,844	428,838

8.1 The trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the trust deed as follows:

On net assets:

- upto Rs 1000 million 0.15% per annum of net assets
- Rs 1,000 to Rs 10,000 million Rs 1.50 million plus 0.075% per annum of net assets exceeding Rs 1,000 million
- exceeding Rs 10,000 million Rs 8.25 million plus 0.06% per annum of net assets exceeding Rs 10,000 million

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 Rupees	2014 Rupees
9. PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN			

Annual fee payable	9.1	4,672,347	4,675,297
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9.1 In accordance with the NBFC Regulations, the Fund is required to pay SECP an amount of 0.075% of the average annual net assets of the Fund as annual fee.

10. PAYABLE AGAINST REDEMPTION OF UNITS

This includes amount payable to National Bank of Pakistan amounting to Rs 175,522,711 on its request for redemption received on 30 June 2015.

	Note	2015 Rupees	2014 Rupees
11. ACCRUED EXPENSES AND OTHER LIABILITIES			

Auditors' remuneration payable		434,930	394,581
Printing charges payable		181,430	210,150
Payable to brokers		80,752	36,555
Withholding tax payable		5,307,979	-
Capital Gain Tax Payable		23,009,516	-
Provision for Workers' Welfare Fund	11.1	35,840,884	33,845,651
		64,855,491	34,486,937

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

During the year ended 30 June 2011, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) on 8 July 2010 which stated that mutual funds are not liable to contribute to WWF on the basis of their income. However, on 14 December 2010 the Ministry filed its response against the Constitutional Petition requesting the Court to dismiss the same. Show cause notices were then issued by Federal Board of Revenue (FBR) to several Mutual Funds (CISs) / Pension Funds for the collection of WWF including some of the mutual funds and pension funds managed by the AMC. In respect of such show cause notices, certain Mutual Funds (CISs) / Pension Funds have been granted stay by Honourable SHC on the basis of the pending Constitutional Petition as referred above. In Financial Year 2014-15, during the course of income tax proceedings of the Fund for Tax Year 2012 as stated in note 14, the taxation officer levied a demand of Rs 16.31 million in respect of WWF. The Fund filed a petition in the Honourable SHC against the alleged levy of WWF, which has granted a stay against recovery proceedings.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

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

In a judgement of May 2015, the Honourable Peshawar High Court (PHC) has also held these amendments to be ultra vires as they lacked the essential mandate to be introduced and passed through the Money Bill under the constitution. For the CISs and Pension Funds, the issue of chargeability or otherwise of WWF levy to the CISs / Pension Funds is currently pending before the Honourable SHC.

In view of the pending decision of the SHC, the Management Company of the Fund, as a matter of abundant caution, has decided to continue to maintain the provision for WWF amounting to Rs 35,840,884 (2014: Rs 33,845,651) in these financial statements. Had the same not been made the net asset value per unit of the Fund would have been higher by Rs.4.88 (2014: Rs.2.81) per unit.

The Finance Act, 2015 has excluded Mutual Funds and Collective Investment Schemes from the definition of 'industrial establishment' subject to WWF under WWF Ordinance, 1971. However, provision made till 30 June 2015 has not been reversed as the above lawsuit is pending in the SHC.

12. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 30 June 2015.

	Note	2015 ----- Rupees -----	2014 -----
13. AUDITORS' REMUNERATION			
Annual audit fee		315,000	300,000
Half yearly review of condensed interim financial information		157,500	150,000
Certification charges		30,000	-
Review of Statement of Compliance with Code of Corporate Governance		40,000	40,000
Sindh Sales tax on Services		27,125	19,600
Professional charges for tax services		849,079	-
Out of pocket expenses		44,999	49,846
		1,463,703	559,446

14. TAXATION

14.1 The income of the Fund is exempt from income tax as per clause 99 of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders. The management has already distributed more than 90 percent of the Fund's net accounting income earned by the year end as cash dividend to the unit holders. Accordingly, no provision in respect of taxation has been made in these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

14. TAXATION

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

This industry issue was examined by legal experts and tax advisors and there is unanimity of view that under the present regulations, including the provisions of Clause 99, tax department's contentions are primarily erroneous and not tenable under the law. This view is further supported by the fact that subsequently, through the Finance Act, 2015, an amendment has been made in Clause 99, whereby issuance of bonus units shall not be considered towards distribution of 90% of income, and only cash dividend shall be taken into consideration for computation of 90% distribution to claim exemption. Introduction of this amendment, applicable on distribution to be made from 1 July 2015, essentially strengthens the stand of the mutual fund industry as it establishes the principle that previously, issuance of bonus units was valid for the purpose of claiming exemption in case of 90% distribution. Appropriate appellate and executive remedies were adopted to resolve the matter.

During the year ended 30 June 2015, the Commissioner Inland Revenue - Appeals (CIR - Appeals) decided the matter in favour of the Fund and annulled the assessment orders. The tax assessing officer has filed an appeal in the Appellate Tribunal Inland Revenue against the order of the CIR - Appeals, the hearing of which is pending.

15. TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

- 15.1** Connected persons include Atlas Asset Management Limited being the Management Company, Central Depository Company Limited being the Trustee, other collective investment schemes managed by the Management Company, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the Fund and directors and key management personnel of the Management Company.
- 15.2** Transactions with connected persons essentially comprise sale and repurchase of units, fee on account of managing the affairs of the Fund, other charges and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.
- 15.3** Remuneration to the Management Company and the Trustee of the Fund is determined in accordance with the provisions of the NBFC regulations and the Trust Deed.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

15.4 The details of transactions carried out by the Fund with connected persons and balances with them at the year end are as follows:

	2015	2014
	Rupees	
Atlas Asset Management Limited (Management Company)		
Remuneration of the Management Company	52,953,293	52,986,739
Remuneration paid	54,414,281	51,870,335
Sindh Sales Tax on remuneration of the Management Company	9,213,873	9,834,339
Federal Excise Duty on remuneration of the Management Company	8,472,527	8,477,878
Issue of 30,398 (2014: 56,538) units	15,600,000	28,500,000
Redemption of 83,137 (2014: 11,871) units	43,268,560	6,000,000
Bonus of nil (2014: 2,066) units	-	1,038,140
Outstanding nil (2014: 52,739) units	-	26,503,693
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration of the Trustee	5,423,035	5,425,302
Remuneration paid	5,550,029	5,286,493
Atlas Battery Limited (Group Company)		
Redemption of 362,394 (2014: 158,526) units	185,458,267	80,000,000
Bonus of nil (2014: 33,172) units	-	16,668,062
Outstanding nil (2014: 362,394) units	-	182,117,364
Atlas Foundation (Group Company)		
Issue of nil (2014: 36,076) units	-	18,200,000
Redemption of 44,135 (2014: 16,103) units	23,747,437	8,100,000
Bonus of nil (2014: 2,127) units	-	1,068,452
Outstanding nil (2014: 44,135) units	-	22,179,682
Atlas Fund of Funds (Fund under common management)		
Issue of 2,943 (2014: 23,853) units	1,500,000	12,000,000
Redemption of 27,322 (2014: Nil) units	14,824,634	-
Bonus of nil (2014: 526) units	-	264,292
Outstanding nil (2014: 24,379) units	-	12,251,319
Atlas Hitec (Private) Limited (Group Company)		
Issue of nil (2014: 533,679) units	-	268,000,000
Redemption of 197,514 (2014: 354,652) units	100,226,699	178,882,965
Bonus of nil (2014: 18,488) units	-	9,292,659
Outstanding nil (2014: 197,514) units	-	99,258,744
Atlas Honda Limited (Group Company)		
Issue of 1,984,888 (2014: 6,634,389) units	999,768,406	3,334,604,607
Redemption of 2,753,227 (2014: 4,798,424) units	1,483,018,088	2,419,510,979
Bonus of nil (2014: 216,956) units	-	109,053,762
Outstanding 1,984,888 (2014: 2,753,227) units	999,768,406	1,383,606,727

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

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

	2015	2014
	----- Rupees -----	
Atlas Insurance Limited (Group Company)		
Issue of 282,828 (2014: 543,093) units	147,672,254	273,500,000
Redemption of 329,860 (2014: 465,762) units	177,040,007	235,000,000
Bonus of nil (2014: 15,109) units	-	7,594,303
Outstanding 45,409 (2014: 92,441) units	22,872,254	46,455,096
Atlas Metals (Private) Limited (Group Company)		
Issue of nil (2014: 29,739) units	-	15,000,000
Redemption of nil (2014: 30,546) units	-	15,395,918
Bonus of nil (2014: 807) units	-	405,535
Atlas Honda Limited Employees Provident Fund (Retirement benefit plan of a Group Company)		
Issue of nil (2014: 49,689) units	-	25,000,000
Redemption of 28,215 (2014: nil) units	15,000,000	-
Bonus of nil (2014: 9,529) units	-	4,788,223
Outstanding 120,506 (2014: 148,721) units	60,697,799	74,738,174
Cash dividend (2014: Rs Nil)	5,061,263	-
Dividend payable (2014: Rs Nil)	5,061,263	-
Atlas Honda Limited Non Management Staff Gratuity Fund (Retirement benefit plan of a Group Company)		
Issue of nil (2014: 8,313) units	-	4,200,000
Redemption of nil (2014: 841) units	-	422,541
Bonus of nil (2014: 841) units	-	422,541
Outstanding 11,817 (2014: 11,187) units	5,634,798	5,621,933
Cash dividend (2014: Rs Nil)	469,856	-
Dividend payable (2014: Rs Nil)	469,856	-
Batool Benefit Trust (Trust having common Director / Trustee)		
Issue of 9,507 (2014: nil) units	5,000,000	-
Redemption of 9,507 (2014: 81) units	5,083,137	40,716
Bonus of nil (2014: 1,256) units	-	631,989
Cherat Cement Company Limited (Company having common Director)		
Issue of nil (2014: 297,352) units	-	150,000,000
Redemption of 302,515 (2014: nil) units	155,542,797	-
Bonus of nil (2014: 5,163) units	-	2,592,476
Outstanding nil (2014: 302,515) units	-	152,025,982
Iftikhar Shirazi Family Trust (Trust having common Director / Trustee)		
Redemption of 45,332 (2014: nil) units	24,627,661	-
Issue of nil (2014: 3,458) bonus units	-	1,737,416
Outstanding nil (2014: 45,332) units	-	22,781,278

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

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

	Note	2015 ----- Rupees -----	2014
Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)			
Issue of 20,445 (2014: 9,359) units		10,338,086	4,715,000
Redemption of 15,980 (2014: 34,000) units		8,370,000	17,161,160
Bonus of nil (2014: 937) units		-	470,864
Outstanding 4,465 (2014: nil) units		2,248,869	-
Cash dividend (2014: Rs Nil)		173,086	-
Atlas Power Limited Staff Provident Fund (Retirement benefit plan of a Group Company)			
Redemption of nil (2014: 1,081) units		-	545,000
Bonus of nil (2014: 153) units		-	77,058
Outstanding 1,035 (2014: 1,035) units		521,116	519,926
Cash dividend (2014: Rs Nil)		43,453	-
Dividend payable (2014: Rs Nil)		43,453	-
Shirazi Trading Company (Private) Limited (Group Company)			
Issue of nil (2014: 291,713) units		-	147,000,000
Redemption of nil (2014: 291,878) units		-	147,314,282
Issue of nil (2014: 165) bonus units		-	82,997
Shirazi Trading Company (Private) Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)			
Redemption of nil (2014: 13,289) units		-	6,700,000
Bonus of nil (2014: 2,062) units		-	1,036,256
Outstanding 18,662 (2014: 18,662) units		9,399,903	9,378,442
Cash dividend (2014: Rs Nil)		783,807	-
Dividend payable (2014: Rs nil)		783,807	-
Shirazi Investments (Private) Limited (Group Company)			
Issue of 678,813 (2014: nil) units		347,000,000	-
Redemption of 678,813 (2014: nil) units		352,681,437	-
Jubilee General Insurance Company Limited (Unit Holder with more than 10% holding)			
	15.5		
Issue of 893,141 units		450,000,000	-
Redemption of 799,907 units		435,221,548	-
Outstanding 794,139 units		400,000,000	-
Colgate-Palmolive (Pakistan) Limited (Unit Holder with more than 10% holding)			
	15.5		
Issue of 2,639,243 units		1,350,000,000	-
Redemption of 1,448,817 units		779,765,394	-
Outstanding 1,389,744 units		700,000,000	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

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

	Note	2015 ----- Rupees -----	2014 ----- Rupees -----
Mr. Amin Mohammad Lakhani (Unit Holder with more than 10% holding)	15.5		
Issue of 81,776 units		45,752,425	-
Outstanding 1,171,109 units		589,875,939	-
Cash dividend (2014: Rs Nil)		45,752,425	-
Pakistan Petroleum Limited (Unit Holder with more than 10% holding)	15.6		
(2014: Issue of 476,122 units)		-	240,000,000
(2014: Bonus of 85,286 units)		-	42,853,700
(2014: Outstanding 1,274,397 units)		-	640,435,670
Key Management Personnel of the Management Company	15.8		
Issue of 27,200 (2014: 39,697) units		16,706,795	19,984,688
Redemption of 60,979 (2014: 46,807) units		31,540,278	23,589,588
Bonus of nil (2014: 7,884) units		-	3,961,770
Outstanding 63,697 (2014: 97,475) units		32,083,486	48,985,257
Cash dividend (2014: Rs Nil)		2,488,485	-

15.5 Holding being less than 10% in FY 2013-14, disclosure is not applicable.

15.6 Holding being less than 10% in FY 2014-15, disclosure is not applicable.

15.7 Other balances due from / to related parties / connected persons are included in the respective notes to the financial statements.

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

16. FINANCIAL INSTRUMENTS BY CATEGORY

	As at 30 June 2015			
	Loans and receivables	At fair value through profit or loss	Available for sale	Total
	----- Rupees -----			
Assets				
Bank balances and term deposits	3,451,660,808	-	-	3,451,660,808
Investments	-	358,587,875	-	358,587,875
Profit receivable on bank deposits	5,804,368	-	-	5,804,368
Receivable against issue of units	182,965,575	-	-	182,965,575
	3,640,430,751	358,587,875	-	3,999,018,626

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

16. FINANCIAL INSTRUMENTS BY CATEGORY (Continued...)

As at 30 June 2015			
Liabilities	Liabilities at fair value through profit or loss	At amortised cost	Total
	Rupees		
Payable to Atlas Asset Management Limited - Management Company	-	23,025,320	23,025,320
Payable to the Central Depository Company of Pakistan Limited - Trustee	-	301,844	301,844
Payable against redemption of units	-	175,532,256	175,532,256
Dividend payable	-	30,977,172	30,977,172
Accrued expenses and other liabilities	-	697,112	697,112
	-	230,533,704	230,533,704

	As at 30 June 2014			
	Loans and receivables	At fair value through profit or loss	Available for sale	Total
Assets	Rupees			
Bank balances and term deposits	2,000,304,767	-	-	2,000,304,767
Investments	-	4,098,146,929	-	4,098,146,929
Profit receivable on bank deposits	5,943,939	-	-	5,943,939
	2,006,248,706	4,098,146,929	-	6,104,395,635

As at 30 June 2014			
Liabilities	Liabilities at fair value through profit or loss	At amortised cost	Total
	Rupees		
Payable to Atlas Asset Management Limited - Management Company	-	15,203,671	15,203,671
Payable to the Central Depository Company of Pakistan Limited - Trustee	-	428,838	428,838
Payable against redemption of units	-	3,509	3,509
Accrued expenses and other liabilities	-	641,286	641,286
	-	16,277,304	16,277,304

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

17. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

17.1 The Fund's objective in managing risk is the creation and protection of unit holders' value. Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily set up to be performed based on limits established by the management company, Fund's constitutive documents and the regulations and directives of the SECP. These limits reflect the business strategy and market environment of the Fund as well as the level of the risk that Fund is willing to accept. The Board of Directors of the Management Company supervises the overall risk management approach within the Fund. The Fund is exposed to market risk, credit risk and liquidity risk arising from the financial instruments it holds.

17.2 Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in the market interest rates. As of 30 June 2015, the Fund is exposed to such risk in respect of bank balances and treasury bills. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within acceptable limits.

a) Sensitivity analysis for variable rate instruments

Presently, the Fund holds balances with banks which expose the Fund to cash flow interest rate risk. In case of 100 basis points increase in market interest rates as at 30 June 2015, with all other variables held constant, the net income for the year and net assets would have been higher by Rs 34,261,566 (2014: Rs 20,003,048). In case of 100 basis points decrease in market interest rates as at 30 June 2015, with all other variables held constant, the net income for the year and net assets would have been lower by Rs 34,261,566 (2014: Rs.20,003,048).

b) Sensitivity analysis for fixed rate instruments

Presently, the Fund holds treasury bills which exposes the Fund to fair value interest rate risk. In case of 100 basis points increase in market interest rates as at 30 June 2015, with all other variables held constant, the net income for the year and net assets would have been lower by Rs 555,284 (2014: Rs.6,619,384). In case of 100 basis points decrease in market interest rates as at 30 June 2015 with all other variables held constant, the net income for the year and net assets would have been higher by Rs 556,939 (2014: Rs.6,649,306).

The composition of the fund's investment portfolio and interest rates are expected to change over time. Accordingly, the sensitivity analysis prepared as of 30 June 2015 is not necessarily indicative of the impact on the Fund's net assets of the future movements in interest rates.

Yield / interest rate sensitivity position for on balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off balance sheet instruments is based on settlement date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

The Fund's interest rate sensitivity related to financial assets and financial liabilities as at 30 June 2014 can be determined as follows:

----- As at 30 June 2015 -----					
Effective yield/interest rate	Exposed to yield / profit rate risk			Not exposed to yield/ interest rate risk	Total
	Upto three months	More than three months and upto one year	More than one year		
Percentage	----- Rupees -----				
Financial assets					
Bank balances and term deposits	5% - 7.10%	3,451,660,808	-	-	3,451,660,808
Investments	8.12% - 8.38%	358,587,875	-	-	358,587,875
Profit receivable on bank deposits		-	-	5,804,368	5,804,368
Receivable against sale of units		-	-	182,965,575	182,965,575
		3,810,248,683	-	188,769,943	3,999,018,626
Financial liabilities					
Payable to Atlas Asset Management Limited - Management Company		-	-	23,025,320	23,025,320
Payable to the Central Depository Company of Pakistan Limited - Trustee		-	-	301,844	301,844
Payable against redemption of units		-	-	175,532,256	175,532,256
Dividend payable		-	-	30,977,172	30,977,172
Accrued expenses and other liabilities		-	-	697,112	697,112
		-	-	230,533,704	230,533,704
Total interest rate sensitivity gap		3,810,248,683	-	(41,763,761)	3,768,484,922

----- As at 30 June 2014 -----					
Effective yield/interest rate	Exposed to yield / profit rate risk			Not exposed to yield/ interest rate risk	Total
	Upto three months	More than three months and upto one year	More than one year		
Percentage	Rupees				
Financial assets					
Bank balances and term deposits	6.50% - 9.20%	2,000,304,767	-	-	2,000,304,767
Investments	9.90% - 9.99%	2,590,687,079	1,507,459,850	-	4,098,146,929
Profit receivable on bank deposits		-	-	5,943,939	5,943,939
		4,590,991,846	1,507,459,850	5,943,939	6,104,395,635
Financial liabilities					
Payable to Atlas Asset Management Limited - Management Company		-	-	15,203,671	15,203,671
Payable to the Central Depository Company of Pakistan Limited - Trustee		-	-	428,838	428,838
Payable against redemption of units		-	-	3,509	3,509
Accrued expenses and other liabilities		-	-	641,286	641,286
		-	-	16,277,304	16,277,304
Total interest rate sensitivity gap		4,590,991,846	1,507,459,850	(10,333,365)	6,088,118,331

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instruments will fluctuate because of changes in foreign exchange rates. The Fund does not have any financial instruments in foreign currencies and hence is not exposed to such risk.

(iii) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Fund does not have any instrument as at 30 June 2015 which expose it to price risk.

17.3 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to redemptions of its redeemable units on a regular basis. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is therefore to invest the majority of its assets in short-term instruments in order to maintain liquidity.

The Fund can borrow in the short-term to ensure settlement. The maximum amount available to the Fund from the borrowing would be limited to fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund. The facility would bear interest at commercial rates. However, no borrowing was obtained by the Fund during the current year.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the year.

The table below summaries the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity date. However, the assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

2015

Financial assets

	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Total
Bank balances and term deposits	3,451,660,808	-	-	-	3,451,660,808
Investments	-	358,587,875	-	-	358,587,875
Profit receivable on bank deposits	5,804,368	-	-	-	5,804,368
Receivable against sale of units	182,965,575	-	-	-	182,965,575
	3,640,430,751	358,587,875	-	-	3,999,018,626

Financial liabilities

Payable to Atlas Asset Management Limited - Management Company	23,025,320	-	-	-	23,025,320
Payable to the Central Depository Company of Pakistan Limited - Trustee	301,844	-	-	-	301,844
Payable against redemption of units	175,532,256	-	-	-	175,532,256
Dividend payable	30,977,172	-	-	-	30,977,172
Accrued expenses and other liabilities	80,752	616,360	-	-	697,112
	229,917,344	616,360	-	-	230,533,704

Net assets / (liabilities)

	3,410,513,407	357,971,515	-	-	3,768,484,922
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2014

Financial assets

Bank balances and Term Deposits	2,000,304,767	-	-	-	2,000,304,767
Investments	798,136,800	1,792,550,279	1,507,459,850	-	4,098,146,929
Interest accrued	5,943,939	-	-	-	5,943,939
	2,804,385,506	1,792,550,279	1,507,459,850	-	6,104,395,635

Financial liabilities

Payable to Atlas Asset Management Limited - Management Company	15,003,671	200,000	-	-	15,203,671
Payable to Central Depository Company of Pakistan Limited - Trustee	428,838	-	-	-	428,838
Payable against redemption of units	3,509	-	-	-	3,509
Accrued expenses and other liabilities	36,555	604,731	-	-	641,286
	15,472,573	804,731	-	-	16,277,304

Net assets / (liabilities)

	2,788,912,933	1,791,745,548	1,507,459,850	-	6,088,118,331
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17.4 Credit risk

Credit risk arises from the inability of the issuers of the instruments or the counter party to fulfil their obligations. The Fund is exposed to credit risk with respect to its bank balances, interest accrued and receivable against sale of units. The Fund's policy is to enter into financial contracts in accordance with the interest risk management policies and investment guidelines approved by the Investment Committee. As of 30 June 2015, 9.69% (2014: 67.74%) of Fund's net assets are invested in government securities. The Fund's maximum exposure to credit risk (excluding government securities) as of 30 June 2015 amounts to Rs.3,640,430,751 (2014: Rs.2,006,248,706).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

17.4.1 Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings or to historical information about counterparty default rates. Banks with which the Fund has maintained balances are rated AA / AA+. The credit risk associated with government securities is limited as these are guaranteed by the Federal Government.

17.5 Fair value of financial instruments

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.

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.

17.6 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 June 2015, the Fund has investments 'at fair value through profit or loss' measured using level 2 valuation technique.

18. UNIT HOLDERS FUND RISK MANAGEMENT

The unit holders' fund is represented by redeemable units. They are entitled to distributions and to payment of a proportionate share based on the Fund's net asset value per unit on the redemption date. The relevant movements are shown on the 'Statement of Movement in Unit Holders' Fund'.

The Fund has no restrictions on the subscription and redemption of units. As required under NBFC Regulations, every open end scheme shall maintain fund size (i.e. net assets of the Fund) of Rs 100 million at all times during the life of scheme. The Fund has maintained and complied with the requirement of minimum fund size during the current year.

The Fund's objectives when managing unit holders' funds are to safeguard its ability to continue as a going concern so that it can continue to provide returns to the unit holders and to maintain a strong base of assets to meet unexpected losses or opportunities.

In accordance with the risk management policies as stated in note 17, the Fund endeavours to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemption requests, such liquidity being augmented by short-term borrowings or disposal of investments where necessary.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

19. UNIT HOLDING PATTERN OF THE FUND

Category	2015			2014		
	Number of unit holders	Rupees	% of total	Number of unit holders	Rupees	% of total
Individuals	118	693,924,306	18.76%	157	768,039,177	12.70%
Associated Companies/ Directors	6	1,054,725,084	28.51%	13	1,828,074,943	30.21%
Insurance Companies	4	572,342,892	15.47%	6	588,559,981	9.73%
Banks/ DFIs	-	-	-	2	758,859,055	12.54%
Retirement Funds	11	175,527,216	4.74%	16	227,840,660	3.77%
Others	10	1,203,134,698	32.52%	18	1,878,232,567	31.05%
	149	3,699,654,196	100.00%	212	6,049,597,383	100.00%

20. LIST OF TOP BROKERS BY PERCENTAGE OF THE COMMISSION PAID

2015		2014	
Name of broker	Percentage of commission paid	Name of broker	Percentage of commission paid
Global Securities Pakistan Limited	35.19%	JS Global Capital Limited	42.33%
Invest Capital Markets Limited	29.63%	Invest Capital Market Limited	20.20%
Invest and Finance Securities Limited	14.68%	Global Securities Pakistan Limited	13.27%
JS Global Capital Limited	11.00%	KASB Securities Limited	12.64%
Arif Habib Limited	8.79%	BMA Capital Management Limited	11.29%
KASB Securities Limited	0.71%	Invest & Finance Securities Limited	0.27%

21. THE MEMBERS OF THE INVESTMENT COMMITTEE

Following are the members of the Investment Committee of the Fund:

Name	Designation	Qualification	Overall experience
Mr. M. Habib-ur-Rahman	Chief Executive Officer	FCA	47 Years
Mr. Ali H. Shirazi	Director	Masters in Law	11.5 Years
Mr. M. Abdul Samad	Chief Operating Officer	MBA M.Com	15 Years
Mr. Khalid Mehmood	Chief Investment Officer	MBA - Finance	11 Years
Mr. Muhammad Umar Khan	Fund Manager - Commodities	MSc - Finance	7 Years
Mr. Fawad Javaid	Fund Manager - Fixed Income	CMA	7 Years
Mr. Faran-ul-Haq	Fund Manager - Equity Markets	B. A, CFA	4 Years

22. NAME AND QUALIFICATION OF FUND MANAGER

Name	Designation	Qualification	Other Funds managed by the Fund Manager
Mr. Fawad Javaid	Fund Manager - Fixed Income	CMA	Atlas Income Fund Atlas Sovereign Liquid Fund

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

23. MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

The details of dates of Board meetings of the management company of the Fund, and the attendance of the Board members are given below:

Name of Directors	Meeting held on							
	07 Jul. 2014	23 Jul. 2014	28 Aug. 2014	30 Oct. 2014	31 Dec. 2014	26 Feb. 2015	27 Apr. 2015	23 Jun. 2015
Mr. Yusuf H. Shirazi	P	P	P	P	P	P	P	P
Mr. Azam Faruque	P	P	P	P	P	P	P	P
Mr. Shamshad Nabi	P	P*	P	P	P*	L	P*	P
Mr. Fahim Ali Khan	P	P	P	P	P	L	P	P
Mr. Ali H. Shirazi	P	P	P	P	P	P	P	P
Mr. Arshad P. Rana	P	P*	P	P	P*	P	P	L
Mr. M. Habib-ur-Rahman	P	P	P	P	P	P	P	P
Ms. Lilly R. Dossabhoy (CFO & Co. Secretary)	P	P	P	P	L	P	P	P

* Attended through teleconference call.

P Present

L Leave of absence

24. RATING OF THE FUND AND THE MANAGEMENT COMPANY

The Pakistan Credit Rating Agency Limited (PACRA) has maintained the asset manager rating of the Management Company at AM2- (AM Two Minus).

PACRA has assigned a stability rating of "AA(f)" (Double A: Fund Rating) to the Fund on 25 March, 2015.

25. CORRESPONDING FIGURES

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

26. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on 31 August 2015.

27. GENERAL

Figures have been rounded off to the nearest Rupee unless otherwise stated.

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

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Azam Faruque
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

A. F. Ferguson & Co.
Chartered Accountants

Legal Advisers

Mohsin Tayebaly & Co.

Bankers

Bank Alfalah Limited
Faysal Bank Limited

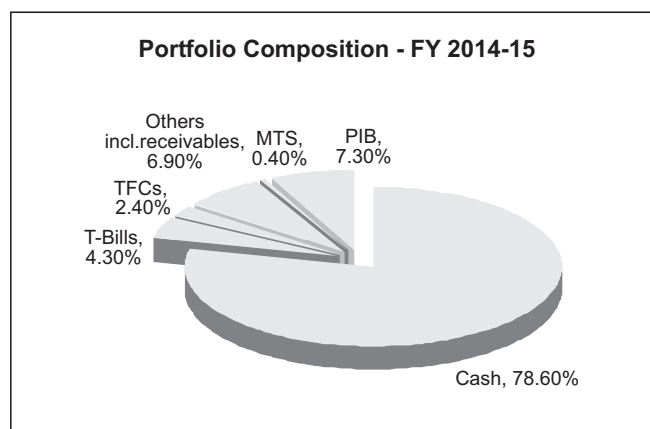
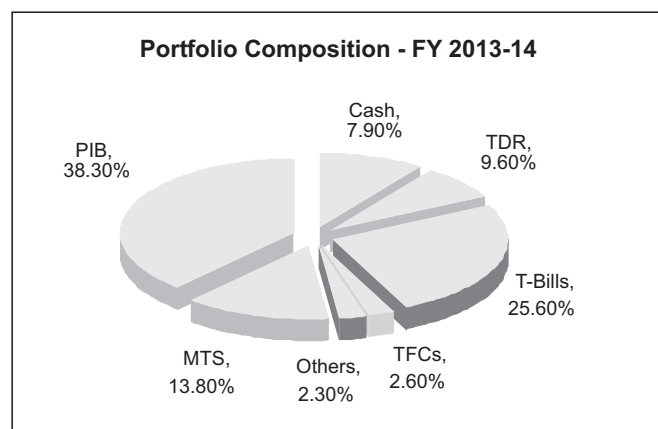
Fund Manager's Report

Atlas Income Fund is an Open-ended Income Fund. The objective of the fund is to achieve a good rate of current income along with capital preservation and to provide investors with liquidity and the facility to join or leave the fund at their convenience. The Fund primarily invests in a diversified portfolio of long, medium and short term fixed income instruments. The Fund's strategy is based on the conviction that economic environment drives long term performance, and that active management of credit risk can produce consistently superior results. Fundamental and market analysis are used to identify overall portfolio, bond market sectors, yield curve and credit positioning to provide high and sustainable rates of return. The fund employs strategies such as overall portfolio duration and yield curve positioning to deal with market and reinvestment risks.

Atlas Income Fund performance benchmark is average Six Months KIBOR (offer) rate.

The Consumer Price Index (CPI) on average was recorded at 4.53% during FY 2014-15, as compared to 8.62% for the FY 2013-14. The YoY decrease in inflation can be attributed to prudent expenditure management in containing the budget deficit, appropriate fiscal and monetary policies, decline in global prices of imported items (especially Crude Oil) that significantly impacted domestic price level.

In November 2014, SBP reversed its stance from tight to accommodative due to improved economic environment and stable outlook. It reduced the policy rate by 50 bps to 9.5 percent in the second quarter of current fiscal year, further cut in policy rate by 100bps to 8.5 percent in January, 2015 and then by 50 bps to 8.0 percent in March 2015. Policy rate has been reduced further by 100 bps to 7.0 percent w.e.f 25th May, 2015 which is the lowest rate in last 42 years reflecting improved macroeconomic conditions towards the end of fiscal year 2014-15. In this way, SBP has reduced the policy rate by a cumulative 300 basis points since the start of current fiscal year.



Net Asset Value per unit of AIF increased by 12.19% to Rs.510.24 as on 30 June 2015, which includes total payout of Rs. 55 per unit. The benchmark average six months KIBOR rate stood at 8.97% during the period under review. During the year the monthly average exposure of PIBs in AIF stood at 48.2%. AIF's current asset allocation is 4.3% in Treasury bills, 0.4% in MTS, 2.4% in TFC/ Sukuk, 7.3% in Pakistan Investment Bond, 78.6% in cash/deposits and 6.9% in others. The Net Assets of the Fund stood at Rs 5.58 billion with 10.93 million units outstanding as of 30 June 2015.

