



Atlas Sovereign Liquid Fund

Atlas Money Market Fund

Atlas Income Fund

Atlas Stock Market Fund

Atlas Gold Fund

ANNUAL REPORT

30 June 2017

**Atlas
funds**
Nurturing your investments



Managed By

Atlas Asset Management

Rated AM2+ by PACRA



MANAGING TO THE CORE!

Even the most seemingly diminutive of creatures, hold for us a lesson. They exhibit qualities of organization that are indeed inspirational. Planning, teamwork and controlling are attributes of a successful and solid organizational structure. At Atlas Funds these elements form the core of our institution.



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.



Vision

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

Mutual Funds | Investment Plans | Pension Funds

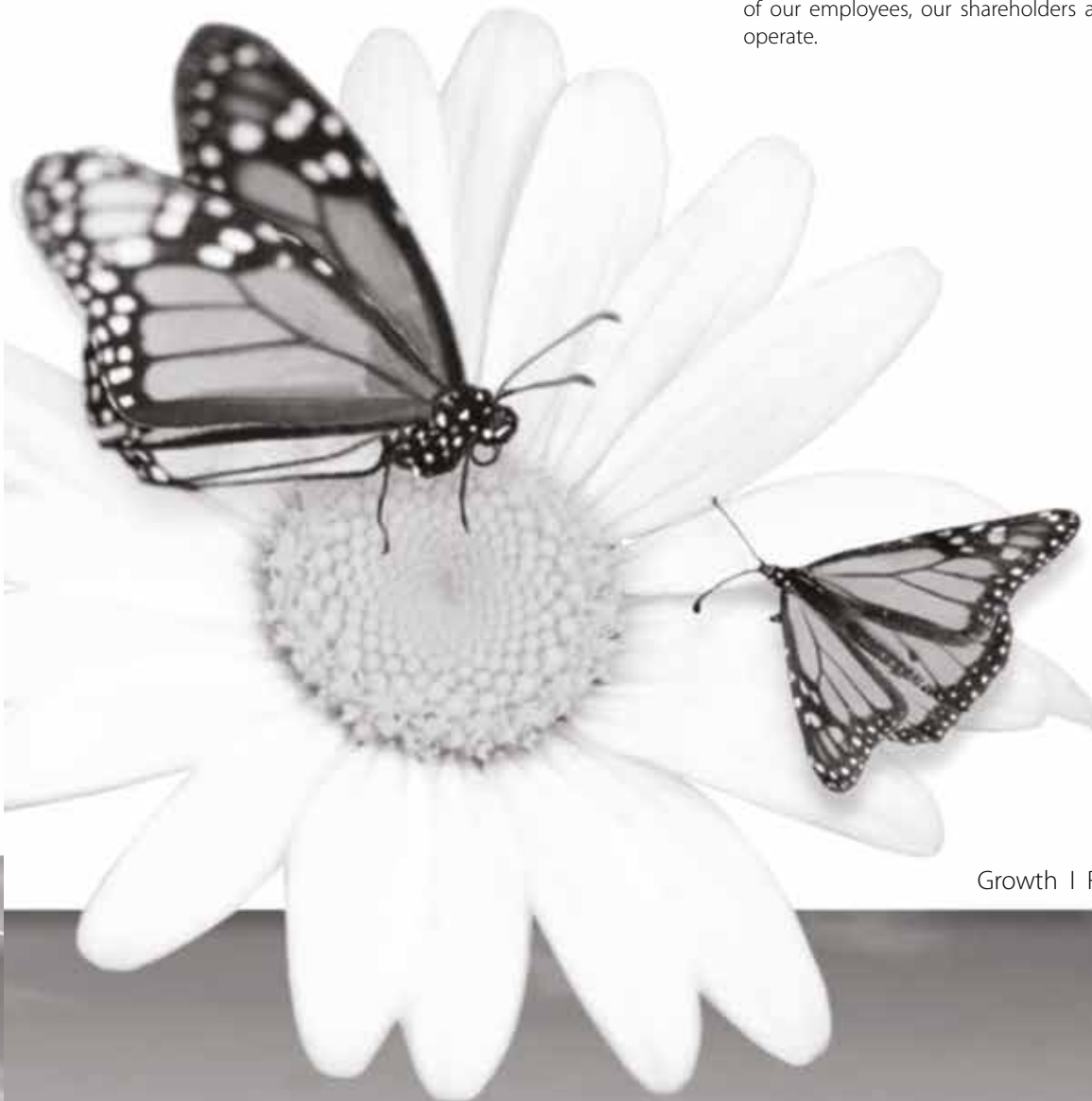
Creativity

The ability to creatively inspire innovation and the will to foster positive social and environmental change



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.



Growth | Returns | Tax Savings

Team Work

Giving unparalleled service, creating long-term, win-win relationships and focusing on executional excellence

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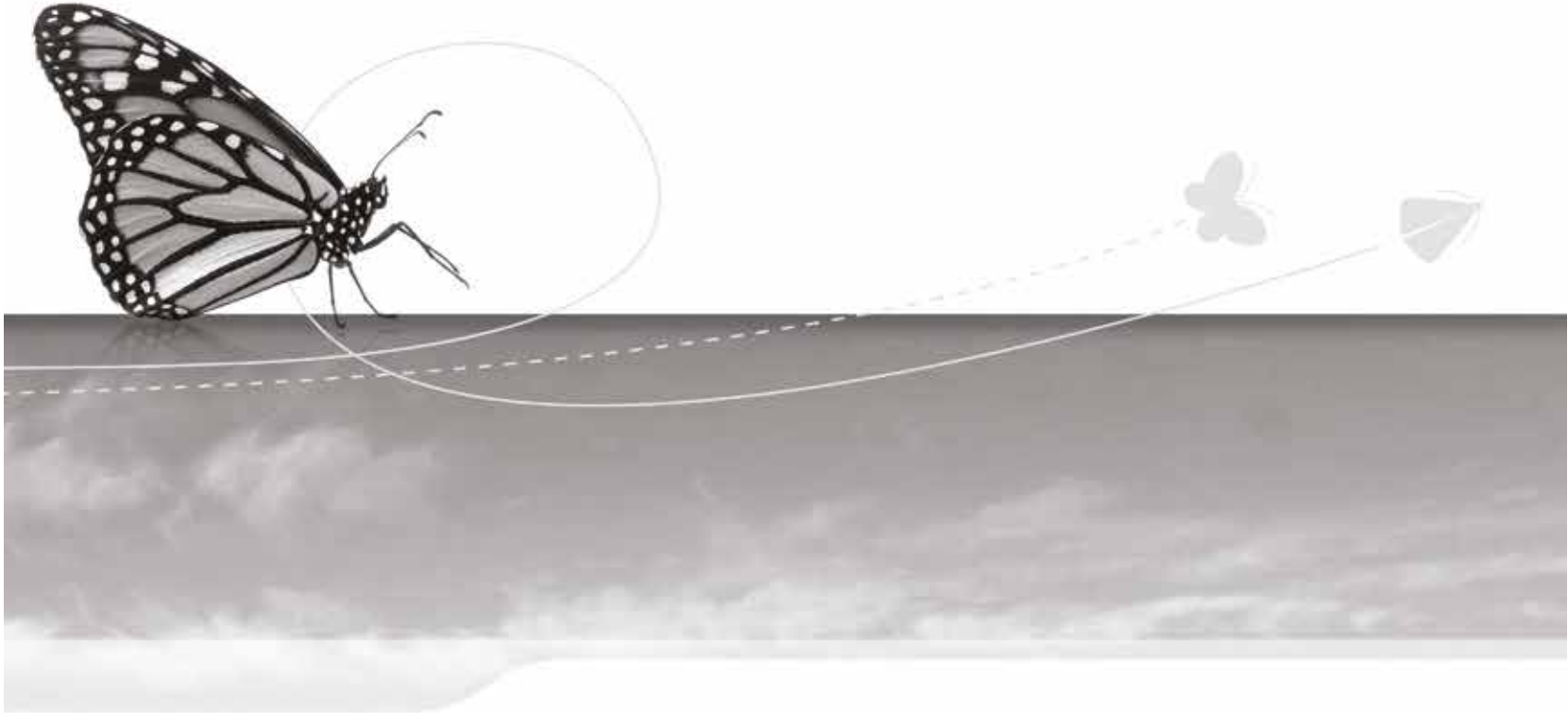
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Diversity

Understanding the social, cultural and financial diversity in our country and coming up with innovative plans to cater distinctive needs

Organisation

Management Company

Atlas Asset Management Limited

Board of Directors of the Management Company

Chairman	Mr. Yusuf H. Shirazi (Non-Executive Director)
Directors	Mr. Tariq Amin (Independent Director) Mr. Shamshad Nabi (Independent Director) Mr. Fahim 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)
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Company Secretary	Ms Qurrat-ul-Ain Jafari
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Board Committees

Audit Committee

Chairman	Mr. Tariq Amin
Members	Mr. Shamshad Nabi Mr. Fahim Ali Khan
Secretary	Mr. M. Uzair Uddin Siddiqui

Board Evaluation Committee

Chairman	Mr. Tariq Amin
Members	Mr. Shamshad Nabi Mr. Ali H. Shirazi
Secretary	Mr. M. Habib-ur-Rahman

Human Resource & Remuneration Committee

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

Investment Committee

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

Management Committee

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

Risk Management Committee

Chairman	Mr. M. Habib-ur-Rahman
Members	Mr. Muhammad Abdul Samad Mr. Khalid Mahmood
Secretary	Mr. Muhammad Faizan Ghori

Chief Internal Auditor

Mr. M. Uzair Uddin Siddiqui

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Email: info@atlasfunds.com.pk
Website: www.atlasfunds.com.pk

The above information is as at 12 September 2017.

Board of Directors of the Management Company

Mr. Yusuf H. Shirazi Chairman

Mr. Shirazi is a Law graduate (LL.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. Tariq Amin Director

Mr. Tariq Amin is the Chairman of Orkila Pakistan (Private) Limited, a leading company dealing in chemicals. He is also on the Boards of Pakistan Gum and Chemicals Limited, the Salim Habib Education Foundation and the Education City. He has varied experience both in private and public sectors. He is a law graduate from the University of Karachi. He also holds a Masters degree in English from the University of Karachi and a Post Graduate Diploma in Development Administration from the University of Leeds. Mr. Amin has been past Chairman of the Privatization Commission, Sindh. He has also been President of the Overseas Investors Chambers of Commerce & Industry (OICCI) and also the Chairman of SITE Association of Industry for four years. Mr. Amin was conferred the civil award of Chevalier De L'ordre National Du Merite by the Government of France 2001.

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 Director 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.

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.

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 Board of Atlas Insurance Limited, Atlas Battery Limited, Atlas Engineering Limited, Shirazi Capital (Pvt.) Limited, Shirazi (Pvt.) Limited, Shirazi Investments (Pvt.) Limited, Atlas Metals (Pvt.) Limited, Shirazi Trading Company (Pvt.) Limited, Atlas Venture Limited, Techlogix International Limited, Ghulam Ishaq Khan Institute of Engineering Sciences and Technology (as alternate director), and National Management Foundation (sponsoring body of LUMS).

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. 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.



Give your
SAVINGS the
ATLAS ASSET
BENEFIT!

Growth | Returns | Tax Savings

Chairman's Review

ATLAS FUNDS

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) for the Financial Year (FY) ended 30 June 2017.

THE ECONOMY

During FY 2016-17 real GDP depicted 5.3% growth, as compared to 4.7% in previous year. The growth is ten years high. CPI inflation for the FY 2016-17 averaged at 4.16% against 2.86% recorded in FY 2015-16. A growth of 13.69% was witnessed in the M2 (money supply) during FY 2016-17 as compared to 13.67% in FY 2015-16.

During FY 2016-17 exports were US\$ 20.45 billion as compared to US\$ 20.79 billion in FY 2015-16. Imports increased by 18.67% and stood at US\$ 53.03 billion during FY 2016-17 as machinery imports increased on the account of infrastructure investment made under CPEC. The current account deficit stood at US\$ 12.10 billion in FY 2016-17 as compared to a deficit of US\$ 4.87 billion in the FY 2015-16. Pakistani workers' remittances decreased to US\$ 19.30 billion during the FY 2016-17 showing a decline of 3.08% compared to US\$ 19.92 billion remitted during the FY 2015-16. Foreign exchange reserves decreased to US\$ 21.40 billion at June end 2017 compared to US\$ 23.10 billion at June end 2016. On the external front FDI remain robust at US\$ 2.2 billion, which is an increase of 8.7% over previous year. External Debt and Liabilities as at 31 March 2017 stood at US\$ 77.6 billion, as against US\$ 73.9 billion as on 30 June 2016. Growth in foreign loans helped stabilize the foreign reserves of the country.

Higher Real GDP growth during FY 2016-17, as compared to prior year was on back of Agriculture sector growth of 3.5% against previous year's growth rate of 0.3%, Large Scale Manufacturing (LSM) growth of 5.69% (11MFY17) against growth of 3.44% last year and Services sector growth of 6.0% compared to 5.6% during the previous corresponding period. The economic growth looks promising going forward on the account of improving law and order situation and increase in power generation capacities due to induction of power plants planned under CPEC.

THE MONEY MARKET

The Consumer Price Index (CPI) on average was recorded at 4.16% during FY 2016-17, as compared to 2.86% for the FY 2015-16. The YoY uptick in inflation was due to global revival of international commodity and oil prices, along with rise in domestic demand due to pick up of economic activities. However, during FY17, stable rupee, smooth supply of commodities and monitoring of prices at both federal and provincial levels kept the inflation relatively contained.



The growth in money supply (M2) witnessed an increase of 13.69% during 2016-17, which is Rs. 1,756.2 billion against the expansion of 13.67% (Rs. 1,542.7 billion) in the comparable period last year. Net Foreign Assets (NFA) declined by Rs. 350.7 billion during 2016-17 as against the net expansion of Rs. 101.9 billion in the comparable period of fiscal year 2015-16. This is mainly due to higher FX liabilities incurred by some of the foreign banks operating in the country. Net Domestic Asset (NDA) of banking system grew by 9.42% or Rs. 1,112.9 billion against an increase of 5.40% or Rs. 565.7 billion during the corresponding period last year. Pick up in credit to the private sector, credit to Enterprises (PSEs) and rise in government borrowing from the banking system were the major factors of expansion. Credit to Private sector was Rs. 457.4 billion during 2016-17 against credit of Rs. 296.8 billion during 2015-16 due to accommodative monetary policy stance, translated to low cost of borrowing which attracted private sector to finance their businesses and investment activities.

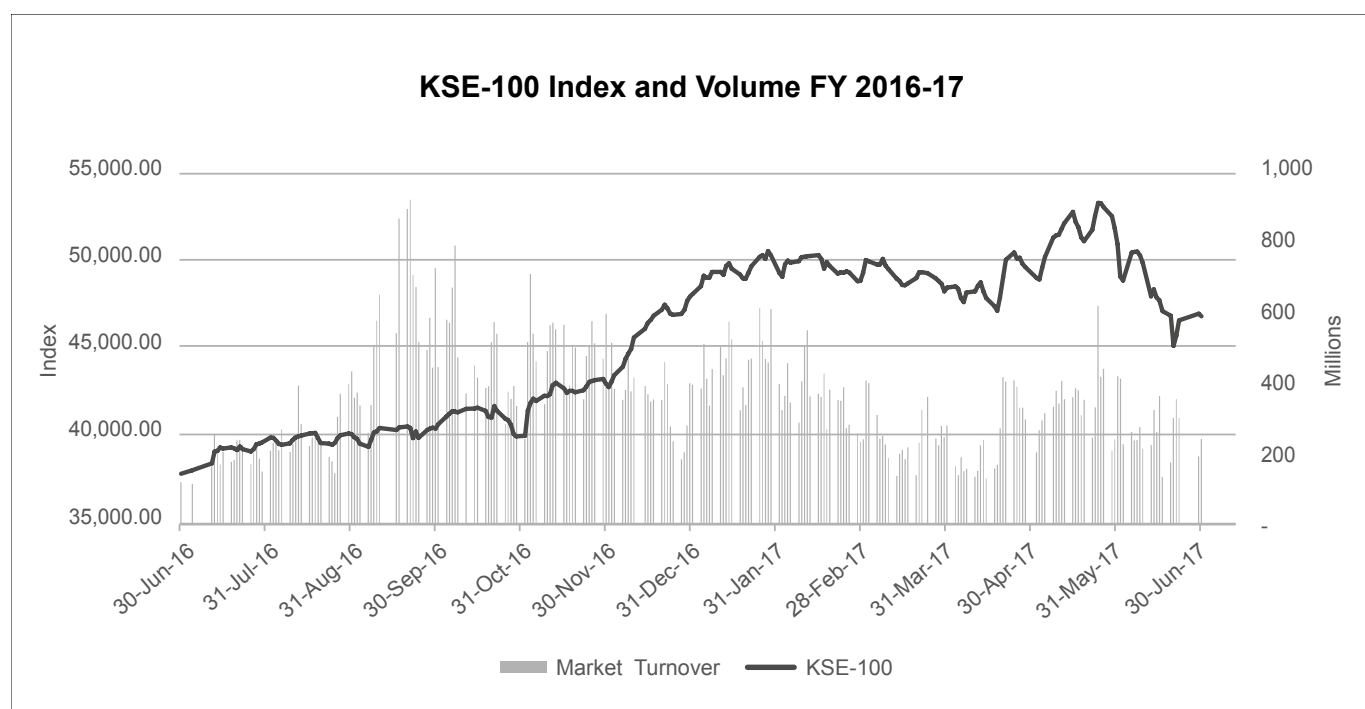
Keeping in view the macroeconomic stability, SBP maintained policy rate at 5.75 percent during the fiscal year, which is the lowest rate since early 1970s. Healthy credit expansion, along with higher production of Kharif crops, recovery in LSM/industrial growth, uptick in CPEC related activities in energy sector and favorable business environment supported SBP's decision to keep the policy rate unchanged during 2016-17. Pakistan's foreign exchange reserves have decreased to US\$ 21.40 billion at June end 2017 compared to US\$ 23.10 billion at June end 2016. The level of foreign exchange reserves is a sign of economic stability that has been achieved due to government's economic policies and reforms. On the back of better macroeconomic indicators and environment, SBP continued with accommodative monetary policy stance that translated well into stable market interest rate at 5.75 percent, which is the lowest in last 45 years. The realization of monetary easing witnessed in pickup of economic activities supported SBP's decision to reduce the policy rate by 25 bps from 6.0 percent to 5.75 percent w.e.f. 21 May 2016. Historic low interest rate and ongoing stability in money market are the main instruments for private sector credit cycle for fixed investment and for working capital.

THE STOCK MARKET

The KSE-100 index increased from 37,783.54 points as on 30 June 2016 to 46,565.29 points as on 30 June 2017, increasing by 23.24%. The average volumes during the year increased by 68% to 350 million shares from 208 million shares traded last year.

Net Foreign portfolio outflow during the year was recorded at US\$ 652 million compared to outflow of US\$ 282 million last year. On the local front Mutual Funds, Insurance Companies, and Companies were the most active participants investing US\$ 576 million, US\$ 220 million and US\$ 127 million during the period. Banks/DFIs and Individuals, on the other hand, reduced their exposure in the equity market by US\$187 million and US\$ 53 million, respectively.