Committee of the Board of Directors of Atlas Asset Management Limited, the Management Company of Atlas Income Fund, under the authority delegated by the Board of Directors of Atlas Asset Management Limited has approved an interim cash dividend of Rs.55.00 per unit (11.00% on the face value of Rs 500 per unit).

The non-performing assets and provisions, are as detailed below:

(Rupees '000)

Non-compliant Investments	Value of Investment before Provision	Provision Held	Value of Investment After Provision	% of Net Assets	Suspended Markup (fully provided)
Agritech Limited-Sukuk	15,225	15,225	-	-	9,965
Agritech Limited-II	29,976	29,976	-	-	19,796
Agritech Limited-PPTFC	7,494	7,494	-	-	5,107
Agritech Limited-IV	11,015	11,015	-	-	-
Azgard Nine Limited	7,872	7,872	-	-	3,984
Azgard Nine Limited – V	5,375	5,375	-	-	-
Bunny's Limited	1,590	1,590	-	-	697
Telecard Limited	4,669	4,669	-	-	2,749
Agritech Limited-Equity Share	-	-	2,329	0.04%	-
Total	83,216	83,216	2,329	0.04%	42,299

The Administrative Plans:

The Management Company is offering investment plans that allow investors focused combination investment strategic in Atlas Income fund (AIF) and Atlas Stock Market Fund (ASMF). The investment plans were offered from September 2008, and the returns since then are as under:

Administrative Plans	Proportionate investment in		Return (period ended)			
	AIF	ASMF	2011-12	2012-13	2013-14	2014-15
Income Multiplier	85%	15%	8.60%	15.80%	11.70%	13.30%
Balanced	50%	50%	14.50%	30.40%	19.30%	16.00%
Growth	15%	85%	20.40%	44.90%	26.80%	18.60%

Breakdown of Unit holding by size:

Type of investor	No. of Investors	Amount of Investment (Rs.)	% of Total
Individuals	248	364,633,290	6.54%
Associated Companies/ Directors	14	4,904,737,542	87.96%
Insurance Companies	1	29,621,953	0.53%
Retirement Funds	22	250,845,035	4.50%
Public Limited Companies	1	1,660,070	0.03%
NBFCs	1	9,215	0.00%
Others	8	24,725,334	0.44%
Total	295	5,576,232,439	100.00%

The Scheme has maintained provisions against WWF contingent liability of Rs.18,852,977. If the same were not made the NAV per unit/return of the Scheme would be higher by Rs.1.73/0.34%. For details please read Note 13.1 of the latest Financial Statements of the Scheme.

The Finance Act, 2013 has enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from 13 June 2013. As the asset management services rendered by the Management Company of the Fund are already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund, the management company is of the view that further levy of FED is not justified, and has filed a constitutional petition in the Honourable Sindh High Court, the hearing of which is pending. In the meantime, as a matter of abundant caution. The Scheme is providing for FED liability which amounted to Rs.16,265,508 (Rs.1.49 per unit) as on 30 June 2015.

The NAV before distribution stood at Rs.564.98 per unit and after adjustment for interim dividend stood at Rs.509.98 per unit.

During the year under review, the Investment Committee held forty eight meetings to review investment of the Fund and the Risk Committee held twenty three meetings to review risk management.

Karachi: 31 August 2015

Fawad Javaid
Fund Manager

Performance Since Inception

	2015	2014	2013	2012	2011	2010*
Net assets (Rs. in "000 ")	5,576,232	3,896,867	1,939,998	931,487	786,935	1,282,287
Number of units in issue	10,928,688	7,734,075	3,851,364	1,855,552	1,530,383	2,509,323
Net asset value per unit (Rs.)	510.24	503.86	503.72	502.00	514.21	511.01
Net income (Rs. in "000 ")	168,149	184,945	139,186	53,314	63,171	161,118
Earnings per unit (Rs.)	15.39	23.91	36.14	28.73	41.28	64.21
Annual Return of the Fund (%)	10.19	8.45	9.58	6.06	7.24	9.98
Offer price **	510.24	503.86	508.56	507.02	519.35	516.04
Redemption price **	510.24	503.86	503.52	502.00	514.21	510.93
Highest offer price (Rs.)	565.53	518.68	523.74	535.51	524.74	525.88
Lowest offer price (Rs.)	504.10	502.10	507.30	483.57	500.55	507.89
Highest repurchase price per unit (Rs.)	565.53	518.11	518.55	530.21	519.54	520.67
Lowest repurchase price per unit (Rs.)	504.10	502.10	502.28	478.78	495.59	501.32
Weighted average portfolio (No. of days)	98.20	329.65	59.05	87.24	67.57	70.58

	2009	2008	2007	2006	2005	2004*
Net assets (Rs. in "000 ")	1,748,265	4,150,406	3,853,940	2,675,604	1,153,856	371,324
Number of units in issue	3,403,895	7,930,536	6,988,480	4,796,790	2,101,528	742,343
Net asset value per unit (Rs.)	513.61	523.34	551.47	557.79	549.06	500.21
Net income (Rs. in "000 ")	154,107	433,326	357,866	276,820	103,093	13,941
Earnings per unit (Rs.)	45.27	54.64	51.21	57.71	49.06	18.78
Annual Return of the Fund (%)	6.91	9.44	10.23	11.46	9.79	6.17
Offer price **	518.75	533.81	557.60	566.65	554.55	505.21
Redemption price **	513.61	523.34	546.67	555.54	549.06	500.21
Highest offer price (Rs.)	528.18	547.01	557.60	566.79	556.84	529.24
Lowest offer price (Rs.)	474.68	513.92	513.33	511.77	510.90	520.91
Highest repurchase price per unit (Rs.)	517.82	536.28	546.67	555.54	545.92	518.86
Lowest repurchase price per unit (Rs.)	466.39	503.84	503.26	500.45	500.88	510.70
Weighted average portfolio (No. of days)	58.63	76.47	26.19	47.17	21.47	33.70

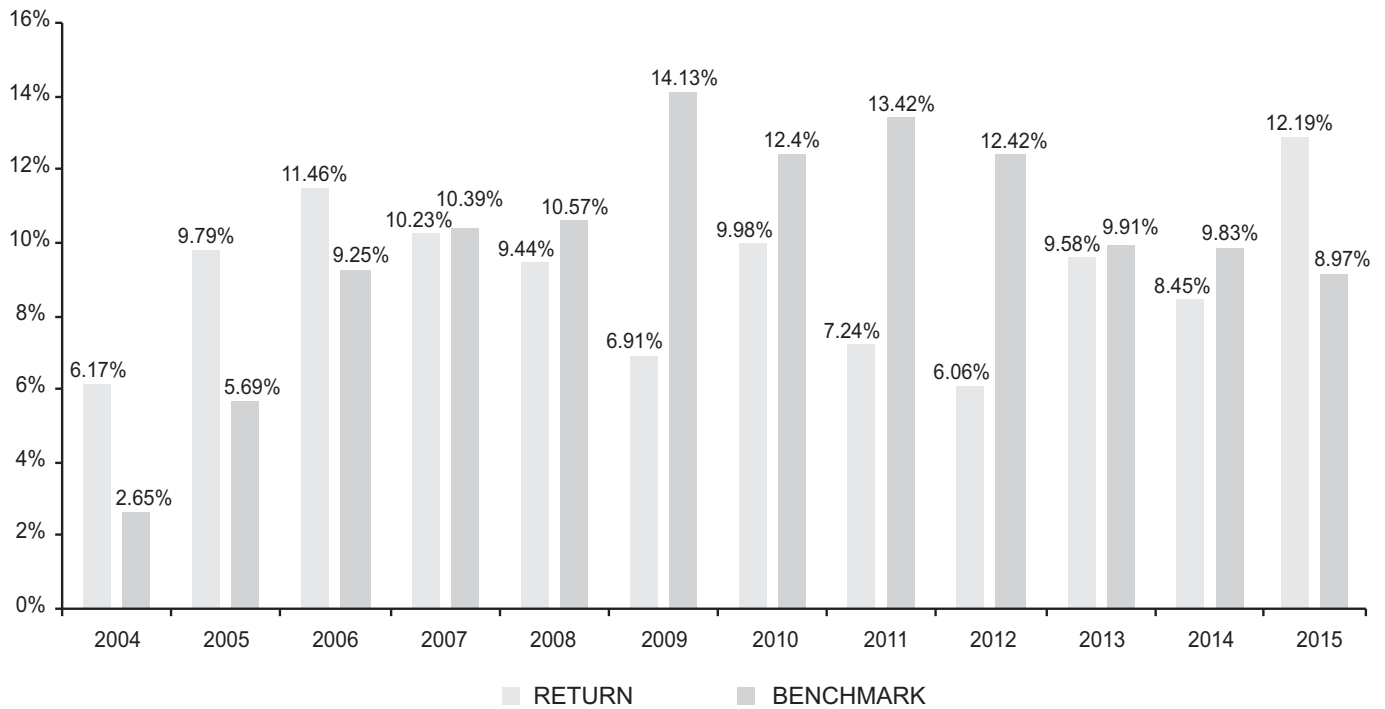
Date of Launch: 22 March 2004.

* For the period from 15 September 2003 to 30 June 2004.

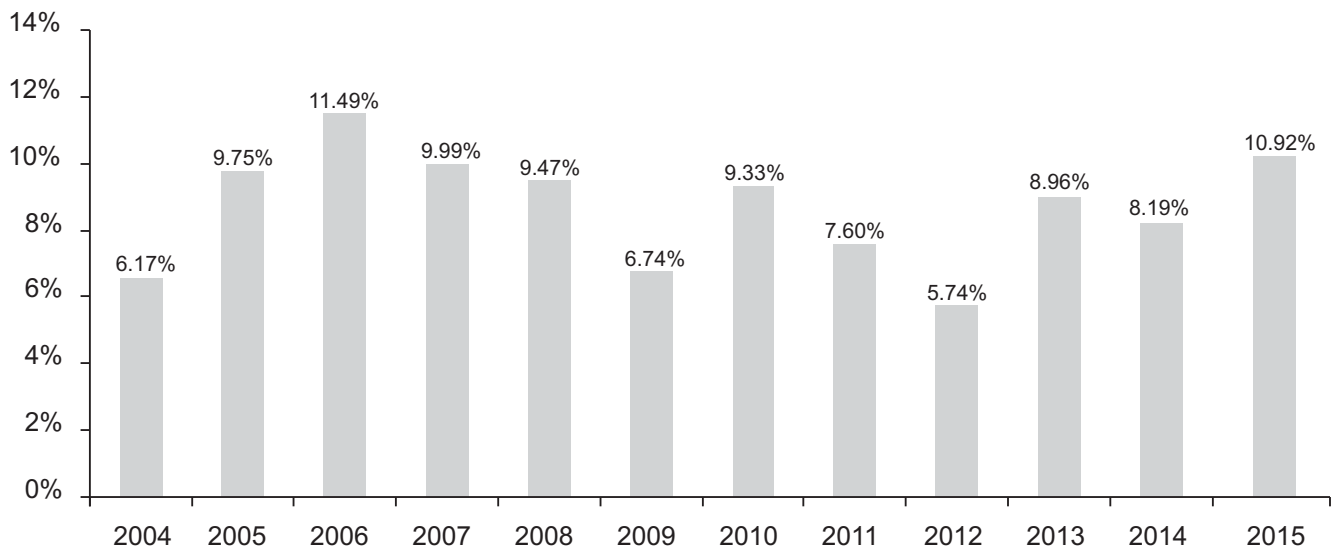
** Relates to announced prices.

Note: Past performance of the Fund is not indicative of future performance, and the price and investment return may go down, as well as up.

Yearly Performance (Annualized)



Payout History (% on opening Ex-NAV)



Distribution History

Distribution detail	2015
Interim distribution cash dividend	55.00
Interim distribution as a % of opening Ex-NAV of units	10.92
Date of distribution	29 June 2015

Distribution details	2014	2013	2012	2011	2010	2009	2008
First Interim distribution (Bonus)	9.50	12.50	-	-	12.50	13.75	25.00
First Interim distribution as a % of opening Ex-NAV of units	1.89	2.49	-	-	2.49	2.75	4.99
Date of distribution - Interim	4 October 2013	5 October 2012	-	-	27 October 2009	25 October 2008	3 April 2008
Second Interim distribution (Bonus)	9.50	12.50	-	12.50	13.75	7.50	-
Second Interim distribution as a % of opening Ex-NAV of units	1.89	2.49	-	2.49	2.74	1.50	-
Date of distribution - Interim	7 January 2014	4 January 2013	-	11 January 2011	21 January 2010	24 April 2009	-
Third Interim distribution (Bonus)	9.50	10.00	-	12.00	12.50	-	-
Third Interim distribution as a % of opening Ex-NAV of units	1.89	1.99	-	2.39	2.49	-	-
Date of distribution - Interim	4 April 2014	5 April 2013	-	7 April 2011	6 April 2010	-	-
Fourth Interim distribution (Bonus)	12.75	10.00	-	-	-	-	-
Fourth Interim distribution as a % of opening Ex-NAV of units	2.53	1.99	-	-	-	-	-
Date of distribution - Interim	18 June 2014	27 June 2013	-	-	-	-	-
Interim distribution (Bonus)	-	-	28.75	-	-	-	-
Interim distribution as a % of opening Ex-NAV of units	-	-	5.74	-	-	-	-
Date of distribution - Interim	-	-	27 June 2012	-	-	-	-
Final Distribution (Bonus)	-	-	-	13.75	8.00	12.50	22.50
Final Distribution as a % of opening Ex-NAV of units	-	-	-	2.73	1.60	2.50	4.49
Date of distribution - Final	-	-	-	7 July 2011	8 July 2010	3 July 2009	4 July 2008

Distribution details	2007	2006	2005	2004*
Final Distribution (Bonus)	50.00	57.50	48.75	18.75
Final Distribution as a % of opening Ex-NAV of units	9.99	11.49	9.75	3.75
Date of distribution - Final	20 July 2007	19 July 2006	15 July 2005	29 July 2004

* For the period from 15 September 2003 to 30 June 2004.

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

FOR THE YEAR ENDED 30 JUNE 2015

This statement is being presented to comply with the Code of Corporate Governance ("the Code") contained in Regulation No. 35 (Chapter XI) of Listing Regulations of the Lahore Stock Exchange for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of Corporate Governance.

Atlas Asset Management Limited (AAML), the Management Company, is not listed and hence, the Code is not applicable to it. However, Atlas Income Fund, being listed at the Lahore Stock Exchange, comes under the ambit of the Code. The Fund, being a unit trust scheme, does not have its own Board. The Board of Directors of the Management Company manages the affairs of the Fund and has appointed the Chief Executive Officer (CEO), and Chief Financial Officer (CFO)/Company Secretary and other necessary personnel to manage the affairs of the Fund.

The Management Company has applied the principles contained in the Code in the following manner:

1. The Management Company encourages representation of independent non-executive directors. At present the board includes:

Category	Name of Director
Independent Directors	Mr. Azam Faruque Mr. Shamshad Nabi
Non-Executive Directors	Mr. Yusuf H. Shirazi Mr. Frahim Ali Khan Mr. Ali H. Shirazi Mr. Arshad P. Rana
Executive Director (CEO)	Mr. M. Habib-ur-Rahman

The independent directors meets the criteria of independence under clause i (b) of the Code.

2. The directors have confirmed that none of them is serving as a director in more than seven listed companies.
3. All the resident directors of the Management Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. No casual vacancy occurred on the Board during the year.
5. The Management Company has prepared a "Code of Conduct", and has ensured that appropriate steps have been taken to disseminate it throughout the Management Company along with its supporting policies and procedures.
6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies for the Fund. A complete record of the particulars of significant policies along with the dates on which these were approved or amended have been maintained.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of the remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors, have been taken by the Board.
8. The meetings of the Board were presided over by the Chairman, and the Board met at least once in every quarter during the period. Written notes of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meeting were appropriately recorded and circulated.
9. Four members of the Board of Directors of the Management Company are exempt from the requirements of the Directors' Training Program as per the proviso to Clause xi of the Code, whilst the remaining three Board members have completed their Directors' certification programs from institutes meeting the criteria specified by the Securities and Exchange Commission of Pakistan. The directors are conversant with the relevant laws applicable to the company, its policies and procedures and provisions of memorandum and articles of association and are aware of their duties and responsibilities.

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

FOR THE YEAR ENDED 30 JUNE 2015

10. No new appointment of the Chief Financial Officer & Company Secretary and Head of Internal Audit was made during the year. The terms of remuneration of the Chief Financial Officer & Company Secretary, and the Head of Internal Audit have been approved by the Board.
11. The Directors' Report for the year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
12. The financial statements of the Fund were duly endorsed by CEO and CFO of the Management Company before the approval of the Board.
13. The Directors, CEO and Executives do not hold units other than those disclosed in note 19 to the financial statements "Transactions with Related Parties/Connected Persons", and as disclosed in the pattern of unit holdings disclosed in note 24 to the financial statements. These transactions have been placed before the Audit Committee and as per their recommendation, approved by the Board of Directors of the Management Company.
14. The Management Company has complied with the corporate and financial reporting requirements of the Code.
15. The Board has formed an Audit Committee comprising of three members, all of whom are non-executive directors and the Chairman of the Committee is an independent director.
16. Meetings of the Audit Committee were held every quarter, prior to approval of the interim and annual results of the Fund, as required by the Code. The terms of reference of the Audit Committee have been approved in the meeting of the Board and Committee has been advised to ensure compliance with those terms of reference.
17. The Board has formed a Human Resource and Remuneration Committee. It comprises of three members, of whom two are non-executive directors and the Chairman of the committee is a non-executive director.
18. The Board has set up an effective internal audit function headed by a full time Head of Internal Audit who is considered suitably qualified and experienced, and is conversant with the policies and procedures of the Fund.
19. The statutory auditors of the Fund have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (ICAP), that they or any of the partners of the firm, their spouse and minor children do not hold units of the Fund, and that the Firm and all its partners are in compliance with the International Federation of Accountants (IFAC) guidelines on the Code of Ethics as adopted by the ICAP.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Listing Regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The 'closed period' prior to the announcement of interim/financial results, and business decisions, which may materially affect the market price / net asset value, was determined and intimated to directors, employees and the stock exchange.
22. Material /price sensitive information has been disseminated among all market participants at once through the Stock Exchange.
23. We confirm that all other material principles contained in the Code have been complied with.

Karachi: 31 August 2015

M. Habib-ur-Rahman
Chief Executive Officer

TRUSTEE REPORT TO THE UNIT HOLDERS

Report of the Trustee pursuant to Regulation 41(h) and Clause 9 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of Atlas Income Fund (the Fund) are of the opinion that Atlas Asset Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2015 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Karachi: September 22, 2015

Muhammad Hanif Jakhura
Chief Executive Officer
Central Depository Company of Pakistan Limited

REVIEW REPORT TO THE UNIT HOLDERS ON THE STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES OF THE CODE OF CORPORATE GOVERNANCE

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of Atlas Asset Management Limited, the Management Company of **Atlas Income Fund** (the Fund) for the year ended June 30, 2015 to comply with the Listing Regulation No.35 (Chapter XI) of the Lahore Stock Exchange where the Fund is listed.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Management Company (**Atlas Asset Management Limited**) of the Fund. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Fund's compliance with the provisions of the Code of Corporate Governance and report if it does not and to highlight any non-compliance with the requirements of the Code of Corporate Governance. A review is limited primarily to inquiries of the Management Company's personnel and review of various documents prepared by the Management Company to comply with the Code.

As part of our audit of the financial statements, we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board's statement on internal control covers all risks and controls, or to form an opinion on the effectiveness of such internal controls, the Management Company's corporate governance procedures and risks.

The Code the Management Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval of the Fund's related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Management Company's compliance for and on behalf of the Fund, in all material respects, with the best practices contained in the Code of Corporate Governance as applicable to the Fund for the year ended June 30, 2015.

Karachi: 31 August 2015

A. F. Ferguson & Co.
Chartered Accountants

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of **ATLAS INCOME FUND** (hereinafter referred to as the 'Fund'), which comprise the statement of assets and liabilities as at June 30, 2015, and the related income statement, statement of comprehensive income, distribution statement, statement of movement in unit holders' fund and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management Company's responsibility for the financial statements

The Management Company (**Atlas Asset Management Limited**) of the Fund is responsible for the preparation and fair presentation of these financial statements in accordance with approved accounting standards as applicable in Pakistan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing as applicable in Pakistan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the state of the financial position of the Fund as at June 30, 2015 and of its financial performance, cash flows and transactions for the year then ended in accordance with the approved accounting standards as applicable in Pakistan.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

Karachi: 31 August 2015

A. F. Ferguson & Co.
Chartered Accountants

Engagement Partner: Salman Hussain

STATEMENT OF ASSETS AND LIABILITIES

AS AT 30 JUNE 2015

	Note	2015 ----- Rupees -----	2014 -----
ASSETS			
Bank balances & term deposits	4	4,538,006,515	684,697,604
Investments	5	813,205,063	2,614,059,869
Receivable against sale of units	6	372,394,019	-
Receivable against Margin Trading System		25,154,719	540,089,401
Interest / profit accrued	7	27,326,250	86,381,636
Deposits and prepayments	8	455,105	452,055
Total assets		5,776,541,671	3,925,680,565
LIABILITIES			
Payable to Atlas Asset Management Limited - Management Company	9	24,624,369	10,716,626
Payable to Central Depository Company of Pakistan Limited - Trustee	10	455,984	302,705
Payable to the Securities and Exchange Commission of Pakistan	11	3,908,481	1,752,768
Payable against redemption of units	12	44,151,513	16,560
Dividend payable		58,414,639	-
Accrued and other liabilities	13	68,754,246	16,024,677
Total liabilities		200,309,232	28,813,336
NET ASSETS		5,576,232,439	3,896,867,229
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		5,576,232,439	3,896,867,229
CONTINGENCIES AND COMMITMENTS	14		
NUMBER OF UNITS IN ISSUE		10,928,688	7,734,075
NET ASSET VALUE PER UNIT		510.24	503.86

The annexed notes from 1 to 32 form an integral part of these financial statements.

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Azam Faruque
Director

INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 ----- Rupees -----	2014 -----
INCOME			
Interest / profit income	15	534,007,482	242,163,347
Capital gain / (loss) on sale / maturity of investments - net		124,876,624	(313,257)
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		15,192,966	5,543,179
		140,069,590	5,229,922
Element of loss and capital losses included in prices of units issued less those in units redeemed - net		(395,794,812)	(124,933)
		278,282,260	247,268,336
EXPENSES			
Remuneration of Atlas Asset Management Limited - Management Company	9.1	65,141,346	35,055,320
Sindh sales tax on remuneration of the Management Company	9.2	11,334,594	6,506,267
Federal Excise Duty on remuneration of the Management Company	9.3	10,422,615	5,608,851
Remuneration of Central Depository Company of Pakistan Limited - Trustee	10	5,177,781	2,836,466
Annual fees - Securities and Exchange Commission of Pakistan	11	3,908,481	1,752,768
Auditors' remuneration	18	638,630	539,872
Impairment loss on investments - available for sale		1,603,615	-
Annual rating fee		301,774	242,000
Annual listing fee		40,000	40,000
Securities transaction cost	16	7,912,769	5,364,597
Printing charges		140,000	285,564
Legal & professional charges		-	276,667
Bank charges		80,500	41,070
Provision for Workers' Welfare Fund	13.1	3,431,603	3,774,378
		110,133,708	62,323,820
Net income for the year before taxation		168,148,552	184,944,516
Taxation		-	-
Net income for the year after taxation		168,148,552	184,944,516

The annexed notes from 1 to 32 form an integral part of these financial statements.

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

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Azam Faruque
Director

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014
	Rupees	
Net income for the year after taxation	168,148,552	184,944,516
Income that may be re-classified subsequently to Income Statement		
- Net unrealised diminution in the value of investment classified as 'available for sale'	-	(390,314)
- Impairment loss on revaluation of investment classified as 'available for sale' transferred to income statement	819,962	-
Total comprehensive income for the year	168,968,514	184,554,202

The annexed notes from 1 to 32 form an integral part of these financial statements.

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

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Azam Faruque
Director

DISTRIBUTION STATEMENT FOR THE YEAR ENDED 30 JUNE 2015

	2015 ----- Rupees -----	2014 ----- Rupees -----
Undistributed income brought forward [includes unrealised loss on investments of Rs.102,956,351] (2014: unrealised loss of Rs.112,252,294)	19,735,971	8,247,459
Net income for the year after taxation	168,148,552	184,944,516
Interim distribution for the quarter ended 30 September 2014: Nil (2014: Rs.9.50 per unit declared on 4 October 2013)		
- Bonus units	-	(43,315,484)
- Cash payout against interim distribution	-	(51,528)
	-	(43,367,012)
Interim distribution for the quarter ended 31 December 2014: Nil (2014: Rs.9.50 per unit declared on 7 January 2014)		
- Bonus units	-	(43,009,076)
- Cash payout against interim distribution	-	(51,528)
	-	(43,060,604)
Interim distribution for the quarter ended 31 March 2015: Nil (2014: Rs.9.50 per unit declared on 4 April 2014)		
- Bonus units	-	(40,414,164)
- Cash payout against interim distribution	-	(51,528)
	-	(40,465,692)
Interim distribution for the quarter ended 30 June 2015 Rs.55 per unit declared on 29 June 2015 (2014: Rs.12.75 per unit declared on 18 June 2014)		
- Bonus units	-	(46,493,539)
- Cash	(99,243,408)	(69,157)
	(99,243,408)	(46,562,696)
Undistributed income carried forward [includes unrealised loss on investments of Rs. 82,830,391] (2014: unrealised loss of Rs.102,956,351)	88,641,115	19,735,971

The annexed notes from 1 to 32 form an integral part of these financial statements.

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Azam Faruque
Director

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND FOR THE YEAR ENDED 30 JUNE 2015

	2015		2014	
	Units	Rupees	Units	Rupees
Net assets at the beginning of the year [Rs.503.86 (2014: Rs.503.72) per unit]	7,734,075	3,896,867,229	3,851,364	1,939,998,107
Issue of units	19,924,633	10,537,062,302	7,067,214	3,577,514,341
Redemption of units	(16,730,020)	(9,323,217,010)	(3,527,622)	(1,805,100,613)
	3,194,613	1,213,845,292	3,539,592	1,772,413,728
Element of loss and capital losses included in prices of units issued less those in units redeemed - net	-	395,794,812	-	124,933
Interim distribution: Nil (2014: Rs.9.50 per unit declared on 4 October 2013)				
Issue of bonus units	-	-	85,925	-
Cash payout against distribution	-	-	-	(51,528)
Interim distribution: Nil (2014: Rs.9.50 per unit declared on 7 January 2014)				
Issue of bonus units	-	-	85,150	-
Cash payout against distribution	-	-	-	(51,528)
Interim distribution: Nil (2014: Rs.9.50 per unit declared on 4 April 2014)				
Issue of bonus units	-	-	79,446	-
Cash payout against distribution	-	-	-	(51,528)
Interim distribution @ Rs 55 per unit declared on 29 June 2015 (2014: Rs.12.75 per unit declared on 18 June 2014)				
Issue of bonus units	-	-	92,598	-
Cash	-	(99,243,408)	-	(69,157)
Capital gain / (loss) on sale / maturity of investments - net	-	124,876,624	-	(313,257)
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	-	15,192,966	-	5,543,179
Other net income for the year	-	28,078,962	-	179,714,594
Other comprehensive income / (loss) for the year	-	819,962	-	(390,314)
Total comprehensive income for the year	-	168,968,514	-	184,554,202
Net assets at the end of the year [Rs.510.24 (2014: Rs.503.86) per unit]	10,928,688	5,576,232,439	7,734,075	3,896,867,229

The annexed notes from 1 to 32 form an integral part of these financial statements.

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

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Azam Faruque
Director

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 ----- Rupees -----	2014 ----- Rupees -----
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year after taxation		168,148,552	184,944,516
Adjustments for:			
Interest / profit income		(534,007,482)	(242,163,347)
Capital (gain) / loss on sale of investments - net		(124,876,624)	313,257
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		(15,192,966)	(5,543,179)
Impairment loss on investments - available for sale		1,603,615	-
Element of loss and capital losses included in prices of units issued less those in units redeemed - net		395,794,812	124,933
		(276,678,645)	(247,268,336)
(Increase) / decrease in assets			
Receivable against Margin Trading System		514,934,682	(131,621,869)
Deposits and prepayments		(3,050)	-
		514,931,632	(131,621,869)
Increase / (decrease) in liabilities			
Payable to Atlas Asset Management Limited - Management Company		13,907,743	7,610,707
Payable to Central Depository Company of Pakistan Limited - Trustee		153,279	47,143
Payable to the Securities and Exchange Commission of Pakistan		2,155,713	649,582
Accrued and other liabilities		52,729,569	3,818,242
		68,946,304	12,125,674
		475,347,843	(181,820,015)
Interest received		593,062,868	167,613,723
Investments made during the period		(12,328,893,141)	(10,494,192,135)
Investment sold / redeemed / matured during the period		14,269,033,884	9,377,127,862
Net cash generated from / (used in) operating activities		3,008,551,454	(1,131,270,565)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net receipts from issuance of units		10,123,839,514	3,577,514,341
Net payments against redemption of units		(9,279,082,057)	(1,805,100,613)
Cash payout against distribution		-	(223,741)
Net cash generated from financing activities		844,757,457	1,772,189,987
Net increase in cash and cash equivalents		3,853,308,911	640,919,422
Cash and cash equivalents at the beginning of the year		684,697,604	43,778,182
Cash and cash equivalents at the end of the year	4	4,538,006,515	684,697,604

The annexed notes from 1 to 32 form an integral part of these financial statements.

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

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Azam Faruque
Director

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Atlas Income Fund (the Fund) is an open ended mutual fund constituted by a Trust Deed entered into on 20 February 2003 between Atlas Asset Management Limited (AAML) as the establisher and the management company and MCB Financial Services Limited (MCBFSL) as the trustee. MCBFSL resigned on 11 June 2005 as trustee and Central Depository Company of Pakistan Limited (CDC) was appointed as the trustee with effect from that date. The Trust Deed has been revised through the Deed of Change of Trustee and First Supplemental Trust Deed dated 11 June 2005, Second Supplemental Trust Deed dated 29 October 2007, Third Supplemental Trust Deed dated 23 June 2010 and the Fourth Supplemental Trust Deed dated 12 November 2010 with the approval of the SECP. Also, the Offering Document of the Fund has been revised through the First, Second, Third, Fourth, Fifth, Sixth and Seventh Supplements, dated 21 June 2005, 29 October 2007, 29 February 2008, 23 June 2010, 12 November 2010, 14 October 2013 and 24 March 2015 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 as per the criteria laid down by the SECP for categorisation of open-end Collective Investment Schemes (CISs) and is listed on the Lahore Stock Exchange. 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.
- 1.3 According to the trust deed, the objective of the Fund is to provide investors one window facility to invest in diversified portfolio offering good returns and consistent growth. The Fund aims to deliver this objective mainly by investing in Government securities, cash in bank accounts, Certificate of Investments (COI), money market placements, deposits, Certificates of deposits (COD), Certificates of Musharikas (COM), TDRs, commercial paper, reverse repo, term finance certificates (TFCs) / Sukuks, transactions on Margin Trading System (MTS), spread transactions and any other instruments that may be allowed by the Securities and Exchange Commission of Pakistan. The investment objectives and policies are more fully defined in the Fund's offering document.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and directives issued by the Securities and Exchange Commission of Pakistan (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 IFRS, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

2.2 New Standards, interpretations and amendments applicable to the financial statements for the period ended 30 June 2015

The Fund has adopted the following accounting standard and the amendments and interpretation of IFRSs which became effective for the current year:

- IAS 32 - Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities (Amendment)
- IAS 36 - Impairment of Assets - Recoverable amount disclosures for Non-Financial Assets (Amendment)
- IAS 39 - Financial Instruments: Recognition and Measurement (Amendment)
- IFRIC 21 - Levies

Improvements to accounting standards issued by the IASB

- IFRS 8 - Operating Segments - Aggregation of operating segments and reconciliation of the total of the reportable segments' assets to the entity's assets
- IFRS 13 - Fair Value Measurement - Scope of paragraph 52 (portfolio exception)
- IAS 24 - Related Party Disclosures - Key management personnel

The adoption of the above amendments and improvements to accounting standards and interpretations did not have any effect on the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

Standards, interpretations and amendments to published approved accounting standards that are not yet effective:

The following revised standards, interpretations and amendments with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standards, interpretation and amendments:

2.3 Standard, interpretation or amendment	Effective date (accounting periods beginning)
IFRS 10 - Consolidated Financial Statements	01 January 2015
IFRS 10 - Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other - Entities and IAS 27 Separate Financial Statements – Investment Entities (Amendment)	01 January 2015
IFRS 10 - Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements – Investment Entities: Applying the Consolidation Exception (Amendment)	01 January 2016
IFRS 10 - Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	01 January 2016
IFRS 11 - Joint Arrangements	01 January 2015
IFRS 11 - Joint Arrangements – Accounting for Acquisition of Interest in - Joint Operation (Amendment)	01 January 2016
IFRS 12 - Disclosure of Interests in Other Entities	01 January 2015
IFRS 13 - Fair Value Measurement	01 January 2015
IAS 1 - Presentation of Financial Statements – Disclosure Initiative (Amendment)	01 January 2016
IAS 27 - Separate Financial Statements – Equity Method in Separate Financial Statements (Amendment)	01 January 2016

The Fund expects that the adoption of the above amendments and interpretation of the standards will not affect the Fund's financial statements in the period of initial application.

There are certain new and amended standards and interpretation that are mandatory for the Fund's accounting periods beginning on or after 1 July 2015 but are considered not to be relevant or do not have any significant effect on the Fund's operations and are therefore not detailed in these financial statements.

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standard	Effective date (accounting periods beginning)
IFRS 9 – Financial Instruments: Classification and Measurement	01 January 2018
IFRS 14 – Regulatory Deferral Accounts	01 January 2016
IFRS 15 – Revenue from Contracts with Customers	01 January 2017

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

2.4 Accounting convention

These financial statements have been prepared under the historical cost convention except that investments have been carried at fair value.

2.5 Functional and presentation currency

These financial statements are presented in Pakistani Rupees, which is the Fund's functional and presentation currency.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied unless otherwise stated.

3.1 Cash and cash equivalents

Cash and cash equivalents include demand deposits with banks and other short term highly liquid investments with original maturities of three months or less.

3.2 Financial assets

3.2.1 Classification

The Fund classifies its financial assets into the following categories: loans and receivables, at fair value through profit or loss, held-to-maturity and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

a) Financial assets at fair value through profit or loss

Financial assets that are acquired principally for the purpose of generating profits from short-term fluctuations in prices are classified as 'financial assets at fair value through profit or loss' category. This include held-for-trading investments and such other investments that, upon initial recognition, are designated under this category.

b) Loans and receivables

Financial assets that are created by the Fund by providing money directly to a debtor are classified as loans and receivables originated by the Fund. Loans and receivable originated with the intent to be sold immediately or in the short term are classified as held for trading.

c) Available for sale

Investments which are not classified in the preceding categories are classified as available-for-sale investments.

3.2.2 Regular way contracts

Regular purchases and sales of financial assets are recognised on the trade date - the date on which the Fund commits to purchase or sell the asset.

3.2.3 Initial recognition and measurement

Financial assets are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the income statement.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

3.2.4 Subsequent measurement

Subsequent to initial recognition, financial assets designated by the management as 'at fair value through profit or loss' and 'available for sale' are valued as follows:

a) Basis of valuation of debt securities

The investment of the Fund in debt securities is valued on the basis of rates determined by the Mutual Fund Association of Pakistan (MUFAP) in accordance with the methodology prescribed by SECP for valuation of debt securities. In the determination of the rates MUFAP takes into account the holding pattern of these securities and categorises them as traded, thinly traded and non-traded securities.

b) Basis of valuation of government securities

The investment of the Fund in government securities is valued on the basis of rates announced by the Financial Markets Association of Pakistan.

c) Basis of valuation of equity securities

The investment of the Fund in equity securities is valued on the basis of rates quoted on Stock Exchange.

Net gains and losses arising from changes in the fair value of financial assets carried 'at fair value through profit or loss' are taken to the 'income statement'.

Net gains and losses arising from changes in the fair value of available for sale financial assets are taken to the 'statement of comprehensive income' until these are derecognised or impaired. At this time, the cumulative gain or loss previously recognised directly in the 'statement of comprehensive income' is transferred to the 'income statement'.

Loans and receivables originated by the Fund which are not held for trading are measured at amortized cost using the effective interest rate method while loans and receivables originated by the Fund that are classified as held for trading are remeasured at their fair values. Gains / losses arising on remeasurement of loans and receivables originated by the Fund that are held for trading are taken to the Income Statement.

Gains or losses are also recognised in the 'income statement' when financial assets carried at amortised cost are derecognised or impaired.

3.2.5 Impairment

The Fund assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. If any such evidence exists for 'available for sale' financial assets, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the 'income statement' is reclassified from 'unit holders' fund' to the 'income statement'.

a) Debt securities

Provision for non-performing debt securities is made on the basis of time based criteria as prescribed by the SECP and based on management's assessment made in line with its provisioning policy approved by the Board of Directors of the Management Company pursuant to the requirements of the SECP guidelines. Impairment losses recognised on debt securities can be reversed through the income statement.

As allowed by the SECP, the Management Company may make provision against debt securities over and above the minimum provision requirement prescribed by the SECP, in accordance with a provisioning policy approved by the Board of Directors and disseminated by the Management Company on its website.

b) Loans and receivables

For financial assets classified as 'loans and receivables', a provision for impairment is established when there is objective evidence that the Fund will not be able to collect all amounts due according to the original terms. The amount of the provision is determined based on the provisioning criteria specified by SECP.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

3.2.6 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. Any gain or loss on derecognition of financial assets is taken to income statement.

3.2.7 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the 'Statement of Assets and Liabilities' when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3.3 Margin Trading System

Transactions of purchase under Margin Trading System (MTS) of marketable securities are entered into contracted rates for specified periods of time. Securities purchased under MTS are not recognised in the Statement of Assets and Liabilities. The amount paid under such agreements is recognised as receivable in respect of MTS. Profit is recognised on accrual basis using the effective interest rate method. Cash releases are adjusted against the receivable as reduction in the amount of receivable. The maximum maturity of an MTS contract is 60 calendar days out of which 25 percent exposure is automatically released at expiry of every 15th day from the day of contract.

3.4 Derivatives

Derivative instruments are initially recognised at fair value and subsequent to initial measurement each derivative instrument is remeasured to its fair value and the resultant gain or loss is recognised in the income statement.

3.5 Financial liabilities

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. They are initially recognised at fair value and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Any gain or loss on derecognition of financial liabilities is taken to income statement.

3.6 Provisions

Provisions are recognised when the Fund has a present, legal or constructive, obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

3.7 Distribution to unit holders

Distribution to unit holders is recognised upon declaring and approval by the Investment Committee of the Management Company, under powers delegated to them by the Board of Directors of the Management Company.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the period in which such distributions are declared and approved by the Board of Directors of the Management Company.

3.8 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the application received during business hours on that day. The offer price represents the Net Asset Value (NAV) per unit as of the close of the business day, plus the allowable sales load and provision of any duties and charges if applicable. The sales load is payable to the Management Company / Distributors.

Units redeemed are recorded at the redemption price applicable to units for which the Management Company / Distributors receive redemption application during business hours of that day. The redemption price shall be equal to NAV as of the close of the business day, less an amount as the management company may consider to be an appropriate provision of duties and charges.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

3.9 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

To prevent the dilution of per unit income and distribution of income already paid out on redemption as dividend, an equalisation account called 'element of income / loss and capital gains / losses in prices of units issued less those in units redeemed' (the element) is created.

Upon sale and redemption of units, the amount representing net income / loss and capital gains / losses is accounted for in net asset value and included in the sale / redemption price is taken to the Income Statement.

The element is computed to the extent that it is represented by the increase / decrease in net income / loss and capital gains / losses earned / incurred during the year and is transferred to the 'income statement'.

3.10 Net Asset Value per unit

The Net Asset Value (NAV) per unit as disclosed in the Statement of Assets and Liabilities is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

3.11 Revenue recognition

- Realised capital gains / (losses) arising on sale of investments are included in the income statement on the date at which the transaction takes place.
- Income from investments in term finance certificates and government securities is recognised on an accrual basis using effective interest method at the rate of return implicit in the instrument.
- Unrealised gains / (losses) arising on re-measurement of investments classified as 'financial assets at fair value through profit or loss' are included in the income statement in the period in which they arise.
- Interest income on bank balances, term deposits and MTS transactions is recognised on an accrual basis.
- Element of income / loss and capital gains / losses in prices of units issued less those in units redeemed is recognised when the units are issued and redeemed at the transaction date.

3.12 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company and Trustee and annual fee of the SECP are recognised in the income statement on an accrual basis.

3.13 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 ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed among the unit holders. The Fund intends to distribute such income by the year end in order to avail this tax exemption.

3.14 Earnings per unit

Earnings per unit (EPU) has not been disclosed as in the opinion of the management determination of cumulative weighted average number of outstanding units for calculation EPU is not practicable.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 Rupees	2014 Rupees
4. BANK BALANCES AND TERM DEPOSITS			
In local Currency			
Profit and loss sharing accounts	4.1	4,532,317,039	309,692,604
Current account		5,679,476	5,000
Term deposit account		-	375,000,000
Cheques in hand	4.2	10,000	-
		4,538,006,515	684,697,604

4.1 These carry rates of return ranging between 5% to 7.10% (2014: 6.50% and 9.20%) per annum.

4.2 This represents a cheque receivable against sale of units which was subsequently cleared on 2 July 2015.

5. INVESTMENTS

Available for sale

Quoted equity security	5.1	2,329,782	3,113,435
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At fair value through profit or loss - held for trading

Term finance certificates - listed	5.2 & 5.7	92,279,482	54,255,931
Term finance certificates - unlisted	5.3 & 5.7	46,050,500	48,020,000
Sukuk certificates - unlisted	5.4 & 5.7	-	-
Government Securities - Market Treasury Bills	5.5	248,955,500	1,003,697,006
Government Securities - Pakistan Investment Bonds	5.6	423,589,799	1,504,973,497
		810,875,281	2,610,946,434
		813,205,063	2,614,059,869

5.1 Quoted equity security

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

	Number of shares				Rupees		Percentage of		
	At the beginning of the year	Acquired during the year	Sales during the year	At the end of the year	Carrying cost (Net of impairment)	Market value	Market Value as a percentage of total Investments	Market Value as a percentage of net assets	Market Value as a percentage of Paid-up Capital of Investee Company
CHEMICAL									
Agritech Limited	302,569	-	-	302,569	2,329,782	2,329,782	0.29	0.04	0.06

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

5.1.2 As at 30 June 2015, impairment loss amounting to Rs.1,603,615 has been recognised in the income statement on this investment. This is inclusive of deficit on revaluation amounting to Rs.819,962 previously recognised in the statement of comprehensive income which has now been transferred to the income statement.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

5.2 Term finance certificates - listed

Note	Number of certificates				Rupees		Percentage of	
	At the beginning of the year	Purchased during the year	Disposed / matured during the year	At the end of the year	Carrying value	Market value	Total investments	Net assets
BANKS								
Bank Al Habib Limited - II	1,192	-	1,192	-	-	-	-	-
Bank Alfalah Limited - V	8,450	-	-	8,450	42,792,477	42,279,482	5.20	0.76
United Bank Limited - III	5,500	-	5,500	-	-	-	-	-
Soneri Bank Limited *	-	10,000	-	10,000	50,000,000	50,000,000	6.15	0.90
FINANCIAL SERVICES								
Escort Investment Bank Limited	5,000	-	5,000	-	-	-	-	-
TELECOMMUNICATION								
Telecard Limited	5.7.1	4,000	-	4,000	-	-	-	-
PERSONAL GOODS								
Azgard Nine Limited	5.7.1	5,000	-	5,000	-	-	-	-
					92,792,477	92,279,482	11.35	1.66

*This represents Pre IPO subscription in the TFCs of Soneri Bank Limited which were offered for public subscription on 7 and 8 July 2015.

5.2.1 The terms and conditions of these term finance certificates are as follows:

	Rating	Tenure	Profit payments/ Principal redemptions	Repayment period	Rate of return
BANKS					
Bank Alfalah Limited - V	AA-	8 years	Semi annually	Feb 2021	1.25% + 6 month KIBOR
Soneri Bank Limited	A+	8 years	Semi annually	July 2023	1.35% + 6 month KIBOR
TELECOMMUNICATION					
Telecard Limited	NPA	9.5 years	Quarterly	Nov 2006 - May 2015	3.75% + 6month KIBOR
PERSONAL GOODS					
Azgard Nine Limited	NPA	7 years	Semi annually	Sep 2008 - Sep 2012	2.40% + 6 month KIBOR

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

5.3 Term finance certificates - Unlisted

Note	Number of certificates				Rupees		Percentage of	
	At the beginning of the year	Purchased during the year	Disposed / matured during the year	At the end of the year	Carrying value	Market value	Total investments	Net assets
CHEMICALS								
Engro Fertilizers Limited - II	10,000	-	-	10,000	48,020,000	46,050,500	5.66%	0.83%
Agritech Limited- I	2,000	-	-	2,000	-	-	-	-
Agritech Limited - II	8,000	-	-	8,000	-	-	-	-
Agritech Limited- IV	2,203	-	-	2,203	-	-	-	-
					48,020,000	46,050,500	5.66%	0.83%
PERSONAL GOODS								
Azgard Nine Limited-V	1,075	-	-	1,075	-	-	-	-
MISCELLANEOUS								
Bunny's Limited	424	-	-	424	-	-	-	-
					48,020,000	46,050,500	5.66%	0.83%

5.3.1 The terms and conditions of these term finance certificates are as follows:

	Rating	Tenure	Profit payments/ Principal redemptions	Repayment period	Rate of return
CHEMICALS					
Engro Fertilizers Limited - II	A+	10 years	Semi annually	March 2018	1.25% + 6 month KIBOR (1-6 years)*
Agritech Limited- I	NPA	7 years	Semi annually	May 2010 - Nov 2014	1.75% + 6 month KIBOR
Agritech Limited - II	NPA	7 years	Semi annually	Jul 2010 - Jan 2015	1.75% + 6 month KIBOR
Agritech Limited- IV	NPA	3.5 years	Semi annually	Jul 2012 - Jan 2015	-
PERSONAL GOODS					
Azgard Nine Limited-V	NPA	5 years	Semi annually	Mar 2014 - Mar 2017	-
MISCELLANEOUS					
Bunny's Limited	NPA	5 years	Semi annually	Jun 2011- Nov 2013	2.50% + 6 month KIBOR

*From year 7 to 10 the spread will increase by 0.2% per annum.

5.4 Sukuk certificates - unlisted

Note	Number of Sukuk certificates				Rupees	Percentage of	
	At the beginning of the year	Purchased during the year	Disposed during the year	At the end of the year	Carrying value	Total investments	Net assets
CHEMICALS							
Agritech Limited	4,060	-	-	4,060	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

5.4.1 The terms and conditions of these sukuk certificates are as follows:

	Rating	Tenure	Profit payments/ Principal redemptions	Repayment period	Rate of return
CHEMICALS					
Agritech Limited	NPA	7 years	Semi annually	Feb 2011 - Aug 2015	2.00% + 6 month KIBOR

Note	2015 Rupees	2014 Rupees
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5.5 Government Securities

Market Treasury Bills	5.5.1	248,955,500	1,003,697,006
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5.5.1. Market Treasury Bills

	Face value (Rupees)				Rupees		Percentage of	
	At the beginning of the year	Purchased during the year	Disposed / Mutured during the year	At the end of the year	Amortised cost	Market value	Total investments	Net assets
Treasury bills								
3 months - T Bills	720,500,000	5,916,000,000	6,636,500,000	-	-	-	-	-
6 months - T Bills	300,000,000	1,330,000,000	1,380,000,000	250,000,000	248,846,011	248,955,500	30.61	4.46
12 months - T Bills	-	1,478,000,000	1,478,000,000	-	-	-	-	-
	<u>1,020,500,000</u>	<u>8,724,000,000</u>	<u>9,494,500,000</u>	<u>250,000,000</u>	<u>248,846,011</u>	<u>248,955,500</u>	<u>30.61</u>	<u>4.46</u>

5.5.2 The cost of investments as on 30 June 2015 is Rs.243,141,800 (2014: Rs.1,000,295,004).

5.5.3 These Market treasury bills carry purchase yields ranging from 6.68% to 8.70% (2014: 9.40% to 9.99%) per annum and will mature by 23 July 2015 (2014: 10 July 2014 and 18 September 2014).

5.5.4 The above investments include T Bills which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades amounting to Rs.49,791,100 (face value: Rs.50,000,000) [2014: Rs.147,394,800 (face value: Rs.150,000,000)] maturing on 23 July 2015 (2014: 18 September 2014).

Note	2015 Rupees	2014 Rupees
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5.6 Government Securities

Pakistan Investment Bonds	5.6.1	423,589,799	1,504,973,497
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5.6.1. Pakistan Investment Bonds (PIBs)

	Face value (Rupees)				Rupees		Percentage of	
	At the beginning of the year	Purchased during the year	Disposed / Mutured during the year	At the end of the year	Amortised cost	Market value	Total investments	Net assets
Pakistan Investment Bonds								
3 Year - PIBs	1,426,000,000	2,008,500,000	3,137,000,000	297,500,000	303,781,231	318,050,891	39.11	5.70
5 Year - PIBs	100,000,000	1,405,900,000	1,453,000,000	52,900,000	53,460,581	55,448,830	6.82	0.99
10 Year - PIBs	-	49,000,000	-	49,000,000	49,173,901	50,090,078	6.16	0.90
	<u>1,526,000,000</u>	<u>3,463,400,000</u>	<u>4,590,000,000</u>	<u>399,400,000</u>	<u>406,415,713</u>	<u>423,589,799</u>	<u>52.09</u>	<u>7.59</u>

5.6.2 The cost of investments as on 30 June 2015 is Rs 406,561,362 (2014: Rs.1,503,129,260).

5.6.3 These Pakistan Investment Bonds carry purchase yields ranging from 9.60% to 11.50% (2014: 11.25% to 11.50%) per annum and will mature between 19 July 2015 and 17 July 2017 (2014: 19 July 2015 and 18 July 2018).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

5.7 Particulars of non-compliant investments

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

Non-compliant investment	Type of Investment	Value before provision	Provision held	Net carrying Value	Percentage of	
					Net assets	Gross assets
		-----	Rupees	-----	%	%
Listed						
Telecard Limited	Term finance certificate	4,668,990	4,668,990	-	-	-
Azgard Nine Limited	Term finance certificate	7,871,511	7,871,511	-	-	-
		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	-	-	-
Bunny's Limited	Term finance certificate	1,590,000	1,590,000	-	-	-
		55,450,000	55,450,000	-	-	-
Unlisted - Sukuk						
Agritech Limited	Sukuk certificate	15,225,000	15,225,000	-	-	-
		83,215,501	83,215,501	-	-	-

5.7.2 The securities stated above have been classified as non-performing as per the requirements of SECP's Circular 1 of 2009 read with SECP's Circular 33 of 2012 dated 24 October 2012, and an aggregate provision of Rs.83.21 million (30 June 2014: Rs.83.5 million), has been made in accordance with the provisioning requirements specified by the SECP.

6. RECEIVABLE AGAINST ISSUE OF UNITS

This includes receivable against units issued to the unit holders based on their request for transfer of units from Atlas Sovereign Liquid Fund, Atlas Islamic Stock Fund and Atlas Stock Market Fund respectively, managed by the Management Company of the Fund. Amounts of Rs.339,934,910, Rs.782,306 and Rs.1,028,285 in respect of these transactions were received from Atlas Sovereign Liquid Fund, Atlas Islamic Stock Fund and Atlas Stock Market Fund, respectively, subsequent to the year end in the month of July 2015.

7. INTEREST / PROFIT ACCRUED

Interest / profit accrued on:

	2015	2014
	-----	-----
	Rupees	Rupees
Bank balances and term deposits	5,134,500	2,456,901
Margin Trading System	235,442	2,841,820
Term finance certificates	4,071,107	3,842,127
Government Securities - PIBs	17,885,201	77,240,788
	27,326,250	86,381,636

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

		2015	2014
	Note	----- Rupees -----	
8. DEPOSITS AND PREPAYMENTS			
Central Depository Company of Pakistan Limited (CDC)		100,000	100,000
National Clearing Company of Pakistan Limited (NCCPL)		250,000	250,000
Prepaid annual fee to NCCPL		105,105	102,055
		455,105	452,055
9. PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY - RELATED PARTY			
Management fee	9.1	5,096,181	3,395,575
Sindh Sales Tax payable on Remuneration of the Management Company	9.2	3,262,680	1,478,156
Federal Excise Duty payable on Remuneration of the Management Company	9.3	16,265,508	5,842,895
		24,624,369	10,716,626

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

9.2 During the year, an amount of Rs.11,334,594 (2014: Rs.6,506,267) was charged on account of sales tax on management fee levied through Sindh Sales Tax on Services Act, 2011, and an amount of Rs.9,550,070 (2014: Rs.5,456,514) has been paid to the Management Company which acts as a collecting agent.

9.3 The Finance Act, 2013 has enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from 13 June 2013. As the asset management services rendered by the Management Company of the Fund are already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund as explained in note 9.2 above, the Management Company is of the view that further levy of FED is not justified.

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014
	Rupees	
10. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE - RELATED PARTY		
Trustee fee	395,984	262,279
Settlement charges	60,000	40,426
	455,984	302,705

The trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the trust deed as follows:

On net assets:

- up to Rs.1,000 million Rs.0.6 million or 0.17% per annum of Net Asset Value, whichever is higher.
- Rs.1,000 million to Rs.5,000 million Rs.1.7 million plus 0.085% per annum of Net Asset Value exceeding Rs.1,000 million.
- exceeding Rs.5,000 million Rs.5.1 million plus 0.07% per annum of Net Asset Value exceeding Rs.5,000 million.

11. PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

In accordance with the NBFC Regulations, the Fund is required to pay SECP an amount of 0.075% of the average annual net assets of the Fund as annual fee.

12. PAYABLE AGAINST REDEMPTION OF UNITS

This represents amount payable to unit holders on their request for redemption received on 30 June 2015 and includes Rs.2,000,000 relating to redemption requests for transfer of units from the Fund to Atlas Stock Market Fund managed by the Management Company of the Fund.

	Note	2015	2014
		Rupees	
13. ACCRUED AND OTHER LIABILITIES			
Auditors' remuneration payable		437,890	357,120
NCCPL charges payable		20,000	20,000
Printing charges payable		181,042	210,150
Brokerage payable		634,284	15,794
Sales Tax payable		91,136	-
Zakat payable		2,385	-
Withholding tax payable		48,534,532	239
Provision for Workers' Welfare Fund	13.1	18,852,977	15,421,374
		68,754,246	16,024,677

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

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

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

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

In view of the pending decision, the Management Company of the Fund, as a matter of abundant caution, has decided to continue to maintain the provision for WWF amounting to Rs.18,852,977 (30 June 2014: Rs.15,421,374) in these financial statements. Had the same not been made, the net asset value per unit of the Fund would have been higher by Rs.1.72 (30 June 2014: Rs.1.99) per unit.

The Finance Act, 2015 has excluded Mutual Funds and Collective Investment Schemes from the definition of 'industrial establishment' subject to WWF under WWF Ordinance, 1971. However, provision made till June 30, 2015 has not been reversed as the above lawsuit is pending in the SHC.

14. CONTINGENCIES AND COMMITMENTS

14.1 Contingencies

There were no contingencies outstanding as at 30 June 2015 and 30 June 2014.

14.2 Commitments

Margin Trading System (MTS) transactions entered into by the Fund in respect of which the purchase transactions have not been settled as at 30 June

Note	2015	2014
	Rupees	
	-	240,859,058

15. INTEREST / PROFIT INCOME

Interest / profit on:

Profit and loss sharing accounts and term deposits		19,578,576	16,416,765
Income from Margin Trading System		77,401,449	56,188,571
Term finance certificates	15.1	11,682,374	17,189,993
Government Securities - Market Treasury Bills		139,256,915	112,277,916
Government Securities - Pakistan Investment Bonds		286,088,168	40,090,102
		534,007,482	242,163,347

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

15.1 Mark-up on non performing securities amounting to Rs.42.22 million (2014: Rs.32.28 million) based on outstanding principal has not been recognised, in accordance with the requirements specified by SECP.

16. SECURITIES TRANSACTION COST

Represent Brokerage, BATS Charges and MTS transaction charges to NCCPL and settlement charges to CDC.

17. TAXATION

17.1 The income of the Fund is exempt from income tax as per clause 99 of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders. The management has already distributed 90 percent of the Fund's net accounting income earned by the year end as cash dividend to the unit holders. Accordingly, no provision in respect of taxation has been made in these financial statements.

18. AUDITORS' REMUNERATION

	2015	2014
	----- Rupees -----	
Audit fee	322,000	280,000
Half yearly review of financial statements	161,000	140,000
Review of statement of compliance with Code of Corporate Governance	45,000	42,000
Sindh Sales tax on Services	26,400	18,480
Out of pocket expenses	84,230	59,392
	638,630	539,872

19. TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

19.1 Connected persons include Atlas Asset Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, other collective investment schemes managed by the Management Company, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the Fund and directors and key management personnel of the Management Company.

19.2 Transactions with connected persons essentially comprise sale and repurchase of units, fee on account of managing the affairs of the Fund, sales load and other charges and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

19.3 Remuneration to the Management Company and the Trustee of the Fund is determined in accordance with the provisions of the NBFC regulations and the Trust Deed.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

19.4 The details of transactions carried out by the Fund with connected persons during the year are as follows:

	2015	2014
	----- Rupees -----	
Atlas Asset Management Limited (Management Company)		
Remuneration charged	65,141,346	35,055,320
Remuneration paid	63,440,740	34,103,217
Sindh Sales Tax on remuneration of the Management Company	11,334,594	6,506,267
Federal Excise Duty on remuneration of the Management Company	10,422,615	5,608,851
Sale of 171,294 (2014: 209,318) units	91,835,945	107,000,000
Redemption of 104,629 (2014: 226,346) units	55,000,000	115,000,000
Bonus of Nil (2014: 10,752) units	-	5,424,195
Cash dividend	8,447,927	-
Outstanding 166,023 (2014: 99,358) units at the year end	84,711,365	50,062,511
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration of the Trustee	5,177,781	2,836,466
Remuneration paid	5,044,076	2,782,516
Settlement charges	807,667	620,165
Atlas Battery Limited (Group Company)		
Sale of 1,086,857 (2014: 107,694) units	580,506,402	55,000,000
Redemption of 1,309,582 (2014: Nil) units	725,809,823	-
Bonus of Nil (2014: 54,436) units	-	27,470,305
Outstanding 548,614 (2014: 771,339) units at the year end	279,924,915	388,647,078
Atlas Foundation (Trust having common Director / Trustee)		
Sale of 539,715 (2014: 133,342) units	277,392,380	67,400,000
Redemption of 441,169 (2014: 88,041) units	248,576,803	44,650,000
Bonus of Nil (2014: 12,358) units	-	6,239,779
Outstanding 280,049 (2014: 181,503) units at the year end	142,892,380	91,452,201
Atlas Hitec (Private) Limited (Group Company)		
Sale of Nil (2014: 159,290) units	-	80,000,000
Redemption of 159,290 (2014: Nil) units	89,645,813	-
Outstanding Nil (2014: 159,290) units at the year end	-	80,259,642
Atlas Honda Limited (Group Company)		
Sale of 8,029,961 (2014: 2,480,402) units	4,254,670,251	1,250,000,000
Redemption of 5,689,345 (2014: 1,993,546) units	3,196,519,184	1,023,279,752
Bonus of Nil (2014: 94,163) units	-	47,632,052
Outstanding 4,232,180 (2014: 1,891,564) units at the year end	2,159,427,355	953,083,249

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014
	----- Rupees -----	
Atlas Insurance Limited (Group company)		
Sale of 861,272 (2014: 389,516) units	454,800,000	198,800,000
Redemption of 1,134,101 (2014: 314,762) units	622,410,178	160,000,000
Bonus of Nil (2014: 45,248) units	-	22,834,035
Outstanding 283,200 (2014: 556,029) units at the year end	144,500,000	280,160,841
Atlas Metals (Private) Limited (Group Company)		
Sale of 23,200 (2014: 30,230) units	11,837,735	15,395,918
Redemption of 30,998 (2014: Nil) units	16,937,032	-
Bonus of Nil (2014: 768) units	-	385,435
Outstanding 23,200 (2014: 30,998) units at the year end	11,837,735	15,618,554
Aamir Shirazi Family Trust (Trust having common Director / Trustee)		
Sale of Nil (2014: 41,758) units	-	21,200,000
Redemption of 44,438 (2014: Nil) units	23,136,271	-
Bonus of Nil (2014: 2,680) units	-	1,353,414
Outstanding Nil (2014: 44,438) units at the year end	-	22,390,599
Batool Benefit Trust (Trust having common Director / Trustee)		
Sale of 185,528 (2014: Nil) units	95,738,220	-
Redemption of 149,072 (2014: 39,847) units	83,621,123	20,150,000
Bonus of Nil (2014: 9,093) units	-	4,589,729
Outstanding 149,710 (2014: 113,254) units at the year end	76,388,220	57,064,395
Cherat Cement Company Limited (Company having common Director)		
Sale of 620,656 (2014: Nil) units	330,218,707	-
Redemption of 266,690 (2014: Nil) units	150,000,000	-
Cash dividend	19,468,142	-
Dividend payable	19,468,142	-
Outstanding 353,966 (2014: Nil) units at the year end	180,607,726	-
Iftikhar Shirazi Family Trust (Trust having common Director / Trustee)		
Sale of Nil (2014: Nil) units	-	-
Redemption of 423 (2014: Nil) units	238,799	-
Bonus of Nil (2014: 33) units	-	16,584
Outstanding Nil (2014: 423) units at the year end	-	213,064
Shirazi Capital (Private) Limited (Group company)		
Sale of 758,781 (2014: 152,473) units	395,593,330	76,825,000
Redemption of 331,932 (2014: Nil) units	186,046,278	-
Outstanding 579,322 (2014: 152,473) units at the year end	295,593,330	76,825,000
Shirazi Investments (Private) Limited (Group company)		
Sale of 4,662,794 (2014: 1,832,379) units	2,428,983,654	926,880,000
Redemption of 3,726,154 (2014: 23,924) units	2,089,829,963	12,300,000
Bonus of Nil (2014: 9,753) units	-	4,897,194
Outstanding 2,754,848 (2014: 1,818,208) units at the year end	1,405,633,654	916,122,434

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014
	----- Rupees -----	
Shirazi Investments (Private) Limited - Employees Provident Fund		
Sale of 5,906 (2014: Nil) units	3,208,189	-
Cash dividend	293,189	-
Outstanding 5,906 (2014: Nil) units at the year end	3,013,282	-
Shirazi Trading Company (Private) Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)		
Sale of 10,870 (2014: 3,351) units	6,000,000	1,700,000
Redemption of Nil (2014: 12,075) units	-	6,200,000
Bonus of Nil (2014: 1,381) units	-	697,926
Cash dividend	1,201,905	-
Dividend payable	1,201,905	-
Outstanding 21,853 (2014: 10,983) units at the year end	11,150,186	5,533,828
Key Management Personnel of Management Company - (note 17.6)		
Sale of 42,544 (2014: 152,133) units	21,864,501	77,947,320
Redemption of 147,325 (2014: 11,772) units	12,324,832	6,019,474
Bonus of Nil (2014: 20,782) units	-	10,483,630
Cash dividend	11,617,558	-
Outstanding 241,531 (2014: 346,312) units at the year end	123,238,777	174,492,849
Atlas Insurance Limited - Staff Provident Fund Trust (Retirement benefit plan of group company)		
Sale of 6,917 (2014: Nil) units	3,858,834	-
Redemption of 53,099 (2014: 4,365) units	28,000,000	2,203,166
Bonus of Nil (2014: 4,365) units	-	2,203,166
Cash dividend	358,834	-
Outstanding 7,228 (2014: 53,410) units at the year end	3,687,956	26,911,209
Atlas Honda Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)		
Sale of 195,026 (2014: 59,435) units	106,646,792	30,000,000
Redemption of 174,388 (2014: 19,785) units	95,500,000	10,000,000
Bonus of Nil (2014: 10,160) units	-	5,128,514
Cash dividend	8,327,400	-
Dividend payable	8,327,400	-
Outstanding 151,407 (2014: 130,769) units at the year end	77,254,045	65,889,460
Honda Atlas Cars (Pakistan) Limited - Employees Provident Fund (Retirement benefit plan of group company)		
Bonus of Nil (2014: 5,284) units	-	2,667,132
Cash dividend	3,740,431	-
Dividend payable	3,740,431	-
Outstanding 68,008 (2014: 68,008) units at the year end	34,700,323	34,266,433