During the period the sectors that outperformed the market were Engineering, Automobile Assemblers, Automobile & Parts, Oil & Gas Marketing Companies and Refineries that posted 207%, 97%, 95%, 61% and 33% return, respectively. Engineering sector performed on the



back of increasing volumes and Anti-dumping levied on imported products. Moreover, Automobile sector performed on increasing car sales on the back of introduction of new models and improving margins on favorable currency position and lower raw material prices. Oil & Gas Marketing Companies performed as profitability of Multi-utilities increased and is expected to increase further due to reduction in UFG losses and massive capex incurred. Sectors that remained subdued were Fertilizer, Power Generation & Distribution, Textiles and Oil and Gas Exploration posting -12%, -9%, 7% and 9% returns, respectively. Fertilizer sector remained subdued on lower International Urea prices, rising domestic inventory levels due to better gas availability and lower international commodity prices, which have resulted in poor farm economics eroding the buying power of farmers. Power Generation & Distribution underperformed the market due to reduction in tariff by NEPRA for K-Electric that is currently under review petition.

Three Stock Exchanges at Karachi, Lahore and Islamabad were merged into Pakistan Stock Exchange (PSX) on 11 January 2016 providing a single platform to investors, particularly the foreign investors. Strategic sale of forty percent of PSX shares was completed in December, 2016, which was part of the demutualization process, and PSX sold its aforementioned shares to a Chinese Led Consortium against a consideration of US\$ 85.6 million. The Consortium comprises of China Financial Futures Exchange, Shanghai Stock Exchange and Shenzhen Stock Exchange, along-with two Pakistani financial institutions (Habib Bank Limited and Pak China Investment Company Limited). The foreign investors in the consortium are expected to benefit PSX through their diverse product offering, indigenously developed technology, managerial experience and opportunities for outreach and cross-listings. PSX was later listed on the exchange where 160 million shares (20% of PSX shares) were offered and subscribed by Institutional investors, High Net worth Individuals and General Public. Four new companies were listed on the stock exchange during 2016-17, namely, TPL Properties Ltd, Loads Ltd, Roshan Packages Ltd and Pakistan Stock Exchange Limited. The amounts raised through IPO by TPL Properties Ltd, Loads Ltd, Roshan Packages Ltd and Pakistan Stock Exchange Limited were Rs. 697 million, Rs. 1,700 million, Rs. 2,803 million and Rs. 4,488 million. As on 30 June 2017 the market capitalization of TPL Properties Ltd, Loads Ltd, Roshan Packages Ltd and Pakistan Stock Exchange Limited were Rs. 2,548 million, Rs. 5,702 million, Rs. 6,038 million and Rs. 20,582 million. Three new companies were listed on the stock exchange during 2015-16, namely, Al Shaheer Corporation Limited, Amreli Steels Limited and Hi-Tech Lubricants Limited. The amounts raised through IPO by Al Shaheer Corporation Limited, Amreli Steels Limited and Hi-Tech Lubricants Limited were Rs. 2,375 million, Rs. 3,787 million and Rs. 1,812 million. As on 30 June 2016 the market capitalization of Al Shaheer Corporation Limited, Amreli Steels Limited and Hi-Tech Lubricants Limited were Rs. 6,452 million, Rs. 13,965 million and Rs. 6,864 million.

As on 31 May 2017 the Morgan Stanley Capital International (MSCI) upgraded Pakistan from the status of Frontier Markets to Emerging Markets. Foreign flows of approximately US\$ 450 million on May 31, 2017 from the fund managers of Emerging Market were witnessed, however, estimated outflow from fund managers of Frontier Markets of approximate US\$ 530 million on May 31, 2017 was recorded making net outflow on that day of US\$ 82 million. Net Foreign portfolio outflow during the year was recorded at US\$ 652 million compared to outflow of US\$ 282 million last year.

The Government in its budget announcement reduced corporate tax rate for non-banking companies to 30% from 31% for tax year 2017-18. However, Super Tax, introduced at 3% on profit for tax year 2014-15 and 2015-16, was extended for another year and is applicable for the tax year 2016-17.

THE COMMODITY MARKET

Spot Gold prices/ounce decreased from US\$ 1,322.15 as on 30 June 2016 to US\$ 1,241.42 as on 30 June 2017, showing a decline of 6.11%. Spot Gold prices declined after U.S. Federal Reserve announced a much expected interest rate increase during December 2016 and raised interest rates for the second time by 25 basis points to 1.25% in June'17. Subsequently, dollar surged higher against the basket of major currencies. Fed chairperson Janet Yellen signaled three possible rate hikes in 2017 supported by better-than-expected U.S. economic data. Furthermore, US dollar neared its nine-month high on expectations that inflation will increase and that Trump administration will boost U.S. economy, resulting in an increase in US bond yields. Additionally, U.S. Existing Home Sales data rose to their highest level in more than nine years in October 2016.

Assets under management (AUM) in gold-backed ETFs increased as political uncertainty fueled European ETF inflows. Investors focused on the continued rise of anti-establishment parties associated with the growing populist movement across Europe, as well as the potential outcome of elections in the Netherlands and France – particularly in the aftermath of the Brexit vote. On top of a fragile political environment, conditions in financial markets gave investors a further incentive to build their positions in gold-backed ETFs. Negative real and nominal yields coupled with a period of relative calm in regional stock markets improved the appeal of gold. US investors maintained their underlying positivity towards gold. China's quarterly bar and coin demand breached 100 tons for only the fourth time on record. Currency weakness, concerns over the property market and a seasonal boost from Chinese New Year underpinned the market. Gold jewelry demand was broadly steady, but remains weak in the longer-term context. Higher YoY prices restrained demand. Indian jewelry demand increased from last year's exceptionally low level as market conditions improved after a very tough 2016. Reserve Bank of India (RBI) continued to remonetize India's economy, thereby easing pressure on cash trapped consumers. By the end of March, 85% of the value of currency removed from circulation under demonetization had been returned. RBI also gradually eased temporary restrictions on the amount of money that could be withdrawn from bank accounts, aiding cash dependent demand in particular. Across the globe, the central banks continued to purchase gold, however, the pace was slow.

MUTUAL FUND TAXATION

FINANCE ACT – 2017:

An amendment was introduced in the Income Tax Ordinance, 2001 through Finance Act 2017, whereby the rate of income tax on dividend from Money Market Mutual Funds to all tax payers, other than companies, was increased from 10 % to 12.5% if the amount of dividend received is more than Rupees two and half million; for dividend amount less than Rupees two and half million, the rate of income tax will be 10%.

WORKER'S WELFARE FUND (WWF)

On 10 November 2016, the Supreme Court of Pakistan (SCP) passed a judgment declaring the amendments made in the Finance Acts 2006 and 2008 pertaining to WWF as illegal citing that WWF was not in the nature of tax and could, therefore, not have been introduced through money bills. The Federal Board of Revenue (FBR) has filed a review petition in the SCP against the said judgment, which is pending for hearing. The Mutual Funds Association of Pakistan (MUFAP) consulted both legal and tax advisors who gave the opinion that the judgment has removed the very basis on which the demands were raised, therefore, there was no longer any liability against the mutual funds under the WWF Ordinance and that all cases pending in the Sindh High Court (SHC) or lower appellate forums will now be disposed of in light of the judgment of the SCP. Based on legal opinion, the entire provision against WWF held by the Mutual Funds and Voluntary Pension Funds till 30 June 2015 has been reversed on 12 January 2017.

SINDH WORKER'S WELFARE FUND (SWWF)

As a consequence of the 18th amendment to the Constitution of Pakistan, Workers' Welfare Fund became a provincial subject. In May 2015 the Sindh Assembly passed the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) imposing SWWF on many entities, including financial institutions.

The Sindh Revenue Board (SRB) demanded the SWWF from mutual funds on the plea that mutual funds are defined as financial institution under The Financial Institutions (Recovery of Finances) Ordinance, 2001. MUFAP has collectively on behalf of asset management companies contested that mutual funds are not financial institutions or industrial establishments but were pass through investment vehicles and did not employ workers. Mutual funds are also not included in the definition of financial institutions in the Companies Act, 2017. MUFAP has taken up the matter with the Sindh Finance Division for resolution of the matter.

Although, based on legal opinion, SWWF is not applicable on mutual funds MUFAP has recommended that the provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from 21 May 2015). Accordingly, the provision for SWWF is being made on a daily basis going forward.

FEDERAL EXCISE DUTY (FED)

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

REOPENING OF ASSESSMENT OF PRIOR YEARS

Commissioner Inland Revenue amended the return of income filed by mutual funds on selective basis under section 120 of the Income Tax Ordinance, 2001 (Ordinance) on the plea that bonus issues declared by the funds should not have been considered as distribution of income while claiming exemption available under clause 99 of Part 1 of the Second Schedule to Ordinance. Consequently the tax demands were raised across the mutual fund industry. In case of funds under management of your company the assessments were revised for Tax Year 2012 and 2013 of Atlas Money Market Fund (AMF) and for Tax Year 2012 of Atlas Stock Market Fund (ASMF). The industry, including the funds under management of your company on whom demand was raised went on appeal. The Commissioner Inland Revenue – Appeals decided the matter in favor of the funds. The Commissioner of Income Tax filed an appeal with Appellate Tribunal Inland Revenue. The Commissioner (Appeals) of Appellate Tribunal Inland Revenue (ATIR) heard the appeal and on 31 January 2017 and 14 March 2017 decided the appeals in favor of AMF and ASMF.

SUPER TAX

A onetime super tax was levied on person whose income is more than Rs.500 Million for the tax year 2015 @ 3% for companies and 4% for banking companies through Finance Act, 2015. The tax has been extended for one more year. During March 2016, notices were issued to twelve mutual funds managed by six Asset Management Companies. This includes Atlas Money Market Fund (AMF) managed by AAML. The AMC have also appealed with Appellate Commissioner (AC). The AC decided the case in favor of the Department. AMC went to appeal with the Income Tax Tribunal against the judgment.

The Appellate Tribunal Inland Revenue in its judgment dated 03 February 2017 has deleted the levy of super tax on the income of the Fund as the "super tax" being of the nature of tax cannot be imposed in view of exemption from tax on any income derived by the Fund under clause (99) of Part I of the Second Schedule.

WITHHOLDING TAX

With effect from 01 July 2015, FBR has required all entities whose income are exempt from income tax to obtain income tax exemption certificates from concerned commissioner of income tax by virtue of provision in section 159 of the Income Tax Ordinance, 2001 (Ordinance). So far mutual funds and approved pension funds were automatically allowed exemption from withholding tax by virtue of clause 47(B) of Part IV of the Second Schedule to Ordinance. The Company along with other AMCs filed a petition in the Honorable Sindh High Court against the new requirement of FBR. The Honorable Sindh High Court decided that the requirement of obtaining exemption certificate will apply to those entities as well whose income are otherwise exempt from tax. Thereafter, the company has filed a petition in the Honorable Supreme Court of Pakistan, on 20 April 2016 and the hearing is still pending. Meanwhile, funds applied for tax exemption certificates and required certificates were obtained.

ACCOUNTING FOR ELEMENT OF INCOME

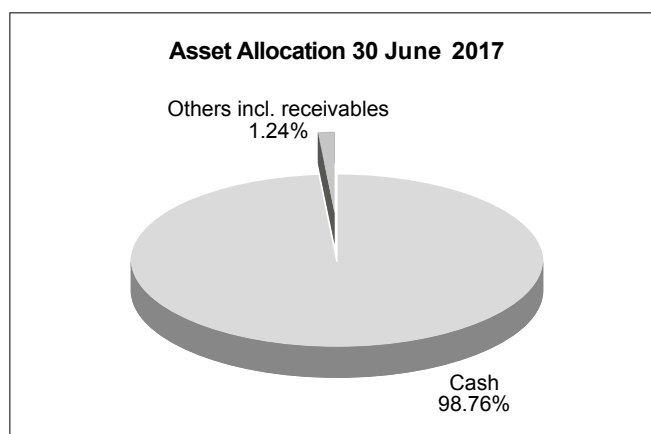
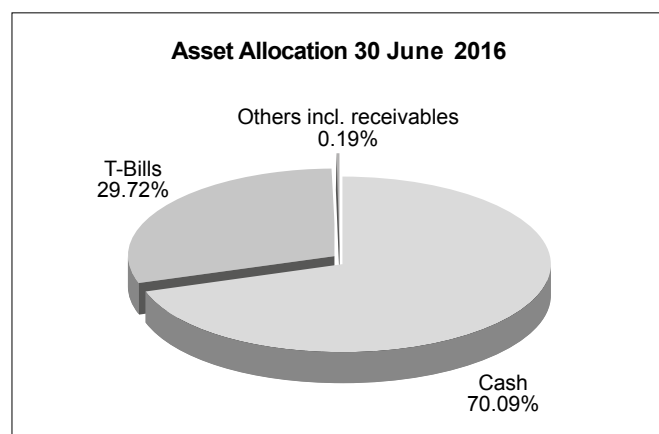
To maintain same rate of dividend (dividend equalization) the income contributed on units issued less income paid out on units redeemed (together referred as element of income) during a FY is transferred to Income Statement. The balance in the Income Statement (of which element of income is a part) after setting off the expenses is distributed as dividend that is subjected to income tax at the applicable rate.

On 03 August 2017, Securities and Exchange Commission of Pakistan (SECP) issued a notification that described element of income as transaction of capital nature. The element of income will be routed to Unit holders' fund. Accordingly the mutual funds will now be required to distribute the dividend that will be at variable rate according to timing of issue of units and to maintain equalization and same NAV for all units, element of income will be distributed as refund of capital maintaining same payout ratio as for dividend. The dividend will be subject to income tax at the applicable rate and the refund of capital will reduce the cost of units.

Before making the notification, SECP had published the same in official gazette for public opinion. The Institute of Chartered Accountants of Pakistan had reviewed the draft notification with a view to ensuring its compliance with International Financial Reporting Standards (IFRS). Their suggestions were incorporated in the final notification.

FUND OPERATIONS – ASLF

The Net Asset Value per unit of the Fund increased by 9.39% to Rs. 109.50 per unit as on 30 June 2017. The benchmark 30% of average 3-Month deposit rates of three scheduled banks (AA and above rated as selected by MUFAP) and 70% average 3 Month PKRV rate for the period of return stood at 5.26%. During the year the quarterly average exposure of treasury bills in ASLF'S stood at 76.5%. The ASLF's total exposure in cash deposits stood at 98.76% and the 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 250.51 million, with 2.29 million units outstanding as of 30 June 2017.

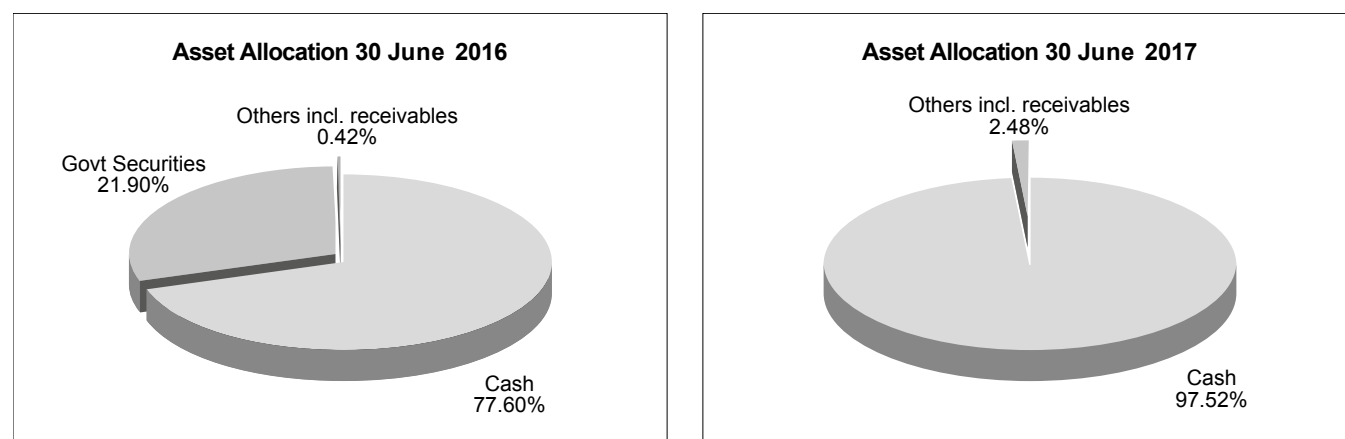


The Board of Directors of Atlas Asset Management Limited, the Management Company of Atlas Sovereign Liquid Fund has approved a final cash dividend of Rs 9.50 per unit (9.50% on the face value of Rs. 100 per unit).

The Scheme had maintained prior years' provisions against WWF of Rs. 323,547 till 30 June 2015. After Honorable Supreme Court of Pakistan judgment on 10 November 2016, this provision was reversed on 12 January 2017. The Fund has made provision against SWWF, which up till 30 June 2017 amounted to Rs. 739,107 (Rs.0.32 per unit). The Scheme has also held provision for FED liability that amounted to Rs. 905,341 (Rs.0.40 per unit) as on 30 June 2017.

FUND OPERATIONS – AMF

The Net Asset Value per unit of the Fund increased by 6.14% to Rs. 501.86 per unit as on 30 June 2017, which includes total payout of Rs 30.00 per unit. The benchmark 30% of average 3-Month deposit rates of three scheduled banks (AA and above rated as selected by MUFAP) and 70% average 3 Month PKRV rate for the period of return stood at 5.20%. During the year the monthly average exposure of treasury bills in AMF stood at 62.1%. The AMF'S total exposure in cash deposits stood at 97.52% and the remaining in others including receivables. 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 4.63 billion, with 9.22 million units outstanding as of 30 June 2017.

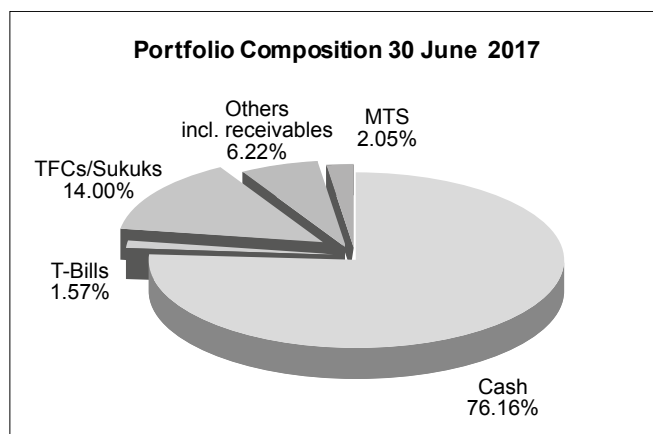
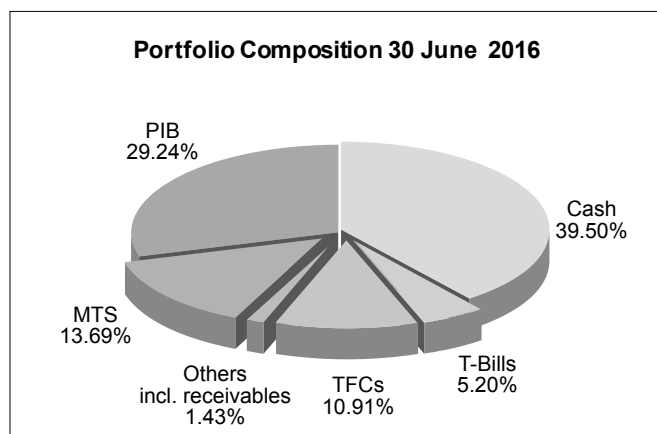


Committee of the Board of Directors of Atlas Asset Management Limited, the Management Company of Atlas Money Market Fund, under the authority delegated by the Board of Directors of Atlas Asset Management Limited has approved an interim cash dividend of Rs 30.00 per unit (6.00% on the face value of Rs. 500 per unit).