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014
	----- Rupees -----	
Atlas Group of Companies - Management Staff Gratuity Fund (Retirement benefit plan of group company)		
Sale of 24,110 (2014: 4,891) units	13,000,000	2,500,000
Redemption of 978 (2014: 102,622) units	535,000	52,010,000
Bonus of Nil (2014: 3,449) units	-	1,740,076
Cash dividend	1,966,991	-
Dividend payable	1,966,991	-
Outstanding 35,763 (2014: 12,631) units at the year end	18,247,957	6,364,173
Atlas Engineering Limited - Employees Provident Fund (Retirement benefit plan of group company)		
Redemption of 26,000 (2014: Nil) units	14,041,820	-
Bonus of Nil (2014: 4,456) units	-	2,248,997
Cash dividend	1,724,031	-
Dividend payable	1,724,031	-
Outstanding 31,346 (2014: 57,346) units at the year end	15,993,995	28,894,367
Atlas Honda Limited - Non-management Staff Gratuity Fund (Retirement benefit plan of group company)		
Sale of 31,413 (2014: 9,272) units	17,151,937	4,700,000
Redemption of 22,180 (2014: 758) units	12,000,000	382,457
Bonus of Nil (2014: 758) units	-	382,457
Cash dividend	1,233,374	-
Dividend payable	1,233,374	-
Outstanding 18,505 (2014: 9,272) units at the year end	9,442,122	4,671,629
Honda Atlas Cars (Pakistan) Limited - Employees Gratuity Fund (Retirement benefit plan of group company)		
Bonus of Nil (2014: 563) units	-	284,192
Cash dividend	398,555	-
Dividend payable	398,555	-
Outstanding 7,246 (2014: 7,246) units at the year end	3,697,433	3,651,200
Atlas Powers Limited - Staff Provident Fund (Retirement benefit plan of group company)		
Redemption of Nil (2014: 837) units	-	430,000
Bonus of Nil (2014: 108) units	-	54,708
Cash dividend	44,496	-
Dividend payable	44,496	-
Outstanding 809 (2014: 809) units at the year end	412,797	407,636

19.5 Other balances due from / to related parties / connected persons are included in the respective notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

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

20. FINANCIAL INSTRUMENTS BY CATEGORY

	As at 30 June 2015			Total
	Loans and receivables	At fair value through profit or loss	Available for sale	
Financial Assets	Rupees			
Bank balances and term deposits	4,538,006,515	-	-	4,538,006,515
Investments	-	810,875,281	2,329,782	813,205,063
Receivable against sale of units	372,394,019	-	-	372,394,019
Receivable against Margin Trading System	25,154,719	-	-	25,154,719
Interest / profit accrued	27,326,250	-	-	27,326,250
Deposits	350,000	-	-	350,000
	4,963,231,503	810,875,281	2,329,782	5,776,436,566

	As at 30 June 2015			Total
	A fair value through profit or loss	Others		
Financial Liabilities	Rupees			
Payable to Atlas Asset Management Limited - Management Company	-	24,624,369		24,624,369
Payable to Central Depository Company of Pakistan Limited - Trustee	-	455,984		455,984
Payable against redemption of units	-	44,151,513		44,151,513
Dividend payable	-	58,414,639		58,414,639
Accrued and Other liabilities	-	1,273,216		1,273,216
	-	128,919,721		128,919,721

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

20. FINANCIAL INSTRUMENTS BY CATEGORY (Continued...)

	As at 30 June 2014			Total
	Loans and receivables	At fair value through profit or loss	Available for sale	
	Rupees			
Financial Assets				
Bank balances and term deposits	684,697,604	-	-	684,697,604
Investments	-	2,610,946,434	3,113,435	2,614,059,869
Receivable against sale of units	-	-	-	-
Receivable against Margin Trading System	540,089,401	-	-	540,089,401
Interest / profit accrued	86,381,636	-	-	86,381,636
Deposits	350,000	-	-	350,000
	1,311,518,641	2,610,946,434	3,113,435	3,925,578,510

	As at 30 June 2014		Total
	A fair value through profit or loss	Others	
	Rupees		
Financial Liabilities			
Payable to Atlas Asset Management Limited - Management Company	-	10,716,626	10,716,626
Payable to Central Depository Company of Pakistan Limited - Trustee	-	302,705	302,705
Payable against redemption of units	-	16,560	16,560
Dividend payable	-	-	-
Accrued and Other liabilities	-	603,064	603,064
	-	11,638,955	11,638,955

21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

- 21.1** The Fund's objective in managing risk is the creation and protection of unit holders' value. Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily set up to be performed based on limits established by the Management Company, Fund's constitutive documents and the regulations and directives of the SECP. These limits reflect the business strategy and market environment of the Fund as well as the level of the risk that the Fund is willing to accept. The Board of Directors of the Management Company supervises the overall risk management approach within the Fund. The Fund is exposed to market risk, credit risk and liquidity risk arising from the financial instruments it holds.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

21.2 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices.

The Management Company manages the market risk through diversification of the investment portfolio and by following the internal guidelines established by the Investment Committee.

Market risk comprises of three types of risk: currency risk, interest rate risk and price risk.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. As of 30 June 2015, the Fund is exposed to such risk on its balances held with banks, investments in term finance certificates, Sukuks and government securities. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

a) Sensitivity analysis for variable rate instruments

Presently, the Fund holds KIBOR based term finance certificates and balances with banks which expose the Fund to cashflow interest rate risk. In case of 100 basis points increase in KIBOR rates as at 30 June 2015, with all other variables held constant, the net income for the year and net assets of the Fund would have been higher by Rs.46.745 million (2014: Rs.8.194 million). In case of 100 basis points decrease in KIBOR rates as at 30 June 2015, with all other variables held constant, the net income for the year and net assets of the Fund would have been lower by Rs.46.745 million (2014: Rs.8.194 million).

b) Sensitivity analysis for fixed rate instruments

As at 30 June 2015, the Fund holds market treasury bills, Pakistan Investment Bond and fixed rate term finance certificates which are classified as financial assets at fair value through profit or loss' exposing the Fund to fair value interest rate risk. In case of 100 basis points increase in rates announced by Financial Markets Association of Pakistan for market treasury bills and Pakistan Investment Bond and 100 basis points increase in effective interest rate of term finance certificates on 30 June 2015 with all other variables held constant, the net income for the year and net assets of the Fund would have been lower by Rs.6.553 million (2014: Rs. 30.035 million). In case of 100 basis points decrease in those rates, the net income for the year and net assets of the Fund would have been higher by Rs.6.464 million (2014: Rs.29.257 million).

The composition of the Fund's investment portfolio, KIBOR rates and rates announced by Financial Markets Association of Pakistan is expected to change over time. Accordingly, the sensitivity analysis prepared as of 30 June 2015 is not necessarily indicative of the impact on the Fund's net assets of future movements in interest rates.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

----- As at 30 June 2015 -----

Effective interest rate	Exposed to yield / profit rate risk			Not exposed to yield/ interest rate risk	Total	
	Upto three months	More than three months and upto one year	More than one year			
Percentage	Rupees					
Financial Assets						
Bank balances and term deposits	5.00% - 7.10%	4,532,317,039	-	-	5,689,476	4,538,006,515
Investments	6.68% - 11.50%	412,337,142	50,090,077	348,448,062	2,329,782	813,205,063
Receivable against sale of units		-	-	-	372,394,019	372,394,019
Receivable against Margin Trading System		-	-	-	25,154,719	25,154,719
Interest / profit accrued		-	-	-	27,326,250	27,326,250
Deposits		-	-	-	350,000	350,000
		4,944,654,181	50,090,077	348,448,062	433,244,246	5,776,436,566
Financial Liabilities						
Payable to Atlas Asset Management Limited - Management Company		-	-	-	24,624,369	24,624,369
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	455,984	455,984
Payable against redemptions of units		-	-	-	44,151,513	44,151,513
Dividend Payable		-	-	-	58,414,639	58,414,639
Accrued and other liabilities		-	-	-	1,273,216	1,273,216
		4,944,654,181	50,090,077	348,448,062	304,324,525	5,647,516,845

----- As at 30 June 2014 -----

Effective interest rate	Exposed to yield / profit rate risk			Not exposed to yield/ interest rate risk	Total	
	Upto three months	More than three months and upto one year	More than one year			
Percentage	Rupees					
Financial Assets						
Bank balances and term deposits	6.50% - 9.20%	684,692,604	-	-	5,000	684,697,604
Investments	8.00% - 12.13%	1,105,052,016	-	1,504,973,497	4,034,356	2,614,059,869
Receivable against Margin Trading System		-	-	-	540,089,401	540,089,401
Interest / profit accrued		-	-	-	86,381,636	86,381,636
Deposits		-	-	-	350,000	350,000
		1,789,744,620	-	1,504,973,497	630,860,393	3,925,578,510
Financial Liabilities						
Payable to Atlas Asset Management Limited - Management Company		-	-	-	10,716,626	10,716,626
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	302,705	302,705
Accrued and other liabilities		-	-	-	619,624	619,624
		-	-	-	11,638,955	11,638,955
		1,789,744,620	-	1,504,973,497	619,221,438	3,913,939,555

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

(ii) Foreign currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. The Fund does not have any financial instruments in foreign currencies and hence is not exposed to such risk.

(iii) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Fund is exposed to equity price risk on investments held by the Fund and classified as 'available for sale'. Being an Income Fund, the Fund does not generally have any investment in equity securities and is thus not exposed to equity price risk other than shares of Agritech Limited received as part of settlement agreement finalised between Azgard Nine Limited and its creditors, which carried a market value of Rs.2.330 million on 30 June 2015 (2014: Rs.3.113 million).

In case of 5% increase / decrease in KSE 100 index on 30 June 2015, with all other variables held constant, comprehensive income of the Fund for the year would increase / decrease by Rs.116,489 (2014: Rs.155,672) and the net assets of the Fund would increase / decrease by the same amount as a result of gains / losses on equity securities classified as available for sale.

The analysis is based on the assumption that equity index had increased / decreased by 5% with all other variables held constant and all the Fund's equity instruments moved according to the historical correlation with the index. This represents management's best estimate of a reasonable possible shift in the KSE 100 Index, having regard to the historical volatility of the index. The composition of the Fund's investment portfolio and the correlation thereof to the KSE 100 Index, is expected to change overtime. Accordingly, the sensitivity analysis prepared as of 30 June 2015 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of the KSE 100 Index.

21.3 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligation in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to daily redemptions at the option of unit holders. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. Its policy is therefore to invest the majority of its assets in investments that are traded in an active market and can be readily disposed and are considered readily realisable.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the year.

The table below summaries the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity date. However, the assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month:

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

----- As at 30 June 2015 -----

	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	More than 5 years	Financial instruments with no fixed maturity	Total
----- Rupees -----							
Financial Assets							
Bank balances and term deposits	4,538,006,515	-	-	-	-	-	4,538,006,515
Investments	274,007,160	-	50,090,077	394,498,562	92,279,482	2,329,782	813,205,063
Receivable against Margin Trading System	25,154,719	-	-	-	-	-	25,154,719
Interest / profit accrued	21,660,082	5,111,998	554,170	-	-	-	27,326,250
Receivable against sale of units	372,394,019	-	-	-	-	-	372,394,019
Deposits	-	-	-	-	-	350,000	350,000
	5,231,222,495	5,111,998	50,644,247	394,498,562	92,279,482	2,679,782	5,776,436,566
Financial Liabilities							
Payable to Atlas Asset Management Limited - Management Company	24,624,369	-	-	-	-	-	24,624,369
Payable to Central Depository Company of Pakistan Limited - Trustee	455,984	-	-	-	-	-	455,984
Payable against redemption of units	4,151,513	-	-	-	-	-	44,151,513
Dividend payable	58,414,639	-	-	-	-	-	58,414,639
Accrued and other liabilities	654,284	618,932	-	-	-	-	1,273,216
	128,300,789	618,932	-	-	-	-	128,919,721
Net assets	5,102,921,706	4,493,066	50,644,247	394,498,562	92,279,482	2,679,782	5,647,516,845

----- As at 30 June 2014 -----

	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	More than 5 years	Financial instruments with no fixed maturity	Total
----- Rupees -----							
Financial Assets							
Bank balances and term deposits	684,697,604	-	-	-	-	-	684,697,604
Investments	74,825,325	934,381,442	5,970,593	1,553,061,097	42,707,977	3,113,435	2,614,059,869
Receivable against Margin Trading System	540,089,401	-	-	-	-	-	540,089,401
Interest / profit accrued	82,539,509	3,842,127	-	-	-	-	86,381,636
Deposits	-	-	-	-	-	350,000	350,000
	1,382,151,839	938,223,569	5,970,593	1,553,061,097	42,707,977	3,463,435	3,925,578,510
Financial Liabilities							
Payable to Atlas Asset Management Limited - Management Company	10,716,626	-	-	-	-	-	10,716,626
Payable to Central Depository Company of Pakistan Limited - Trustee	302,705	-	-	-	-	-	302,705
Accrued and other liabilities	52,354	567,270	-	-	-	-	619,624
	11,071,685	567,270	-	-	-	-	11,638,955
Net assets	1,371,080,154	937,656,299	5,970,593	1,553,061,097	42,707,977	3,463,435	3,913,939,555

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

21.4 Credit risk

21.4.1 Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss for the Fund by failing to discharge its obligation. The table below analyses the Fund's maximum exposure to credit risk:

	2015	2014
	Rupees	
Bank balances and term deposits	4,538,006,515	684,697,604
Investments in debt instruments	138,329,982	102,275,931
Receivable against sale of units	372,394,019	-
Receivable against Margin Trading System	25,154,719	540,089,401
Interest / profit accrued	9,441,049	9,140,848
Deposits	350,000	350,000
	5,083,676,284	1,336,553,784

The maximum exposure to credit risk before any credit enhancement as at 30 June 2015 is the carrying amount of the financial assets. Investment in government securities, however, are not exposed to credit risk as they are guaranteed by the Government of Pakistan and hence have been excluded from the above analysis.

There is a possibility of default by participants or failure of the financial market / stock exchanges, the depositories, the settlements or clearing systems, etc. Settlement risk on equity securities is considered minimal because of inherent controls established in the settlement process. The Fund's policy is to enter into financial contract in accordance with internal risk management policies and instruments guidelines approved by the Investment Committee.

21.4.2 Credit quality of financial assets

The Fund's significant credit risk (excluding credit risk relating to settlement of equity securities) arises mainly on account of its placements with banks and investment in Term Finance Certificates (TFCs). The credit rating profile of banks and issuers of TFCs is as follows:

	% of financial assets exposed to credit risk	
Rating	2015	2014
AAA	-	0.01
AA+	-	28.06
AA	97.05	24.18
AA-	0.90	3.33
A+	2.05	-
A	-	3.71
Others	-	40.71
	100.00	100.00

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

21.4.3 Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors affect the group of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's investments in term finance certificates is broadly diversified thereby mitigating any significant concentration of credit risk. The table below analyses the Fund's concentration of credit risk by industrial distribution for its exposure in term finance certificates:

	% of debt instruments	
	2015	2014
Banks	66.71	52.15
Financial Services	-	0.90
Chemicals	33.29	46.95
	100.00	100.00

22. FAIR VALUE OF FINANCIAL INSTRUMENTS

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.

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

Following hierarchy is used in determining and disclosing the fair value of the following financial instruments by valuation technique:

Level 1: quoted prices in active markets for identical assets or liabilities;

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 June 2015, the Fund held the following financial instruments measured at fair value:

	Level 1	Level 2	Level 3
	----- Rupees -----		
2015			
At fair value through profit or loss	-	810,875,281	-
Available for Sale	2,329,782	-	-
	2,329,782	810,875,281	-
2014			
At fair value through profit or loss	-	2,610,946,434	-
Available for Sale	3,113,435	-	-
	3,113,435	2,610,946,434	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

23. UNIT HOLDERS' FUND RISK MANAGEMENT

The unit holders' fund is represented by redeemable units. These units are entitled to dividends and to payment of a proportionate share based on the Fund's Net Asset Value per unit on the redemption date. The relevant movements are shown on the 'Statement of Movement in Unit Holders' Fund'.

The Fund has no restriction on the subscription and redemption of units. As required under NBFC Regulations, every open end scheme shall maintain fund size (i.e. net assets of the Fund) of Rs 100 million at all times during the life of scheme. The Fund maintained and complied with the requirement of minimum fund size during the current year.

The Fund's objectives when managing unit holders' funds are to safeguard its ability to continue as a going concern so that it can continue to provide returns to the unit holders and to maintain a strong base of assets to meet unexpected losses or opportunities.

In accordance with the risk management policies as stated in note 21, the Fund endeavours to invest the subscriptions received in appropriate investment avenues while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by disposal of investments or short-term borrowings, where necessary.

24. UNIT HOLDING PATTERN OF THE FUND

Category	2015			2014		
	Number of unit holders	Rupees	% of total	Number of unit holders	Rupees	% of total
Individuals	248	364,633,290	6.54%	188	230,112,029	5.91%
Associated Companies/ Directors	14	4,904,737,542	87.96%	16	3,081,976,267	79.09%
Insurance Companies	1	29,621,953	0.53%	1	16,916,127	0.43%
Bank / DFI	-	-	-	1	200,200,420	5.14%
Retirement Funds	22	250,845,035	4.50%	24	251,893,938	6.46%
Public Limited Companies	1	1,660,070	0.03%	8	115,759,349	2.97%
NBFCs	1	9,215	0.00%	1	9,100	0.00%
Others	8	24,725,334	0.44%	-	-	-
	295	5,576,232,439	100.00%	239	3,896,867,229	100.00%

25. LIST OF TOP TEN BROKERS BY PERCENTAGE OF THE COMMISSION PAID

2015		2014	
Name of broker	Percentage of commission paid	Name of broker	Percentage of commission paid
Invest Capital Markets Limited	47.80%	Invest Capital Markets Limited	38.82%
Global Securities Pakistan Limited	27.20%	JS Global Capital Limited	21.78%
KASB Securities Limited	12.86%	KASB Securities Limited	20.98%
Next Capital Limited	3.48%	Elixir Securities Pakistan Private Limited	11.37%
Invest & Finance Securities Limited	2.93%	BMA Capital Management Limited	3.80%
BMA Capital Management Limited	2.13%	Global Securities Pakistan Limited	2.95%
JS Global Capital Limited	2.33%	Invest & Finance Securities Limited	0.30%
Arif Habib Limited	1.27%		

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

26. THE MEMBERS OF THE INVESTMENT COMMITTEE

Following are the members of the Investment Committee of the Fund:

Name	Designation	Qualification	Overall experience
Mr. M. Habib-ur-Rahman	Chief Executive Officer	FCA	47 Years
Mr. Ali H. Shirazi	Director	Masters in Law	11.5 Years
Mr. M. Abdul Samad	Chief Operating Officer	MBA M.Com	15 Years
Mr. Khalid Mehmood	Chief Investment Officer	MBA - Finance	11 Years
Mr. Muhammad Umar Khan	Fund Manager - Commodities	MSc - Finance	7 Years
Mr. Fawad Javaid	Fund Manager - Fixed Income	CMA	7 Years
Mr. Faran-ul-Haq	Fund Manager - Equity Markets	B. A, CFA	4 Years

27. NAME AND QUALIFICATION OF FUND MANAGER

Name	Designation	Qualification	Other Funds managed by the Fund Manager
Mr. Fawad Javaid	Fund Manager - Fixed Income	CMA	Atlas Money Market Fund Atlas Sovereign Liquid Fund

28. MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

The details of dates of Board meetings of the management company of the Fund, and the attendance of the Board members are given below:

Name of Directors	Meeting held on							
	07 Jul. 2014	23 Jul. 2014	28 Aug. 2014	30 Oct. 2014	31 Dec. 2014	26 Feb. 2015	27 Apr. 2015	23 Jun. 2015
Mr. Yusuf H. Shirazi	P	P	P	P	P	P	P	P
Mr. Azam Faruque	P	P	P	P	P	P	P	P
Mr. Shamshad Nabi	P	P*	P	P	P*	L	P*	P
Mr. Frahim Ali Khan	P	P	P	P	P	L	P	P
Mr. Ali H. Shirazi	P	P	P	P	P	P	P	P
Mr. Arshad P. Rana	P	P*	P	P	P*	P	P	L
Mr. M. Habib-ur-Rahman	P	P	P	P	P	P	P	P
Ms. Lilly R. Dossabhoy (CFO & Co. Secretary)	P	P	P	P	L	P	P	P

* Attended through teleconference call.

P Present

L Leave of absence

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

29. RATING OF THE FUND AND THE MANAGEMENT COMPANY

The Pakistan Credit Rating Agency Limited (PACRA) has maintained the asset manager rating of the Management Company at AM2- (AM Two Minus).

PACRA has assigned a stability rating of "AA- (f)" (Double A minus; fund rating) to the Fund on 24 March 2015.

30. CORRESPONDING FIGURES

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

31. GENERAL

Figures have been rounded off to the nearest Rupee.

32. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on 31 August 2015.

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

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Azam Faruque
Director



Atlas Stock Market Fund

Corporate Information

Trustee

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

Auditors

A. F. Ferguson & Co.
Chartered Accountants

Legal Advisers

Mohsin Tayebaly & Co.

Bankers

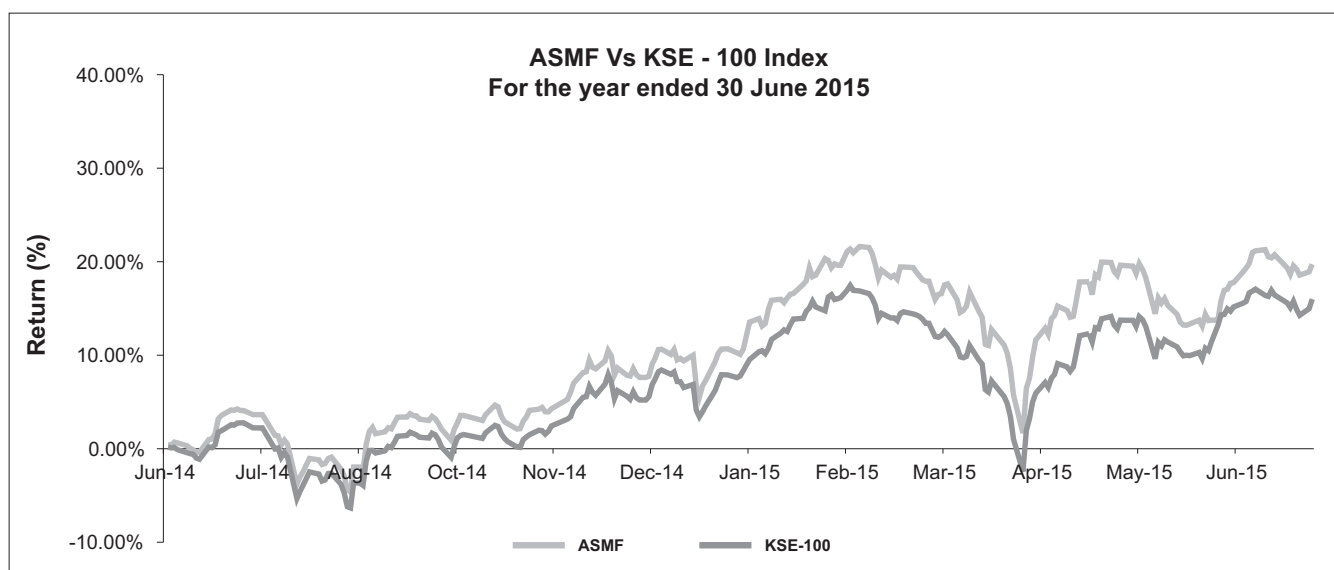
Bank Alfalah Limited
Faysal Bank Limited

Fund Manager's Report

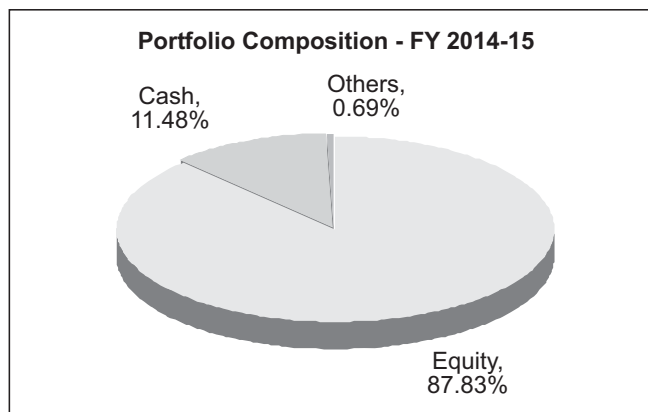
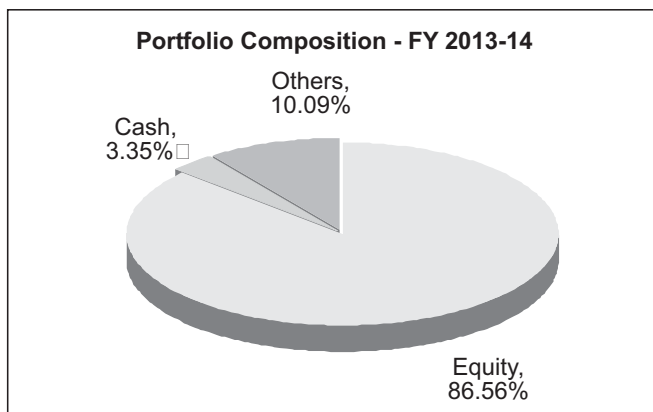
Atlas Stock Market Fund is an open-ended equity fund. The Fund aims to achieve appreciation in the value of amount invested along with modest income and to provide the investors with liquidity and the facility to join or leave the fund at their convenience. ASMF investment strategy is based on the belief that fundamental economic and sector analysis drives long term out performance, and that active portfolio management can produce consistently superior results than those produced through passive management. The Fund emphasizes medium to long-term investment views and involves the application of relative value analysis to industry sectors.

Karachi Stock Exchange (KSE- 100 Index) serves as the performance benchmark of Atlas Stock Market Fund.

The KSE-100 index has increased from 29,652.53 points as on June 30, 2014 to 34,398.86 points as on 30 June 2015, increasing by 16.01%. The average volumes during the year increased by 1.93% to 220 million shares from 216 million shares traded last year. Net Foreign portfolio investment during the year was recorded at \$39 million which is a decline of 85% compared to last year. On the local front Mutual Funds were the most active participant investing \$122 million during the period. Whereas Individual investors, Banks/DFI and Companies reduced their exposure in stock market by divesting \$24 million, \$138 million and \$97 million, respectively. During the period, the sectors that outperformed the market were Automobile & Parts, Power Generation & Distribution, Construction & Materials, Chemicals and General Industrials that posted 94%, 63%, 47%, 41% and 34% return.



The Net Asset Value per unit of Atlas Stock Market Fund increased by 19.73% to Rs.528.09 as on 30 June 2015. The benchmark KSE-100 index has increased by 16.01% during the same period. The KSE- 100 has increased from 29,652.53 points as on 30 June 2014 to 34,398.86 points as on 30 June 2015. The main drivers of return for the index were HUBC, FFC, ENGRO, LUCK, HBL, DAWH, KAPCO, INDU, FCCL & DGKC as they contributed approximately 4,000 points to the index and were able to beat the broader index by a huge margin. It is pertinent to highlight that KSE-30 index yielded 5.67% return as against KSE- All index that yielded 9.39% return during the same period. ASMF's strategy will continue to focus on dividend plays and stocks which are trading at relatively cheap multiples with earning growth prospects. The ASMF's equity portfolio exposure was mainly in Commercial Banks, Oil & Gas Exploration, Fertilizers and Oil & Gas Marketing sectors.



The ASMF equity portfolio exposure was mainly in Commercial Banks, Oil & Gas Exploration, Fertilizers and Oil & Gas Marketing sectors. ASMF 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 3.30 billion, with 6.26 million units outstanding as of 30 June 2015.

The Administrative Plans:

The Management Company is offering investment plans that allow investors focused combination investment strategic in Atlas Income fund (AIF) and Atlas Stock Market Fund (ASMF). The investment plans were offered from September 2008, and the returns since then are as under:

Administrative Plans	Proportionate investment in		Return (period ended)			
	AIF	ASMF	2011-12	2012-13	2013-14	2014-15
Income Multiplier	85%	15%	8.60%	15.80%	11.70%	13.30%
Balanced	50%	50%	14.50%	30.40%	19.30%	16.00%
Growth	15%	85%	20.40%	44.90%	26.80%	18.60%

Breakdown of Unit holding by size:

Type of investor	No. of Investors	Amount of Investment (Rs.)	% of Total
Individuals	302	342,099,521	10.35%
Associated Companies/Directors	13	2,301,388,167	69.64%
Insurance Companies	2	65,451,498	1.98%
Retirement Funds	27	539,472,841	16.32%
Others	2	56,249,661	1.70%
Total	346	3,304,661,688	100.00%

The Scheme has maintained provisions against WWF liability of Rs.34,031,289. If the same were not made the NAV per unit/return of the Scheme would be higher by Rs. 5.44/1.03%. For details please read Note 12.1 of the latest Financial Statements of the Scheme.

The Finance Act, 2013 has enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from 13 June 2013. As the asset management services rendered by the Management Company of the Fund are already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund, the management company is of the view that further levy of FED is not justified, and has filed a constitutional petition in the Honourable Sindh High Court, the hearing of which is pending. In the meantime, as a matter of abundant caution. The Scheme is providing for FED liability which amounted to Rs. 8,979,449 (Rs.1.44 per unit) as on 30 June 2015.

The Board of Directors of Atlas Asset Management Limited, in their meeting held on 07 July 2015, approved a final cash dividend to Rs. 50.00 per unit (10.00% on the face value of Rs.500 per unit).

The NAV before distribution stood at Rs.528.09 per unit and after adjustment for final dividend stood at Rs.478.09 per unit.

During the year under review, the Investment Committee held forty eight meetings to review investment of the Fund and the Risk Committee held twenty three meetings to review risk management.

Karachi: 31 August 2015

Faran-UI-Haq
Fund Manager

Performance Since Inception

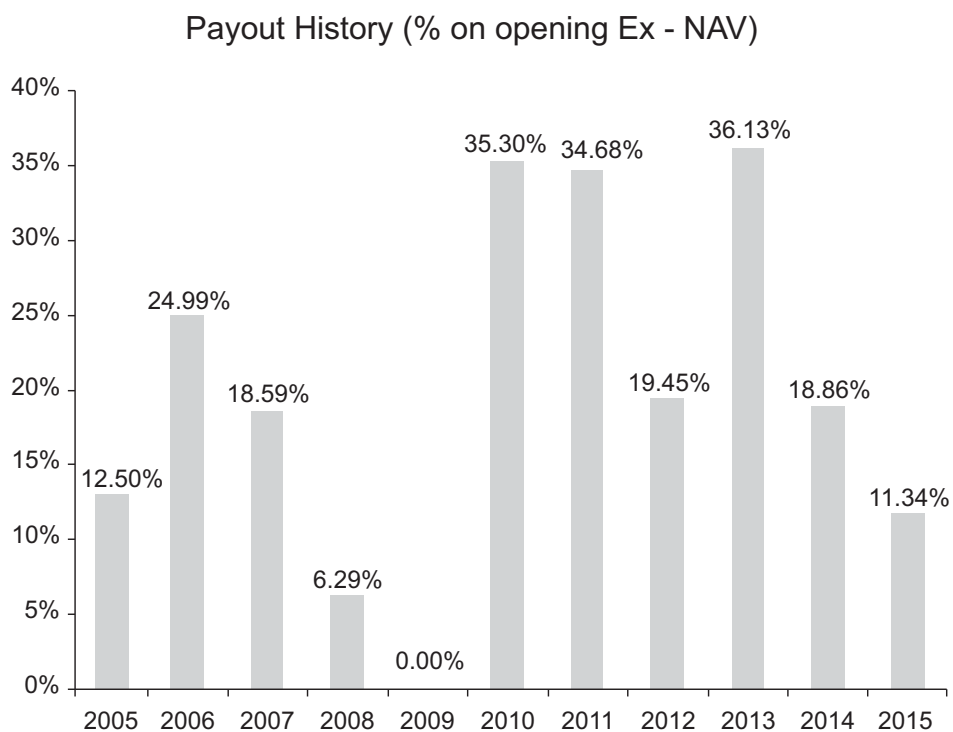
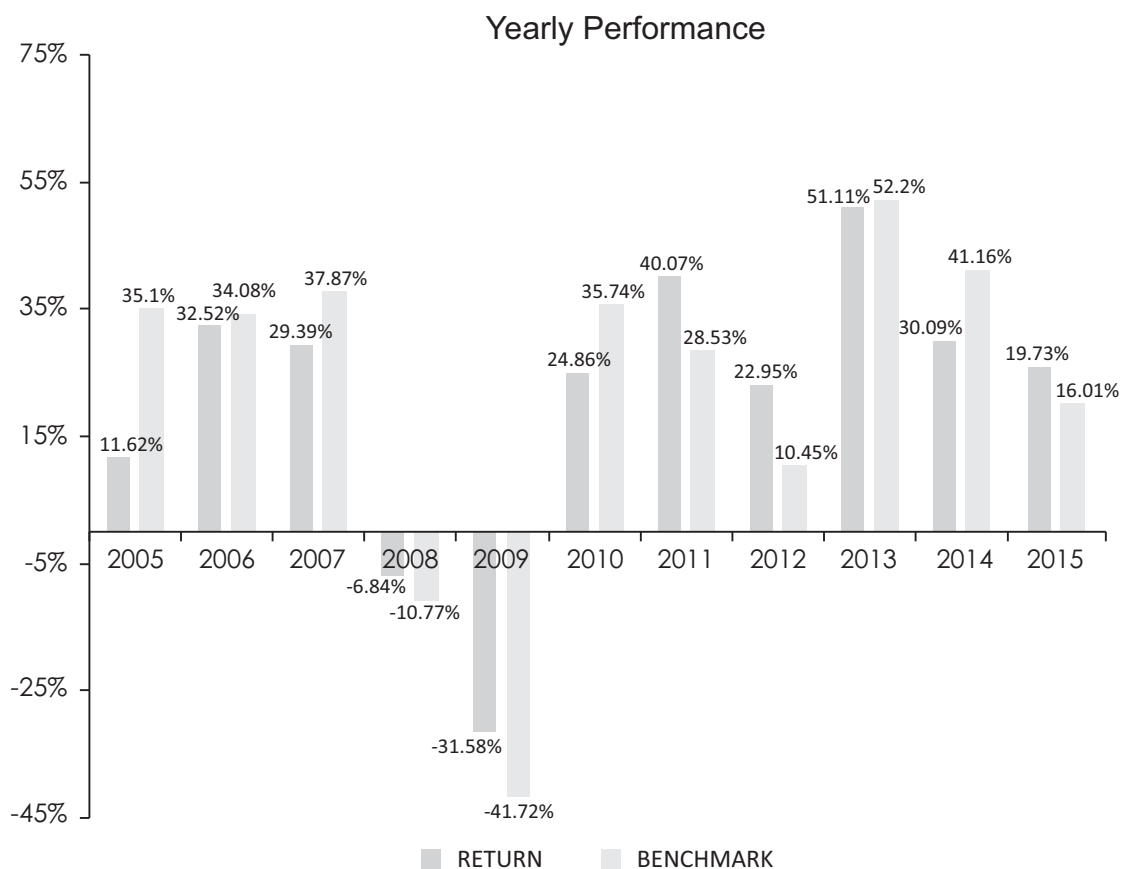
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005*
Net assets (Rs. In "000)	3,304,662	1,049,717	1,035,727	710,617	650,259	645,129	689,228	1,320,643	1,522,066	1,534,739	918,413
Number of units in issue	6,257,738	2,379,851	1,981,235	1,729,144	1,463,694	1,458,982	1,946,267	2,379,248	2,187,372	2,315,580	1,632,318
Net asset value per unit (Rs.)	528.09	441.08	522.77	410.96	444.26	442.18	354.13	555.07	695.84	662.79	562.64
Net income / (loss) (Rs. In "000")	544,472	254,583	350,292	132,635	186,008	199,544	(325,703)	(78,623)	334,451	371,585	103,097
Earnings / (loss) per unit	87.01	106.97	176.80	76.71	127.08	136.77	(167.35)	(33.05)	152.90	160.47	63.16
Annual return of the Fund (%)	19.73	30.09	51.11	22.95	40.07	24.86	(31.58)	(6.84)	29.39	32.52	11.62
Offer price **	528.09	441.08	533.32	419.21	453.15	451.02	361.21	566.17	709.77	675.85	574.66
Redemption price **	528.09	441.08	522.86	410.99	444.26	442.18	354.13	555.07	695.85	662.60	563.39
Distribution (Rs.)	50.00	75.00	125.00	65.00	110.00	125.00	-	37.50	100.00	125.00	62.50
Distribution as a % of opening Ex - NAV of units	11.34	18.86	36.13	19.45	34.68	35.30	-	6.29	18.59	24.99	12.50
Date of distribution	7-Jul-15	24-Jun-14	4-Jul-13	5-Jul-12	7-Jul-11	8-Jul-10	-	4-Jul-08	20-Jul-07	19-Jul-06	15-Jul-05
Highest offer price	536.44	523.17	561.36	437.30	469.09	525.81	509.76	698.28	710.81	793.44	676.57
Lowest offer price	420.61	423.67	368.11	308.05	328.38	377.77	211.57	515.74	535.97	507.03	503.86
Highest repurchase price per unit	536.44	523.17	550.35	428.73	459.89	515.50	499.76	684.59	696.87	777.88	663.30
Lowest repurchase price per unit	420.61	418.01	360.89	302.01	321.94	370.36	207.42	505.63	525.46	497.09	503.82

* For the period from 24 August 2004 to 30 June 2005

Date of Launch: 23 November 2004

** Relates to announced prices.

Note: Past performance of the Fund is not indicative of future performance, and the price and investment return may go down, as well as up.



STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2015

This statement is being presented to comply with the Code of Corporate Governance ("the Code") contained in Regulation No. 35 (Chapter XI) of Listing Regulations of the Lahore Stock Exchange for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of Corporate Governance.

Atlas Asset Management Limited (AAML), the Management Company, is not listed and hence, the Code is not applicable to it. However, Atlas Stock Market Fund, being listed at the Lahore Stock Exchange, comes under the ambit of the Code. The Fund, being a unit trust scheme, does not have its own Board. The Board of Directors of the Management Company manages the affairs of the Fund and has appointed the Chief Executive Officer (CEO), and Chief Financial Officer (CFO)/Company Secretary and other necessary personnel to manage the affairs of the Fund.

The Management Company has applied the principles contained in the Code in the following manner:

1. The Management Company encourages representation of independent non-executive directors. At present the board includes:

Category	Name of Director
Independent Directors	Mr. Azam Faruque Mr. Shamshad Nabi
Non-Executive Directors	Mr. Yusuf H. Shirazi Mr. Fahim Ali Khan Mr. Ali H. Shirazi Mr. Arshad P. Rana
Executive Director (CEO)	Mr. M. Habib-ur-Rahman

The independent directors meets the criteria of independence under clause i (b) of the Code.

2. The directors have confirmed that none of them is serving as a director in more than seven listed companies.
3. All the resident directors of the Management Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. No casual vacancy occurred on the Board during the year.
5. The Management Company has prepared a "Code of Conduct", and has ensured that appropriate steps have been taken to disseminate it throughout the Management Company along with its supporting policies and procedures.
6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies for the Fund. A complete record of the particulars of significant policies along with the dates on which these were approved or amended have been maintained.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of the remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors, have been taken by the Board.
8. The meetings of the Board were presided over by the Chairman, and the Board met at least once in every quarter during the period. Written notes of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meeting were appropriately recorded and circulated.
9. Four members of the Board of Directors of the Management Company are exempt from the requirements of the Directors' Training Program as per the proviso to Clause xi of the Code, whilst the remaining three Board members have completed their Directors' certification programs from institutes meeting the criteria specified by the Securities and Exchange Commission of Pakistan. The directors are conversant with the relevant laws applicable to the company, its policies and procedures and provisions of memorandum and articles of association and are aware of their duties and responsibilities.

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

FOR THE YEAR ENDED 30 JUNE 2015

10. No new appointment of the Chief Financial Officer & Company Secretary and Head of Internal Audit was made during the year. The terms of remuneration of the Chief Financial Officer & Company Secretary, and the Head of Internal Audit have been approved by the Board.
11. The Directors' Report for the year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
12. The financial statements of the Fund were duly endorsed by CEO and CFO of the Management Company before the approval of the Board.
13. The Directors, CEO and Executives do not hold units other than those disclosed in note 17 to the financial statements "Transactions with Related Parties/Connected Persons", and as disclosed in the pattern of unit holdings disclosed in note 21 to the financial statements. These transactions have been placed before the Audit Committee and as per their recommendation, approved by the Board of Directors of the Management Company.
14. The Management Company has complied with the corporate and financial reporting requirements of the Code.
15. The Board has formed an Audit Committee comprising of three members, all of whom are non-executive directors and the Chairman of the Committee is an independent director.
16. Meetings of the Audit Committee were held every quarter, prior to approval of the interim and annual results of the Fund, as required by the Code. The terms of reference of the Audit Committee have been approved in the meeting of the Board and Committee has been advised to ensure compliance with those terms of reference.
17. The Board has formed a Human Resource and Remuneration Committee. It comprises of three members, of whom two are non-executive directors and the Chairman of the committee is a non-executive director.
18. The Board has set up an effective internal audit function headed by a full time Head of Internal Audit who is considered suitably qualified and experienced, and is conversant with the policies and procedures of the Fund.
19. The statutory auditors of the Fund have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (ICAP), that they or any of the partners of the firm, their spouse and minor children do not hold units of the Fund, and that the Firm and all its partners are in compliance with the International Federation of Accountants (IFAC) guidelines on the Code of Ethics as adopted by the ICAP.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Listing Regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The 'closed period' prior to the announcement of interim/financial results, and business decisions, which may materially affect the market price / net asset value, was determined and intimated to directors, employees and the stock exchange.
22. Material /price sensitive information has been disseminated among all market participants at once through the Stock Exchange.
23. We confirm that all other material principles contained in the Code have been complied with.

Karachi: 31 August 2015

M. Habib-ur-Rahman
Chief Executive Officer

TRUSTEE REPORT TO THE UNIT HOLDERS

Report of the Trustee pursuant to Regulation 41(h) and Clause 9 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of Atlas Stock Market Fund (the Fund) are of the opinion that Atlas Asset Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2015 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Karachi: September 22, 2015

Muhammad Hanif Jakhura
Chief Executive Officer
Central Depository Company of Pakistan Limited

REVIEW REPORT TO THE UNIT HOLDERS ON THE STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES OF THE CODE OF CORPORATE GOVERNANCE

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of Atlas Asset Management Limited, the Management Company of **Atlas Stock Market Fund** (the Fund) for the year ended June 30, 2015 to comply with the Listing Regulation No.35 (Chapter XI) of the Lahore Stock Exchange where the Fund is listed.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Management Company (**Atlas Asset Management Limited**) of the Fund. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Fund's compliance with the provisions of the Code of Corporate Governance and report if it does not and to highlight any non-compliance with the requirements of the Code of Corporate Governance. A review is limited primarily to inquiries of the Management Company's personnel and review of various documents prepared by the Management Company to comply with the Code.

As part of our audit of the financial statements, we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board's statement on internal control covers all risks and controls, or to form an opinion on the effectiveness of such internal controls, the Management Company's corporate governance procedures and risks.

The Code requires the Management Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval of the Fund's related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Management Company's compliance for and on behalf of the Fund, in all material respects, with the best practices contained in the Code of Corporate Governance as applicable to the Fund for the year ended June 30, 2015.

Karachi: 31 August 2015

A. F. Ferguson & Co.
Chartered Accountants

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of **ATLAS STOCK MARKET FUND** (hereinafter referred to as the 'Fund'), which comprise the statement of assets and liabilities as at June 30, 2015, and the related income statement, statement of comprehensive income, distribution statement, statement of movement in unit holders' fund and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management Company's responsibility for the financial statements

The Management Company (**Atlas Asset Management Limited**) of the Fund is responsible for the preparation and fair presentation of these financial statements in accordance with approved accounting standards as applicable in Pakistan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing as applicable in Pakistan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the state of the financial position of the Fund as at June 30, 2015 and of its financial performance, cash flows and transactions for the year then ended in accordance with the approved accounting standards as applicable in Pakistan.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

Karachi: 31 August 2015

A. F. Ferguson & Co.
Chartered Accountants

Engagement Partner: Salman Hussain

STATEMENT OF ASSETS AND LIABILITIES

AS AT 30 JUNE 2015

	Note	2015 ----- Rupees -----	2014 -----
ASSETS			
Cash and bank balances	4	406,778,750	37,211,150
Investments	5	3,111,663,166	961,117,365
Receivable against issue of units	6	12,528,469	-
Dividend receivable		8,289,539	1,083,750
Profit receivable on bank balances		953,496	907,806
Receivable against sale of investments		-	98,514,235
Advances, deposits and other receivables	7	2,794,777	11,539,777
Total assets		3,543,008,197	1,110,374,083
LIABILITIES			
Payable to Atlas Asset Management Limited - Management Company	8	15,258,429	6,357,100
Payable to the Central Depository Company of Pakistan Limited - Trustee	9	359,273	191,082
Payable to the Securities and Exchange Commission of Pakistan	10	1,568,152	1,046,017
Payable against purchase of investments		178,738,386	29,244,093
Payable against redemption of units	11	4,535,483	245,805
Accrued expenses and other liabilities	12	37,886,786	23,573,380
Total liabilities		238,346,509	60,657,477
NET ASSETS		3,304,661,688	1,049,716,606
UNIT HOLDERS' FUNDS (AS PER STATEMENT ATTACHED)		3,304,661,688	49,716,606
CONTINGENCIES AND COMMITMENTS	13		
NUMBER OF UNITS IN ISSUE		6,257,738	2,379,851
NET ASSET VALUE PER UNIT		528.09	441.08

The annexed notes from 1 to 30 form an integral part of these financial statements.

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Azam Faruque
Director

INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 ----- Rupees -----	2014 -----
INCOME			
Profit on bank balances		5,994,524	18,609,143
Dividend income		93,583,239	59,871,055
Capital gain on sale of investments - net		202,428,264	176,158,730
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		49,241,441	78,755,413
		251,669,705	254,914,143
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - net		261,701,841	(34,789,173)
Total income		612,949,309	298,605,168
EXPENSES			
Remuneration of Atlas Asset Management Limited - Management Company	8.1	33,013,573	22,021,493
Sindh Sales Tax on remuneration of the Management Company	8.2	5,744,362	4,087,189
Federal Excise Duty on remuneration of the Management Company	8.3	5,282,172	3,523,439
Remuneration of the Central Depository Company of Pakistan Limited - Trustee	9.1	2,650,690	2,101,068
Annual fee to the Securities and Exchange Commission of Pakistan	10.1	1,568,152	1,046,017
Auditors' remuneration	14	1,102,522	441,011
Annual listing fee		40,000	40,000
Annual rating fee		127,600	100,000
Legal and professional charges		-	276,666
Securities transaction cost	15	7,658,179	4,885,169
Printing charges		140,000	285,566
Bank charges		38,169	19,168
Provision for Workers' Welfare Fund	12.1	11,111,678	5,195,568
Total expenses		68,477,097	44,022,354
Net income for the year before taxation		544,472,212	254,582,814
Taxation	16	-	-
Net income for the year after taxation		544,472,212	254,582,814

The annexed notes from 1 to 30 form an integral part of these financial statements.

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Azam Faruque
Director

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2015

	2015 ----- Rupees -----	2014 ----- Rupees -----
Net income for the year after taxation	544,472,212	254,582,814
Other comprehensive income	-	-
Total comprehensive income for the year	544,472,212	254,582,814

The annexed notes from 1 to 30 form an integral part of these financial statements.

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Azam Faruque
Director

DISTRIBUTION STATEMENT FOR THE YEAR ENDED 30 JUNE 2015

	2015 ----- Rupees -----	2014 ----- Rupees -----
(Accumulated loss) / undistributed income brought forward [includes unrealised gain on investments of Rs 101,382,674] (2014: unrealised gain of Rs 98,859,951)	(35,146,783)	118,074,859
Final distribution for the year ended 30 June 2013 at the rate of Rs.125 per unit declared on 4 July 2013		
- Issue of bonus units	-	(245,811,990)
- Cash payout against distribution	-	(1,842,331)
	-	(247,654,321)
Interim distribution: Nil (2014: Rs.75 per unit declared on 24 June 2014)		
- Issue of bonus units	-	(159,044,736)
- Cash payout against distribution	-	(1,105,399)
	-	(160,150,135)
Net income for the year after taxation	544,472,212	254,582,814
Undistributed income / (accumulated loss) carried forward [includes unrealised gain on investments of Rs.77,101,829] (2014: unrealised gain of Rs.101,382,674)	509,325,429	(35,146,783)

The annexed notes from 1 to 30 form an integral part of these financial statements.

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Azam Faruque
Director

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND FOR THE YEAR ENDED 30 JUNE 2015

	2015		2014	
	Units	Rupees	Units	Rupees
Net assets at beginning of the year [Rs 441.08 (2014: Rs 522.77) per unit]	2,379,851	1,049,716,606	1,981,235	1,035,727,038
Issue of units	4,776,645	2,413,932,835	609,315	287,153,052
Redemption of units	(898,758)	(441,758,124)	(1,195,847)	(559,587,741)
	3,877,887	1,972,174,711	(586,532)	(272,434,689)
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed - net	-	(261,701,841)	-	34,789,173
Final distribution for the year ended 30 June 2013 at the rate of Rs 125 per unit declared on 4 July 2013				
- Issue of bonus units	-	-	617,975	-
- Cash payout against final distribution	-	-	-	(1,842,331)
Interim distribution: Nil (2014: Rs 75 per unit declared on 24 June 2014)				
- Issue of bonus units	-	-	367,173	-
- Cash payout against interim distribution	-	-	-	(1,105,399)
Capital gain on sale of investments - net	-	202,428,264	-	176,158,730
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	-	49,241,441	-	78,755,413
Other income (net of expenses) for the year	-	292,802,507	-	(331,329)
Total comprehensive income for the year	-	544,472,212	-	254,582,814
Net assets at the end of the year [Rs 528.09 (2014: Rs 441.08) per unit]	6,257,738	3,304,661,688	2,379,851	1,049,716,606

The annexed notes from 1 to 30 form an integral part of these financial statements.

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

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Azam Faruque
Director

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 ----- Rupees -----	2014 -----
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year after taxation		544,472,212	254,582,814
Adjustments:			
Profit on bank balances		(5,994,524)	(18,609,143)
Dividend income		(93,583,239)	(59,871,055)
Capital gain on sale of investments - net		(202,428,264)	(176,158,730)
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		(49,241,441)	(78,755,413)
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed - net		(261,701,841)	34,789,173
		(68,477,097)	(44,022,354)
(Increase) / decrease in assets			
Advances, deposits and other receivables		8,745,000	(8,925,000)
Increase / (decrease) in liabilities			
Payable to Atlas Asset Management Limited - Management Company		8,901,329	4,059,401
Payable to the Central Depository Company of Pakistan Limited - Trustee		168,191	(2,824)
Payable to the Securities and Exchange Commission of Pakistan		522,135	193,467
Accrued expenses and other liabilities		14,313,406	5,406,746
		23,905,061	9,656,790
Profit received on bank balances		5,948,834	18,376,570
Dividend received		86,377,450	59,557,305
Investments made during the year		(4,285,223,236)	(2,208,634,483)
Investments sold during the year		2,634,355,668	2,427,428,454
Net cash (used in) / generated from operating activities		(1,594,368,320)	253,437,282
CASH FLOWS FROM FINANCING ACTIVITIES			
Net receipts from issuance of units		2,401,404,366	287,153,052
Net payments against redemption of units		(437,468,446)	(559,587,741)
Cash payout against distribution		-	(2,947,730)
Net cash generated from / (used in) financing activities		1,963,935,920	(275,382,419)
Net increase / (decrease) in cash and cash equivalents		369,567,600	(21,945,137)
Cash and cash equivalents at the beginning of the year		37,211,150	59,156,287
Cash and cash equivalents at the end of the year	4	406,778,750	37,211,150

The annexed notes from 1 to 30 form an integral part of these financial statements.

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

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Azam Faruque
Director

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

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 Securities and Exchange Commission of Pakistan. The Offering Document has been revised through the First, Second, Third, Fourth, Fifth, Sixth and Seventh Supplements dated 21 June 2005, 24 July 2006, 29 October 2007, 6 March 2008, 4 December 2009, 14 October, 2013 and 24 March 2015 respectively, with the approval of the SECP. The registered office of AAML is situated at Ground Floor, Federation House, Shahrae Firdousi, Clifton, Karachi.
- 1.2 The Fund is an open-end collective investment scheme categorised as an 'equity scheme' by the Board of Directors pursuant to the provisions contained in Circular 7 of 2009 and is listed on the Lahore 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 a 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. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. 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 Ordinance, 1984, the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the 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.

2.2 Standards, interpretations and amendments to published approved accounting standards that are effective in the current year

The Fund has adopted the following accounting standards, amendments and interpretations of IFRSs which became effective for the current year:

- IAS 32 - Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities (Amendment)
- IAS 36 - Impairment of Assets - Recoverable amount disclosures for Non-Financial Assets (Amendment)
- IAS 39 - Financial Instruments: Recognition and Measurement (Amendment)
- IFRIC 21 - Levies

Improvements to accounting standards issued by the IASB

- IFRS 8 - Operating Segments - Aggregation of operating segments and reconciliation of the total of the reportable segments' assets to the entity's assets
- IFRS 13 - Fair Value Measurement - Scope of paragraph 52 (portfolio exception)
- IAS 24 - Related Party Disclosures - Key management personnel

The adoption of the above amendments and improvements to accounting standards and interpretations did not have any effect on the financial statements.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

2.3 Standards, interpretations and amendments to published approved accounting standards that are not yet effective

The following revised standards, interpretations and amendments with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standards, interpretation and amendments:

2.3 Standard, interpretation or amendment	Effective date (accounting periods beginning)
IFRS 10 - Consolidated Financial Statements	01 January 2015
IFRS 10 - Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other - Entities and IAS 27 Separate Financial Statements – Investment Entities (Amendment)	01 January 2015
IFRS 10 - Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements – Investment Entities: Applying the Consolidation Exception (Amendment)	01 January 2016
IFRS 10 - Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	01 January 2016
IFRS 11 - Joint Arrangements	01 January 2015
IFRS 11 - Joint Arrangements – Accounting for Acquisition of Interest in - Joint Operation (Amendment)	01 January 2016
IFRS 12 - Disclosure of Interests in Other Entities	01 January 2015
IFRS 13 - Fair Value Measurement	01 January 2015
IAS 1 - Presentation of Financial Statements – Disclosure Initiative (Amendment)	01 January 2016
IAS 27 - Separate Financial Statements – Equity Method in Separate Financial Statements (Amendment)	01 January 2016

The Fund expects that the adoption of the above amendments and interpretation of the standards will not affect the Fund's financial statements in the period of initial application.

There are certain new and amended standards and interpretation that are mandatory for the Fund's accounting periods beginning on or after 1 July 2015 but are considered not to be relevant or do not have any significant effect on the Fund's operations and are therefore not detailed in these financial statements.

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standard	Effective date (accounting periods beginning)
IFRS 9 – Financial Instruments: Classification and Measurement	01 January 2018
IFRS 14 – Regulatory Deferral Accounts	01 January 2016
IFRS 15 – Revenue from Contracts with Customers	01 January 2017

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

2.4 Critical accounting estimates and judgments

The preparation of financial statements in accordance with the approved accounting standards as applicable in Pakistan requires the management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates, judgements and associated assumptions are based on historical experience and various other factors including expectations of future events that are believed to be reasonable under the circumstances, the result of which form the basis of making judgements about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

The estimates and judgements that have a significant effect on the financial statements relate to classification and valuation of investments and provision there against (as disclosed in notes 3.2 and 5 to these financial statements).

2.5 Accounting convention

These financial statements have been prepared under the historical cost convention except that certain investments have been carried at fair values.

2.6 Functional and presentation currency

These financial statements are presented in Pakistani Rupees, which is the Fund's functional and presentation currency.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all the years presented unless otherwise stated.

3.1 Cash and cash equivalents

These comprise balances with banks, cheques in hand and short-term highly liquid investments with original maturities of three months or less.

3.2 Financial assets

3.2.1 Classification

The management determines the appropriate classification of the financial assets of the Fund in accordance with the requirements of International Accounting Standard (IAS) 39: 'Financial Instruments: Recognition and Measurement' at the time of the purchase of the financial assets and re-evaluates this classification on a regular basis. The classification depends on the purpose for which the financial assets are acquired. The financial assets of the Fund are categorised as follows:

a) Financial assets at fair value through profit or loss

These are acquired principally for the purpose of generating profit from short-term fluctuations in prices.

b) Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

c) Available-for-sale

These are those non-derivative financial assets that are designated as available for sale or are not classified as (a) financial assets at fair value through profit or loss, or (b) loans and receivables. These are intended to be held for an indefinite period of time which may be sold in response to the needs for liquidity or change in price.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

3.2.2 Regular way contracts

All regular way purchases / sales of investments are recognised on the trade date, i.e. the date on which the Fund commits to purchase / sell the investment. Regular way purchases / sales of investments require delivery of securities within two days after transaction date as per the stock exchange regulations.

3.2.3 Initial recognition and measurement

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement.

3.2.4 Subsequent measurement

Subsequent to initial recognition, financial assets are valued as follows:

a) Financial assets at fair value through profit or loss' and 'available-for-sale financial assets'

Basis of valuation of equity securities

The investment of the Fund in equity securities is valued on the basis of closing quoted market prices available at the stock exchange. A security listed on the stock exchange for which no sale is reported on the reporting date is valued at its last sale price on the next preceding date on which such exchange is open and if no sale is reported for such date the security is valued at an amount neither higher than the closing ask price nor lower than the closing bid price.

Net gains and losses arising on changes in the fair values of financial assets carried 'at fair value through profit or loss' are taken to the Income Statement.

Net gains and losses arising from changes in fair value of 'available-for-sale financial assets' are taken to the Statement of Comprehensive Income' as 'other comprehensive income' until these are derecognised or impaired. At this time, the cumulative gain or loss previously recognised as 'other comprehensive income' is transferred to the Income Statement as capital gain / (loss).

b) Loans and receivables

These are carried at amortised cost using the effective interest method.

Gains or losses are recognised in the Income Statement through the amortisation process or when the financial assets carried at amortised cost are derecognised or impaired.

3.2.5 Impairment

The Fund assesses at each reporting date whether there is objective evidence that the financial asset or a group of financial assets is impaired. In case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered, among other indicators, as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in income statement is reclassified from unit holders' fund to 'income statement'. Impairment losses recognised on equity instruments are not reversed through the income statement.

For financial assets classified as 'loans and receivables', a provision for impairment is established when there is objective evidence that the Fund will not be able to collect all amounts due according to the original terms. The amount of the provision is determined based on the provisioning criteria specified by the SECP.

3.2.6 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership.

3.2.7 Derivatives

Derivative instruments are initially recognised at fair values and subsequent to initial measurement each derivative instrument is remeasured to its fair value and the resultant gain or loss is recognised in the income statement. Presently, the Fund does not have any derivative instrument.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

3.3 Financial liabilities

Financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair values and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired.

3.4 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are only offset and the net amount reported in the statement of assets and liabilities when there is a legally enforceable right to set off the recognised amount and the Fund intends to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

3.5 Provisions

Provisions are recognised when the Fund has a present, legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

3.6 Net asset value per unit

The net asset value (NAV) per unit disclosed in the statement of assets and liabilities is calculated by dividing the net assets of the Fund by the number of units in issue at the year end.

3.7 Issue and redemption of units

Units issued are recorded at the offer price determined by the Management Company for the application received during business hours on that day. The offer price represents the Net Asset Value (NAV) per unit as of the close of the business day, plus the allowable sales load and provision of any duties and charges if applicable. The sales load is payable to the Management Company / distributors.

Units redeemed are recorded at the redemption price applicable to units for which the Management Company / distributors receive redemption applications during business hours of that day. The redemption price is equal to the NAV as of the close of the business day, less an amount as the management company may consider to be an appropriate provision of duties and charges.

3.8 Distribution to unit holders

Distribution to unit holders is recognised upon declaration and approval by the Investment Committee of the Management Company, under the powers delegated to them by the Board of Directors of the Management Company.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the period in which such distributions are declared and approved by the Investment Committee of the Management Company.

3.9 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

To prevent the dilution of per unit income and distribution of income already paid out on redemption as dividend, an equalisation account called 'element of income / loss and capital gains / losses in prices of units issued less those in units redeemed' (the element) is created.

Upon sale and redemption of units, the amount representing net income / loss and capital gains / losses is accounted for in net asset value and included in the sale / redemption price is taken to the Income Statement.

The element is computed to the extent that it is represented by the increase / decrease in net income / loss and capital gains / losses earned / incurred during the year.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

3.10 Revenue recognition

- Gains or losses on sale of investments are included in the Income Statement in the period in which they arise.
- Dividend income is recognised when the right to receive the dividend is established.
- Interest income on bank balances, placements and deposits is recognised on an accrual basis.
- Element of income / loss and capital gains / losses in prices of units issued less those in units redeemed is recognised when the units are issued and redeemed at the transaction date.

3.11 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company and Trustee and annual fee of the SECP are recognised in the income statement on an accrual basis.

3.12 Taxation

Current

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 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders.

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.

Deferred

The Fund provides for deferred taxation using the balance sheet liability method on all major temporary differences between the amounts used for financial reporting purposes and the amounts used for taxation purposes. In addition, the Fund also records deferred tax asset on unutilised tax losses to the extent that it is probable that the related tax benefit will be realised. However, the Fund has not recognised any amount in respect of deferred tax in these financial statements as the Fund intends to continue availing the tax exemption in future years by distributing at least ninety percent of its accounting income for the year as reduced by capital gains, whether realised or unrealised, to its unit holders every year.

3.13 Earnings per unit

Earnings per unit (EPU) has not been disclosed as in the opinion of the management the determination of cumulative weighted average number of outstanding units for calculation EPU is not practicable.