The Scheme had maintained prior years' provisions against WWF of Rs. 35,840,884 till 30 June 2015. After the judgment of Honorable Supreme Court of Pakistan on 10 November 2016, this provision was reversed on 12 January 2017. The Fund has made provision against SWWF, which up till 30 June 2017 amounted to Rs. 2,706,155 (Rs.0.29 per unit). The Scheme has held provision for FED liability that amounted to Rs. 20,428,502 (Rs.2.21 per unit) as on 30 June 2017.

FUND OPERATIONS – AIF

AIF's Net Asset Value per unit increased by 5.48% to Rs. 512.24 as on 30 June 2017, which includes total payout of Rs. 27 per unit. The benchmark average six months KIBOR rate stood at 6.10% during the period under review. During the year the monthly average exposure of PIBs in AIF stood at 10.0%. AIF current asset allocation is 1.57% in Treasury bills, 2.05% in MTS, 14.00% in TFC/Sukuks, 76.16% in cash/deposits and 6.22% in others. The Net Assets of the Fund stood at Rs 12.55 billion with 24.50 million units outstanding as of 30 June 2017.



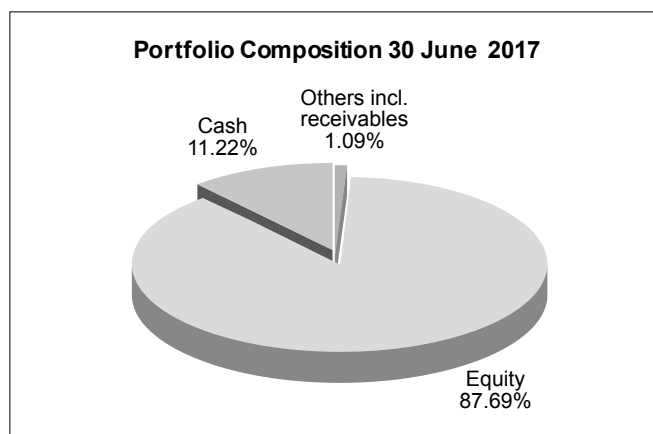
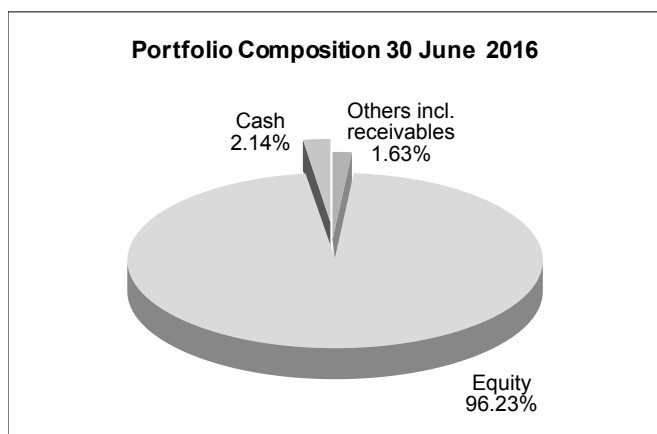
Committee of the Board of Directors of Atlas Asset Management Limited, the Management Company of Atlas Income Fund, under the authority delegated by the Board of Directors of Atlas Asset Management Limited has approved an interim cash dividend of Rs 27.00 per unit (5.40% on the face value of Rs 500 per unit).

The Scheme had maintained prior years' provisions against WWF of Rs. 18,852,977 till 30 June 2015. After Honorable Supreme Court of Pakistan judgment on 10 November 2016, this provision was reversed on 12 January 2017. The Fund has made provision against SWWF, which up till 30 June 2017 amounted to Rs. 13,245,380 (Rs.0.54 per unit). The Scheme has held provision for FED liability that amounted to Rs. 23,582,971 (Rs.0.96 per unit) as on 30 June 2017.

FUND OPERATIONS – ASMF

The Net Asset Value per unit of ASMF increased by 33.74% to Rs.666.82 as on 30 June 2017. The benchmark KSE-100 index increased by 23.24% during the same period. The KSE- 100 increased from 37,783.54 points as on 30 June 2016 to 46,565.29 points as on 30 June 2017. The main drivers of return for the index were HBL, UBL, LUCK, SNGP, MTL, ISL, POL, HCAR, MARI & NESTLE as they contributed approximately 4,598 points to the index. It is pertinent to highlight that KSE-30 index yielded only 12.00% return as against KSE- All index that yielded 28.37% return during the same period.

The ASMF's equity portfolio exposure was mainly in Commercial Bank, Cement, and Oil & Gas Exploration and Fertilizer sectors. ASMF's strategy will continue to focus on dividend plays and stocks, which are trading at relatively cheap multiples with earning growth prospects. The Net Assets of the Fund stood at Rs 5.53 billion, with 8.29 million units outstanding as of 30 June 2017.

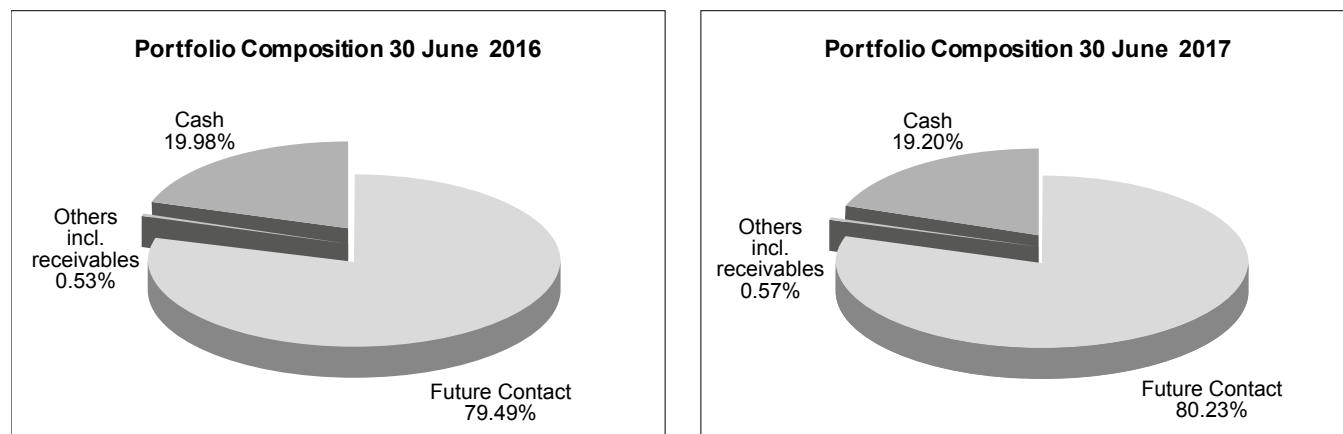


The Board of Directors of Atlas Asset Management Limited, the Management Company of Atlas Stock Market Fund in their meeting held on 07 July 2017 has approved a final cash dividend of Rs 15.00 per unit (3.00% on the face value of Rs. 500 per unit).

The Scheme had maintained prior years' provisions against WWF of Rs. 34,031,289 till 30 June 2015. After Honorable Supreme Court of Pakistan judgment on 10 November 2016, this provision was reversed on 12 January 2017. The Fund has made provision against SWWF, which up till 30 June 2017 amounted to Rs. 38,835,533 (Rs.4.68 per unit). The Scheme has held provision for FED liability that amounted to Rs. 20,301,988 (Rs.2.45 per unit) as on 30 June 2017.

FUND OPERATIONS – AGF

The Net Asset Value per unit of Atlas Gold Fund decreased by 3.32% to Rs. 102.27 as on 30 June 2017. The benchmark decreased by 3.13% during the same period. The exposure in Gold Future Contracts was 80.23% as on 30 June 2017. The Net Assets of your Fund stood at Rs 201.87 million with 1.97 million units outstanding as of 30 June 2017.



The Scheme had maintained prior years' provisions against WWF of Rs. 194,578 till 30 June 2015. After Honorable Supreme Court of Pakistan judgment on 10 November 2016, this provision was reversed on 12 January 2017. The Fund has made provision against SWWF, which up till 30 June 2017 amounted to Rs. 542,573 (Rs.0.27 per unit). The Scheme has held provision for FED liability that amounted to Rs. 1,319,911 (Rs.0.67 per unit) as on 30 June 2017.

RATINGS

• ASSET MANAGER RATING

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

• FUND STABILITY RATING – ASLF

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

FUTURE OUTLOOK

Pakistan economy has shown performance and security situation has shown marked improvement. Inflation has remained subdued on the back of favorable prices of crude oil and other commodities. Growth momentum is likely to remain assuming continued macroeconomic stability, expected improvement in energy supply and planned infrastructure investment tied to projects linked with CPEC. Stability of the external account and reserve accumulation depends upon timely inflow of budgeted bilateral and financial inflows. There is need to encourage

private capital inflows and foreign direct investments in particular to improve balance-of-payments position. Improvement in productivity and competitiveness is required to enhance exports to further build foreign exchange reserves.

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

جسے اللہ رکھے اسے کون چکھے

If Allah wills not, no one can Harm

ACKNOWLEDGEMENT

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

Karachi: 30 August 2017

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, AMF, AIF, ASMF and AGF for the year ended 30 June 2017.

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 2017 and 30 June, 2016 are as follows:

	ASLF		AMF		AIF		ASMF		AGF	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Earnings per unit – Rupees	9.39	1.71	8.39	8.63	8.70	29.11	168.39	25.34	(3.51)	12.84
Return (YTD)	9.39%	5.79%	6.14%	6.02%	5.48%	8.02%	33.74%	5.05%	-3.32%	13.11%
Net assets – Rupees million	250.51	746.96	4,629.48	3,269.85	12,550.93	7,808.33	5,527.68	4,017.19	201.87	234.10
Sales – Rupees million	9,502.53	901.83	11,949.74	7,103.87	13,638.61	8,499.22	2,719.94	1,144.65	104.66	41.07
Sales – in units	90,740,877	8,888,239	23,357,832	13,867,021	27,219,389	16,137,231	4,335,654	2,415,188	986,496	383,314
Redemptions – Rupees million	10,042.22	768.15	10,822.54	7,720.62	9,191.54	6,416.59	2,583.29	327.31	115.28	33.06
Redemptions – in units	95,914,424	7,325,413	20,658,518	14,686,728	17,990,690	11,792,806	4,025,626	693,286	1,125,853	319,821
Units outstanding at year end	2,287,658	7,461,205	9,224,702	6,525,388	24,501,811	15,273,112	8,289,668	7,979,640	1,973,817	2,113,174

INCOME DISTRIBUTION – ASLF

The Board of Directors of the Management Company, in their meeting held on 07 July 2017 approved a final cash dividend of Rs.9.50 per unit, 9.50% on the face value of Rs.100 per unit for the year ended June 30, 2017, (2016: Interim distribution Rs.5.75 per unit, 5.75% on the face value of Rs.100 per unit).

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 June 20, 2017 has approved an interim cash dividend of Rs. 30.00 per unit, 6% on the face value of Rs. 500 per unit for the year ended June 30, 2017 (2016: Interim distribution Rs. 33 per unit, 6.60% on the face value of Rs. 500 per unit). There was no final dividend.

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 20, 2017 has approved an interim cash dividend of Rs.27.00 per unit, 5.40% on the face value of Rs. 500 per unit for the year ending June 30, 2017, (2016: Interim distribution Rs.40 per unit, 8% on the face value of Rs. 500 per unit). There was no final dividend.

INCOME DISTRIBUTION – ASMF

The Board of Directors of the Management Company, in their meeting held on 07 July 2017 approved a final cash dividend of Rs.15 per unit, 3% on the face value of Rs.500 per unit for the period ended June 30, 2017 (2016: Rs.5 per unit, 1% on the face value of Rs.500 per unit).

INCOME DISTRIBUTION – AGF

The Board of Directors of the Management Company, in their meeting held on 07 July 2017 approved NIL dividend for the year ended 30 June 2017 (2016: Rs.5 per unit, 5% on the face value of Rs.100 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 year 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.

The Board Evaluation Committee (BEC) was formed in 2014 to comply with the requirements of the Code of Corporate Governance, requiring the Board of Directors to implement a mechanism for the annual evaluation of the Board's performance. The BEC comprises of three members – both the independent directors of which one is the Chairman, and one member from the sponsor family. The CEO serves as the secretary to this committee. The BEC carried out the Board Evaluation Process. The BEC meets once in two years to evaluate the Board's performance. The next meeting of BEC is due on April 2018.

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, 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.
- Statutory payments, taxes, levies properly disclosed in the Financial Statements.
- Summaries of key financial data/ performance tables of ASLF, AMF, AIF, ASMF and AGF are annexed on pages 25, 62, 103, 154 and 199 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 21, 24, 28, 25 and 21 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. No casual vacancy occurred in the Board during the year.

Six Board Meetings were held and attended during FY 2016-17. The particulars of the dates of meetings, and the directors attending, as required under the NBFC Regulations, 2008, are appended as note 25, 28, 32, 29 and 25 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. Tariq Amin	Independent Director	4
2	Mr. Shamshad Nabi	Independent Director	2
3	Mr. Fahim Ali Khan	Non-Executive Director	4

Board Evaluation Committee (BEC) – No meeting held during the year

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

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

Investment Committee – thirty five 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	13
2	Mr. M. Habib-ur-Rahman	Chief Executive Officer	23
3	Mr. M. Abdul Samad (executive management)	Chief Operating Officer – Member IC	29
4	Mr. Khalid Mahmood (executive management)	Chief Investment Officer – Member IC	29
5	Mr. M. Umar Khan (executive management)	Fund Manager – Member IC	30
6	Mr. Fawad Javaid (executive management)	Fund Manager – Member IC	34
7	Mr. Faran-ul-Haq (executive management)	Fund Manager – Secretary IC	35

DIRECTORS' TRAINING PROGRAM REQUIREMENTS

Five 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 5.19.7 of the Pakistan Stock Exchange Regulations, whilst the remaining two 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, 19, 22, 20 and 18 respectively, to the financial statements of ASLF, AMF, AIF, ASMF and AGF.

RATINGS UPDATE

ASSET MANAGER RATING

The Pakistan Credit Rating Agency Limited – (PACRA), has upgraded the asset manager rating of the Management Company at AM2+ (AM Two Plus) [2016: AM2 (AM Two)] on 4 May 2017. The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.

FUND STABILITY RATING – ASLF

PACRA has assigned the stability rating of "AA (f)" (Double A; fund rating) to the Fund on 12 July 2017. 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 the stability rating of “AA (f)” (Double A; fund rating) to the Fund on 12 July 2017. 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 the stability rating of “AA- (f)” (Double A Minus fund rating) to the Fund on 12 July 2017. The Fund’s rating denotes a very strong capacity to manage relative stability in returns and very low exposure to risks.

AUDITORS

The Audit Committee of the Board of Directors, in their meeting held on 28 August 2017, recommended the re-appointment of M/s. A. F. Ferguson & Co., Chartered Accountants, Karachi, being eligible, as auditors of the Atlas Money Market Fund, for the financial year ending 30 June 2018, and the re-appointment/appointment of M/s. EY Ford Rhodes, Chartered Accountants, Karachi, being eligible, as auditors of Atlas Sovereign Liquid Fund, Atlas Gold Fund, Atlas Income Fund and Atlas Stock Market Fund, respectively for the financial year ending 30 June 2018.

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: 30 August 2017

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

EY Ford Rhodes
Chartered Accountants

Legal Advisers

Bawaney & Partners

Bankers

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



Fund Manager's Report

Atlas Sovereign Liquid Fund (ASLF) is an Open-ended Money Market Fund. The objective of 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.

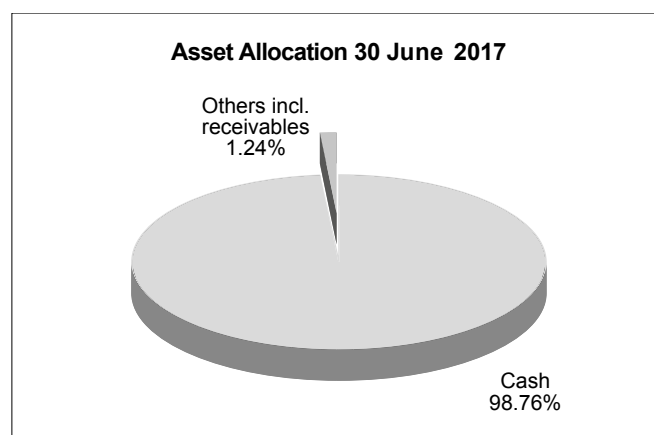
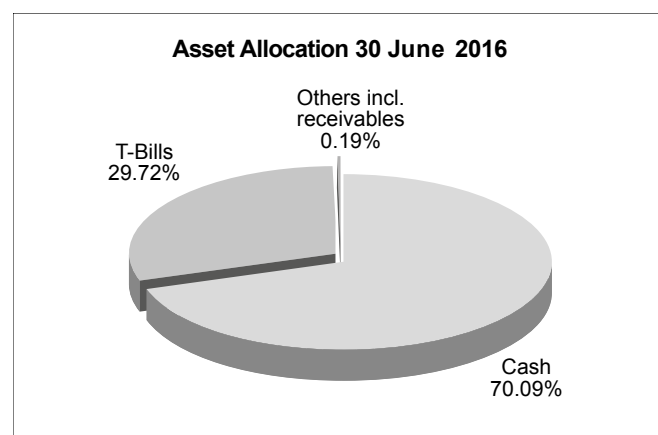
The Benchmark for "Atlas Sovereign Liquid Fund" is 30% that would be an average of "3-Month deposit rates of three scheduled banks (AA and above rated) as selected by MUFAP" for the period of return; and 70% that would be an average of "3 Month PKRV rate".

The Consumer Price Index (CPI) on average was recorded at 4.16% during FY 2016-17, as compared to 2.86% for the FY 2015-16. The YoY uptick in inflation was due to global revival of international commodity and oil prices, along with rise in domestic demand due to pick up of economic activities. However, during FY17, stable rupee, smooth supply of commodities and monitoring of prices at both federal and provincial levels kept the inflation relatively contained.

On the back of better macroeconomic indicators and environment, SBP continued with accommodative monetary policy stance that translated well into stable market interest rate at 5.75 percent, which is the lowest in last 45 years. The realization of monetary easing witnessed in pickup of economic activities supported SBP's decision to reduce the policy rate by 25 bps from 6.0 percent to 5.75 percent w.e.f. 21 May 2016. Historic low interest rate and ongoing stability in money market are the main instruments for private sector credit cycle for fixed investment and for working capital.

The Net Asset Value per unit of the Fund increased by 9.39% to Rs. 109.50 per unit as on 30 June 2017. The benchmark 30% of average 3-Month deposit rates of three scheduled banks (AA and above rated as selected by MUFAP) and 70% average 3 Month PKRV rate for the period of return stood at 5.26%. During the year the quarterly average exposure of treasury bills in ASLF stood at 76.5%. The ASLF's total exposure in cash deposits stood at 98.76% and the 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 250.51 million, with 2.29 million units outstanding as of 30 June 2017.

ASLF'S return was higher than the benchmark during the year. During the month of June 2017, there was significant movement in issuance/redemption/conversion of units, which impacted the NAV positively.