3.14 Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015	2014
		Rupees	Rupees
4. CASH AND BANK BALANCES			
Balances with banks			
- in savings accounts	4.1	403,746,659	37,211,150
- in current account		2,032,091	-
Cheques in hand		1,000,000	-
		406,778,750	37,211,150

4.1 The rate of return on these accounts ranges between 5.00% and 7.10% (30 June 2014: 6.50% and 9.20%) per annum.

5. INVESTMENTS

At fair value through profit or loss - held for trading

Investments in listed equity securities	5.1	3,090,288,166	961,117,365
Investment through book building of 225,000 shares of Al Shaheer Corporation Limited	5.2	21,375,000	-
		3,111,663,166	961,117,365

5.1 Listed equity securities

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

Name of Investee Company	Number of shares					Rupees		Percentage of		
	As at 01 July 2014	Purchases during the year	Bonus shares / Specie Dividend during the year	Sales during the year	As at 30 June 2015	Carrying Cost	Market value	Market Value as a percentage of total Investments	Market Value as a percentage of net assets	Percentage of Paid up capital of investee company held
At fair value through profit or loss - equity securities										
Oil and Gas Marketing Companies										
Attock Petroleum Limited	-	179,250	-	(79,250)	100,000	54,233,058	56,722,000	1.82	1.72	0.12
Hascol Petroleum Limited	-	290,000	-	(290,000)	-	-	-	-	-	-
Pakistan State Oil Company Limited	150,000	652,100	-	(137,100)	665,000	250,405,434	256,550,350	8.24	7.76	0.24
Sui Northern Gas Pipelines Limited	1,000,000	2,100,000	-	(1,000,000)	2,100,000	54,069,950	55,944,000	1.80	1.69	0.33
						358,708,442	369,216,350	11.86	11.17	
Oil and Gas Exploration Companies										
Mari Petroleum Company Limited	15,000	-	3,000	(17,850)	150	46,679	70,290	-	-	-
Oil and Gas Development Company Limited	300,000	1,313,900	-	(458,500)	1,155,400	226,970,426	207,093,896	6.66	6.27	0.03
Pakistan Oilfields Limited	100,000	412,100	-	(182,100)	330,000	139,820,360	133,260,600	4.28	4.03	0.14
Pakistan Petroleum Limited	300,000	1,382,400	-	(285,400)	1,397,000	255,743,870	229,471,220	7.37	6.94	0.07
						622,581,335	569,896,006	18.31	17.24	
Textile Composite										
Kohinoor Textile Mills Limited	-	1,400,000	-	(1,400,000)	-	-	-	-	-	-
Nishat (Chunian) Limited	-	2,835,000	-	(1,440,000)	1,395,000	60,337,954	51,238,350	1.65	1.55	0.70
Nishat Mills Limited	300,000	1,350,000	-	(650,000)	1,000,000	116,349,449	114,230,000	3.67	3.46	0.28
						176,687,403	165,468,350	5.32	5.01	

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

5.1 Listed equity securities (Continued...)

Name of Investee Company	Number of shares				Rupees		Percentage of			
	As at 01 July 2014	Purchases during the year	Bonus shares / Specie Dividend during the year	Sales during the year	As at 30 June 2015	Carrying Cost	Market value	Market Value as a percentage of total Investments	Market Value as a percentage of net assets	Percentage of Paid up capital of investee company held
Cement										
Attock Cement Pakistan Limited	150,000	252,700	-	(150,300)	252,400	53,120,597	48,107,440	1.55	1.46	0.22
D.G. Khan Cement Company Limited	500,000	806,000	-	(806,000)	500,000	55,060,223	71,385,000	2.29	2.16	0.11
Fauji Cement Company Limited	500,000	2,668,000	-	(1,668,000)	1,500,000	50,490,884	52,305,000	1.68	1.58	0.11
Kohat Cement Company Limited	-	175,000	-	(75,000)	100,000	20,139,000	19,985,000	0.64	0.60	0.06
Lafarge Pakistan Cement Limited	500,000	200,000	-	(700,000)	-	-	-	-	-	-
Lucky Cement Limited	75,000	307,700	-	(67,700)	315,000	145,093,049	163,680,300	5.26	4.95	0.10
Maple Leaf Cement Factory Limited	-	100,000	-	(100,000)	-	-	-	-	-	-
Pioneer Cement Limited	-	167,500	-	(58,500)	109,000	9,266,000	9,296,610	0.30	0.28	0.05
						333,169,753	364,759,350	11.72	11.03	
Refinery										
Attock Refinery Limited	-	10,000	-	(10,000)	-	-	-	-	-	-
National Refinery Limited	-	50,000	-	(50,000)	-	-	-	-	-	-
						-	-	-	-	-
Power Generation and Distribution										
Altern Energy Limited	-	500,000	-	(500,000)	-	-	-	-	-	-
K-Electric Limited	-	1,500,000	-	-	1,500,000	12,224,850	12,630,000	0.41	0.38	0.02
Lalpir Power Limited	700,000	2,300,500	-	(1,100,000)	1,900,500	52,292,201	57,965,250	1.86	1.75	0.50
Nishat Chunian Power Limited	300,000	-	-	(300,000)	-	-	-	-	-	-
Pakgen Power Limited	-	3,174,500	-	(1,743,000)	1,431,500	33,902,650	42,959,315	1.38	1.30	0.38
The Hub Power Company Limited	1,300,000	908,000	-	(2,208,000)	-	-	-	-	-	-
						98,419,701	113,554,565	3.65	3.43	
Automobile assembler										
Millat Tractors Limited	-	50,000	-	-	50,000	35,090,726	34,291,000	1.10	1.04	0.11
Pak Suzuki Motors Company Limited	-	25,000	-	(25,000)	-	-	-	-	-	-
						35,090,726	34,291,000	1.10	1.04	
Engineering										
International Industries Limited	-	100,000	-	(100,000)	-	-	-	-	-	-
Mughal Iron and Steel Industries Limited	-	500,000	-	-	500,000	24,673,910	28,120,000	0.90	0.85	0.46
						24,673,910	28,120,000	0.90	0.85	
Cable And Electrical Goods										
Pak Elektron Limited	-	1,600,000	-	(1,300,000)	300,000	21,731,340	24,822,000	0.80	0.75	0.08
Technology and Communication										
Hum Network Limited	-	2,438,500	-	(2,438,500)	-	-	-	-	-	-
Pakistan Telecommunication Company Limited	450,000	2,205,000	-	(1,655,000)	1,000,000	20,979,900	20,500,000	0.66	0.62	0.03
Systems Limited	-	538,500	-	-	538,500	23,315,054	24,808,695	0.80	0.75	0.49
						44,294,954	45,308,695	1.46	1.37	

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

5.1 Listed equity securities (Continued...)

Name of Investee Company	Number of shares					Rupees		Percentage of		
	As at 01 July 2014	Purchases during the year	Bonus shares / Specie Dividend during the year	Sales during the year	As at 30 June 2015	Carrying Cost	Market value	Market Value as a percentage of total Investments	Market Value as a percentage of net assets	Percentage of Paid up capital of investee company held
Fertilizer										
Dawood Hercules Corporation Limited	-	150,000	-	(150,000)	-	-	-	-	-	-
Engro Corporation Limited	200,000	1,266,500	-	(416,500)	1,050,000	275,487,557	311,640,000	10.02	9.43	0.20
Engro Fertilizers Limited	200,000	2,055,000	-	(900,000)	1,355,000	117,697,481	120,174,950	3.86	3.64	0.10
Fatima Fertilizer Company Limited	800,000	1,000,000	-	(1,800,000)	-	-	-	-	-	-
Fauji Fertilizer Bin Qasim Limited	-	1,600,000	-	(1,200,000)	400,000	18,227,769	22,128,000	0.71	0.67	0.04
Fauji Fertilizer Company Limited	73,800	1,970,900	-	(1,844,700)	200,000	28,208,903	29,884,000	0.96	0.90	0.02
						439,621,710	483,826,950	15.55	14.64	
Pharmaceuticals										
Ibl Healthcare Limited	-	10,000	-	(10,000)	-	-	-	-	-	-
Sanofi Aventis Pakistan Limited	5,100	500	-	(5,600)	-	-	-	-	-	-
The Searle Company Limited	50,000	50,000	-	(100,000)	-	-	-	-	-	-
						-	-	-	-	-
Chemical										
Biafo Industries Limited	28,500	8,200	-	(36,700)	-	-	-	-	-	-
Paper and Board										
Cherat Packaging Limited	-	25,000	-	(25,000)	-	-	-	-	-	-
Packages Limited	-	5,500	-	(5,500)	-	-	-	-	-	-
Security Papers Limited	-	42,500	-	-	42,500	3,325,870	3,763,800	0.12	0.11	0.07
						3,325,870	3,763,800	0.12	0.11	
Leather and Tanneries										
Service Industries Limited	-	6,700	-	(6,700)	-	-	-	-	-	-
Glass and Ceramics										
Ghani Glass Limited	-	700,000	-	-	700,000	55,917,645	60,767,000	1.95	1.84	0.57
Real Estate Investment Trust										
Dolmen City REIT	-	4,000,000	-	-	4,000,000	44,000,000	44,040,000	1.42	1.33	0.18
Commercial Banks										
Allied Bank Limited	-	725,800	-	(225,800)	500,000	52,682,149	49,970,000	1.61	1.51	0.04
Askari Bank Limited	-	200,000	-	(200,000)	-	-	-	-	-	-
Bank AL Habib Limited	2,000,000	3,825,500	-	(600,500)	5,225,000	235,058,288	229,638,750	7.38	6.95	0.47
Bank Alfalah Limited	3,000,000	2,813,500	-	(5,475,000)	338,500	8,189,151	8,564,050	0.28	0.26	0.02
Faysal Bank Limited	-	1,529,000	-	(1,529,000)	-	-	-	-	-	-
Habib Bank Limited	75,000	273,154	-	(348,154)	-	-	-	-	-	-
Habib Metropolitan Bank Limited	1,000,000	1,653,500	-	(1,403,500)	1,250,000	37,216,424	37,500,000	1.21	1.13	0.12
JS Bank Limited	2,000,000	-	-	(2,000,000)	-	-	-	-	-	-
MCB Bank Limited	-	241,300	-	(241,300)	-	-	-	-	-	-
National Bank of Pakistan	-	300,000	-	(300,000)	-	-	-	-	-	-
Silkbank Limited	1,000,000	-	-	(1,000,000)	-	-	-	-	-	-
Soneri Bank Limited	-	19,000	-	(19,000)	-	-	-	-	-	-
United Bank Limited	400,000	1,880,000	-	(605,000)	1,675,000	282,182,312	286,291,000	9.20	8.66	0.14
						615,328,324	611,963,800	19.68	18.51	

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

5.1 Listed equity securities (Continued...)

Name of Investee Company	Number of shares					Rupees		Percentage of		
	As at 01 July 2014	Purchases during the year	Bonus shares / Specie Dividend during the year	Sales during the year	As at 30 June 2015	Carrying Cost	Market value	Market Value as a percentage of total Investments	Market Value as a percentage of net assets	Percentage of Paid up capital of investee company held
Insurance										
Adamjee Insurance Company Limited	300,000	1,500,000	-	(200,000)	1,600,000	73,656,118	76,192,000	2.45	2.31	0.46
Century Insurance Company Limited	-	615,000	-	(49,500)	565,500	13,784,192	11,875,500	0.38	0.36	1.24
Pakistan Reinsurance Company Limited	36,500	3,122,000	-	(306,500)	2,852,000	80,055,302	82,422,800	2.65	2.49	0.95
						167,495,612	170,490,300	5.48	5.16	
Miscellaneous										
Synthetic Products Enterprises Limited	-	330,000	-	(330,000)	-	-	-	-	-	-
Tri-Pack Films Limited	-	26,000	-	(26,000)	-	-	-	-	-	-
						-	-	-	-	
Total as at 30 June 2015						3,041,046,725	3,090,288,166	99.32	93.48	
Total as at 30 June 2014						882,361,952	961,117,365			

5.1.1 The cost of listed equity securities as at 30 June 2015 is Rs.3,013,186,337 (30 June 2014: Rs.859,734,691).

5.1.2 The above investments include following shares which have been pledged with the National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular no. 11 dated October 23, 2007 issued by the SECP:

	Number of shares		Market value	
	2015	2014	2015	2014
			----- Rupees -----	
Bank AL Habib Limited	425,000	125,000	18,678,750	5,622,500
Bank Alfalah limited	-	1,500,000	-	41,250,000
Pakistan Oilfields Limited	65,000	100,000	26,248,300	57,430,000
Pakistan Petroleum Limited	147,000	147,000	24,146,220	32,977,980
The Hub Power Company Limited	-	200,000	-	11,748,000
United Bank Limited	100,000	-	17,092,000	-
			86,165,270	149,028,480

5.2 This represents 225,000 shares allotted at a strike price of Rs.95 per share against book building of shares of Al Shaheer Corporation Limited.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

6. RECEIVABLE AGAINST ISSUE OF UNITS

This represents units issued to the unit holders of Atlas Income Fund, Atlas Pension Fund and Atlas Sovereign Liquid Fund amounting to Rs 2,000,000, Rs 56,401 and Rs 10,472,068 respectively based on their requests for transfer of units received on or before 30 June 2015 in respect of which amounts were received subsequent to the year ended 30 June 2015.

	Note	2015 ----- Rupees -----	2014 ----- Rupees -----
7. ADVANCES, DEPOSITS AND OTHER RECEIVABLES			
Security deposits with:			
- National Clearing Company of Pakistan Limited (NCCPL)		2,500,000	2,500,000
- Central Depository Company of Pakistan Limited (CDC)		100,000	100,000
Receivable against book building of ordinary shares of Pakistan Petroleum Limited		-	8,925,000
Advances and other receivables		194,777	14,777
		2,794,777	11,539,777

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

Remuneration of the Management Company	8.1	4,256,602	1,782,982
Sindh sales tax payable on remuneration of the Management Company	8.2	2,022,378	876,841
Federal Excise Duty payable on remuneration of the Management Company	8.3	8,979,449	3,697,277
		15,258,429	6,357,100

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

8.2 During the year, an amount of Rs 5,744,362 (2014: Rs.4,087,189) 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 4,598,825 (2014: Rs 3,527,272) has been paid to the Management Company which acts as a collecting agent.

8.3 The Finance Act, 2013 has enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from 13 June 2013. As the asset management services rendered by the Management Company of the Fund are already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund as explained in note 8.2 above, the Management Company is of the view that the further levy of FED is not justified.

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

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 Rupees	2014 Rupees
9. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE - RELATED PARTY			
Trustee fee	9.1	295,021	171,341
Settlement charges		64,252	19,741
		359,273	191,082

9.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the trust deed as follows:

On net assets:

- up to Rs.1,000 million Rs.0.7 million or 0.20% per annum of Net Asset Value, whichever is higher
- exceeding Rs.1,000 million Rs.2.0 million plus 0.10% per annum of Net Asset Value exceeding Rs.1,000 million

10. PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Annual fee payable	10.1	1,568,152	1,046,017
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10.1 In accordance with the NBFC Regulations, the Fund is required to pay SECP an amount equal to 0.095% of the average annual net assets of the Fund as annual fee.

11. PAYABLE AGAINST REDEMPTION OF UNITS

This represents amount payable to unit holders on their request for redemption received on 30 June 2015 and includes Rs.1,725,910 and Rs 2,027,092 relating to redemption requests for transfer of units from the Fund to Atlas Income Fund and Atlas Sovereign Liquid Fund managed by AAML.

	Note	2015 Rupees	2014 Rupees
12. ACCRUED EXPENSES AND OTHER LIABILITIES			
Auditors' remuneration payable		385,955	325,016
Printing charges payable		181,431	210,150
NCCPL charges payable		40,000	38,359
Transaction charges payable		2,221,720	-
Taxes and other duties payable		1,024,236	66,380
Zakat payable		2,155	13,864
Provision for Workers' Welfare Fund	12.1	34,031,289	22,919,611
		37,886,786	23,573,380

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

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

During the year ended 30 June 2011, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) on 8 July 2010 which stated that mutual funds are not liable to contribute to WWF on the basis of their income. However, on 14 December 2010 the Ministry filed its response against the Constitutional Petition requesting the Court to dismiss the same. Show cause notices were then issued by Federal Board of Revenue (FBR) to several Mutual Funds (CISs) / Pension Funds for the collection of WWF including some of the mutual funds and pension funds managed by the AMC. In respect of such show cause notices, certain Mutual Funds (CISs) / Pension Funds have been granted stay by Honourable SHC on the basis of the pending Constitutional Petition as referred above. In FY 2013-14, during the course of income tax proceedings of the Fund for TY 2012 as stated in note 16.2 below, the taxation officer levied a demand of Rs 2.653 million in respect of WWF. The Fund filed a petition in the Honourable SHC against the alleged levy of WWF, which has granted a stay against recovery proceedings.

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

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

In view of the pending decision, the Management Company as a matter of abundant caution has continued to maintain the provision for WWF amounting to Rs 34,031,289 (2014: Rs 22,919,611) in these financial statements. Had the same not been made, the net asset value per unit of the Fund would have been higher by Rs 5.44 (2014: Rs 9.63) per unit.

The Finance Act, 2015 has excluded Mutual Funds and Collective Investment Schemes from the definition of 'industrial establishment' subject to WWF under the WWF Ordinance, 1971. However, provision made till June 30, 2015 has not been reversed as the above lawsuit is pending in the SHC.

13. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 30 June 2015 and 30 June 2014.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 Rupees	2014 Rupees
14. AUDITORS' REMUNERATION			
Audit fee		255,000	211,200
Half yearly review of condensed interim financial information		127,500	105,600
Certification charges		40,000	33,000
Review of Statement of Compliance with the Code of Corporate Governance		50,000	44,000
Professional charges for tax services		566,053	-
Sindh Sales Tax on services		23,625	15,752
Out of pocket expenses		40,344	31,459
		1,102,522	441,011

15. SECURITIES TRANSACTION COST

This represents brokerage, federal excise duty, capital value tax and settlement charges.

16. TAXATION

16.1 The income of the Fund is exempt from income tax as per clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year, as reduced by capital gains whether realised or unrealised, is distributed as cash dividend amongst the unit holders. Subsequent to the year end, the management has distributed at least 90% of the Fund's net accounting income earned during the year as final cash dividend to the unit holders. Accordingly, no provision has been made for taxation in these financial statements.

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

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

During the year ended 30 June 2015, the Commissioner Inland Revenue - Appeals (CIR - Appeals) has decided the matter in favour of the Fund and annulled the assessment order. The Fund has filed an appeal in the Appellate Tribunal Inland Revenue (ATIR) against the order of the CIR - Appeals maintaining the levy of WWF, which is pending. The tax assessing officer has also filed an appeal in the ATIR against the order of the CIR - Appeals, which is pending.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

17. TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

- 17.1** Connected persons include Atlas Asset Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, other collective investment schemes managed by the Management Company, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the Fund and directors and key management personnel of the Management Company.
- 17.2** Transactions with connected persons essentially comprise sale and repurchase of units, fee on account of managing the affairs of the Fund, sales load and other charges and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.
- 17.3** Remuneration to the Management Company and the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.
- 17.4** The details of transactions carried out by the Fund with connected persons during the year and balances with them as at year end are as follows:

	2015	2014
	----- Rupees -----	
Atlas Asset Management Limited (Management Company)		
Remuneration of the Management Company	33,013,573	22,021,493
Remuneration paid	30,539,953	22,045,448
Sindh Sales Tax on remuneration of the Management Company	5,744,362	4,087,189
Federal Excise Duty on remuneration of the Management Company	5,282,172	3,523,439
Sales load	-	245
Issue of 97,496 (2014: Nil) units	44,421,133	-
Outstanding 97,496 (2014: Nil) units	51,486,651	-
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration of the Trustee	2,650,690	2,101,068
Remuneration paid	2,527,010	2,102,265
Settlement charges incurred	290,860	188,916
Settlement charges paid	246,349	-
Atlas Battery Limited (Group Company)		
Issue of 298,564 (2014: Nil) units	154,967,076	-
Bonus of nil (2014: 68,001) units	-	28,040,091
Redemption of nil (2014: 5,409) units	-	2,500,000
Outstanding 488,391 (2014: 189,827) units	257,914,332	83,728,742
Atlas Insurance Limited (Group Company)		
Issue of 526,919 (2014: 233,070) units	254,400,000	108,500,000
Bonus of nil (2014: 126,296) units	-	52,061,055
Redemption of 300,000 (2014: 248,000) units	141,735,715	114,127,270
Outstanding 576,158 (2014: 349,239) units	304,263,161	154,042,185

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

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

	2015	2014
	----- Rupees -----	----- Rupees -----
Atlas Metals (Private) Limited (Group Company)		
Issue of 11,616 (2014: Nil) units	4,999,657	-
Redemption of nil (2014: Nil) units	-	-
Outstanding 11,616 (2014: Nil) units	6,134,169	-
Atlas Foundation (Group Company)		
Issue of 290,128 (2014: Nil) units	152,438,475	-
Outstanding 290,128 (2014: Nil) units	153,213,743	-
Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement Benefit plan of a Group Company)		
Issue of 15,246 (2014: Nil) units	7,755,000	-
Outstanding 15,246 (2014: Nil) units	8,051,107	-
Shirazi Capital (Private) Limited (Group Company)		
Issue of 484,188 (2014: Nil) units	249,799,864	-
Outstanding 484,188 (2014: Nil) units	255,694,807	-
Atlas Group of Companies Management Staff Gratuity Fund (Retirement Benefit plan of a Group Company)		
Issue 47,905 (2014: Nil) units	23,500,000	-
Bonus of nil (2014: 18,834) units	-	7,620,778
Redemption nil (2014: 42,458) units	-	20,500,000
Outstanding 72,612 (2014: 24,707) units	38,345,782	10,897,887
Atlas Honda Limited - Non Management Staff Gratuity Fund (Retirement Benefit plan of a Group Company)		
Issue 22,543 (2014: Nil) units	12,000,000	-
Bonus of nil (2014: 18,008) units	-	7,385,425
Redemption 36,267 (2014: 19,065) units	19,151,938	7,885,425
Outstanding 22,543 (2014: 36,267) units	11,904,721	15,996,829
Atlas Honda Limited - Employees Provident Fund (Retirement Benefit plan of a Group Company)		
Issue 80,650 (2014: Nil) units	43,000,000	-
Bonus of nil (2014: 56,587) units	-	23,011,666
Redemption 82,123 (2014: 109,284) units	43,383,772	48,011,666
Outstanding 80,650 (2014: 82,123) units	42,590,300	36,223,222

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

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

	2015	2014
	----- Rupees -----	
Atlas Engineering Limited - Employees Provident Fund (Retirement Benefit plan of a Group Company)		
Issue of nil (2014: 8,193) bonus units	-	3,342,563
Redemption of nil (2014: 10,737) units	-	5,000,000
Outstanding 16,009 (2014: 16,009) units	8,454,291	7,061,329
Atlas Insurance Limited - Staff Provident Fund Trust (Retirement Benefit plan of a Group Company)		
Issue 33,821 (2014: Nil) units	16,000,000	-
Redemption 10,362 (2014: Nil) units	5,000,000	-
Outstanding 23,459 (2014: Nil) units	12,388,277	-
Honda Atlas Cars (Pakistan) Limited - Employees Gratuity Fund (Retirement Benefit plan of a Group Company)		
Bonus of nil (2014: 4,253) units	-	1,754,939
Outstanding 12,103 (2014: 12,103) units	6,391,301	5,338,451
Shirazi Investments (Private) Limited (Group Company)		
Issue of 2,009,190 (2014: Nil) units	1,029,502,981	-
Outstanding 2,009,190 (2014: Nil) units	1,061,033,093	-
Iftikhar Shirazi Family Trust (Trust having common Director / Trustee)		
Bonus of nil (2014: 13,949) units	-	5,755,925
Redemption of 39,695 (2014: Nil) units	20,896,972	-
Outstanding nil (2014: 39,695) units	-	17,508,617
Batool Benefit Trust (Trust having common Director / Trustee)		
Issue of 68,147 (2014: Nil) units	34,224,176	-
Bonus of nil (2014: 15,286) units	-	6,307,576
Outstanding 111,646 (2014: 43,499) units	58,959,338	19,186,655
Key Management Personnel of Management Company - note 17.6		
Issue 120,545 (2014: 8,225) units	59,398,448	3,642,241
Bonus of nil (2014: 80,205) units	-	33,092,196
Redemption of 60,796 (2014: 6,760) units	30,693,769	3,228,272
Outstanding 290,203 (2014: 229,972) units	153,253,475	101,436,185

17.5 Other balances due from / to related parties / connected persons are included in the respective notes to the financial statements.

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

18. FINANCIAL INSTRUMENTS BY CATEGORY

	As at 30 June 2015		
	Loans and receivables	At fair value through profit or loss	Available for sale
	Rupees		
Financial assets			
Cash and bank balances	406,778,750	-	-
Investments	-	3,111,663,166	-
Receivable against issue of units	12,528,469	-	-
Dividend receivable	8,289,539	-	-
Profit receivable on bank balances	953,496	-	-
Deposits and other receivables	2,600,000	-	-
	431,150,254	3,111,663,166	-
			3,542,813,420

	As at 30 June 2015		
	Liabilities at fair value through profit or loss	Others	Total
	Rupees		
Financial liabilities			
Payable to Atlas Asset Management Limited - Management Company	-	15,258,429	15,258,429
Payable to the Central Depository Company of Pakistan Limited - Trustee	-	359,273	359,273
Payable against purchase of investments	-	178,738,386	178,738,386
Payable against redemption of units	-	4,535,483	4,535,483
Accrued expenses and other liabilities	-	2,829,106	2,829,106
	-	201,720,677	201,720,677

	As at 30 June 2014		
	Loans and receivables	At fair value through profit or loss	Available for sale
	Rupees		
Financial assets			
Cash and bank balances	37,211,150	-	-
Investments	-	961,117,365	-
Dividend receivable	1,083,750	-	-
Profit receivable on bank balances	907,806	-	-
Receivable against sale of securities	98,514,235	-	-
Deposits and other receivables	11,525,000	-	-
	149,241,941	961,117,365	-
			1,110,359,306

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

18. FINANCIAL INSTRUMENTS BY CATEGORY (Continued...)

	As at 30 June 2014		
	Liabilities at fair value through profit or loss	Others	Total
	Rupees		
Financial liabilities			
Payable to Atlas Asset Management Limited - Management Company	-	6,357,100	6,357,100
Payable to Central Depository Company of Pakistan Limited - Trustee	-	191,082	191,082
Payable against purchase of securities	-	29,244,093	29,244,093
Accrued expenses and other liabilities	-	819,330	819,330
	-	36,611,605	36,611,605

19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

19.1 The Fund's objective in managing risk is the creation and protection of unit holders' value. Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily set up to be performed based on limits established by the Management Company, Fund's constitutive documents and the regulations and directives of the SECP. These limits reflect the business strategy and market environment of the Fund as well as the level of the risk that the Fund is willing to accept. The Board of Directors of the Management Company supervises the overall risk management approach within the Fund. The Fund is exposed to market risk, credit risk and liquidity risk arising from the financial instruments it holds.

19.2 Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices.

(i) Interest rate risk

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. As of 30 June 2015, the Fund is exposed to interest rate risk on its balances held with banks. The investment committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within acceptable limits.

a) Sensitivity analysis for variable rate instruments

Presently, the Fund holds balances with banks which expose the Fund to cash flow interest rate risk. In case of 100 basis points increase in market interest rates as at 30 June 2015, with all other variables held constant, the net income for the year and net assets would have been higher by Rs 4,037,467 (2014: Rs 372,112). In case of 100 basis points decrease in market interest rates as at 30 June 2015, with all other variables held constant, the net income for the year and net assets would have been lower by Rs 4,037,467 (2014: Rs 372,112).

b) Sensitivity analysis for fixed rate instruments

Presently, the Fund does not hold any fixed rate instrument that may expose the Fund to fair value interest rate risk.

The composition of the Fund's investment portfolio and profit rates are expected to change over time. Accordingly, the sensitivity analysis prepared as of 30 June 2015 is not necessarily indicative of the impact on the Fund's net assets of the future movement in profit rates.

As stated above out of the total financial assets of Rs 3,542,813,420 (2014: Rs 1,110,359,306), assets aggregating to Rs 403,746,659 (2014: Rs 37,211,150) are subject to yield / interest rate risk. These represents bank balances having effective yield of 5.00% to 7.10% (2014: 6.50% to 9.20%).

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund does not have any financial instruments in foreign currencies and hence is not exposed to such risk.

(iii) Equity price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Fund is exposed to equity price risk on investments held by the Fund and classified as 'at fair value through profit or loss'. To manage its price risk arising from investments in equity securities, the Fund diversifies its portfolio within the eligible stocks prescribed in the Trust Deed. The NBFC Regulations also limit individual equity securities to no more than 10% of net assets and issued capital of the investee company and sector exposure limit to 35% of the net assets.

In case of 5% increase / decrease in KSE 100 index on 30 June 2015, with all other variables held constant, net income of the Fund for the period would increase / decrease by Rs 40,134,448 (2014: Rs 11,509,320) and the net assets of the Fund would increase / decrease by the same amount as a result of gains / losses on equity securities at fair value through profit or loss.

The analysis is based on the assumption that equity index had increased / decreased by 5% with all other variables held constant and all the Fund's equity instruments moved according to the historical correlation with the index. This represents management's best estimate of a reasonable possible shift in the KSE 100 Index, having regard to the historical volatility of the index. The composition of the Fund's investment portfolio and the correlation thereof to the KSE 100 Index, is expected to change over time. Accordingly, the sensitivity analysis prepared as of 30 June 2015 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of the KSE 100 Index.

19.3 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to settlement of equity securities and to redemptions of its redeemable units on a regular basis. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is to invest the majority of its assets in investments that are traded in an active market and can be readily disposed of. The Fund's listed securities are considered readily realisable, as they are listed on the Karachi Stock Exchange Limited.

The Fund can borrow in the short term to ensure settlement. The maximum amount available to the Fund from the borrowing would be limited to fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund. The facility would bear interest at commercial rates. However, no borrowing was required to be obtained by the Fund during the current year.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the year.

The table below summaries the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity date. However, the assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month:

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

----- As at 30 June 2015 -----					
Within 1 month	1 to 3 months	3 to 12 months	More than one year	Financial instruments without maturity	Total
----- Rupees -----					
Financial assets					
Cash and bank balances	406,778,750	-	-	-	406,778,750
Investments	-	-	-	3,111,663,166	3,111,663,166
Receivable against issue of units	12,528,469	-	-	-	12,528,469
Dividend receivable	8,289,539	-	-	-	8,289,539
Profit receivable on bank balances	953,496	-	-	-	953,496
Deposits and other receivables	-	-	-	2,600,000	2,600,000
	428,550,254	-	-	3,114,263,166	3,542,813,420
Financial liabilities					
Payable to Atlas Asset Management Limited - Management Company	15,258,429	-	-	-	15,258,429
Payable to the Central Depository Company of Pakistan Limited - Trustee	359,273	-	-	-	359,273
Payable against purchase of investments	178,738,386	-	-	-	178,738,386
Payable against redemption of units	4,535,483	-	-	-	4,535,483
Accrued expenses and other liabilities	2,261,720	567,386	-	-	2,829,106
	201,153,291	567,386	-	-	201,720,677
Net assets / (liabilities)	227,396,963	(567,386)	-	3,114,263,166	3,341,092,743

----- As at 30 June 2014 -----					
Within 1 month	1 to 3 months	3 to 12 months	More than one year	Financial instruments without maturity	Total
----- Rupees -----					
Financial assets					
Cash and bank balances	37,211,150	-	-	-	37,211,150
Investments	-	-	-	961,117,365	961,117,365
Dividend receivable	1,083,750	-	-	-	1,083,750
Profit receivable on bank balances	907,806	-	-	-	907,806
Receivable against sale of securities	98,514,235	-	-	-	98,514,235
Deposits and other receivables	8,925,000	-	-	2,600,000	11,525,000
	146,641,941	-	-	963,717,365	1,110,359,306
Financial liabilities					
Payable to Atlas Asset Management Limited - Management Company	6,357,100	-	-	-	6,357,100
Payable to Central Depository Company of Pakistan Limited - Trustee	191,082	-	-	-	191,082
Payable against purchase of securities	29,244,093	-	-	-	29,244,093
Accrued expenses and other liabilities	284,164	535,166	-	-	819,330
	36,076,439	535,166	-	-	36,611,605
Net assets / (liabilities)	110,565,502	(535,166)	-	963,717,365	1,073,747,701

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

19.4 Credit risk

Credit risk arises from the inability of the issuers of the instruments or the counter party to fulfil their obligations. The Fund is exposed to credit risk with respect to its bank balances, dividend receivable, receivable against sale of investment, receivable against sale of units and security deposit. Credit risk also arises from the inability of the relevant brokerage house or the counter party to fulfil their obligations. There is a possibility of default by participants or failure of the financial markets / stock exchanges, the depositories, the settlements or clearing system, etc. The settlement risk of default on equity securities is considered minimal due to inherent systematic measures taken therein. The fund's policy is to enter into financial contracts in accordance with internal risk management policies and instrument guidelines approved by the Investment Committee. The Fund's maximum exposure to credit risk as of 30 June 2015 amounts to Rs 431,150,254 (2014: Rs 149,241,941).

19.4.1 Credit quality of financial assets

The Fund's significant credit risk (excluding credit risk relating to settlement of equity securities) arises mainly on account of its placements in banks. The credit rating profile of balances with banks is as follows:

Rating	% of financial assets exposed to credit risk	
	2015	2014
AA	94.27	25.54
Others	5.73	74.46
	<u>100.00</u>	<u>100.00</u>

The maximum exposure to credit risk before any credit enhancement as at 30 June 2015 is the carrying amount of the financial assets. Investments in equity securities, however, are not exposed to credit risk.

Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial assets is mainly held with, diverse credit worthy counter parties.

19.5 Fair value of financial instruments

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.

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.

19.6 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 the Fund only invests in listed equity securities, the fair value of the investments is based on level 1 valuation technique.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

20. UNIT HOLDERS' FUND RISK MANAGEMENT

The unit holders' fund is represented by redeemable units. They are entitled to distributions and to payment of a proportionate share based on the Fund's net asset value per unit on the redemption date. The relevant movements are shown on the 'Statement of Movement in Unit Holders' Fund'.

The Fund has no restrictions on the subscription and redemption of units. As required under NBFC Regulations, every open end scheme shall maintain fund size (i.e. net assets of the Fund) of Rs 100 million at all times during the life of scheme. The Fund has maintained and complied with the requirement of minimum fund size during the current year.