Breakdown of Unit Holding by size:

Type of Investor	No. of Investors	Amount of Investment (Rs.)	% of Total
Individual	36	3,735,558	1.49%
Associated Companies / Director	4	177,075,692	70.69%
Retirement Funds	1	69,698,369	27.82%
Total	41	250,509,619	100.00%

The Scheme had maintained prior years' provisions against WWF of Rs. 323,547 till 30 June 2015. After Honorable Supreme Court of Pakistan judgment on 10 November 2016, this provision was reversed on 12 January 2017. The Fund has made provision against SWWF, which up till 30 June 2017 amounted to Rs. 739,107 (Rs.0.32 per unit). The Scheme has also held provision for FED liability that amounted to Rs. 905,341 (Rs.0.40 per unit) as on 30 June 2017.

The Board of Directors of Atlas Asset Management Limited, the Management Company of Atlas Sovereign Liquid Fund in their meeting held on 07 July 2017 has approved a final cash dividend of Rs 9.50 per unit (9.50% on the face value of Rs. 100 per unit).

The Total Expense Ratio (TER) of the Fund as at 30 June 2017 is 1.02% which includes 0.21% representing government levies on the Fund such as sales taxes, annual fee to the SECP, etc.

The NAV before distribution stood at Rs 109.50 per unit and after adjustment for cash dividend stood at Rs 100.00 per unit.

During the year under review, the Investment Committee held thirty five meetings to review investment of the Fund and the Risk Committee held twenty nine meetings to review risk management.

Karachi: 30 August 2017

Fawad Javaid
Fund Manager

Performance Since Inception

	2017	2016	2015*
Net Assets (Rs. in '000)	250,510	746,960	604,907
Number of units in issue	2,287,658	7,461,205	5,898,379
Net assets value per unit (Rs.)	109.50	100.11	102.55
Net income (Rs. in 000)	21,473	12,781	15,854
Earnings per unit (Rs.)	9.39	1.71	2.69
Annual return of the fund (%)	9.39	5.79	8.32
Offer Price ** (Rs.)	109.54	100.11	102.55
Redemption Price ** (Rs.)	109.54	100.11	102.55
Highest offer Price (Rs.)	109.54	105.76	104.61
Lowest offer Price (Rs.)	100.25	100.02	100.12
Highest repurchase price per unit (Rs.)	109.54	105.76	104.61
Lowest repurchase price per unit (Rs.)	100.25	100.02	100.12
Weighted average portfolio (No. of days)	0.98	10.83	1.72

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

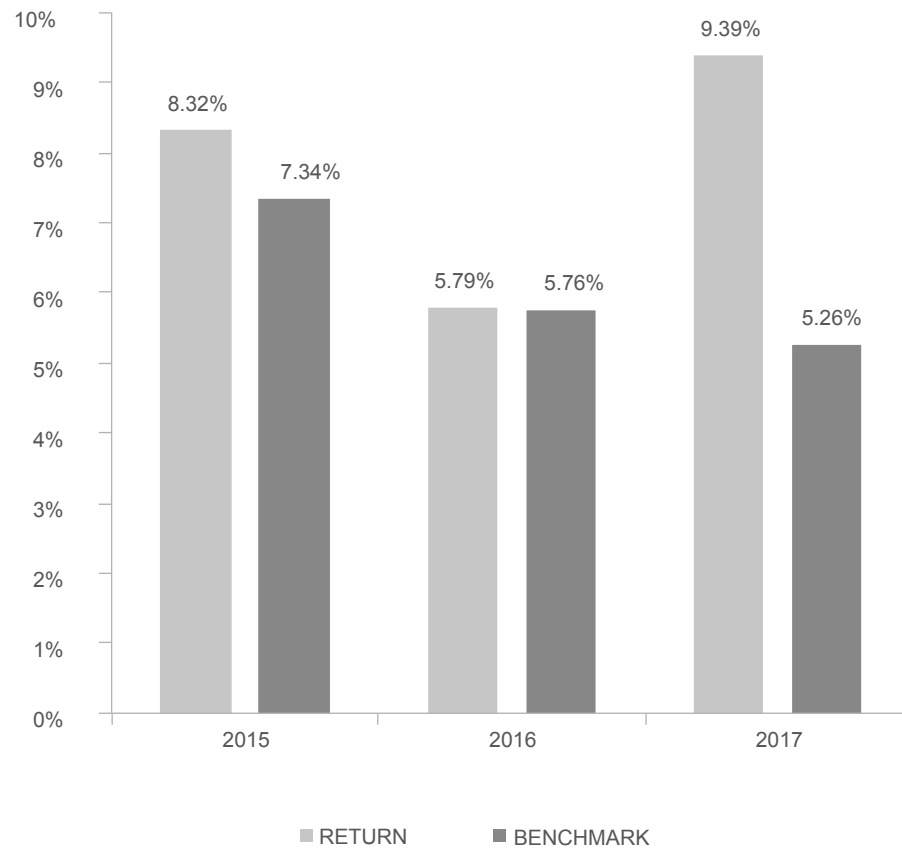
**Relates to announced prices

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.

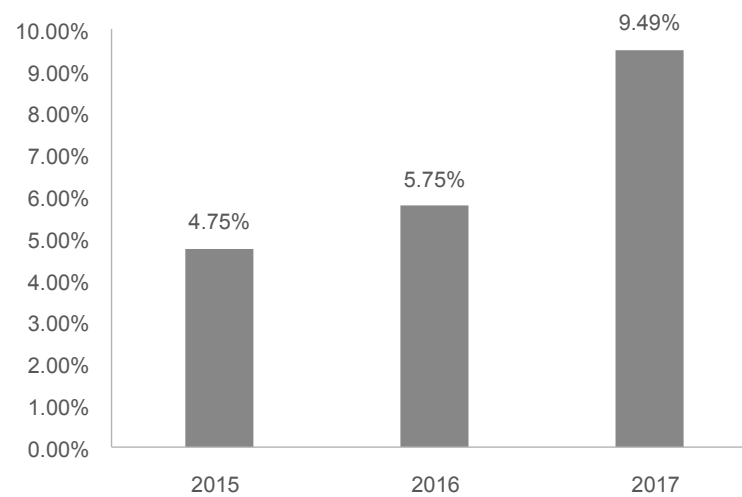
Distribution Details

	2017	2016	2015
Interim Distribution - Cash Dividend (Rs.)	-	5.75	2.25
Interim Distribution as a % of opening NAV	-	5.75%	2.25%
Distribution date	-	24-Jun-16	08-Jun-15
Final Distribution - Cash Dividend (Rs.)	9.50	-	2.50
Final Distribution as a % of opening NAV	9.49%	-	2.50%
Distribution date	07-Jul-17	-	07-Jul-15

Yearly Performance



Payout History (% on opening NAV)



STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2017

This statement is being presented to comply with the Code of Corporate Governance (the Code) contained in Regulation No. 5.19 of Listing Regulations of the Pakistan Stock Exchange Limited 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 Pakistan Stock Exchange Limited, 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. Tariq Amin 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 5.19.1.(b) of the Code.

2. The directors have confirmed that none of them is serving as a director in more than seven listed companies, including this company.
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 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, in his absence, by a director elected by the board for this purpose, 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. The Board Evaluation Committee (BEC) was formed in order to comply with the requirements of the CCG, 2012 requiring the Board of Directors to implement a mechanism for the annual evaluation of the Board's performance. The terms of reference of the BEC require the

BEC members to carry out the assessment of the Board members' questionnaires submitted by them, to evaluate the findings therefrom, and apprise the Board in the subsequent Board meeting, with recommendations for improvement. The BEC comprises of three members – both the independent directors of which one is the Chairman of the BEC, and one member from the sponsor family. The CEO serves as the secretary to this committee.

10. Five 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 5.19.7 of the Pakistan Stock Exchange Regulations, whilst the remaining two Board members have completed their Directors' certification programs from institutes meeting the criteria specified by the Securities & Exchange Commission of Pakistan.
11. No new appointment of the Chief Financial Officer & Company Secretary and Chief Internal Auditor was made during the year. The terms of remuneration of the Chief Financial Officer & Company Secretary, and the Chief Internal Auditor have been approved by the Board.
12. 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.
13. The financial statements of the Fund were duly endorsed by CEO and CFO before the approval of the Board.
14. 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.
15. The Management Company has complied with the corporate and financial reporting requirements of the Code.
16. 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.
17. 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.
18. 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.
19. 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.
20. 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.
21. 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.
22. 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.
23. Material /price sensitive information has been disseminated among all market participants at once through the Stock Exchange.
24. The Management Company has complied with the requirements relating to maintenance of register of persons having access to inside information designated by a senior management officer in a timely manner and maintained proper records including basis for inclusion or exclusion of names of persons from the said list.
25. We confirm that all other material principles contained in the Code have been complied with.

Karachi: 30 August 2017

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 year ended June 30, 2017 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: 15 September 2017

Aftab Ahmed Diwan
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 year ended 30 June 2017 to comply with the requirements of Listing Regulation No.5.19 of the Pakistan Stock Exchange Limited where the Fund is listed.

The responsibility for compliance with the Code 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 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 2017.

Karachi: 30 August 2017

EY Ford Rhodes
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** (hereinafter referred to as the 'Fund'), which comprise the statement of assets and liabilities as at June 30, 2017, 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, 2017 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: 30 August 2017

EY Ford Rhodes
Chartered Accountants

Arslan Khalid
Audit Engagement Partner

STATEMENT OF ASSETS AND LIABILITIES

AS AT 30 JUNE 2017

	Note	2017 ----- Rupees -----	2016 ----- Rupees -----
Assets			
Bank balances	4	265,276,299	528,149,900
Investments	5	-	223,930,475
Profit receivable on bank deposits		2,355,205	229,745
Other receivables		453,482	453,482
Deferred formation cost		520,000	780,000
Total assets		268,604,986	753,543,602
Liabilities			
Payable to Atlas Asset Management Limited - Management Company	8	3,276,711	2,334,396
Payable to the Central Depository Company of Pakistan Limited - Trustee	9	248,142	71,212
Payable to the Securities and Exchange Commission of Pakistan	10	637,610	471,393
Payable against redemption of units		8,300,408	-
Accrued expenses and other liabilities	11	5,632,496	3,706,617
Total liabilities		18,095,367	6,583,618
NET ASSETS		250,509,619	746,959,984
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		250,509,619	746,959,984
CONTINGENCIES AND COMMITMENTS	12		
NUMBER OF UNITS IN ISSUE		2,287,658	7,461,205
NET ASSET VALUE PER UNIT		109.50	100.11

The annexed notes from 1 to 29 form an integral part of these financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 ----- Rupees -----	2016 ----- Rupees -----
Income			
Interest Income	13	52,063,804	46,232,292
Capital loss on sale of investments - net		(168,565)	(4,027,165)
Net unrealised appreciation on remeasurement of investments classified as 'financial assets at fair value through profit or loss'		-	28,934
		(168,565)	(3,998,231)
Element of loss / capital losses included in prices of units issued less those in units redeemed - net		(21,760,335)	(22,676,379)
Total income		30,134,904	19,557,682
Expenses			
Remuneration of Atlas Asset Management Limited - Management Company	8.1	3,825,661	2,828,361
Sindh Sales Tax on remuneration of the Management Company	8.2	497,336	459,326
Federal Excise Duty on remuneration of the Management Company	8.3	-	452,538
Remuneration of the Central Depository Company of Pakistan Limited - Trustee	9.1	1,139,111	942,787
Sindh Sales Tax on Remuneration of Trustee	9.2	148,084	131,990
Annual fees to the Securities and Exchange Commission of Pakistan	10	637,610	471,393
Accounting and Operational charges	8.4	847,991	387,292
Sindh Sales Tax on accounting and operational charges		67,839	23,163
Auditors' remuneration	15	267,481	287,465
Annual rating fee		273,460	250,800
Annual listing fee		55,000	40,000
Securities transaction cost		20,915	24,787
Printing charges		52,257	135,015
Legal and professional charges		123,760	64,322
Amortisation of formation cost		260,000	260,000
Bank charges		29,354	17,032
Reversal of provision for Workers' Welfare Fund	11.1	(323,547)	-
Provision for Sindh Workers' Welfare Fund	11.1	739,107	-
Total expenses		8,661,419	6,776,271
Net income for the year before taxation		21,473,485	12,781,411
Taxation	16	-	-
Net income for the year after taxation		21,473,485	12,781,411

The annexed notes from 1 to 29 form an integral part of these financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	----- Rupees -----	
Net income for the year after taxation	21,473,485	12,781,411
Other comprehensive income	-	-
Total comprehensive income for the year	21,473,485	12,781,411

The annexed notes from 1 to 29 form an integral part of these financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

DISTRIBUTION STATEMENT FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	----- Rupees -----	
Undistributed income brought forward [includes unrealised gain on investments: Rs. 2,536,130] (2016: includes unrealised gain on investments: Rs. Nil)	761,307	15,069,001
Net income for the year after taxation	21,473,485	12,781,411
Other comprehensive income	-	-
Total comprehensive income for the year	21,473,485	12,781,411
Interim cash distribution: Rs. Nil per unit (2016: Rs. 5.75 per unit declared on 24 June 2016)	-	(12,343,156)
Final cash dividend declared for the year ended 30 June 2015 at the rate of Rs. 2.50 per unit on 7 July 2015	-	(14,745,949)
Undistributed income carried forward [includes unrealised gain on investments: Rs. Nil] (2016: includes unrealised gain on investments: Rs. 2,536,130)	22,234,792	761,307

The annexed notes from 1 to 29 form an integral part of these financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND FOR THE YEAR ENDED 30 JUNE 2017

	2017		2016	
	Units	Rupees	Units	Rupees
Net assets at the beginning of the year [Rs. 100.11 per unit (2016: Rs. 102.55 per unit)]	7,461,205	746,959,984	5,898,379	604,906,951
Issue of units	90,740,877	9,502,534,564	8,888,239	901,833,813
Redemption of units	(95,914,424)	(10,042,218,749)	(7,325,413)	(768,149,465)
	(5,173,547)	(539,684,185)	1,562,826	133,684,348
Element of loss and capital losses included in prices of units issued less those in units redeemed - net	-	21,760,335	-	22,676,379
Capital loss on sale of investments - net	-	(168,565)	-	(4,027,165)
Net unrealised appreciation on remeasurement of investments classified as 'financial assets at fair value through profit or loss'	-	-	-	28,934
Other income (net of expenses) for the year	-	21,642,050	-	16,779,642
Total comprehensive income for the year	-	21,473,485	-	12,781,411
Interim cash distribution: Rs. Nil per unit (2016: Rs. 5.75 per unit declared on 24 June 2016)	-	-	-	- (12,343,156)
Final cash dividend declared for the year ended 30 June 2015 at the rate of Rs. 2.50 per unit on 7 July 2015	-	-	-	(14,745,949)
Net assets at the end of the year [Rs. 109.50 per unit (2016: Rs. 100.11 per unit)]	2,287,658	250,509,619	7,461,205	746,959,984

The annexed notes from 1 to 29 form an integral part of these financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 ----- Rupees -----	2016
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year after taxation		21,473,485	12,781,411
Adjustments for:			
Profit on savings and term deposits		(52,063,804)	(9,088,147)
Income from government securities - Pakistan Investment Bond			(9,984,375)
Capital loss on sale of investments - net		168,565	4,027,165
Amortisation of formation cost		260,000	260,000
Net unrealised appreciation on remeasurement of investments classified as 'financial assets at fair value through profit or loss'		-	(28,934)
Element of loss and capital losses included in prices of units issued less those in units redeemed - net		21,760,335	22,676,379
Provision for workers' welfare fund		(323,547)	-
Provision for sindh workers' welfare fund		739,107	-
		(29,459,344)	7,862,088
(Increase) / decrease in assets			
Other receivable		-	(453,482)
Increase / (decrease) in liabilities			
Payable to Atlas Asset Management Limited - Management Company		942,315	(1,721,758)
Payable to the Central Depository Company of Pakistan Limited - Trustee		176,930	(160,758)
Payable to the Securities and Exchange Commission of Pakistan		166,217	188,391
Accrued expenses and other liabilities		1,510,319	577,516
		2,795,781	(1,116,609)
		(5,190,078)	19,073,408
Interest received		10,427,130	22,769,924
Investments made during the year		(12,019,694,976)	(3,102,909,715)
Investments sold / matured during the year		12,282,968,100	2,874,981,010
		273,700,254	(205,158,781)
Net cash generated from / (used in) operating activities		268,510,176	(186,085,373)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net receipts from issuance of units		9,502,534,564	1,062,978,786
Net payments against redemption of units		(10,033,918,341)	(1,363,593,095)
Cash Payout against distribution		-	(27,089,105)
Net cash used in financing activities		(531,383,777)	(327,703,414)
Net decrease in cash and cash equivalents		(262,873,601)	(513,788,787)
Cash and cash equivalents at the beginning of the year		528,149,900	1,041,938,687
Cash and cash equivalents at the end of the year	4	265,276,299	528,149,900

The annexed notes from 1 to 29 form an integral part of these financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Atlas Sovereign Liquid Fund (the Fund) is an open ended Fund constituted by a trust deed entered into on 19 August, 2014 between Atlas Asset Management Limited (AAML) as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the trustee. The offering document has been revised through First Supplement dated 24 March 2015, Second Supplement dated 3 August 2015, Third Supplement dated 23 June 2016 and Fourth Supplement dated 13 October 2016 with the approval of the Securities and Exchange Commission of Pakistan. The investment activities and administration of the Fund are managed by AAML situated at Ground Floor, Federation House, Shahrae Firdousi, Clifton, Karachi.
- 1.2** The Fund is categorised as a 'money market scheme' by the Board of Directors pursuant to the provisions contained in Circular 7 of 2009 and is listed on Pakistan Stock Exchange (formerly Karachi Stock Exchange in which Lahore Stock Exchange and Islamabad Stock Exchange have amalgamated). The units of the Fund are being offered for public subscription on a continuous basis from 01 December 2014 and are transferable and redeemable by surrendering them to the Fund.
- 1.3** According to the Trust Deed, the objective of the Fund is to provide unit-holders competitive returns with low risk and high liquidity. The Fund aims to deliver this objective by investing primarily in short term Government securities, bank deposits (excluding TDRs), treasury bills, money market placements, deposits, certificates of deposits (CoDs), certificate of musharikas (CoMs), commercial papers and reverse repo with weighted average time to maturity of net assets not exceeding 90 days and in case of a single asset, maximum time to maturity of six months. The investment objectives and policies are more fully defined in Fund's Offering document.
- 1.4** During the period, the Fund has revised its pricing mechanism regarding the Offer and Redemption of units, from forward pricing to known pricing with effect from 11 July 2016. Under the known pricing system, the Offer and Redemption Prices applicable to any sales and redemptions received during any business day are calculated on the basis of Net Asset Value as at the close of previous business day, plus the provision of sales load, any duties and charges, as applicable in the case of Offer Price, and as reduced by an appropriate provision of duties and charges in the case of Redemption Price. Uptill 10 July 2016, these were calculated on the basis of Net Asset Value of the close of that business day on which the sale and redemption requests are received.
- 1.5** Titles to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These 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 (repealed - note 2.1.1), 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.

- 2.1.1** The Companies Ordinance, 1984 has been repealed after the enactment of the Companies Act, 2017 (the Act) on 30 May 2017. However, the SECP vide its press release dated 20 July 2017 allowed Companies whose FY closes on or before 30 June 2017 to prepare the financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. The Act does not impact the financial statements of the Fund for the year ended 30 June 2017.

New Standards, Interpretations and Amendments

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Standard

IFRS 12 Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements – Investment Entities: Applying the Consolidation Exception (Amendment)

IFRS 11 Joint Arrangements - Accounting for Acquisition of Interest in Joint Operation (Amendment)

IAS 1 – Presentation of Financial Statements - Disclosure Initiative (Amendment)

IAS 16 Property, Plant and Equipment and IAS 38 intangible assets - Clarification of Acceptable Method of Depreciation and Amortization (Amendment)

IAS 16 Property, Plant and Equipment IAS 41 Agriculture - Agriculture: Bearer Plants (Amendment)

IAS 27 – Separate Financial Statements – Equity Method in Separate Financial Statements (Amendment)

Improvements to Accounting Standards Issued by the IASB in September 2014

IFRS 5 Non-current Assets Held for Sale and Discontinued Operations - Changes in methods of disposal

IFRS 7 Financial Instruments: Disclosures - Servicing contracts

IFRS 7 Financial Instruments: Disclosures - Applicability of the offsetting disclosures to condensed interim financial statements

IAS 19 Employee Benefits - Discount rate: regional market issue

IAS 34 Interim Financial Reporting - Disclosure of information 'elsewhere in the interim financial report'

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

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

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

Standard, interpretation or amendment	Effective date (accounting periods beginning on or after)
- IFRS 2 Share-based Payments – Classification and Measurement of Share-based Payments Transactions (Amendments)	01 January 2018
- IAS 28 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalized
- IAS 7 Statement of Cash Flows - Disclosure Initiative - (Amendment)	01 January 2017
- IAS 12 Income Taxes – Recognition of Deferred Tax Assets for Unrealized losses (Amendments)	01 January 2017
- IFRS 4 Insurance Contracts: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts – (Amendments)	01 January 2018
- IAS 40 Investment Property: Transfers of Investment Property (Amendments)	01 January 2018
- IFRIC 22 Foreign Currency Transactions and Advance Consideration	01 January 2018
- IFRIC 23 Uncertainty over Income Tax Treatments	01 January 2019

The above standards and amendments are not expected to have any material impact on the Fund's financial statements in the period of initial application.

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB in December 2016. Such improvements are generally effective for accounting periods beginning on or after 01 January 2018 (see note 2 below). The Fund expects that such improvements to the standards will not have any impact on the Fund's financial statements in the period of initial application.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

- 2.2.2** The SECP vide its statutory notification (S.R.O) no. 756(I) / 2017 dated 03 August 2017, has amended the NBFC Regulations. The amendments define 'Element of income included in the unit price' and also specifies the accounting treatment for the said income/loss. The amendments also introduced changes in Schedule V of the NBFC Regulations, resulting in certain changes in the presentation of Income Statement and Statement of movement in reserves or Unit holder's fund. The amendments would be applicable for the accounting year ending on June 30, 2018 and will not have any impact on the per unit net asset value of the Fund.
- 2.2.3** 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
- IFRS 16 – Leases	01 January 2019
- IFRS 17 – Insurance Contracts	01 January 2021

2.3 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).

2.4 Accounting convention

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

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 applied consistently to all the years presented unless otherwise stated.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

3.1 Financial assets

3.1.1 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.

3.1.2 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.

3.1.3 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.

3.1.4 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).

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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.

3.1.5 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.

3.1.6 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.

3.1.7 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.

3.2 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. Any gain on derecognition of financial liability is taken to income statement.

3.3 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 previous 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 previous business day, less an amount as the management company may consider to be an appropriate provision of duties and charges.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

3.4 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.

3.5 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.

3.6 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 amount of obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

3.7 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.

3.8 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 December 2014, 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.

3.9 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

3.10 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.

3.11 Distribution to unit holders

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

3.12 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.

3.13 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 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.

		2017	2016
	Note	----- Rupees -----	
4	BANK BALANCES		
Balances with banks in:			
- savings accounts	4.1	265,276,299	528,149,900
4.1	Includes balances of Rs. 251 million carrying rate of return of 6.5% and Rs. 14 million carrying rate of return ranging between 3.75% to 6.75%.		
5	INVESTMENTS		
At fair value through profit or loss - held for trading			
Government securities - Market Treasury Bills	5.1	-	223,930,475

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

5.1 Market Treasury Bills - held-for-trading

	Face value (Rupees)				Rupees		Percentage of	
	As at 1 July 2016	Purchased during the year	Sold / matured during the year	As at 30 June 2017	Amortised cost as at 30 June 2017	Market value as at 30 June 2017	Market value as a percentage of total investment	Market value as a percentage of net assets
Treasury bills								
3 Months - T-bills	45,000,000	8,599,815,000	8,644,815,000	-	-	-	-	-
6 Months - T-bills	115,000,000	1,835,015,000	1,950,015,000	-	-	-	-	-
12 Months - T-bills	65,000,000	1,654,000,000	1,719,000,000	-	-	-	-	-
	225,000,000	12,088,830,000	12,313,830,000	-	-	-	-	-

	Note	2017 ----- Rupees -----	2016
6 OTHER RECEIVABLE			
Other Receivable	6.1	453,482	453,482

6.1 As per Clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 151. However, during the year ended 30 June 2016, several Companies (including banks) deducted withholding tax on profit on bank deposits paid to the Fund based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOLII-66417-R dated 12 May 2015.

In this connection, a petition has been filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Pending resolution of the matter, the cumulative amount of withholding tax deducted on profit received by the Fund on bank deposits till 30 June 2017 has been shown as other receivables as, in the opinion of the management, the amount of tax deducted at source will be refunded.

7 DEFERRED FORMATION COST

Deferred formation cost	780,000	1,040,000
Amortisation of deferred formation cost	(260,000)	(260,000)
	520,000	780,000

8 PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY (Related party)

Remuneration of the Management Company	8.1	1,067,107	187,398
Sindh Sales Tax payable on remuneration of the Management Company	8.2	270,004	157,514
Federal Excise Duty payable on remuneration of the Management Company	8.3	905,341	905,341
Formation cost payable		780,000	1,040,000
Accounting and operational charges payable	8.4	235,425	41,644
Sindh Sales Tax payable on accounting and operational charges payable		18,834	2,499
		3,276,711	2,334,396

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

- 8.1** In accordance with the provisions of the NBFC Regulations amended vide SRO 1160(1)/2015 dated 25 November 2015, the Management Company is entitled to receive a remuneration at the rate not exceeding 1% of the average annual net assets of the fund. Previously, the Management Company was entitled to receive a remuneration during the first five years of the Fund, at the rate not exceeding 3% of the average annual net assets of the Fund and thereafter, at the rate of 2% of such assets. Accordingly the Management Company has charged its remuneration at the rate of 0.45% (2016: 0.45%) per annum of the average annual net assets of the Fund for the period. The fee is payable to the Management Company monthly in arrears.
- 8.2** During the year, an amount of Rs. 497,336 (2016: Rs. 459,326) 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.384,846 (2016: Rs. 655,555) was paid to the Management Company which acts as a collecting agent.
- 8.3** The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from 13 June 2013. As the asset management services rendered by the Management Company of the Fund are already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund as explained in note 8.2 above, the Management Company was of the view that further levy of FED was not justified.

On 4 September 2013, a Constitutional Petition was filed in the Honourable Sindh High Court (SHC) jointly by various asset management companies, together with their representative Collective Investment Schemes through their trustees, challenging the levy of FED.

During the year ended 30 June 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

With effect from 1 July 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from 1 July 2016. However, as a matter of abundant caution the provision for FED made for the period from 13 June 2013 till 30 June 2016 amounting to Rs 0.905 million (30 June 2016: Rs 0.905 million) is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the said provision for FED not been maintained, the net asset value of the Fund as at 30 June 2017 would have been higher by Re. 0.40 per unit (30 June 2016: Re. 0.12 per unit).

8.4 ACCOUNTING AND OPERATIONAL CHARGES

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

Keeping in view the aforementioned provisions, the Management Company charged accounting and operational charges to the Fund in respect of the back office accounting function to an independent service provider.

		2017	2016
	Note	----- Rupees -----	-----
9 PAYABLE TO THE CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE			
Trustee fee	9.1	219,595	62,467
Sindh Sales Tax on Trustee fee	9.2	28,547	8,745
		248,142	71,212

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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:	Tariff per annum
- upto Rs 1,000 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

9.2 During the year, an amount of Rs. 148,084 (2016: 131,990) was charged on account of sales tax on remuneration of the Trustee levied through Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 128,282 (2016: 123,245) was paid to the Trustee which acts as a collecting agent.

		2017	2016
	Note	----- Rupees -----	
10 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN			
Annual fee payable	10.1	637,610	471,393

10.1 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.

11 ACCRUED EXPENSES AND OTHER LIABILITIES

Auditors' remuneration payable		210,325	206,765
Printing charges payable		21,915	90,014
Transaction charges payable		1,227	5,293
Withholding tax payable		9,795	3,069,927
CGT Payable		4,539,142	86
Dividend payable		10,985	10,985
Legal and professional charges payable		100,000	-
Provision for Workers' Welfare Fund	11.1	-	323,547
Provision for Sindh Workers' Welfare Fund	11.1	739,107	-
		5,632,496	3,706,617

11.1 The Finance Act, 2008 had introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance) as a result of which it was construed that all Collective Investment Schemes (CISs) / mutual funds whose income exceeded Rs 0.5 million in a tax year were brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever was higher. In light of this, the Mutual Funds Association of Pakistan (MUFAP) filed a constitutional petition in the Honourable Sindh High Court (SHC) challenging the applicability of WWF on CISs which is pending adjudication. Similar cases were disposed of by the Peshawar and the Lahore High Courts in which these amendments were declared unlawful and unconstitutional. However, these decisions were challenged in the Supreme Court of Pakistan.

Subsequently, the Finance Act, 2015 introduced an amendment under which CISs / mutual funds have been excluded from the definition of "industrial establishment" subject to WWF under the WWF Ordinance. Consequently, mutual funds are not subject to this levy after the introduction of this amendment which is applicable from tax year 2016. Accordingly, no further provision in respect of WWF was made with effect from 1 July 2015.

On November 10, 2016 the Supreme Court of Pakistan (SCP) has passed a judgment declaring the amendments made in the Finance Acts 2006 and 2008 pertaining to WWF as illegal citing that WWF was not in the nature of tax and could, therefore, not have been introduced through money bills. Accordingly, the aforesaid amendments have been struck down by the SCP. The Federal Board of Revenue has filed a petition in the SCP against the said judgment, which is pending hearing. While the petitions filed by the CISs on the matter are still pending before the SHC, the Mutual Funds Association of Pakistan (MUFAP) (collectively on behalf of the asset management companies and their CISs) has taken legal and tax opinions on the impact

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

of the SCP judgement on the CISs petition before the SHC. Both legal and tax advisors consulted were of the view that the judgment has removed the very basis on which the demands were raised against the CISs. Therefore, there was no longer any liability against the CISs under the WWF Ordinance and that all cases pending in the SHC or lower appellate forums will now be disposed of in light of the earlier judgement of the SCP.

Furthermore, as a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) was passed by the government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. However, it may be stated that under Companies Act, 2017 mutual funds are explicitly excluded from the definition of financial institution. Thereafter, MUFAP took up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF.

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

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

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

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

12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 30 June 2017 and 30 June 2016.

	2017	2016
	----- Rupees -----	
13 INTEREST INCOME		
Profit on savings and term deposits	12,552,590	9,088,147
Income from government securities - Pakistan Investment Bonds	-	9,984,375
Income from government securities - Market Treasury Bills	39,511,214	27,159,770
	52,063,804	46,232,292
14 EXPENSE RATIO		

The Total Expense Ratio (TER) of the Fund as at 30 June 2017 is 1.02% which includes 0.21% representing government levies on the Fund such as sales taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 2% prescribed under the NBFC Regulations for a collective investment scheme categorised as a Money Market scheme.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	----- Rupees -----	
15 AUDITORS' REMUNERATION		
Annual audit fee	125,000	125,000
Half yearly review of condensed interim financial information	62,500	62,500
Certification charges	16,000	30,000
Review of Statement of Compliance with Code of Corporate Governance	40,000	40,000
Sindh Sales tax on Services	19,480	15,450
Out of pocket expenses	4,501	14,515
	267,481	287,465

16 TAXATION

16.1 The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unitholders. Since the management has distributed the required minimum percentage of income earned by the Fund during the year ended 30 June 2017 subsequent thereto to the unit holders in the manner as explained above, no provision for taxation has been made in these financial statements during the year.

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.

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

	2017	2016
	----- Rupees -----	
Atlas Asset Management Limited (Management Company)		
Remuneration of the management company	3,825,661	2,828,361
Remuneration paid	2,945,952	4,546,433
Sindh sales tax on remuneration of the Management Company	497,336	459,327
Federal Excise Duty on remuneration of the Management Company	-	452,540
Sales load	-	-
Issue of Nil (2016: 55,707) units	-	5,574,009
Redemption of 4,975 (2016: 311,876) units	500,000	32,208,237
Cash Dividend	-	765,346
Outstanding 44,995 (2016: 49,970) units at - net asset value	4,926,941	5,002,499

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

		2017	2016
		----- Rupees -----	
Central Depository Company of Pakistan Limited (Trustee)			
Remuneration of the Trustee		1,139,111	942,787
Sindh sales tax payable on remuneration of the Trustee		148,084	131,990
Remuneration paid		981,983	1,235,535
Atlas Hitec (Private) Limited (Group Company)			
Redemption of Nil (2016: 478,480) units		-	49,395,838
Cash Dividend		-	1,196,201
Atlas Battery Limited (Group Company)			
Issue of 14,498,969 (2016: Nil) units		1,519,056,940	-
Redemption of 14,498,969 (2016: 738,836) units		1,519,781,888	78,050,594
Cash Dividend		-	1,847,089
Atlas Honda Limited (Group Company)			
Issue of 24,558,675 (2016: 6,416,400) units		2,573,994,728	648,369,906
Redemption of 29,554,179 (2016: 3,640,771) units		3,093,403,973	384,611,082
Cash Dividend		-	5,549,690
Outstanding Nil (2016: 4,995,504) units at - net asset value		-	500,099,910
Shirazi Investments (Private) Limited (Group Company)			
Issue of Nil (2016: 91,696) units		-	9,172,255
Cash Dividend		-	12,229,674
Outstanding 1,554,968 (2016: 1,554,968) units at - net asset value		170,268,994	155,667,845
Cherat Cement Company Limited (Unit Holder with more than 10% holding)			
Outstanding 636,487 (2016: 636,487) units at - net asset value		69,695,281	65,358,214
Key Management Personnel of the Management Company	17.6		
Issue of 57,987 (2016: 50,278) units		5,650,000	5,142,880
Redemption of 57,269 (2016: 52,846) units		6,105,345	5,453,004
Cash Dividend		-	158,757
Outstanding 17,095 (2016: 16,377) units at - net asset value		1,871,911	1,639,542
17.5	Other balances due to / from 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 and Company Secretary, Chief Internal Auditor, and executives of the Management Company of the Fund whose gross remuneration is Rs 4 million and above, as set by the Board of Directors of the Management Company for FY 2016-17.		
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 AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

18 FINANCIAL INSTRUMENTS BY CATEGORY

As at 30 June 2017			
Loans and receivables	At fair value through profit or loss	Available for sale	Total
----- Rupees -----			
Assets			
Bank balances	265,276,299	-	265,276,299
Investments	-	-	-
Profit receivable on bank deposits	2,355,205	-	2,355,205
Other receivables	453,482	-	453,482
268,084,986	-	-	268,084,986

As at 30 June 2017			
	At fair value through profit or loss	At amortised cost	Total
----- Rupees -----			
Liabilities			
Payable to Atlas Asset Management Limited - Management Company	-	3,276,711	3,276,711
Payable to the Central Depository Company of Pakistan Limited - Trustee	-	248,142	248,142
Payable against redemption of units	-	8,300,408	8,300,408
Accrued expenses and other liabilities	-	244,452	244,452
	-	12,069,713	12,069,713

As at 30 June 2016			
Loans and receivables	At fair value through profit or loss	Available for sale	Total
----- Rupees -----			
Assets			
Bank balances	528,149,900	-	528,149,900
Investments	-	223,930,475	223,930,475
Profit receivable on bank deposits	229,745	-	229,745
Other receivables	453,482	-	453,482
528,833,127	223,930,475	-	752,763,602

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	As at 30 June 2016		
	At fair value through profit or loss	At amortised cost	Total
	----- Rupees -----		
Liabilities			
Payable to Atlas Asset Management Limited - Management Company	-	2,334,396	2,334,396
Payable to the Central Depository Company of Pakistan Limited - Trustee	-	71,212	71,212
Payable against redemption of units	-	-	-
Accrued expenses and other liabilities	-	313,057	313,057
	-	2,718,665	2,718,665

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, 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 2017, 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.

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 2017, with all other variables held constant, the net income for the year and net assets would have been higher by Rs. 2,636,182 (2016: Rs. 5,281,499). In case of 100 basis points decrease in market interest rates as at 30 June 2017, with all other variables held constant, the net income for the year and net assets would have been lower by Rs. 2,636,182 (2016: Rs. 5,281,499).

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 2017, with all other variables held constant, the net income for the year and net assets would have been lower by Rs. Nil (2016: 1,810). In case of 100 basis points decrease in market interest rates as at 30 June 2017 with all other variables held constant, the net income for the year and net assets would have been higher by Rs. Nil (2016: 1,860).

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 2017 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.

The Fund's interest rate sensitivity related to financial assets and financial liabilities as at 30 June 2017 can be determined as follows:

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

----- As at 30 June 2017 -----					
Effective yield / interest rate	Exposed to yield / interest 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	3.75% - 6.75%	265,276,299	-	-	265,276,299
Investments		-	-	-	-
Profit receivable on bank deposits		2,355,205	-	-	2,355,205
Other receivables		-	-	453,482	453,482
		267,631,504	-	453,482	268,084,986
Financial liabilities					
Payable to Atlas Asset Management Limited - Management Company		-	-	3,276,711	3,276,711
Payable to the Central Depository Company of Pakistan Limited - Trustee		-	-	248,142	248,142
Payable against redemption of units		-	-	8,300,408	8,300,408
Accrued expenses and other liabilities		-	-	244,452	244,452
		-	-	12,069,713	12,069,713
Total interest rate sensitivity gap		267,631,504	-	(11,616,231)	256,015,273

----- As at 30 June 2016 -----					
Effective yield / interest rate	Exposed to yield / interest 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% - 6.40%	528,149,900	-	-	528,149,900
Investments	5.90% - 6.21%	223,930,475	-	-	223,930,475
Profit receivable on bank deposits		-	-	229,745	229,745
Other receivables		-	-	453,482	453,482
		752,080,375	-	683,227	752,763,602
Financial liabilities					
Payable to Atlas Asset Management Limited - Management Company		-	-	2,334,396	2,334,396
Payable to the Central Depository Company of Pakistan Limited - Trustee		-	-	71,212	71,212
Payable against redemption of units		-	-	-	-
Accrued expenses and other liabilities		-	-	313,057	313,057
		-	-	2,718,665	2,718,665
Total interest rate sensitivity gap		752,080,375	-	(2,035,438)	750,044,937

(ii) 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 2017 which expose it to price risk.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

(iii) 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.

19.3 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.