The Fund's objectives when managing unit holders' funds are to safeguard its ability to continue as a going concern so that it can continue to provide returns to the unit holders and to maintain a strong base of assets to meet unexpected losses or opportunities.

In accordance with the risk management policies as stated in note 19, the Fund endeavours to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemption requests, such liquidity being augmented by short-term borrowings or disposal of investments where necessary.

21. UNIT HOLDING PATTERN OF THE FUND

Category	2015			2014		
	Number of unit holders	Rupees	% of total	Number of unit holders	Rupees	% of total
Individuals	302	342,099,521	10.35%	262	186,621,886	17.78%
Associated Companies/Directors	13	2,301,388,167	69.64%	9	375,906,605	35.81%
Insurance Companies	2	65,451,498	1.98%	2	54,667,867	5.21%
NBFCs	-	-	-	1	16,201	-
Retirement Funds	27	539,472,841	16.32%	28	429,070,107	40.87%
Others	2	56,249,661	1.71%	2	3,433,940	0.33%
	346	3,304,661,688	100.00%	304	1,049,716,606	100.00%

22. LIST OF TOP TEN BROKERS BY PERCENTAGE OF THE COMMISSION PAID

2015		2014	
Name of broker	Percentage of commission paid	Name of broker	Percentage of commission paid
Taurus Securities Limited	9.43%	Optimus Capital Management (Private) Limited	10.43%
Optimus Capital Management (Private) Limited	9.24%	Shajar Capital Pakistan (Private) Limited	9.33%
Shajar Capital Pakistan (Private) Limited	9.11%	Taurus Securities Limited	9.04%
Habib Metropolitan Financial Services Limited	7.31%	Habib Metropolitan Financial Services Limited	6.43%
Invest and Finance Securities Limited	6.69%	Invest and Finance Securities Limited	5.68%
Al-Hooqani Securities & Investment Corporation (Private) Limited	5.39%	Al-Habib Capital Markets (Private) Limited	5.14%
Next Capital (Private) Limited	4.80%	KASB Securities Limited	5.08%
Arif Habib Limited	4.79%	Arif Habib Limited	5.01%
Cedar Capital (Private) Limited	4.70%	Al-Hoqqani Securities & Investment Corporation (Private) Limited	4.69%
Global Securities Pakistan Limited	4.66%	BMA Capital Management Limited	4.54%

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

23. THE MEMBERS OF THE INVESTMENT COMMITTEE

Following are the members of the Investment Committee of the Fund:

Name	Designation	Qualification	Overall experience
Mr. M. Habib-ur-Rahman	Chief Executive Officer	FCA	47 Years
Mr. Ali H. Shirazi	Director	Masters in Law	11.5 Years
Mr. M. Abdul Samad	Chief Operating Officer	MBA M.Com	15 Years
Mr. Khalid Mehmood	Chief Investment Officer	MBA - Finance	11 Years
Mr. Muhammad Umar Khan	Fund Manager - Commodities	MSc - Finance	7 Years
Mr. Fawad Javaid	Fund Manager - Fixed Income	CMA	7 Years
Mr. Faran-ul-Haq	Fund Manager - Equity Markets	B. A, CFA	4 Years

24. NAME AND QUALIFICATION OF FUND MANAGER

Name	Designation	Qualification	Other Funds managed by the Fund Manager
Mr. Faran-ul-Haq	Fund Manager - Equity Markets	B.A, CFA	Atlas Islamic Stock Fund

25. MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

The details of dates of Board meetings of the management company of the Fund, and the attendance of the Board members are given below:

Name of Directors	Meeting held on							
	07 Jul. 2014	23 Jul. 2014	28 Aug. 2014	30 Oct. 2014	31 Dec. 2014	26 Feb. 2015	27 Apr. 2015	23 Jun. 2015
Mr. Yusuf H. Shirazi	P	P	P	P	P	P	P	P
Mr. Azam Faruque	P	P	P	P	P	P	P	P
Mr. Shamshad Nabi	P	P*	P	P	P*	L	P*	P
Mr. Frahim Ali Khan	P	P	P	P	P	L	P	P
Mr. Ali H. Shirazi	P	P	P	P	P	P	P	P
Mr. Arshad P. Rana	P	P*	P	P	P*	P	P	L
Mr. M. Habib-ur-Rahman	P	P	P	P	P	P	P	P
Ms. Lilly R. Dossabhoy (CFO & Co. Secretary)	P	P	P	P	L	P	P	P

* Attended through teleconference call.

P Present

L Leave of absence

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

26. RATING OF THE FUND AND THE MANAGEMENT COMPANY

The Pakistan Credit Rating Agency Limited (PACRA) has maintained the asset manager rating of AM2- (AM Two Minus) to the Management Company.

PACRA has assigned a "3 Star" rating for one year, "3 Star" rating for three years and "4 Star" rating for five years to the Fund for the year ended 30 June 2015 on 13 August 2015.

27. NON-ADJUSTING EVENT AFTER THE REPORTING PERIOD

The Board of Directors of Management Company, in the meeting held on 07 July 2015, approved a final cash dividend of Rs 50 per unit on the face value of Rs 500 each (i.e. 10%) amounting to Rs 312,886,900. The financial statements of the Fund for the year ended 30 June 2015 do not include the effect of this distribution which will be accounted for in the financial statements of the Fund for the year ending 30 June 2016.

28. CORRESPONDING FIGURES

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

29. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on 31 August 2015.

30. GENERAL

Figures have been rounded off to the nearest Rupee unless otherwise stated.

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

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Azam Faruque
Director





Atlas Gold Fund

Corporate Information



Trustee

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

Auditors

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants

Legal Advisers

Bawaney & Partners

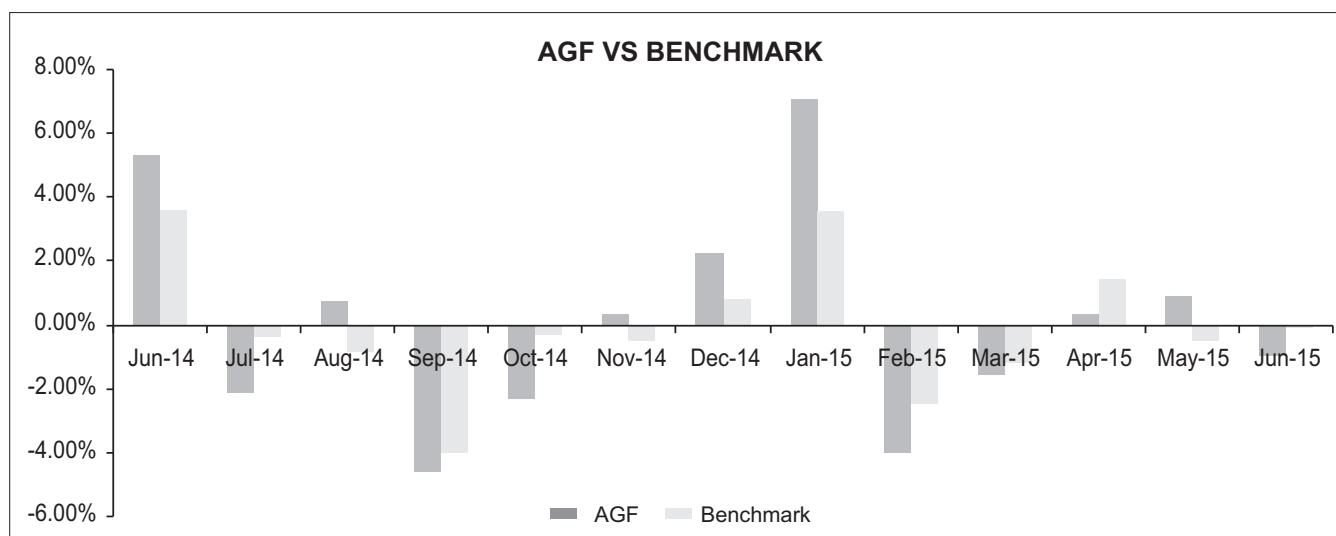
Bankers

Bank Alfalah Limited

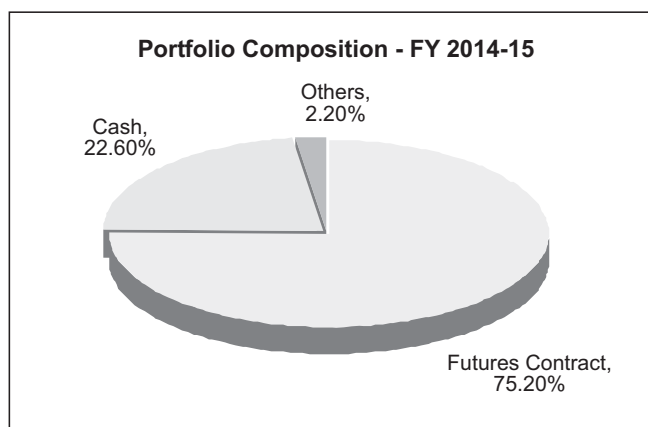
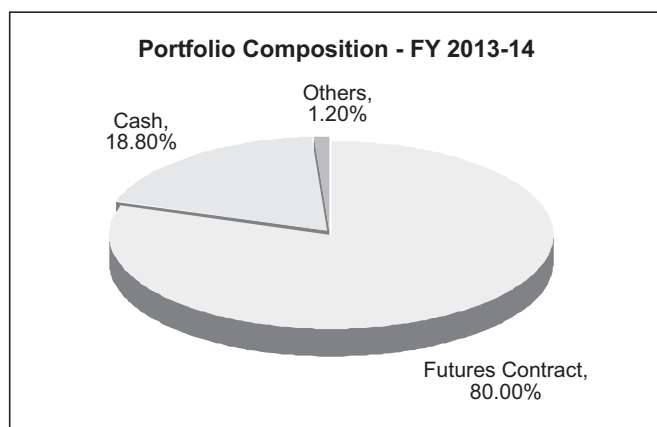
Fund Manager's Report

Atlas Gold Fund is an open-ended commodity fund. The investment objective of AGF is to provide investors with capital appreciation through investment in Gold or Gold Futures Contracts traded on the Commodity Exchange. The Fund will seek to invest at least 70% of the Net Assets in Gold or Gold Futures Contracts during the year based on quarterly average investments calculated on daily basis. AGF investment strategy is based on passive management to produce results in line with movement of international gold prices. The Fund emphasizes medium to long-term investment views and involves the application of fundamental and technical analysis to gold as investment.

The Benchmark for "Atlas Gold Fund" is 70% daily closing US Dollar per ounce Gold prices at PMEX and 30% Deposit Rates of any three AA and above rated scheduled Banks.



Spot Gold prices/ounce has decreased from US\$ 1,327.23 as on 30 June 2014 to US\$ 1,172.24 as on 30 June 2015, showing contraction of 11.7%. Spot Gold prices during FY 2014-15 declined to the lowest since 2010 as the U.S. Dollar strengthened after the Bank of Japan unexpectedly boosted stimulus and the U.S. Federal Reserve ended asset purchases. U.S. Fed is weighing the timing of interest-rate increases as other central banks add to stimulus to bolster their economies. The U.S. central bank, which has held its key rate at zero to 0.25 percent since 2008, cited an improving job market in deciding to end bond buying, while maintaining a commitment to keep rates low for a considerable time. The Federal Open Market Committee said it would take "financial and international developments" into account when determining when to raise rates. However, strong U.S. jobs report increased expectations the U.S. Federal Reserve would hike interest rates in near term. U.S. nonfarm payrolls increased 295,000 in February 2015 after rising 239,000 in January 2015.



Strength in jewellery were balanced by weakness elsewhere as demand responded to local conditions in different market. Higher volumes in India, the US and the smaller South-East Asian markets were set against declines in China, Turkey, Russia and the Middle East. Movements within the investment space were more striking: net ETF outflows (SPDR Gold Shares) were 79 tons, a decrease of 10% YoY compared with 179 tons of outflows during corresponding period last year. Buying by central banks and other official sector institutions remain unchanged YoY. This contrast between the global picture and the more granular demand data demonstrates the multi-faceted nature of the gold market.

The Net Asset Value per unit of Atlas Gold Fund has decreased by 4.32% to Rs.97.94 as on 30 June 2015. The benchmark decreased by 5.40% during the same period. The exposure in Gold Future Contracts was 75.20% as on 30 June 2015. The Net Assets of the Fund stood at Rs.201 million with 2.05 million units outstanding as of 30 June 2015. The Board of Directors has approved a Nil final cash dividend.

Breakdown of Unit holding by size:

Type of investor	No. of Investors	Amount of Investment (Rs.)	% of Total
Individuals	42	13,031,265	6.49%
Associated Companies/ Directors	7	143,488,321	71.48%
Retirement Funds	3	44,229,552	22.03%
Total	52	200,749,138	100.00%

The Scheme has maintained provisions against WWF liability of Rs. 194,578. If the same were not made the NAV per unit/return of the Scheme would be higher by Rs. 0.10/0.10%. For details please read Note 11.1 of the latest Financial Statements of the Scheme.

The Finance Act, 2013 has enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from June 13, 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, the management company is of the view that further levy of FED is not justified, and has filed a constitutional petition in the Honorable Sindh High Court, the hearing of which is pending. In the meantime, as a matter of abundant caution, The Scheme is providing for FED liability which amounted to Rs.996,725 (Rs.0.50 unit) as on 30 June 2015.

During the year under review, the Investment Committee held forty eight meetings to review investment of the Fund and the Risk Committee held twenty three meetings to review risk management.

Karachi: 31 August 2015

Muhammad Umar Khan
Fund Manager

Performance Since Inception

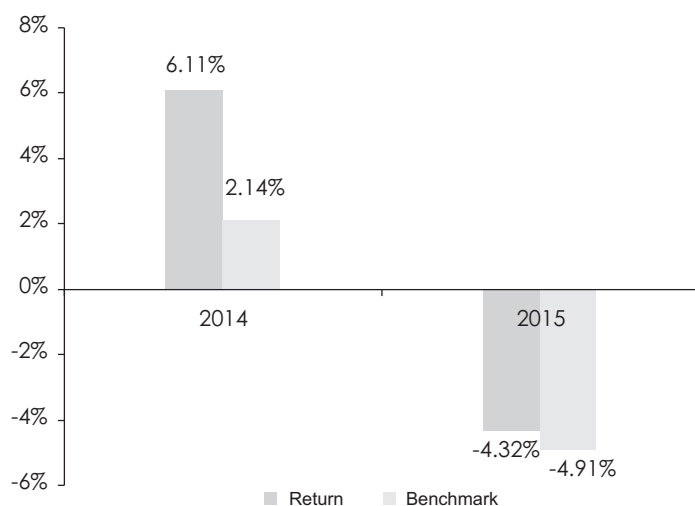
	2015	2014*
Net Assets (Rs. in '000)	200,749	165,659
Number of units in issue	2,049,681	1,561,249
Net assets value per unit	97.94	106.11
Net income / (loss) (Rs. in '000)	(9,051)	9,534
Earnings / (loss) per unit	(4.42)	6.11
Annual return of the fund (%)	(4.32)	6.11
Offer Price **	97.94	106.11
Redemption Price **	97.94	106.11
Cash Dividend	-	3.75
Dividend as a % of opening EX - NAV of units	-	3.75
Date of distribution	-	7-Jul-14
Highest offer Price	104.49	107.34
Lowest offer Price	92.98	93.68
Highest repurchase price per unit	104.49	107.34
Lowest repurchase price per unit	92.98	93.68

* For the Period from 26 June 2013 to 30 June 2014 (Date of Launch: 15 July 2013)

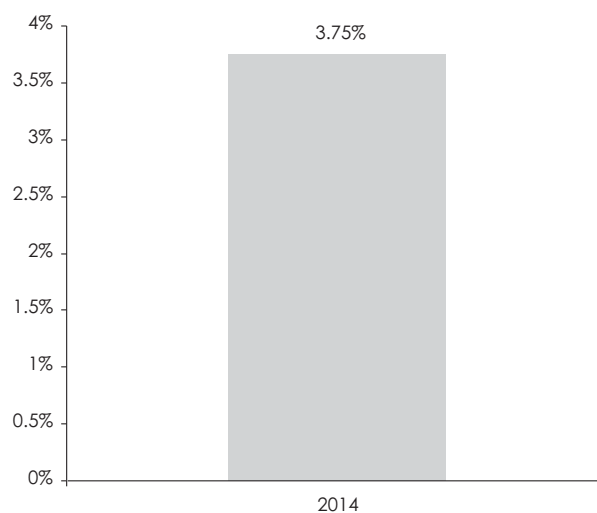
** Relates to announced prices.

Note: Past performance of the funds is not indicative of future performance, and the unit price and investment return may go down, as well as up.

Yearly Performance



Payout History (% on Opening NAV)



STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2015

This statement is being presented to comply with the Code of Corporate Governance (the Code) contained in Regulation No. 35 of Listing Regulations of the Lahore Stock Exchange for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practice of corporate governance.

Atlas Asset Management Limited (AAML), the Management Company, is not listed and hence, the Code is not applicable to it. However, Atlas Gold Fund, being listed at the Lahore Stock Exchange, comes under the ambit of the Code. The Fund, being a unit trust scheme, does not have its own Board. The Board of Directors of the Management Company manages the affairs of the Fund and has appointed the Chief Executive Officer (CEO), and Chief Financial Officer (CFO)/Company Secretary and other necessary personnel to manage the affairs of the Fund.

The Management Company has applied the principles contained in the Code in the following manner:

1. The Management Company encourages representation of independent non-executive directors. At present the board includes:

Category	Name of Director
Independent Directors	Mr. Azam Faruque Mr. Shamshad Nabi
Non-Executive Directors	Mr. Yusuf H. Shirazi Mr. Fahim Ali Khan Mr. Ali H. Shirazi Mr. Arshad P. Rana
Executive Director (CEO)	Mr. M. Habib-ur-Rahman

The independent directors meet the criteria of independence under clause i (b) of the Code.

2. The directors have confirmed that none of them is serving as a director in more than seven listed companies.
3. All the resident directors of the Management Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. No casual vacancy occurred during the year.
5. The Management Company has prepared a "Code of Conduct", and has ensured that appropriate steps have been taken to disseminate it throughout the Management Company along with its supporting policies and procedures.
6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies for the Fund. A complete record of the particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of the remuneration and terms and conditions of employment of the CEO have been taken by the Board.
8. The meetings of the Board were presided over by the Chairman, and the Board met at least once in every quarter during the period. Written notes of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meeting were appropriately recorded and circulated.
9. Four members of the Board of Directors of the Management Company are exempt from the requirements of the Directors' Training Program as per the proviso to Clause xi of the Code, whilst the remaining three Board members have completed their Directors' certification programs from institutes meeting the criteria specified by the Securities & Exchange Commission of Pakistan.

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2015

10. No new appointment of the Chief Financial Officer & Company Secretary and Chief Internal Auditor was made during the year ended June 30, 2015. The terms of remuneration of the Chief Financial Officer & Company Secretary, and the Chief Internal Auditor have been approved by the Board.
11. The Directors' Report for the year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
12. The financial statements of the Fund were duly endorsed by CEO and CFO before the approval of the Board.
13. The Directors, CEO and Executives do not hold units other than those disclosed in note 15 to the financial statements "Transactions with Related Parties/Connected Persons", and as disclosed in the pattern of unit holdings disclosed in note 18 to the financial statements. These transactions have been placed before the Audit Committee and as per their recommendation, approved by the Board of Directors of the Management Company.
14. The Management Company has complied with the corporate and financial reporting requirements of the Code.
15. The Board has formed an Audit Committee comprising of three members, all of whom are non-executive directors and the Chairman of the Committee is an independent director.
16. Meetings of the Audit Committee were held every quarter, prior to approval of the interim and annual results of the Fund, as required by the Code. The terms of reference of the Committee have been formed and advised to the Committee for compliance.
17. The Board has formed a Human Resource and Remuneration Committee. It comprises of three members, of whom two are non-executive directors and the Chairman of the committee is a non-executive director.
18. The Board has set up an effective internal audit function headed by a full time Chief Internal Auditor who is considered suitably qualified and experienced, and is conversant with the policies and procedures of the Fund.
19. The Statutory Auditors of the Fund have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (ICAP), that they or any of the partners of the firm, their spouse and minor children do not hold units of the Fund, and that the Firm and all its partners are in compliance with the International Federation of Accountants (IFAC) guidelines on the Code of Ethics as adopted by the ICAP.
20. The Statutory Auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Listing Regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The 'closed period' prior to the announcement of interim/financial results, and business decisions, which may materially affect the market price / net asset value, was determined and intimated to directors, employees and the stock exchange.
22. Material /price sensitive information has been disseminated among all market participants at once through the Stock Exchange.
23. We confirm that all other material principles contained in the Code have been complied with.

Karachi: 31 August 2015

M. Habib-ur-Rahman
Chief Executive Officer

TRUSTEE REPORT TO THE UNIT HOLDERS

Report of the Trustee pursuant to Regulation 41(h) and Clause 9 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of Atlas Gold Fund (the Fund) are of the opinion that Atlas Asset Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2015 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Karachi: September 22, 2015

Muhammad Hanif Jakhura
Chief Executive Officer
Central Depository Company of Pakistan Limited

REVIEW REPORT TO THE UNIT HOLDERS ON THE STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES OF THE CODE OF CORPORATE GOVERNANCE

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of the Management Company of Atlas Gold Fund (the Fund) for the year ended 30 June 2015 to comply with the requirements of Listing Regulation No 35 of the Lahore Stock Exchange where the Fund is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Management Company of the Fund. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Management Company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the Management Company's personnel and review of various documents prepared by the Management Company to comply with the Code.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Management Company's corporate governance procedures and risks.

The Code requires the Management Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Management Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Fund for the year ended 30 June 2015.

Karachi: 31 August 2015

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Atlas Gold Fund (the Fund), which comprise the statement of assets and liabilities as at 30 June 2015, and the related statements of income, comprehensive income, distribution, cash flows and movement in unit holders' fund for the year ended 30 June 2015, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

The Management Company of the Fund is responsible for the preparation and fair presentation of these financial statements in accordance with the requirements of approved accounting standards as applicable in Pakistan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards as applicable in Pakistan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion the financial statements give a true and fair view of the state of the Fund's affairs as at 30 June 2015 and of its financial performance, cash flows and transactions for the year then ended in accordance with approved accounting standards as applicable in Pakistan.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and Non-Banking Finance Companies and Notified Entities Regulations, 2008.

Karachi: 31 August 2015

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants

Arslan Khalid
Audit Engagement Partner

STATEMENT OF ASSETS AND LIABILITIES

AS AT 30 JUNE 2015

	Note	2015 ----- Rupees -----	2014 -----
ASSETS			
Bank balances	4	36,783,124	138,529,807
Investments in government securities	5	149,772,001	-
Financial assets at fair value through profit or loss		-	3,512,609
Interest accrued		259,494	1,052,877
Deferred formation cost	6	716,035	955,600
Margin deposits with Pakistan Mercantile Exchange Limited against future contracts		20,226,670	24,755,727
Total assets		207,757,324	168,806,620
LIABILITIES			
Financial liabilities at fair value through profit or loss	7	3,689,543	-
Payable to Atlas Asset Management Limited - Management Company	8	2,392,964	2,084,151
Payable to Central Depository Company of Pakistan Limited - trustee	9	28,179	29,026
Annual fee payable to the Securities & Exchange Commission of Pakistan	10	151,843	159,635
Accrued expenses and other liabilities	11	736,717	874,551
Dividend payable		8,940	-
Total liabilities		7,008,186	3,147,363
NET ASSETS		200,749,138	165,659,257
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		200,749,138	165,659,257
CONTINGENCIES AND COMMITMENTS	12		
NUMBER OF UNITS IN ISSUE		2,049,681	1,561,249
NET ASSET VALUE PER UNIT		97.94	106.11

The annexed notes from 1 to 25 form an integral part of these financial statements.

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Azam Faruque
Director

INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2015

		From 01 July 2014 to 30 June 2015	From 26 June 2013 to 30 June 2014
	Note	----- Rupees -----	
Income			
Interest income	13	17,194,819	19,197,475
Net (loss) / gain on investments and derivatives			
Net gain / (loss) on sale of government securities		2,524	(7,695)
Net unrealised gain on government securities		16,590	-
Realized loss on gold contracts		(16,652,440)	(2,532,011)
Net unrealised (loss) / gain on future contracts of gold		(3,689,544)	3,512,609
		(20,322,870)	972,903
Element of income / (loss) and capital gains / (losses) included in prices of units sold less those in units redeemed - net		160,988	(4,095,295)
		(2,967,063)	16,075,083
Expenses			
Remuneration of Atlas Asset Management Limited - Management Company	8.1	3,036,847	3,192,686
Sindh sales tax on remuneration of the Management Company	8.2	528,412	592,563
Federal Excise Duty on remuneration of the Management Company	8.3	485,896	510,830
Remuneration of Central Depository Company of Pakistan Limited - Trustee	9	344,179	361,839
Annual fee - Securities and Exchange Commission of Pakistan	10	151,843	159,635
Auditors' remuneration	14	330,000	312,200
Annual listing fee		30,000	104,725
Fund rating fee		116,000	-
Printing charges		140,000	255,000
Legal and professional charges		-	55,000
Securities transaction cost		670,799	545,367
Amortisation of formation cost		239,565	238,900
Bank charges		10,740	17,415
Provision for Workers' Welfare Fund	11.1	-	194,578
		6,084,281	6,540,738
Net (loss) / income for the year / period before taxation		(9,051,344)	9,534,345
Taxation		-	-
Net (loss) / income for the year / period after taxation		(9,051,344)	9,534,345

The annexed notes from 1 to 25 form an integral part of these financial statements.

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Azam Faruque
Director

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2015

	From 01 July 2014 to 30 June 2015	From 26 June 2013 to 30 June 2014
	----- Rupees -----	
Net (loss) / income for the year / period after taxation	(9,051,344)	9,534,345
Other comprehensive income	-	-
Total comprehensive (loss) / income for the year / period	(9,051,344)	9,534,345

The annexed notes from 1 to 25 form an integral part of these financial statements.

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Azam Faruque
Director

DISTRIBUTION STATEMENT FOR THE YEAR ENDED 30 JUNE 2015

	From 01 July 2014 to 30 June 2015	From 26 June 2013 to 30 June 2014
	----- Rupees -----	-----
Undistributed income brought forward	9,534,345	-
Net (loss) / income for the year / period after taxation	(9,051,344)	9,534,345
Cash dividend for the period ended 30 June 2014 at the rate of Rs.3.75 per unit declared on 7 July 2014	(5,854,684)	-
Undistributed (loss) / income carried forward	(5,371,683)	9,534,345

The annexed notes from 1 to 25 form an integral part of these financial statements.

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

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Azam Faruque
Director

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND FOR THE YEAR ENDED 30 JUNE 2015

	2015		2014	
	Units	Rupees	Units	Rupees
Net assets at the beginning of the year / period	1,561,249	165,659,257	-	-
Issue of units	550,175	56,382,290	2,590,905	258,587,031
Redemption of units	(61,743)	(6,225,393)	(1,029,656)	(106,557,414)
	488,432	50,156,897	1,561,249	152,029,617
Element of (income) / loss and capital (gains) / losses included in prices of units sold less those in units redeemed - net	-	(160,988)	-	4,095,295
Cash dividend for the period ended 30 June 2014 at the rate of Rs.3.75 per unit declared on 7 July 2014	-	(5,854,684)	-	-
Net gain / (loss) on sale of government securities	-	2,524	-	(7,695)
Net unrealised gain on government securities	-	16,590	-	-
Realized loss on gold contracts	-	(16,652,440)	-	(2,532,011)
Net unrealised (loss) / gain on future contracts of gold	-	(3,689,544)	-	3,512,609
Net other income for the year / period	-	11,271,526	-	8,561,442
Total comprehensive income for the year/period	-	(9,051,344)	-	9,534,345
Net assets at the end of the year / period (Rs.97.94 per unit)	2,049,681	200,749,138	1,561,249	165,659,257

The annexed notes from 1 to 25 form an integral part of these financial statements.

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Azam Faruque
Director

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2015

		From 01 July 2014 to 30 June 2015	From 26 June 2013 to 30 June 2014
	Note	----- Rupees -----	
Cash flows from operating activities			
Net (loss) / income for the year / period after taxation		(9,051,344)	9,534,345
Adjustments:			
Interest income		(17,194,819)	(19,197,475)
Net (gain) / loss on sale of government securities		(2,524)	7,695
Net unrealised gain on government securities		(16,590)	-
Realized loss on gold contracts		16,652,440	2,532,011
Net unrealised loss / (gain) on future contracts of gold		3,689,544	(3,512,609)
Amortization of formation cost		239,565	238,900
Element of (income) / loss and capital (gains) / losses included in prices of units sold less those in units redeemed - net		(160,988)	4,095,295
		3,206,628	(15,836,183)
		(5,844,716)	(6,301,838)
Increase in assets			
Deferred formation cost		-	(1,194,500)
Margin deposits with Pakistan Mercantile Exchange Limited against future contracts		4,529,057	(24,755,727)
		4,529,057	(25,950,227)
Increase in liabilities			
Payable to Atlas Asset Management Limited - Management Company		308,813	2,084,151
Payable to Central Depository Company of Pakistan Limited - trustee		(847)	29,026
Annual fee payable to the Securities and Exchange Commission of Pakistan		(7,792)	159,635
Accrued expenses and other liabilities		(137,834)	874,551
		162,340	3,147,363
Interest received		17,988,202	18,144,598
Investments made during the year / period		(1,084,447,588)	(1,704,964,945)
Investments sold / matured during the year / period		921,554,869	1,702,425,239
Net cash used in operating activities		(146,057,836)	(13,499,810)
Cash flows from financing activities			
Proceeds from issue of units		56,382,290	258,587,031
Payment on redemption of units		(6,225,393)	(106,557,414)
Dividend paid		(5,845,744)	-
Net cash generated from financing activities		44,311,153	152,029,617
Net increase in cash and cash equivalents during the year / period		(101,746,683)	138,529,807
Cash and cash equivalents at the beginning of the year / period		138,529,807	-
Cash and cash equivalents at the end of the year / period	4	36,783,124	138,529,807

The annexed notes from 1 to 25 form an integral part of these financial statements.

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

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Azam Faruque
Director

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Atlas Gold Fund (the Fund) is an open ended Fund constituted by a trust deed entered into on 6 May 2013 between Atlas Asset Management Limited (AAML) as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the trustee. The Trust Deed has been amended through the First Supplemental Trust deed dated 13 May 2014, with the approval of the Securities and Exchange Commission of Pakistan (SECP). The Offering Document of the Fund has been amended through the First and Second Supplements dated 13 May 2014 and 24 March 2015 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 15 July 2013, and are transferable and redeemable by surrendering them to the Fund. The Fund is listed on the Lahore Stock Exchange.
- 1.3 According to the Trust Deed, the objective of the Fund is to provide investors with capital appreciation through investment in gold or gold futures contracts traded on the Commodity Exchange. The Fund aims to deliver this objective mainly by investing at least 70% of the net assets in gold or gold futures contracts during the year based on quarterly average investments calculated on daily basis. The remaining net assets of the Fund shall be invested in cash and near cash instruments which includes cash in bank accounts (excluding TDR), and treasury bills not exceeding 90 days maturity. At least 10% of the net assets of the Fund shall remain invested in cash and near cash instruments at all times. The investment objectives and policy are more fully defined in the Fund's offering document.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, the Non Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non Banking Finance Companies and Notified Entities Regulations 2008 (the NBFC Regulations) and directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP differ with the requirements of IFRS, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the requirements of the said directives prevail.