	----- As at 30 June 2017 -----				
	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Total
	----- Rupees -----				
Financial assets					
Bank balances and term deposits	265,276,299	-	-	-	265,276,299
Investments	-	-	-	-	-
Profit receivable on bank deposits	2,355,205	-	-	-	2,355,205
Other receivables	-	453,482	-	-	453,482
	267,631,504	453,482	-	-	268,084,986
Financial liabilities					
Payable to Atlas Asset Management Limited - Management Company	2,236,711	260,000	-	780,000	3,276,711
Payable to the Central Depository Company of Pakistan Limited - Trustee	248,142	-	-	-	248,142
Payable against redemption of units	8,300,408	-	-	-	8,300,408
Accrued expenses and other liabilities	12,212	232,240	-	-	244,452
	10,797,473	492,240	-	780,000	12,069,713
Net assets / (liabilities)	256,834,031	(38,758)	-	(780,000)	256,015,273

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	As at 30 June 2016				
	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Total
	Rupees				
Financial assets					
Bank balances	528,149,900	-	-	-	528,149,900
Investments	-	223,930,475	-	-	223,930,475
Receivable against sale of units	229,745	-	-	-	229,745
Profit receivable on bank deposits	-	453,482	-	-	453,482
	528,379,645	224,383,957	-	-	752,763,602
Financial liabilities					
Payable to Atlas Asset Management Limited - Management Company	1,294,396	260,000	-	780,000	2,334,396
Payable to the Central Depository Company of Pakistan Limited - Trustee	71,212	-	-	-	71,212
Payable against redemption of units	-	-	-	-	-
Accrued expenses and other liabilities	49,436	307,764	-	-	357,200
	1,415,044	567,764	-	780,000	2,762,808
Net assets / (liabilities)	526,964,601	223,816,193	-	(780,000)	750,000,794

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, 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. As of 30 June 2017, Nil% (2016: 29.98%) 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 2017 amounts to Rs. 268,084,986 (2016: Rs. 528,833,127).

19.4.1 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 / AAA / AA+. The credit risk associated with government securities is limited as these are guaranteed by the Federal Government.

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.

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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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 at 30 June 2017, the Fund has investments 'at fair value through profit or loss' measured using level 2 valuation technique.

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 18, 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	2017			2016		
	Number of unit holders	Amount Rupees	Percentage of total	Number of unit holders	Amount Rupees	Percentage of total
Individuals	36	3,735,558	1.49	3	216,104	0.03
Associated companies / Directors	4	177,075,692	70.69	5	662,426,338	88.68
Insurance Companies	-	-	-	1	20,597,279	2.76
Retirement Funds	1	69,698,369	27.82	1	63,720,263	8.53
	41	250,509,619	100.00	10	746,959,984	100.00

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

22 LIST OF TOP TEN BROKERS BY PERCENTAGE OF THE COMMISSION PAID

2017		2016	
Name of broker	Percentage of commission paid	Name of broker	Percentage of commission paid
Invest Capital Markets Limited	42.39%	Arif Habib Limited	8.76%
Invest and Finance Securities Limited	34.51%	Global Securities Pakistan Limited	71.24%
JS Global Capital Limited	19.28%	Invest Capital Markets Limited	20.00%
Next Capital Limited	3.82%		

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	49 Years
Mr. Ali H. Shirazi	Director	Masters in Law	13.5 years
Mr. M. Abdul Samad	Chief Operating Officer	MBA, M.Com	17 Years
Mr. Khalid Mehmood	Chief Investment Officer	MBA - Finance	13 Years
Mr. Muhammad Umar Khan	Fund Manager	MSc - Finance	9 Years
Mr. Fawad Javaid	Fund Manager	CMA	9 Years
Mr. Faran-ul-Haq	Fund Manager	B.A, CFA	6 Years

24 NAME AND QUALIFICATION OF FUND MANAGER

Name	Designation	Qualification	Other Funds managed by the Fund Manager
Mr. Fawad Javaid	Fund Manager	CMA	Atlas Islamic Income Fund Atlas Money Market 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					
	11 July. 2016	29 Aug. 2016	27 Oct. 2016	27 Feb. 2017	27 Apr. 2017	12 Jun. 2017
Mr. Yusuf H. Shirazi	P	P	P	P	L	P
Mr. Tariq Amin (w.e.f. August 09, 2016)	N/A	P	P	P	P	P
Mr. Shamshad Nabi	P	L	L	P	P	P*
Mr. Fahim Ali Khan	P	P	P	P	P	P
Mr. Ali H. Shirazi	P	P	P	P	P	P
Mr. Arshad P. Rana	L	L	P	P	P	P*
Mr. M. Habib-ur-Rahman	P	L	P	P	P	P
Ms. Qurrat-ul-ain Jafari (CFO / Company Secretary)	P	P	P	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 2017

26 RATING OF THE FUND AND THE MANAGEMENT COMPANY

The Pakistan Credit Rating Agency Limited (PACRA) has upgraded the asset manager rating of the Management Company to AM2+ (AM Two plus) [2016: AM2 (AM Two)] on 04 May 2017

PACRA has maintained a stability rating of "AA (f)" to the Fund on 12 July 2017.

27 NON - ADJUSTING EVENT AFTER THE REPORTING PERIOD

The Board of Directors of Management Company, in the meeting held on 07 July 2017, approved a final cash dividend of Rs. 9.50 per unit on the face value of Rs. 100 each (i.e. 9.5%) amounting to Rs. 21,732,748. The financial statements of the Fund for the year ended 30 June 2017 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 2018.

28 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on 30 August 2017.

29 GENERAL

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

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

Atlas Money Market Fund

Corporate Information

Trustee

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

Auditors

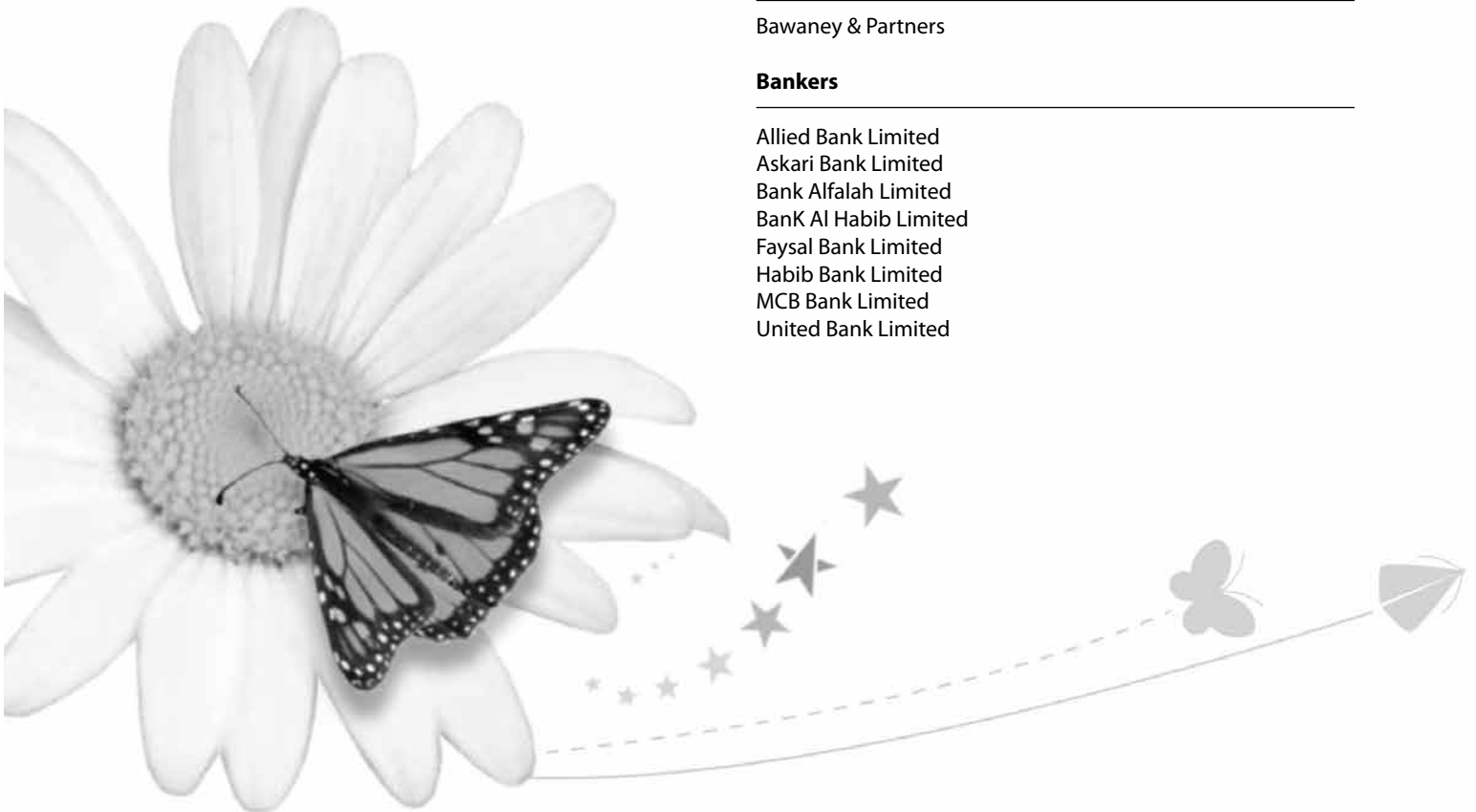
A. F. Ferguson & Co.
Chartered Accountants

Legal Advisers

Bawaney & Partners

Bankers

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



Fund Manager's Report

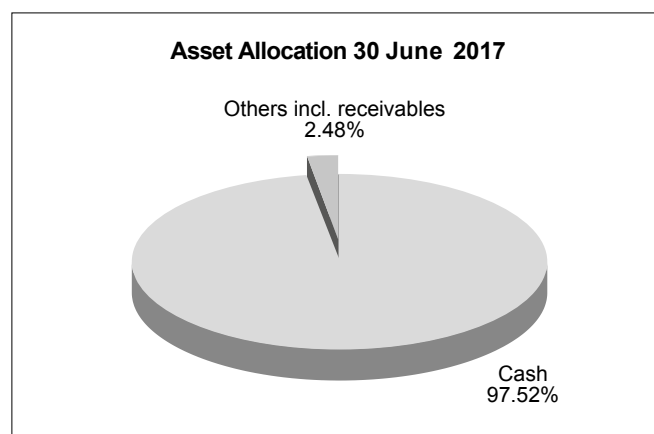
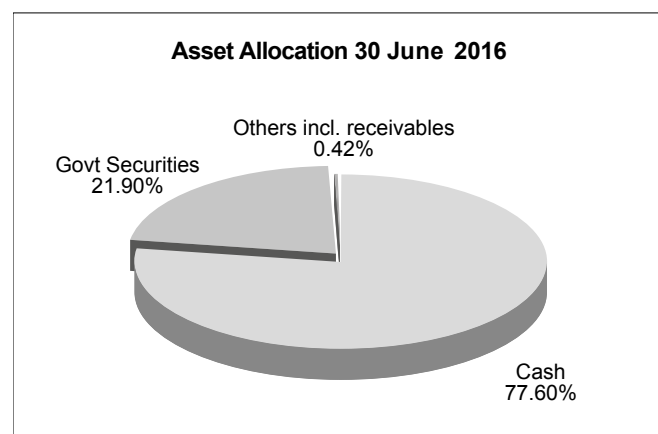
Atlas Money Market Fund (AMF) is an Open-ended Money Market Fund. The investment objective of AMF is to provide its unit-holders competitive returns from a portfolio of low risk, short duration assets while maintaining high liquidity. The Fund will invest the entire assets in Authorized short term money 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 30% that would be an average of "3-Month deposit rates of three scheduled banks (AA and above rated) as selected by MUFAP" for the period of return; and 70% that would be an average of "3 Month PKRV rate".

The Consumer Price Index (CPI) on average was recorded at 4.16% during FY 2016-17, as compared to 2.86% for the FY 2015-16. The YoY uptick in inflation was due to global revival of international commodity and oil prices, along with rise in domestic demand due to pick up of economic activities. However, during FY17, stable rupee, smooth supply of commodities and monitoring of prices at both federal and provincial levels kept the inflation relatively contained.

On the back of better macroeconomic indicators and environment, SBP continued with accommodative monetary policy stance that translated well into stable market interest rate at 5.75 percent, which is the lowest in last 45 years. The realization of monetary easing witnessed in pickup of economic activities supported SBP's decision to reduce the policy rate by 25 bps from 6.0 percent to 5.75 percent w.e.f. 21 May 2016. Historic low interest rate and ongoing stability in money market are the main instruments for private sector credit cycle for fixed investment and for working capital.

The Net Asset Value per unit of the Fund increased by 6.14% to Rs. 501.86 per unit as on 30 June 2017, which includes total payout of Rs 30.00 per unit. The benchmark 30% of average 3-Month deposit rates of three scheduled banks (AA and above rated as selected by MUFAP) and 70% average 3 Month PKRV rate for the period of return stood at 5.20%. During the year the monthly average exposure of treasury bills in AMF stood at 62.1%. The AMF total exposure in cash deposits stood at 97.52% and the remaining in others including receivables. 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 4.63 billion, with 9.22 million units outstanding as of 30 June 2017.



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 30.00 per unit (6.00% 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
Individual	96	786,791,958	17.00%
Associated Companies / Directors	7	1,468,364,994	31.72%
Insurance Companies*	9	113,348,045	2.45%
Retirement Funds	10	243,360,395	5.25%
Public Limited Companies	5	1,367,773,023	29.54%
Others	6	649,844,011	14.04%
Total	132	4,629,482,426	100.00%

The Scheme had maintained prior years' provisions against WWF of Rs. 35,840,884 till 30 June 2015. After Honorable Supreme Court of Pakistan judgment on 10 November 2016, this provision was reversed on 12 January 2017. The Fund has made provision against SWWF, which up till 30 June 2017 amounted to Rs. 2,706,155 (Rs.0.29 per unit). The Scheme has held provision for FED liability that amounted to Rs. 20,428,502 (Rs.2.21 per unit) as on 30 June 2017.

The Total Expense Ratio (TER) of the Fund as at 30 June 2017 is 0.88% which includes 0.21% representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, annual fee to the SECP, etc.

The NAV before distribution stood at Rs 531.97 per unit and after adjustment for cash dividend stood at Rs 501.97 per unit.

During the year under review, the Investment Committee held thirty five meetings to review investment of the Fund and the Risk Committee held twenty nine meetings to review risk management.

Karachi: 30 August 2017

Fawad Javaid,
Fund Manager

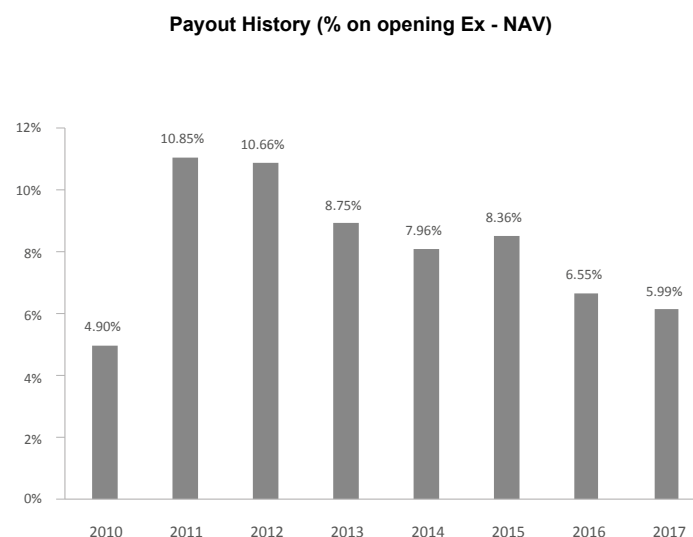
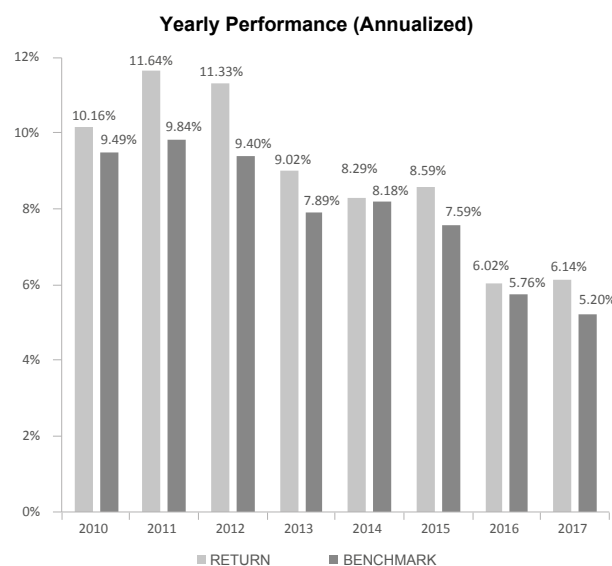
Performance Since Inception

	2017	2016	2015	2014	2013	2012	2011	2010*
Net assets (Rs. in '000)	4,629,482	3,269,852	3,699,654	6,049,597	3,821,637	4,532,025	3,316,616	1,410,417
Number of units in issue	9,224,702	6,525,388	7,345,095	12,038,054	7,607,048	9,015,663	6,415,479	2,746,118
Net asset value per unit (Rs.)	501.86	501.10	503.69	502.54	502.38	502.68	516.97	513.60
Net income (Rs. in '000)	77,403	56,325	97,766	496,778	348,581	467,312	283,224	62,542
Earnings per unit (Rs.)	8.39	8.63	13.31	41.27	45.82	51.83	44.15	22.77
Annual return of the Fund (%)	6.14	6.02	8.59	8.29	9.02	11.33	11.64	10.16
Offer price ** (Rs.)	501.86	501.10	503.69	502.54	502.19	502.54	516.97	513.60
Redemption price ** (Rs.)	501.86	501.10	503.69	502.54	502.19	502.54	516.97	513.60
Highest offer price (Rs.)	530.81	533.67	544.97	506.35	508.59	508.12	517.25	513.60
Lowest offer price (Rs.)	501.18	500.76	503.60	501.14	502.07	502.27	501.41	502.07
Highest repurchase price per unit (Rs.)	530.81	533.67	544.97	506.35	508.59	508.12	517.25	513.60
Lowest repurchase price per unit (Rs.)	501.18	500.76	503.60	501.14	502.07	502.27	501.41	502.07
Weighted average portfolio (No. of days)	0.97	9.30	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.



Distribution History

Yearly Distribution	Date of distribution	Distribution per unit (Rs.)	Distribution as a % of opening Ex-NAV of units
2017 - 1st Interim Distribution - Cash Dividend	20-Jun-17	30.00	5.99%
2016 - 1st Interim Distribution - Cash Dividend	24-Jun-16	33.00	6.55%
2015 - 1st Interim Distribution - Cash Dividend	29-Jun-15	42.00	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 (Rs.)	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 (Rs.)	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 (Rs.)	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 (Rs.)	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 2017

This statement is being presented to comply with the Code of Corporate Governance (the Code) contained in Regulation No.5.19 of Listing Regulations of the Pakistan Stock Exchange Limited 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 Money Market Fund, being listed at the Pakistan Stock Exchange Limited, 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. Tariq Amin 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 5.19.1.(b) of the Code.

2. The directors have confirmed that none of them is serving as a director in more than seven listed companies, including this company.
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, in his absence, by a director elected by the board for this purpose, 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. The Board Evaluation Committee (BEC) was formed in order to comply with the requirements of the CCG, 2012 requiring the Board of Directors to implement a mechanism for the annual evaluation of the Board's performance. The terms of reference of the BEC require the

BEC members to carry out the assessment of the Board members' questionnaires submitted by them, to evaluate the findings therefrom, and apprise the Board in the subsequent Board meeting, with recommendations for improvement. The BEC comprises of three members both the independent directors of which one is the Chairman of the BEC, and one member from the sponsor family. The CEO serves as the secretary to this committee.

10. Five 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 5.19.7 of the Pakistan Stock Exchange Regulations, whilst the remaining two Board members have completed their Directors' certification programs from institutes meeting the criteria specified by the Securities & Exchange Commission of Pakistan.
11. No new appointment of the Chief Financial Officer & Company Secretary and Chief Internal Auditor was made during the year. The terms of remuneration of the Chief Financial Officer & Company Secretary, and the Chief Internal Auditor have been approved by the Board.
12. 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.
13. The financial statements of the Fund were duly endorsed by CEO and CFO before the approval of the Board.
14. 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.
15. The Management Company has complied with the corporate and financial reporting requirements of the Code.
16. 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.
17. 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.
18. 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.
19. 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.
20. 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.
21. 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.
22. 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.
23. Material /price sensitive information has been disseminated among all market participants at once through the Stock Exchange.
24. The Management Company has complied with the requirements relating to maintenance of register of persons having access to inside information designated by a senior management officer in a timely manner and maintained proper records including basis for inclusion or exclusion of names of persons from the said list.
25. We confirm that all other material principles contained in the Code have been complied with.

Karachi: 30 August 2017

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, 2017 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: 15 September 2017

Aftab Ahmed Diwan
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 Money Market Fund** (the Fund) for the year ended June 30, 2017 to comply with the Listing Regulation No.5.19 of the Pakistan Stock Exchange Limited where the Fund is listed.

The responsibility for compliance with the Code 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 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 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 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 as applicable to the Fund for the year ended June 30, 2017.

Karachi: 13 September 2017

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 MONEY MARKET FUND** (hereinafter referred to as the 'Fund'), which comprise the statement of assets and liabilities as at June 30, 2017, 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, 2017 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.

A. F. Ferguson & Co.
Chartered Accountants

Karachi: 13 September 2017

Engagement Partner: Salman Hussain

STATEMENT OF ASSETS AND LIABILITIES

AS AT 30 JUNE 2017

	Note	2017 ----- Rupees -----	2016
Assets			
Cash and bank balances	4	4,591,434,541	2,605,426,781
Investments	5	-	733,944,796
Receivable against issue of units	6	104,820,272	-
Profit receivable on bank balances		5,758,203	1,586,995
Other receivables	7	6,032,954	3,434,075
Total assets		4,708,045,970	3,344,392,647
Liabilities			
Payable to Atlas Asset Management Limited - Management Company	8	26,120,150	25,229,038
Payable to the Central Depository Company of Pakistan Limited - Trustee	9	423,406	302,185
Payable to the Securities and Exchange Commission of Pakistan	10	3,878,749	3,315,934
Payable against redemption of units	11	3,303,193	9,545
Unclaimed dividend		25,152	25,152
Accrued expenses and other liabilities	12	44,812,894	45,658,501
Total liabilities		78,563,544	74,540,355
NET ASSETS		4,629,482,426	3,269,852,292
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		4,629,482,426	3,269,852,292
CONTINGENCIES AND COMMITMENTS	13		-
NUMBER OF UNITS IN ISSUE		9,224,702	6,525,388
NET ASSET VALUE PER UNIT		501.86	501.10

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

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017	2016
		----- Rupees -----	
Income			
Profit on savings and term deposits		140,553,530	68,080,182
Income from government securities		173,396,694	259,560,127
Capital loss on sale of investments - net		(1,356,583)	(28,626,779)
Net unrealised appreciation on remeasurement of investments classified as 'financial assets at fair value through profit or loss'		-	120,093
		(1,356,583)	(28,506,686)
Element of loss / capital losses included in prices of units issued less those in units redeemed - net		(225,426,290)	(203,873,076)
Total income		87,167,351	95,260,547
Expenses			
Remuneration of Atlas Asset Management Limited - Management Company	8.1	23,272,490	19,895,606
Sindh Sales Tax on remuneration of the Management Company	8.2	3,025,424	3,231,046
Federal Excise Duty on remuneration of the Management Company	8.3	-	3,183,297
Remuneration of the Central Depository Company of Pakistan Limited - Trustee	9.1	4,628,748	4,065,934
Sindh Sales Tax on remuneration of the Trustee	9.2	601,737	569,231
Annual fees to the Securities and Exchange Commission of Pakistan	10.1	3,878,749	3,315,934
Accounting and operational charges	14	4,398,306	2,125,864
Sindh Sales Tax on accounting and operational charges		351,864	125,632
Auditors' remuneration	15	1,804,667	1,111,462
Annual rating fee		355,498	326,040
Annual listing fee		55,000	40,000
Securities transaction cost		98,963	318,391
Printing charges		236,347	48,284
Legal and professional charges		123,760	497,458
Bank charges		67,807	80,984
Reversal of provision for Workers' Welfare Fund	12.1	(35,840,884)	-
Provision for Sindh Workers' Welfare Fund	12.1	2,706,155	-
Total expenses		9,764,631	38,935,163
Net income for the year before taxation		77,402,720	56,325,384
Taxation	17	-	-
Net income for the year after taxation		77,402,720	56,325,384
Earnings per unit	18		

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

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	----- Rupees -----	
Net income for the year after taxation	77,402,720	56,325,384
Other comprehensive income	-	-
Total comprehensive income for the year	77,402,720	56,325,384

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

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

DISTRIBUTION STATEMENT FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	----- Rupees -----	
Undistributed income brought forward [includes unrealised gain on investments: Rs. 6,171,570] (2016: includes unrealised gain on investments: Rs. 10,374,125)	5,471,949	22,395,832
Net income for the year after taxation	77,402,720	56,325,384
Other comprehensive income	-	-
Total comprehensive income for the year	77,402,720	56,325,384
Interim cash distribution of Rs. 30 per unit for the year ended 30 June 2017 declared on 20 June 2017 (2016: Rs. 33 per unit declared on 24 June 2016)	(70,398,885)	(73,249,267)
Undistributed income carried forward [includes unrealised gain on investments: Rs. nil] (2016: includes unrealised gain on investments: Rs. 6,171,570)	12,475,784	5,471,949

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

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND FOR THE YEAR ENDED 30 JUNE 2017

	2017		2016	
	Units	Rupees	Units	Rupees
Number of units / net assets at the beginning of the year [Rs. 501.10 per unit (2016: Rs. 503.69 per unit)]	6,525,388	3,269,852,292	7,345,095	3,699,654,196
Issue of units	23,357,832	11,949,743,787	13,867,021	7,103,873,420
Redemption of units	(20,658,518)	(10,822,543,778)	(14,686,728)	(7,720,624,517)
	2,699,314	1,127,200,009	(819,707)	(616,751,097)
Element of loss and capital losses included in prices of units issued less those in units redeemed - net	-	225,426,290	-	203,873,076
Capital loss on sale of investment - net	-	(1,356,583)	-	(28,626,779)
Net unrealised appreciation on remeasurement of investments classified as 'financial assets at fair value through profit or loss'	-	-	-	120,093
Other income (net of expenses) for the year	-	78,759,303	-	84,832,070
Total comprehensive income for the year	-	77,402,720	-	56,325,384
Interim cash distribution of Rs. 30 per unit for the year ended 30 June 2017 declared on 20 June 2017 (2016: Rs. 33 per unit declared on 24 June 2016)	-	(70,398,885)	-	(73,249,267)
Number of units / net assets at the end of the year [Rs. 501.86 per unit (2016: Rs. 501.10 per unit)]	9,224,702	4,629,482,426	6,525,388	3,269,852,292

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

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2017

Note	2017	2016
	----- Rupees -----	-----
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year after taxation	77,402,720	56,325,384
Adjustments for:		
Profit on savings and term deposits	(140,553,530)	(68,080,182)
Income from government securities	(173,396,694)	(259,560,127)
Capital loss on sale of investments - net	1,356,583	28,626,779
Net unrealised appreciation on remeasurement of investments classified as 'financial assets at fair value through profit or loss'	-	(120,093)
Element of loss and capital losses included in prices of units issued less those in units redeemed - net	225,426,290	203,873,076
Reversal of provision for Workers' Welfare Fund	(35,840,884)	-
Provision for Sindh Workers' Welfare Fund	2,706,155	-
	(120,302,080)	(95,260,547)
Increase in assets		
Other receivables	(2,598,879)	(3,434,075)
Increase / (decrease) in liabilities		
Payable to Atlas Asset Management Limited - Management Company	891,112	1,915,964
Payable to the Central Depository Company of Pakistan Limited - Trustee	121,221	341
Payable to the Securities and Exchange Commission of Pakistan	562,815	(1,356,413)
Accrued expenses and other liabilities	32,289,122	(18,909,236)
	33,864,270	(18,349,344)
	(11,633,969)	(60,718,582)
Interest received	136,382,322	331,857,682
Investments made during the year	(35,211,314,897)	(23,482,780,452)
Investments sold / matured during the year	36,117,299,804	23,078,916,845
	1,042,367,229	(72,005,925)
Net cash generated from / (used in) operating activities	1,030,733,260	(132,724,507)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net receipts from issuance of units	11,844,923,515	7,286,838,995
Net payments against redemption of units	(10,819,250,130)	(7,896,147,228)
Cash payout against distribution	(70,398,885)	(104,201,287)
Net cash generated from / (used in) financing activities	955,274,500	(713,509,520)
Net increase / (decrease) in cash and cash equivalents	1,986,007,760	(846,234,027)
Cash and cash equivalents at the beginning of the year	2,605,426,781	3,451,660,808
Cash and cash equivalents at the end of the year	4,591,434,541	2,605,426,781

4

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

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Atlas Money Market Fund (the Fund) is an open-ended Fund constituted under a trust deed entered into on 4 December 2009 between Atlas Asset Management Limited (AAML) as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the trustee. The offering document of the Fund has been revised through the First, Second and Third Supplements dated 24 March 2015, 3 August 2015 and 30 September 2016 respectively, with the approval of the Securities and Exchange Commission of Pakistan (SECP). The registered office of AAML is situated at Ground Floor, Federation House, Shahrae Firdousi, Clifton, Karachi.
- 1.2** The Fund has been categorised as a 'money market scheme' by the Board of Directors pursuant to the provisions contained in Circular 7 of 2009 and is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription at a par value of Rs 500 per unit on 20 January 2010. Thereafter, the units are being offered for public subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.
- 1.3** According to the trust deed, the objective of the Fund is to provide its investors competitive returns from a portfolio of low risk, short duration assets while maintaining high liquidity. The Fund aims to deliver this objective mainly by investing in government securities, cash and near cash instruments which include cash in bank accounts, treasury bills, deposits with scheduled banks, certificates of deposit (CODs), certificates of Musharaka (COMs), commercial papers, and reverse repo; with a weighted average time to maturity of not more than 90 days and in case of a single asset, maximum time to maturity of six months. The investment objectives and policy are explained in the Fund's offering document.
- 1.4** The titles to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited (CDC) as the Trustee of the Fund.

2 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.

The Companies Ordinance, 1984 has been repealed after the enactment of the Companies Act, 2017 (the Act) on 30 May 2017. However, the SECP vide its press release dated 20 July 2017 allowed Companies whose FY closes on or before 30 June 2017 to prepare the financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. The Act does not impact the financial statements of the Fund for the year ended 30 June 2017.

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

The following standards, interpretations and amendments with respect to approved accounting standards were effective during the current year:

Standard, interpretation or amendment	Effective date (accounting periods beginning on or after)
- Amendment to IFRS 11, "Joint arrangements" on acquisition of an interest in a joint operation	01 January 2016
- Amendments to IAS 1, 'Presentation of financial statements' disclosure initiative	01 January 2016

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Standard, interpretation or amendment	Effective date (accounting periods beginning on or after)
- Amendment to IAS 16, 'Property, plant and equipment' and IAS 38, 'Intangible assets', on depreciation and amortisation	01 January 2016
- Amendments to IAS 16, 'Property, plant and equipment' and IAS 41, 'Agriculture' on bearer plants	01 January 2016
- Amendments to IAS 27, 'Separate financial statements' on equity accounting	01 January 2016

The adoption of the above amendments and improvements to accounting standards and interpretations did not have any effect on the financial statements of the Fund for the year ended 30 June 2017.

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

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

Standard, interpretation or amendment	Effective date (accounting periods beginning on or after)
- Amendments to IAS 7, 'Statement of cash flows'	01 January 2017
- Amendments to IAS 12, 'Income taxes' on Recognition of deferred tax assets for unrealised losses	01 January 2017

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

As stated in note 2.1, the Companies Act, 2017 (the Act) has been enacted on May 30, 2017, superseding the Companies Ordinance, 1984. The Act does not impact the financial statements of the Fund for the year ended June 30, 2017.

The SECP vide its statutory notification (S.R.O) no. 756(I) / 2017 dated 03 August 2017, has amended the NBFC Regulations. The amendments define 'Element of income included in the unit price' and also specifies the accounting treatment for the said income/loss. The amendments also introduced changes in Schedule V of the NBFC Regulations, resulting in certain changes in the presentation of Income Statement and Statement of movement in reserves or Unit holder's fund. The amendments would be applicable for the accounting year ending on June 30, 2018 and will not have any impact on the per unit net asset value of the Fund.

Further, the 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	01 January 2018
- IFRS 14 - Regulatory Deferral Accounts	01 January 2018
- IFRS 15 - Revenue from Contracts with Customers	01 January 2018
- IFRS 16 - Leases	01 January 2019
- IFRS 17 - Insurance contracts	01 January 2021

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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 of the Fund relate to classification and valuation of investments and provision there against (notes 3.2 and 5) and taxation (notes 3.12 and 17).

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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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.

3.2.2 **Regular way contracts**

All regular way purchases / sales of financial assets are recognised on the trade date, i.e. the date on which the Fund commits to purchase / sell the assets. Regular way purchases / sales of assets require delivery of securities within two days after the 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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.

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 Management Company / distributors 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 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

3.8 Distributions to unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Distribution Committee of the Board of Directors of the Management Company under the powers delegated to them by the Board of Directors of the Management Company or 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.

3.9 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 recorded in the Income Statement.

3.10 Revenue recognition

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

3.11 Expenses

All expenses chargeable to the Fund 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 as cash dividend.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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 as cash dividend.

3.13 Earnings per unit

Earnings / (loss) per unit is calculated by dividing the net income of the year before taxation of the Fund by the weighted average number of units outstanding during the year.

	Note	2017	2016
		----- Rupees -----	
4 CASH AND BANK BALANCES			
Balances with banks in savings accounts	4.1	4,582,854,541	2,596,235,781
Cheques in hand	4.2	8,580,000	9,191,000
		4,591,434,541	2,605,426,781

4.1 The rate of return on these accounts ranges between 3.75% and 6.75% (2016: 5.00% and 6.40%) per annum.

4.2 This denotes cheque received against issue of units which was deposited and cleared in the bank account subsequent to the year end on 7 July 2017.

	Note	2017	2016
		----- Rupees -----	
5 INVESTMENTS			
At fair value through profit or loss - held for trading			
Investments in government securities			
- Market Treasury Bills	5.1	-	733,944,796

5.1 Government Securities - Market Treasury Bills

	Face value (Rupees)				Rupees		Percentage of	
Particulars	As at 1 July 2016	Purchased during the year	Sold / matured during the year	As at 30 June 2017	Amortised cost as at 30 June 2017	Market value as at 30 June 2017	Market value as a percentage of total investment	Market value as a percentage of net assets
3 Months - T-bills	317,000,000	23,456,100,000	23,773,100,000	-	-	-	-	-
6 Months - T-bills	149,000,000	8,868,000,000	9,017,000,000	-	-	-	-	-
12 Months - T-bills	272,000,000	3,195,000,000	3,467,000,000	-	-	-	-	-
	738,000,000	35,519,100,000	36,257,100,000	-	-	-	-	-
Total - 30 June 2016	362,500,000	20,357,500,000	19,982,000,000	738,000,000	733,824,703	733,944,796	100.00	22.45

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

5.1.1 The cost of investments as on 30 June 2017 is Rs. nil (30 June 2016: Rs 727,773,226).

5.1.2 Market treasury bills outstanding as on 30 June 2017 carry purchase yield ranging between 5.90% and 6.21% per annum and were due to mature on various dates falling between 21 July 2016 and 18 August 2016.

6 RECEIVABLE AGAINST ISSUE OF UNITS

This denotes Rs 94.067 million, Rs 7.936 million and Rs 2.817 million in respect of units issued to the unit holders of Atlas Stock Market Fund, Atlas Islamic Stock Fund and Atlas Gold Fund respectively based on their requests for transfer of units into the Fund received on or before 30 June 2017 against which amounts were received subsequent to the year ended 30 June 2017.

	Note	2017	2016
		----- Rupees -----	
7 OTHER RECEIVABLES			
Other receivables	7.1	6,032,954	3,434,075

7.1 As per Clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 151. However, during the year ended 30 June 2016, several Companies (including banks) deducted withholding tax on profit on bank deposits paid to the Fund based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated 12 May 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced by the withholder. The amount of tax withheld during the year ended 30 June 2017 on profit on bank deposits aggregates to Rs 2.599 million.

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. On 28 January 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs to file an appeal in the Honourable Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, a petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgement of the SHC. Pending resolution of the matter, the cumulative amount of withholding tax deducted on profit received by the Fund on bank deposits till 30 June 2017 has been shown as other receivables as, in the opinion of the management, the amount of tax deducted at source will be refunded.

	Note	2017	2016
		----- Rupees -----	
8 PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY (Related party)			
Remuneration of the Management Company	8.1	1,878,314	1,221,596
Sindh Sales Tax payable on remuneration of the Management Company	8.2	3,364,343	3,291,186
Federal Excise Duty payable on remuneration of the Management Company	8.3	20,428,502	20,428,502
Accounting and operational charges payable	14	415,732	271,466
Sindh Sales Tax payable on accounting and operational charges		33,259	16,288
		26,120,150	25,229,038

8.1 As per the amendments made in the NBFC Regulations, 2008 vide SRO 1160(1)/2015 dated 25 November 2015, the Management Company is entitled to a remuneration equal to an amount not exceeding 1% of the average annual net assets in case of money market schemes. Previously, the Management Company was entitled to receive a remuneration during the first five years of the Fund, at the rate not exceeding 3% of the average annual net assets of the Fund and, thereafter, at the rate of 2% of such assets.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

During the year ended 30 June 2017, the Management Company has charged its remuneration at the rate of 0.45% (2016: 0.45%) per annum of the average net assets for the year. The fee is payable to the Management Company monthly in arrears.

- 8.2** During the year, an amount of Rs. 3,025,424 (2016: Rs. 3,231,046) was charged on account of sales tax on remuneration of the Management Company levied through Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 2,952,267 (2016: Rs. 3,019,442) was paid to the Management Company which acts as a collecting agent.
- 8.3** The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from 13 June 2013. As the asset management services rendered by the Management Company of the Fund are already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund as explained in note 8.2, the Management Company was of the view that further levy of FED was not justified.

On 4 September 2013, a Constitutional Petition was filed in the Honourable Sindh High Court (SHC) jointly by various asset management companies, together with their representative Collective Investment Schemes through their trustees, challenging the levy of FED.

During the year ended 30 June 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

With effect from 1 July 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from 1 July 2016. However, as a matter of abundant caution the provision for FED made till 30 June 2016 amounting to Rs 20.429 million (30 June 2016: Rs 20.429 million) is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the said provision for FED not been maintained, the net asset value of the Fund as at 30 June 2017 would have been higher by Rs. 2.21 (30 June 2016: Rs. 3.13) per unit.