New Standards, interpretations and amendments applicable to the financial statements for the year ended 30 June 2015

The Fund has adopted the following accounting standard and the amendments and interpretation of IFRSs which became effective for the current year:

IAS 32 – Financial Instruments : Presentation – (Amendment) ' – Offsetting Financial Assets and Financial Liabilities

IAS 36 – Impairment of Assets – (Amendment) - Recoverable Amount Disclosures for Non-Financial Assets

IAS 39 – Financial Instruments: Recognition and Measurement – (Amendment) –
– Novation of Derivatives and Continuation of Hedge Accounting

IFRIC 21 – Levies

Improvements to accounting standards issued by the IASB

IFRS 8 – Operating Segments – Aggregation of operating segments and reconciliation of the total of the reportable - segments' - assets to the entity's assets

IFRS 13 – Fair Value Measurement - Scope of paragraph 52 (portfolio exception)

IAS 24 – Related Party Disclosures - Key management personnel

The adoption of the above amendments and improvements to accounting standards and interpretations did not have any effect on the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

Standards, interpretations and amendments to published approved accounting standards that are not yet effective

The following revised standards, interpretations and amendments with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standards, interpretation and amendments:

2.2 Standard, interpretation or amendment	Effective date (accounting periods beginning on or after)
IFRS 10 - Consolidated Financial Statements	01 January 2015
IFRS 10 - Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other - Entities and IAS 27 Separate Financial Statements – Investment Entities (Amendment)	01 January 2015
IFRS 10 - Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements – Investment Entities: Applying the Consolidation Exception (Amendment)	01 January 2016
IFRS 10 - Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	01 January 2016
IFRS 11 - Joint Arrangements	01 January 2015
IFRS 11 - Joint Arrangements – Accounting for Acquisition of Interest in - Joint Operation (Amendment)	01 January 2016
IFRS 12 - Disclosure of Interests in Other Entities	01 January 2015
IFRS 13 - Fair Value Measurement	01 January 2015
IAS 1 - Presentation of Financial Statements – Disclosure Initiative (Amendment)	01 January 2016
IAS 27 - Separate Financial Statements – Equity Method in Separate Financial Statements (Amendment)	01 January 2016

The Fund expects that the adoption of the above amendments and interpretation of the standards will not affect the Fund's financial statements in the period of initial application.

There are certain new and amended standards and interpretation that are mandatory for the Fund's accounting periods beginning on or after 1 July 2015 but are considered not to be relevant or do not have any significant effect on the Fund's operations and are therefore not detailed in these financial statements.

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standard	Effective date (accounting periods beginning on or after)
IFRS 9 – Financial Instruments: Classification and Measurement	01 January 2018
IFRS 14 – Regulatory Deferral Accounts	01 January 2016
IFRS 15 – Revenue from Contracts with Customers	01 January 2018

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

2.3 Critical accounting estimates and judgments

The preparation of financial statements requires management to make judgements, estimates and assumptions that affects the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis.

The estimates and judgements that have a significant effect on the financial statements are in respect of the following:

	Notes
Investments	3.1, 3.3 5 & 6
Provisions	3.7
Element of income / loss and capital gains / losses in prices of units issued less those in units redeemed - net	3.8

2.4 Accounting convention

These financial statements have been prepared under the historical cost convention except for investments which are carried at fair value.

2.5 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is the Fund's functional and presentation currency.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these financial statements are set out below :

3.1 Investments

The investments of the Fund, upon initial recognition, are classified as investment at fair value through income statement or available-for-sale investment, as appropriate.

All investments, are initially measured at fair value plus, in the case of investments not at fair value through income statement, transaction costs that are directly attributable to acquisition.

All regular way purchases / sales of investments are recognised on the trade date, i.e. the date on which the Fund commits to purchase / sell the investment.

Investments at fair value through income statement

These include held-for-trading investments and such other investments that, upon initial recognition, are designated under this category. Investments are classified as held-for-trading if they are acquired for the purpose of selling in the near term. After initial measurement, such investments are carried at fair value and gains or losses on revaluation are recognised in the income statement. All derivatives are classified as held-for-trading.

Available-for-sale

Investments which are not classified in the preceding categories are classified as available-for-sale investments. After initial measurement, such investments are measured at fair value with unrealised gain or loss recognised directly in the statement of comprehensive income until the investment is derecognised or determined to be impaired at which time the cumulative gain or loss previously recognised in the statement of comprehensive income is taken to the income statement.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

3.2 Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Subsequent to initial recognition financial assets classified as loans and receivables are carried at amortised cost using the effective interest method.

Gain or loss is recognised in the income statement when financial assets carried at amortised cost are derecognised or impaired.

3.3 Derivatives Financial Instruments

Derivative instruments that are held by the Fund primarily comprise of gold futures contracts in the commodities market. These are measured initially at fair value and revalued at each subsequent measurement date at their fair values which is calculated as being the net difference between the contract price and the closing price reported on the primary exchange of the futures commodities. Derivatives with the positive market values (unrealised gains) are included in assets and derivatives with the negative market value (unrealised losses) are included in liabilities in the Statement of Assets and Liabilities. The resultant gains and losses are included in the income statement.

3.4 Issue and redemption of units

Units issued are recorded at the offer price, determined by the management company for the application received by the distribution company / management company during business hours on that day. The offer price represents the Net Asset Value (NAV) per unit as of the close of the business day, plus the allowable sales load and provision of any duties and charges, if applicable. The sales load is payable to the distribution company and the management company.

Units redeemed are recorded at the redemption price applicable to units for which the distribution company / management company receives redemption application during business hours of that day. The redemption price shall be equal to NAV as of the close of the business day, less an amount as the management company may consider to be an appropriate provision of duties and charges.

3.5 Revenue recognition

Interest income on government securities is recognised using effective interest method at the rate of return implicit in the instrument.

Interest income on bank balances and deposits is recognised on an accrual basis.

Gains or losses on sale of investments are included in the Income Statement in the period in which they arise.

Element of income / loss and capital gains / losses in prices of units issued less those in units redeemed is recognised when the units are issued and redeemed at the transaction date.

3.6 Expenses

All expenses chargeable to the Fund including remuneration of management company, trustee, and annual fee of the SECP are recognised in the income statement on an accrual basis.

3.7 Provisions

Provisions are recognised when the Fund has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

3.8 Element of income / loss and capital gains / losses in prices of units sold less those in units redeemed

To prevent the dilution of per unit income and distribution of income already paid out on redemption as dividend, an equalisation account called "element of income / loss and capital gains / losses in prices of units issued less those in units redeemed" (the element) is created.

Upon sale and redemption of units, the amount representing net income / loss and capital gains / losses accounted for in net asset value and included in the sale / redemption price is taken to the element account.

The element is computed to the extent that it is represented by the increase / decrease in net income / loss and capital gains / losses earned / incurred during the period.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

3.9 Deferred formation cost

Formation cost refers to all the preliminary and floatation expenses of the Fund incurred upto the initial issue of units, to the extent allowable under the NBFC Regulations. These costs are being amortised over a period of five years commencing from July 2013, in accordance with the requirements of the NBFC Regulations. These expenses were paid off by the management company and are reimbursable to it by the Fund.

3.10 Taxation

The Fund is exempt from taxation under Clause 99 of the Part I of the 2nd Schedule of the Income Tax Ordinance, 2001, subject to the condition that not less than 90% of its accounting income excluding realised and unrealised capital gains for the year is distributed amongst the Fund's unit holders. The Fund intends to avail this exemption for current and future periods. Accordingly, no provision is made for current and deferred taxation in these financial statements.

3.11 Financial instruments

All financial assets and financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the contractual rights to receive cash flows related to the asset expire. Financial liabilities are derecognised when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gain or loss on derecognition of the financial assets and financial liabilities is taken to income statement.

3.12 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are only offset and the net amount reported in the statement of assets and liabilities when there is a legally enforceable right to set off the recognised amount and the Fund intends to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

3.13 Distribution to unit holders

Distribution to unit holders is recognised upon declaration and approval by the Board of Directors of the management company.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the period in which such distributions are declared and approved by the Board of Directors of the management company.

3.14 Net asset value per unit

The net asset value per unit disclosed in the statement of assets and liabilities is calculated by dividing the net assets of the Fund by the number of units in issue at the period end.

3.15 Cash and cash equivalents

Cash and cash equivalents include deposits with banks and other short term highly liquid investments with original maturities of three months or less.

	Note	2015 Rupees	2014 Rupees
4. BANK BALANCES			
In PLS saving accounts	4.1	36,783,124	138,529,807
4.1	The rate of return on these accounts is varies between 6% to 7.10% per annum (2014: 9.20% per annum).		
5. INVESTMENTS - at fair value through income statement			
Government securities			
Market Treasury Bills - held-for-trading	5.1	149,772,001	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

Market Treasury Bills - held for trading

Treasury bills	Face value (Rupees)				Rupees		Percentage of	
	At the beginning of the year	Acquired during the period	Sold / Matured during the period	At the end of the period	Amortised cost	Market value	Total investments	Net assets
3 Months - T-bills	-	195,000,000	195,000,000	-	-	-	-	-
6 Months - T-bills	-	590,000,000	440,000,000	150,000,000	149,755,414	149,772,001	100.00	74.61
12 Months - T-bills	-	300,000,000	300,000,000	-	-	-	-	-
	-	1,085,000,000	935,000,000	150,000,000	149,755,414	149,772,001	100.00	74.61

5.2 The cost of investments as on 30 June 2015 is Rs.147,768,750 (2014: Nil).

5.3 Government treasury bill carries purchase yield of 7.55% (2014: Nil) per annum and will mature on 09 July 2015.

	Note	2015 Rupees	2014 Rupees
6. DEFERRED FORMATION COST			
Deferred formation cost		955,600	1,194,500
Amortisation of deferred formation cost		(239,565)	(238,900)
		716,035	955,600

7. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT AND LOSS

Held-for-trading - derivative financial instruments

- Future Gold Contracts	7.1	3,689,543	-
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7.1 This represents net fair value of gold futures contracts entered into by the Fund at the Pakistan Mercantile Exchange. The details of the outstanding contracts are given in the table below:

Commodity Contracts	Maturity Date	Quantity - ounces	Value of Gold in futures market US \$	Value of Gold in futures market equivalent Pak Rupees	Market Value as a Percentage of net assets
Gold 10 oz - Aug. 2015	27 July 2015	10 oz	1,535,058	156,238,203	77.83
Liabilities against gold futures at contracted rates-USD\$				159,927,746	
Unrealised Loss on future contracts of gold				3,689,543	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 ----- Rupees -----	2014 -----
8. PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY - RELATED PARTY			
Management fee	8.1	248,714	256,110
Formation cost payable		955,600	1,194,500
Sindh Sales Tax payable on Remuneration of the Management Company	8.2	191,925	122,711
Federal Excise Duty payable on remuneration of the Management Company	8.3	996,725	510,830
		2,392,964	2,084,151

8.1 In accordance with the provisions of the NBFC Regulations, the management company is entitled to receive a remuneration during the first five years of the Fund, at the rate not exceeding 3% of the average annual net assets of the Fund and thereafter at the rate of 2% of such assets. The management company has charged its remuneration of 1.5% (2014: 1.5%) per annum of the average net assets for the period.

8.2 During the year, an amount of Rs.528,412 (2014: Rs 592,563) was charged on account of sales tax on remuneration of the Management Company levied through Sindh Sales Tax on Services Act, 2011, and an amount Rs.597,625 (2014:469,852) has been paid to the Management Company which acts as a collecting agent.

8.3 The Finance Act, 2013 has enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from 13 June 2013. As the asset management services rendered by the Management Company of the Fund are already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund as explained in note 7.2 above, the Management Company is of the view that further levy of FED is not justified.

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

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

9. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE - RELATED PARTY

The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the trust deed as follows:

On net assets:

- up to Rs.1,000 million	Rs.0.17% per annum of Net Assets.
- Rs.1,000 million to Rs.5,000 million	Rs.1.7 million plus 0.085% per annum of Net Assets exceeding Rs.1,000 million
- exceeding Rs.5,000 million	Rs.5.1 million plus 0.07% per annum of Net Assets exceeding Rs.5,000 million

10. PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

In accordance with the NBFC Regulations, the Fund is required to pay to the SECP an amount equal to 0.075% of the average annual net assets of the Fund as annual fee.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 ----- Rupees -----	2014 -----
11. ACCRUED EXPENSES AND OTHER LIABILITIES			
Auditors' remuneration payable		242,350	229,700
Printing charges payable		181,431	210,150
Fund Rating Fee Payable		116,000	-
Withholding tax payable		2,358	240,123
Provision for Workers' Welfare Fund	11.1	194,578	194,578
		736,717	874,551

- 11.1** The Finance Act 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes / Mutual Funds (CISs) / Pension Funds whose income exceeds Rs.0.5 million in a tax year, have been brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a Constitutional Petition has been filed by certain CISs through their trustees in the Honourable High Court of Sindh (SHC), challenging the applicability of WWF to the CISs / pension funds, which is pending adjudication.

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

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

In view of the pending decision, the Management Company of the Fund, as a matter of abundant caution, has decided to maintain a provision in respect of WWF which amounts to Rs.194,578. Had the same not been made, the net asset value per unit of the Fund would have been higher by Re.0.10 per unit (2014: 0.12 per unit).

The Finance Act, 2015 has excluded Mutual Funds and Collective Investment Schemes from the definition of 'industrial establishment' subject to WWF under WWF Ordinance, 1971. However, provision made till 30 June 2015 has not been reversed as the above lawsuit is pending in the SHC.

12. CONTINGENCIES AND COMMITMENTS

- 12.1** There were no contingencies outstanding as at 30 June 2015.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 Rupees	2014 Rupees
12.2 COMMITMENTS			
Purchase of:			
Ounce Gold Contracts US \$ 1,535,058			
30 June 2014 (US \$ 1,367,634)	12.2.1	159,927,746	135,122,239
12.2.1 This represents the investment in future gold contracts with settlement date of 27 July 2015 (2014: 28 July 2014).			
		From 01 July 2014 to 30 June 2015	From 26 June 2013 to 30 June 2014
		Rupees	Rupees
13. INTEREST INCOME			
Profit on PLS savings account and deposits		8,272,057	8,401,825
Government Securities - Market Treasury bills		8,922,762	10,795,650
		17,194,819	19,197,475
14. AUDITORS' REMUNERATION			
Annual audit fee		150,000	150,000
Half yearly review of financial statements		75,000	75,000
Review of statement of compliance with Code of Corporate Governance		40,000	40,000
Certification charges		30,000	30,000
Sindh Sales Tax on services		14,750	11,800
Out of pocket expenses		15,250	5,400
Charge against Audit of FY 2013-2014		5,000	-
		330,000	312,200
15. TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS			
15.1 Connected persons include Atlas Asset Management Limited being the Management Company, Central Depository Company Limited being the Trustee, other collective investment schemes managed by the Management Company, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the Fund and directors and key management personnel of the Management Company.			
15.2 Transactions with connected persons essentially comprise sale and repurchase of units, fee on account of managing the affairs of the Fund, other charges and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.			
15.3 Remuneration to the Management Company and the Trustee of the Fund is determined in accordance with the provisions of the NBFC regulations and the Trust Deed.			
15.4 The details of significant transactions carried out by the Fund with connected persons and balances with them at the year / period end are as follows:			

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	From 01 July 2014 to 30 June 2015	From 26 June 2013 to 30 June 2014
	----- Rupees -----	
Atlas Asset Management Limited (Management Company)		
Remuneration of the Management Company	3,036,847	3,192,686
Remuneration paid	3,044,243	2,936,576
Sindh Sales Tax on Remuneration of the Management Company	528,412	592,563
Federal Excise Duty on Remuneration of the Management Company	485,896	510,830
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration of the Trustee	344,179	361,839
Remuneration paid	345,026	332,813
Atlas Battery Limited (Group Company)		
Issue of 13,747 (2014: 500,339) units	1,407,204	50,033,904
Outstanding 514,086 (2014: 500,339) units - at net asset value	50,349,645	53,090,976
Atlas Foundation (Group Company)		
Issue of 4,124 (2014: 150,102) units	422,161	15,010,171
Outstanding 154,225 (2014: 150,102) units - at net asset value	15,104,893	15,927,293
Atlas Honda Limited (Group Company)		
Issue of 486,522 (2014: 499,800) units	49,970,710	50,000,000
Redemption of Nil (2014: 499,800) units	-	52,758,896
Outstanding of 486,522 (2014: Nil) units - at net asset value	47,649,998	-
Atlas Insurance Limited (Group Company)		
Issue of 2,792 (2014: 101,637) units	285,854	10,000,000
Outstanding 104,429 (2014: 101,637) units - at net asset value	10,227,827	10,784,690
Batools Benefit Trust (Trust having common Director / Trustee)		
Issue of 4,124 (2014: 150,102) units	422,161	15,010,171
Outstanding 154,225 (2014: 150,102) units - at net asset value	15,104,893	15,927,293
Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)		
Issue of Nil (2014: 13,895) units	-	1,395,642
Redemption of Nil (2014: 13,895) units - at net asset value	-	1,422,812
Atlas Group of Companies, Management Staff Gratuity Fund		
Issue of 11,621 (2014: 317,215) units	1,189,556	31,721,495
Outstanding 328,836 (2014: 317,215) units - at net asset value	32,206,222	33,659,679
Key Management Personnel of Management Company		
Issue of 1,645 (2014: 53,382) units	168,423	5,355,199
Redemption of Nil (2014: 3,479) units	-	368,095
Outstanding 51,548 (2014: 49,903) units - at net asset value	5,048,660	5,295,218

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

15.5 The balances due from / to related parties / connected persons are included in the respective notes to the financial statements.

15.6 For the purpose of this disclosure, transactions by the Board of Directors, and key management personnel falling within the scope of "executive" under the Code of Corporate Governance, 2012 are included herein. The term "executive" includes the Chief Executive Officer, Chief Financial Officer & Co. Secretary, Chief Internal Auditor, and executives of the Management Company of the Fund whose gross remuneration is Rs.4 million (2014: Rs 3 million) and above, as set by the Board of Directors of the Management Company for FY 2014-15.

16. FINANCIAL INSTRUMENTS BY CATEGORY

As at 30 June 2015				
	Loans and receivables	At fair value through profit or loss	Available for sale	Total
	Rupees			
Assets				
Bank balances	36,783,124	-	-	36,783,124
Investments in government securities	-	149,772,001	-	149,772,001
Interest accrued	259,494	-	-	259,494
Margin deposits with Pakistan Mercantile Exchange Limited against future contracts	20,226,670	-	-	20,226,670
	57,269,288	149,772,001	-	207,041,289

As at 30 June 2015			
	Liabilities at fair value through profit or loss	Others	Total
	Rupees		
Liabilities			
Financial liabilities at fair value through profit or loss	3,689,543	-	3,689,543
Payable to Atlas Asset Management Limited - Management Company	-	2,392,964	2,392,964
Payable to Central Depository Company of Pakistan Limited - trustee	-	28,179	28,179
Accrued expenses and other liabilities	-	539,781	539,781
	3,689,543	2,960,924	6,650,467

As at 30 June 2014				
	Loans and receivables	At fair value through profit or loss	Available for sale	Total
	Rupees			
Assets				
Bank balances	138,529,807	-	-	138,529,807
Financial assets at fair value through profit or loss	-	3,512,609	-	3,512,609
Interest accrued	1,052,877	-	-	1,052,877
Margin deposits with Pakistan Mercantile Exchange Limited against future contracts	24,755,727	-	-	24,755,727
	164,338,411	3,512,609	-	167,851,020

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

16. FINANCIAL INSTRUMENTS BY CATEGORY (Continued...)

	As at 30 June 2014		
	Liabilities at fair value through profit or loss	Others	Total
	Rupees		
Liabilities			
Payable to Atlas Asset Management Limited - Management Company	-	2,084,151	2,084,151
Payable to Central Depository Company of Pakistan Limited - trustee	-	29,026	29,026
Accrued expenses and other liabilities	-	439,850	439,850
	-	2,553,027	2,553,027

17. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

17.1 The Fund's objective in managing risk is the creation and protection of unit holders' value. Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily set up to be performed based on limits established by the management company, Fund's constitutive documents and the regulations and directives of the SECP. These limits reflect the business strategy and market environment of the Fund as well as the level of the risk that Fund is willing to accept. The Board of Directors of the management company supervises the overall risk management approach within the Fund. The Fund is exposed to market risk, credit risk and liquidity risk arising from the financial instruments it holds.

17.2 Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices.

(i) Interest rate risk

Interest rate risk is the risk that the value of the financial instruments will fluctuate due to changes in the market interest rates. As of 30 June 2015, the Fund is exposed to such risk in respect of bank balances and treasury bills. The investment committee of the fund reviews the portfolio of the fund on a regular basis to ensure that the risk is managed within acceptable limits.

a) Sensitivity analysis for variable rate instruments

Presently, the Fund holds balances with banks which exposes the fund to cash flow interest rate risk. In case of 100 basis points increase in market interest rates as at June 30, 2015, with all other variables held constant, the net loss for the year and net assets would have been lower by Rs.32,700 (2014: Rs.Nil). In case of 100 basis points decrease in market interest rates as at 30 June 2015, with all other variables held constant, the net income for the year and net assets would have been higher by Rs.32,850 (2014: Rs Nil).

b) Sensitivity analysis for fixed rate instruments

Presently, the Fund holds treasury bills which exposes the fund to fair value interest rate risk. In case of 100 basis points increase / (decrease) in market interest rates as at June 30, 2015, with all other variables held constant, the net income / (loss) for the year and net assets would have been higher/ (lower) by Rs.533,203 (2014: Rs.1,667,981).

The composition of the fund's investment portfolio and interest rates are expected to change over time. Accordingly, the sensitivity analysis prepared as of 30 June 2015 is not necessarily indicative of the impact on the fund's net assets of the future movements in interest rates.

Yield / interest rate sensitivity position for on balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off balance sheet instruments is based on settlement date.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

The Fund's interest rate sensitivity related to financial assets and financial liabilities as at 30 June 2015 can be determined as follows:

----- As at 30 June 2015 -----						
Effective yield/interest rate	Exposed to yield / profit rate risk			Not exposed to yield/ interest rate risk	Total	
	Upto three months	More than three months and upto one year	More than one year			
Percentage	----- Rupees -----					
Financial Assets						
Bank balances	7.10	36,783,124	-	-	-	36,783,124
Investments in government securities		149,772,001	-	-	-	149,772,001
Interest accrued		259,494	-	-	-	259,494
Margin deposits with Pakistan Mercantile Exchange Limited against future contracts	5.00	20,226,670	-	-	-	20,226,670
		207,041,289	-	-	-	207,041,289
Financial Liabilities						
Financial liabilities at fair value through profit or loss		-	-	-	3,689,543	3,689,543
Payable to Atlas Asset Management Limited Management Company		-	-	-	2,392,964	2,392,964
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	28,179	28,179
Accrued expenses and other liabilities		-	-	-	539,781	539,781
		-	-	-	6,650,467	6,650,467
Total interest rate sensitivity gap		207,041,289	-	-	(6,650,467)	200,390,822

----- As at 30 June 2014 -----					
Effective yield/interest rate	Exposed to yield / profit rate risk			Not exposed to yield/ interest rate risk	Total
	Upto three months	More than three months and upto one year	More than one year		
Percentage	----- Rupees -----				
Financial Assets					
Bank balances	9.20	138,529,807	-	-	138,529,807
Financial assets at fair value through profit or loss		-	-	3,512,609	3,512,609
Interest accrued		1,052,877	-	-	1,052,877
Margin deposits with Pakistan Mercantile Exchange Limited against future contracts	6.00	24,755,727	-	-	24,755,727
		164,338,411	-	3,512,609	167,851,020
Financial Liabilities					
Payable to Atlas Asset Management Limited - Management Company		-	-	2,084,151	2,084,151
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	29,026	29,026
Accrued expenses and other liabilities		-	-	439,850	439,850
		-	-	2,553,027	2,553,027
Total interest rate sensitivity gap		164,338,411	-	959,582	165,297,993

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instruments will fluctuate because of changes in foreign exchange rates. As at 30 June 2015, the Fund has invested in future gold contracts denominated in US Dollar that exposes the fund to foreign currency risk, which may affect the value of the Fund's net assets due to favorable or unfavorable fluctuations in currency rates. As at 30 June 2015 if the Pak Rupee was strengthened / weakened by 100 basis points against the US Dollar with all other variable held constant, the net income for the year would have been higher / lower by Rs.9,333 (2014:Rs.11,499) with corresponding effect on net assets attributable to unit holders.

(iii) Other Price Risk

Other price risk is the risk that the value of financial instrument may fluctuate as a result of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual financial instrument of its issuer, or factors affecting all similar financial instrument traded in the market. As at 30 June 2015, the exposure of the Fund to other price risk was Rs.156,238,203 (2014:Rs.135,122,139). A decrease / increase of 5% in the quoted price of future gold contracts of Pakistan Mercantile Exchange would have an impact of approximately Rs.7,811,910 (2014: Rs.6,756,112) on the net income for the year/period with the consequent effect on net assets of the Fund. The sensitivity analysis is based on the Fund's commodity securities at each statement of assets and liabilities date, with all other variable held constant.

17.3 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to redemptions of its redeemable units on a regular basis. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is therefore to invest the majority of its assets in short term instruments in order to maintain liquidity.

The Fund can borrow in the short term to ensure settlement. The maximum amount available to the Fund from the borrowing would be limited to fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund. The facility would bear interest at commercial rates. However, no borrowing was obtained by the Fund during the current period.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the year.

The table below summaries the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity date. However, the assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

2015	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Total
	Rupees				
Assets					
Bank balances	36,783,124	-	-	-	36,783,124
Investments in government securities	149,772,001	-	-	-	149,772,001
Interest accrued	259,494	-	-	-	259,494
Margin deposits with Pakistan Mercantile Exchange Limited against future contracts	-	-	20,226,670	-	20,226,670
	186,814,619	-	20,226,670	-	207,041,289
Liabilities					
Financial liabilities at fair value through profit or loss	3,689,543	-	-	-	3,689,543
Payable to Atlas Asset Management Limited - Management Company	1,437,364	238,900	-	716,700	2,392,964
Payable to Central Depository Company of Pakistan Limited - Trustee	28,179	-	-	-	28,179
Accrued expenses and other liabilities	-	539,781	-	-	539,781
	5,155,086	778,681	-	716,700	6,650,467
Net assets / (liabilities)	181,659,533	(778,681)	20,226,670	(716,700)	200,390,822
2014	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Total
	Rupees				
Assets					
Bank balances	138,529,807	-	-	-	138,529,807
Financial assets at fair value through profit or loss	3,512,609	-	-	-	3,512,609
Interest accrued	1,052,877	-	-	-	1,052,877
Margin deposits with Pakistan Mercantile Exchange Limited against future contracts	-	-	24,755,727	-	24,755,727
	143,095,293	-	24,755,727	-	167,851,020
Liabilities					
Payable to Atlas Asset Management Limited - Management Company	889,651	238,900	-	955,600	2,084,151
Payable to Central Depository Company of Pakistan Limited - Trustee	29,026	-	-	-	29,026
Accrued expenses and other liabilities	-	439,850	-	-	439,850
	918,677	678,750	-	955,600	2,553,027
Net assets / (liabilities)	142,176,616	(678,750)	24,755,727	(955,600)	165,297,993

17.4 Credit risk

Credit risk arises from the inability of the issuers of the instruments or the counter party to fulfil their obligations. The Fund is exposed to credit risk with respect to its bank balances, interest accrued, and Margin deposits with Pakistan Mercantile Exchange Limited against future contracts. The Fund's policy is to enter into financial contracts in accordance with the internal risk management policies and investment guidelines approved by the Investment Committee. The Fund's maximum exposure to credit risk as of 30 June 2015 amounts to Rs.57,269,288 (2014:Rs.164,338,411).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

17.4.1 Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings or to historical information about counterparty default rates. All the financial assets of the Fund that are exposed to credit risk are rated 'AA'.

17.5 Fair value of financial instruments

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.

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.

17.6 Fair value hierarchy

The Fund uses the following hierarchy in determining and disclosing the fair value of financial instruments by the following 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 June 2015, the Fund has financial assets at fair value through profit or loss using level 1 valuation technique.

17.7 Unit holders fund risk management

The Fund's objective when managing unit holders' funds is to safe guard the Fund's ability to continue as a going concern so that it can continue to provide optimum returns to its unit holders and to ensure reasonable safety of capital. The Fund manages its investment portfolio and other assets by monitoring return on net assets and makes adjustments to it in the light of changes in market conditions. The capital structure depends on the issuance and redemption of units.

The Fund has no restrictions on the subscription and redemption of units. As required under NBFC Regulations, every open end scheme shall maintain fund size (i.e. net assets of the Fund) of Rs 100 million at all times during the life of scheme. The Fund has maintained and complied with the requirement of minimum fund size during the current period.

The Fund's objectives when managing unit holders' funds are to safeguard its ability to continue as a going concern so that it can continue to provide returns to the unit holders and to maintain a strong base of assets to meet unexpected losses or opportunities.

In accordance with the risk management policies as stated in note 17, the Fund endeavours to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemption requests, such liquidity being augmented by short-term borrowings or disposal of investments where necessary.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

18. UNIT HOLDING PATTERN OF THE FUND

Category	2015			2014		
	Number of unit holders	Rupees	% of total	Number of unit holders	Rupees	% of total
Individuals	42	13,031,265	6.49%	50	17,952,971	10.84%
Associated Companies/ Directors	7	143,488,321	71.48%	6	101,022,490	60.98%
Retirement Funds	3	44,229,552	22.03%	3	46,683,796	28.18%
	52	200,749,138	100.00%	59	165,659,257	100.00%

19. LIST OF TOP TEN BROKERS BY PERCENTAGE OF THE COMMISSION PAID

Name of broker	2015 Percentage of commission paid	2014 Percentage of commission paid
Topline Securities (Private) Limited	15.06%	11.83%
IGI Finex Securities Limited	14.91%	11.70%
Arif Habib Limited	14.45%	13.95%
Invest Capital Market Limited	14.28%	15.04%
Shajar Capital Pakistan (Private) Limited	14.10%	16.08%
AKD Securities Limited	12.80%	15.14%
Elixir Securities Pakistan (Private) Limited	7.20%	-
KASB Securities (Private) Limited	6.46%	3.91%
Global Securities Pakistan Limited	0.54%	0.50%
JS Global Capital Limited	0.24%	1.56%
Invest & Finance Securities Limited	-	0.29%

20. THE MEMBERS OF THE INVESTMENT COMMITTEE

Following are the members of the Investment Committee of the Fund:

Name	Designation	Qualification	Overall experience
Mr. M. Habib-ur-Rahman	Chief Executive Officer	FCA	47 Years
Mr. Ali H. Shirazi	Director	Masters in Law	11.5 Years
Mr. M. Abdul Samad	Chief Operating Officer	MBA, M.Com	15 Years
Mr. Khalid Mehmood	Chief Investment Officer	MBA - Finance	11 Years
Mr. Muhammad Umar Khan	Fund Manager - Commodities	MSc - Finance	7 Years
Mr. Fawad Javaid	Fund Manager - Fixed Income	CMA	7 Years
Mr. Faran-ul-Haq	Fund Manager - Equity Markets	B. A, CFA	4 Years

21. NAME AND QUALIFICATION OF FUND MANAGER

Name	Designation	Qualification	Other Funds managed by the Fund Manager
Mr. Muhammad Umar Khan	Fund Manager - Fixed Income / Commodities	MSc - Finance	Atlas Islamic Income Fund

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

22. MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

The details of dates of Board meetings of the management company of the Fund, and the attendance of the Board members are given below:

Name of Directors	Meeting held on							
	07 Jul. 2014	23 Jul. 2014	28 Aug. 2014	30 Oct. 2014	31 Dec. 2014	26 Feb. 2015	27 Apr. 2015	23 Jun. 2015
Mr. Yusuf H. Shirazi	P	P	P	P	P	P	P	P
Mr. Azam Faruque	P	P	P	P	P	P	P	P
Mr. Shamshad Nabi	P	P*	P	P	P*	L	P*	P
Mr. Frahim Ali Khan	P	P	P	P	P	L	P	P
Mr. Ali H. Shirazi	P	P	P	P	P	P	P	P
Mr. Arshad P. Rana	P	P*	P	P	P*	P	P	L
Mr. M. Habib-ur-Rahman	P	P	P	P	P	P	P	P
Ms. Lilly R. Dossabhoy (CFO & Co. Secretary)	P	P	P	P	L	P	P	P

* Attended through teleconference call.

P Present

L Leave of absence

23. RATING OF THE FUND AND THE MANAGEMENT COMPANY

The Pakistan Credit Rating Agency Limited (PACRA) has maintained the asset manager rating of AM2- (AM Two Minus) to the Management Company.

PACRA has assigned a "4 Star " short term rankings to the Fund for the year ended 30 June 2015 on 13 August 2015.

24. GENERAL

24.1 As per the approval of the SECP, the first accounting period of Fund commenced from 26 June 2013. Hence the prior period figures in profit & loss and statement of comprehensive income are from 26 June 2013 to 30 June 2014 and therefore not comparable.

24.2 Figures have been rounded off to the nearest Rupee.

25. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the management company on 31 August 2015.

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

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Chief Executive Officer

Yusuf H. Shirazi
Chairman

Azam Faruque
Director

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