	Note	2017	2016
		----- Rupees -----	
9 PAYABLE TO THE CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE			
Trustee fee	9.1	374,696	265,075
Sindh Sales Tax on trustee fee	9.2	48,710	37,110
		423,406	302,185

- 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	Tariff per annum
- upto Rs 1,000 million	0.15% per annum of net assets
- Rs 1,000 million 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

- 9.2** During the year ended 30 June 2017, an amount of Rs. 601,737 (2016: Rs 569,231) was charged on account of sales tax on remuneration of the Trustee levied through Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 590,137 (2016: Rs 532,121) was paid to the Trustee which acts as a collecting agent.

	Note	2017	2016
		----- Rupees -----	
10 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN			
Annual fee payable	10.1	3,878,749	3,315,934

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

10.1 In accordance with the NBFC Regulations, 2008, a collective investment scheme classified as a money market scheme is required to pay the Securities and Exchange Commission of Pakistan an amount equal to 0.075% of the average annual net assets of the Fund as annual fee.

11 PAYABLE AGAINST REDEMPTION OF UNITS

This includes Rs 166,648 transferred to Atlas Stock Market Fund against request for transfer of units made on 30 June 2017 by a unitholder of the Fund in respect of which payment was made subsequent to the year then ended.

12 ACCRUED EXPENSES AND OTHER LIABILITIES	Note	2017	2016
		----- Rupees -----	
Auditors' remuneration payable		442,854	435,270
Printing charges payable		129,350	90,000
Payable to brokers		-	3,028
Legal and professional charges payable		100,000	250,000
Withholding tax payable		8,460,024	9,038,072
Capital gain tax payable		32,959,157	1,247
Provision for Workers' Welfare Fund	12.1	-	35,840,884
Provision for Sindh Workers' Welfare Fund	12.1	2,706,155	-
Zakat payable		15,354	-
		44,812,894	45,658,501

12.1 The Finance Act, 2008 had introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance) as a result of which it was construed that all Collective Investment Schemes (CISs) / mutual funds whose income exceeded Rs 0.5 million in a tax year were brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever was higher. In light of this, the Mutual Funds Association of Pakistan (MUFAP) filed a constitutional petition in the Honourable Sindh High Court (SHC) challenging the applicability of WWF on CISs which is pending adjudication. Similar cases were disposed of by the Peshawar and the Lahore High Courts in which these amendments were declared unlawful and unconstitutional. However, these decisions were challenged in the Supreme Court of Pakistan.

Subsequently, the Finance Act, 2015 introduced an amendment under which CISs / mutual funds have been excluded from the definition of "industrial establishment" subject to WWF under the WWF Ordinance. Consequently, mutual funds are not subject to this levy after the introduction of this amendment which is applicable from tax year 2016. Accordingly, no further provision in respect of WWF was made with effect from 1 July 2015.

On 10 November 2016 the Supreme Court of Pakistan (SCP) passed a judgment declaring the amendments made in the Finance Acts 2006 and 2008 pertaining to WWF as illegal citing that WWF was not in the nature of tax and could, therefore, not have been introduced through money bills. Accordingly, the aforesaid amendments were struck down by the SCP. The Federal Board of Revenue has filed a petition in the SCP against the said judgment, which is pending hearing. While the petitions filed by the CISs on the matter were still pending before the SHC, the Mutual Funds Association of Pakistan (MUFAP) (collectively on behalf of the asset management companies and their CISs) took legal and tax opinions on the impact of the SCP judgement on the CISs petition before the SHC. Both legal and tax advisors consulted were of the view that the judgment has removed the very basis on which the demands were raised against the CISs. Therefore, there was no longer any liability against the CISs under the WWF Ordinance and that all cases pending in the SHC or lower appellate forums would be disposed of in light of the earlier judgement of the SCP.

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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

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

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

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

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

13 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 30 June 2017 and 30 June 2016.

14 ACCOUNTING AND OPERATIONAL CHARGES

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

Keeping in view the aforementioned provisions, the Management Company charged accounting and operational charges to the Fund in respect of the back office accounting function outsourced to ITMINDS Limited (a subsidiary of the Central Depository Company of Pakistan Limited, the Trustee and a connected person of the Fund). Periodic invoices are raised to the Fund for services allowed under the NBFC Regulations, 2008.

15 AUDITORS' REMUNERATION	2017	2016
	----- Rupees -----	
Annual audit fee	315,000	315,000
Half yearly review of condensed interim financial information	157,500	157,500
Review of Statement of Compliance with the Code of Corporate Governance	40,000	40,000
Professional charges for tax services	1,050,000	494,500
Sindh Sales Tax on services	125,000	32,550
Out of pocket expenses	117,167	71,912
	1,804,667	1,111,462

16 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 30 June 2017 is 0.88% which includes 0.21% representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 2% prescribed under the NBFC Regulations for a collective investment scheme categorised as a money market scheme.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

17 TAXATION

- 17.1** The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unitholders. Since the management has distributed the required minimum percentage of income earned by the Fund during the year ended 30 June 2017 to the unit holders in the manner as explained above, no provision for taxation has been made in these financial statements during the year.

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.

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

This industry issue was examined by legal experts and tax advisors and there was a unanimity of view that under the present regulations, including the provisions of Clause 99, tax department's contentions were primarily erroneous and not tenable under the law. This view was further supported by the fact that subsequently, through the Finance Act, 2014, an amendment was made in Clause 99, whereby issuance of bonus units was not to be considered towards distribution of 90% of income, and only cash dividend was to be taken into account for the computation of 90% distribution to claim exemption. Introduction of this amendment, applicable on distribution to be made from 1 July 2015, essentially strengthened the stand of the mutual fund industry as it established 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. However, the tax assessing officer filed an appeal in the Appellate Tribunal Inland Revenue against the order of the CIR - Appeals which was last heard on 24 November 2016 by the ATIR. On 31 January 2017, the ATIR passed an order deciding the matter in favour of the Fund.

- 17.3** On 16 March 2016, the Assistant Commissioner Inland Revenue (ACIR) issued an order against the Fund for the recovery of super tax amounting to Rs 17.417 million for Tax Year 2015 levied under section 4B(4) of the Income Tax Ordinance, 2001. The Management Company filed an appeal against the impugned order before the Commissioner Inland Revenue (Appeals) [CIR(A)] who decided the matter in favour of the ACIR. In response to this the Management Company filed an appeal before the Appellate Tribunal Inland Revenue and at the same time filed a constitutional petition in the High Court of Sindh (SHC) together with other Management Companies on whose Collective Investment Schemes under management similar notices were issued. The SHC passed an order restraining the tax authorities from taking any coercive action against the Fund in respect of recovery proceedings till the date of the next hearing. The latest hearing of the appeal took place on 4 November 2016 in respect of which an order was passed on 2 February 2017 by the ATIR whereby the earlier orders passed by the ACIR and CIR(A) were deleted and the matter was decided in favour of the Fund.

18 EARNINGS PER UNIT

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

19 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

- 19.1** Connected persons include Atlas Asset Management Limited being the Management Company, the 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 directors and their close family members 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, 2008 and the Trust Deed.
- 19.4** 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:

	2017	2016
	----- Rupees -----	
Atlas Asset Management Limited (Management Company)		
Remuneration of the Management Company	23,272,490	19,895,606
Remuneration paid	22,615,772	21,374,543
Sindh Sales Tax on remuneration of the Management Company	3,025,424	3,231,046
Federal Excise Duty on remuneration of the Management Company	-	3,183,297
Issue of nil (2016: 13,207) units	-	7,000,000
Redemption of nil (2016: 13,207) units	-	7,040,150
Accounting and operational charges	4,398,306	2,125,864
Sindh Sales Tax on accounting and operational charges	351,864	125,632
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration of the Trustee	4,628,748	4,065,934
Sindh Sales Tax on remuneration of the Trustee	601,737	569,231
Remuneration paid	4,519,127	4,102,703
Atlas Foundation (Group Company)		
Issue of 3,850 (2016: 100,233) units	1,932,610	52,025,748
Redemption of nil (2016: 14,339) units	-	7,500,000
Outstanding 89,744 (2016: 85,894) units - at net asset value	45,038,839	43,041,373
Cash dividend declared	2,576,813	2,700,998
Atlas Fund of Funds (Fund under common management)		
Issue of 32,377 (2016: 30,508) units	16,254,752	15,494,651
Redemption of 32,377 (2016: 30,508) units	17,149,663	16,262,540
Atlas Hitec (Private) Limited (Group Company)		
Issue of nil (2016: 236,155) units	-	121,291,190
Redemption of 119,751 (2016: 116,404) units	60,420,326	62,049,279
Outstanding nil (2016: 119,751) units - at net asset value	-	60,007,185

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	----- Rupees -----	
Atlas Honda Limited (Group Company)		
Issue of 3,781,164 (2016: 3,909,486) units	1,950,000,000	2,000,000,000
Redemption of 5,577,428 (2016: 4,098,110) units	2,917,605,815	2,176,010,592
Outstanding nil (2016: 1,796,264) units - at net asset value	-	900,107,776
Atlas Insurance Limited (Group Company)		
Issue of 174,975 (2016: 540,579) units	90,000,000	280,000,000
Redemption of 174,975 (2016: 585,988) units	90,927,675	306,830,835
Atlas Honda Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)		
Issue of 124,465 (2016: 7,942) units	64,889,479	3,976,707
Redemption of 9,539 (2016: Nil) units	5,000,000	-
Outstanding 243,374 (2016: 128,448) units - at net asset value	122,139,766	64,365,095
Cash dividend declared	6,889,479	3,976,707
Dividend paid	-	5,061,263
Atlas Honda Limited - Non-Management Staff Gratuity Fund (Retirement benefit plan of a Group Company)		
Issue of 6,994 (2016: 737) units	3,535,537	369,172
Outstanding 18,918 (2016: 11,924) units - at net asset value	9,494,243	5,975,247
Cash dividend declared	535,537	369,172
Dividend paid	-	469,856
Honda Atlas Cars (Pakistan) Limited (Group Company)		
Issue of 4,986,679 (2016: 480,699) units	2,529,447,005	250,000,000
Redemption of 2,433,810 (2016: 480,699) units	1,289,140,604	256,236,462
Outstanding 2,552,869 (2016: nil) units - at net asset value	1,281,182,956	-
Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)		
Issue of nil (2016: 893) units	-	455,128
Redemption of 893 (2016: 4,465) units	463,558	2,306,439
Outstanding nil (2016: 893) units - at net asset value	-	447,557
Cash dividend declared	-	8,128
Atlas Power Limited Staff Provident Fund (Retirement benefit plan of a Group Company)		
Issue of 24 (2016: 24) units	11,883	12,263
Redemption of nil (2016: 663) units	-	350,000
Outstanding 420 (2016: 396) units - at net asset value	210,664	198,483
Cash dividend declared	11,883	12,263
Dividend paid	-	43,453

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 ----- Rupees -----	2016
Shirazi Trading Company (Private) Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)			
Issue of 1,189 (2016: 1,230) units		596,757	615,849
Outstanding 21,081 (2016: 19,892) units - at net asset value		10,579,580	9,967,835
Cash dividend declared		596,757	615,849
Dividend paid		-	783,807
Atlas Die Casting (Private) Limited (Group Company)			
Issue of 198,172 (2016: nil) units		104,267,587	-
Outstanding 198,172 (2016: nil) units - at net asset value		99,454,710	-
Cash dividend declared		5,690,116	-
Colgate-Palmolive (Pakistan) Limited (Unit Holder with more than 10% holding)			
Issue of 3,509,712 (2016: 1,379,512) units		1,800,000,000	700,000,000
Redemption of 3,310,992 (2016: 1,389,744) units		1,747,919,441	718,024,976
Outstanding 1,596,233 (2016: 1,397,512) units - at net asset value		801,085,438	700,293,478
Mr. Amin Mohammad Lakhani (Unit Holder with more than 10% holding)			
Issue of 66,728 (2016: 69,458) units		33,495,320	34,781,940
Outstanding 1,307,295 (2016: 1,240,567) units - at net asset value		656,079,133	621,648,322
Cash dividend declared		37,217,022	38,646,600
Directors and their close family members and key management personnel of the Management Company			
	19.6		
Issue of 8,215 (2016: 11,663) units		4,163,564	5,965,347
Redemption of 8,183 (2016: 50,039) units		4,150,766	26,151,972
Outstanding 94,513 (2016: 94,481) units - at net asset value		47,432,294	47,344,444
Cash dividend declared		2,848,405	2,097,138

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

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 2016-17.

20 FINANCIAL INSTRUMENTS BY CATEGORY

	As at 30 June 2017			
	Loans and receivables	At fair value through profit or loss	Available for sale	Total
	----- Rupees -----			
Financial assets				
Cash and bank balances	4,591,434,541	-	-	4,591,434,541
Receivable against issue of units	104,820,272	-	-	104,820,272
Profit receivable on bank balances	5,758,203	-	-	5,758,203
	4,702,013,016	-	-	4,702,013,016

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	As at 30 June 2017		
	At fair value through profit or loss	At amortised cost	Total
	----- Rupees -----		
Financial liabilities			
Payable to Atlas Asset Management Limited - Management Company	-	26,120,150	26,120,150
Payable to the Central Depository Company of Pakistan Limited - Trustee	-	423,406	423,406
Payable against redemption of units	-	3,303,193	3,303,193
Unclaimed dividend	-	25,152	25,152
Accrued expenses and other liabilities	-	672,204	672,204
	-	30,544,105	30,544,105

	As at 30 June 2016		
	Loans and receivables	At fair value through profit or loss	Available for sale
	----- Rupees -----		
Financial assets			
Cash and bank balances	2,605,426,781	-	-
Investments	733,944,796	-	-
Profit receivable on bank balances	1,586,995	-	-
	3,340,958,572	-	-

	As at 30 June 2016		
	At fair value through profit or loss	At amortised cost	Total
	----- Rupees -----		
Financial liabilities			
Payable to Atlas Asset Management Limited - Management Company	-	25,229,038	25,229,038
Payable to the Central Depository Company of Pakistan Limited - Trustee	-	302,185	302,185
Payable against redemption of units	-	9,545	9,545
Unclaimed dividend	-	25,152	25,152
Accrued expenses and other liabilities	-	778,298	778,298
	-	26,344,218	26,344,218

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

21 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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, liquidity risk and credit risk arising from the financial instruments it holds.

21.1 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.

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

(i) Yield / interest rate risk

Yield / 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 2017, the Fund is exposed to such risk in respect of bank balances and investments in 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

As at 30 June 2017, the Fund holds balances with banks which expose the Fund to cash flow interest rate risk. In case of 100 basis points increase / decrease in market interest rates as at 30 June 2017, with all other variables held constant, the net income for the year and net assets would have been higher / lower by Rs. 45,828,545 (2016: Rs 25,962,358).

b) Sensitivity analysis for fixed rate instruments

As at 30 June 2017, the Fund does not have any instrument which expose it to fair value interest rate risk. However, as a 30 June 2016 had there been a 100 basis points increase in market interest rates with all other variables held constant, the net income for the year then ended of the Fund and the net assets would have been lower by Rs 685,070. In case of 100 basis points decrease in market interest rates as at 30 June 2016 with all other variables held constant, the net income for the year and net assets would have been higher by Rs 685,973.

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 2017 and 30 June 2016 is not necessarily indicative of the impact on the Fund's net income for the year and 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.

The Fund's interest rate sensitivity related to financial assets and financial liabilities as at 30 June 2017 and 30 June 2016 can be determined as follows:

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

----- As at 30 June 2017 -----						
Effective yield / interest rate	Exposed to yield / interest 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			
----- Rupees -----						
Financial assets						
Cash and bank balances	3.75% - 6.75%	4,582,854,541	-	-	8,580,000	4,591,434,541
Receivable against issue of units		-	-	-	104,820,272	104,820,272
Profit receivable on bank balances		-	-	-	5,758,203	5,758,203
		4,582,854,541	-	-	119,158,475	4,702,013,016
Financial liabilities						
Payable to Atlas Asset Management Limited - Management Company		-	-	-	26,120,150	26,120,150
Payable to the Central Depository Company of Pakistan Limited - Trustee		-	-	-	423,406	423,406
Payable against redemption of units		-	-	-	3,303,193	3,303,193
Unclaimed dividend		-	-	-	25,152	25,152
Accrued expenses and other liabilities		-	-	-	672,204	672,204
		-	-	-	30,544,105	30,544,105
On-balance sheet gap (a)		4,582,854,541	-	-	88,614,370	4,671,468,911
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a + b)		4,582,854,541	-	-		
Cumulative interest rate sensitivity gap		4,582,854,541	4,582,854,541	4,582,854,541		

----- As at 30 June 2016 -----						
Effective yield / interest rate	Exposed to yield / interest 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			
----- Rupees -----						
Financial assets						
Cash and bank balances	5.00% - 6.40%	2,596,235,781	-	-	9,191,000	2,605,426,781
Investments	5.90% - 6.21%	733,944,796	-	-	-	733,944,796
Profit receivable on bank balances		-	-	-	1,586,995	1,586,995
		3,330,180,577	-	-	10,777,995	3,340,958,572
Financial liabilities						
Payable to Atlas Asset Management Limited - Management Company		-	-	-	25,229,038	25,229,038
Payable to the Central Depository Company of Pakistan Limited - Trustee		-	-	-	302,185	302,185
Payable against redemption of units		-	-	-	9,545	9,545
Unclaimed dividend		-	-	-	25,152	25,152
Accrued expenses and other liabilities		-	-	-	778,298	778,298
		-	-	-	26,344,218	26,344,218
On-balance sheet gap (a)		3,330,180,577	-	-	(15,566,223)	3,314,614,354
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a + b)		3,330,180,577	-	-		
Cumulative interest rate sensitivity gap		3,330,180,577	3,330,180,577	3,330,180,577		

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

(ii) 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 2017 which expose it to price risk.

21.2 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 a 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 dates. However, assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month.

----- As at 30 June 2017 -----				
Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Total
----- Rupees -----				
Financial assets				
Cash and bank balances	4,591,434,541	-	-	4,591,434,541
Receivable against issue of units	104,820,272	-	-	104,820,272
Profit receivable on bank deposits	5,758,203	-	-	5,758,203
	4,702,013,016	-	-	4,702,013,016
Financial liabilities				
Payable to Atlas Asset Management Limited - Management Company	26,120,150	-	-	26,120,150
Payable to the Central Depository Company of Pakistan Limited - Trustee	423,406	-	-	423,406
Payable against redemption of units	3,303,193	-	-	3,303,193
Unclaimed dividend	25,152	-	-	25,152
Accrued expenses and other liabilities	100,000	572,204	-	672,204
	29,971,901	572,204	-	30,544,105
Net assets / (liabilities)	4,672,041,115	(572,204)	-	4,671,468,911

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	As at 30 June 2016				Total
	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	
	Rupees				
Financial assets					
Cash and bank balances	2,605,426,781	-	-	-	2,605,426,781
Investments	-	733,944,796	-	-	733,944,796
Profit receivable on bank deposits	1,586,995	-	-	-	1,586,995
	2,607,013,776	733,944,796	-	-	3,340,958,572
Financial liabilities					
Payable to Atlas Asset Management Limited - Management Company	25,229,038	-	-	-	25,229,038
Payable to the Central Depository Company of Pakistan Limited - Trustee	302,185	-	-	-	302,185
Payable against redemption of units	9,545	-	-	-	9,545
Unclaimed dividend	25,152	-	-	-	25,152
Accrued expenses and other liabilities	3,028	775,270	-	-	778,298
	25,568,948	775,270	-	-	26,344,218
Net assets / (liabilities)	2,581,444,828	733,169,526	-	-	3,314,614,354

21.3 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 at 30 June 2017, the Fund did not hold investments in government guaranteed securities as against 22.45% of the net assets invested in government securities as at 30 June 2016. Furthermore, the Fund's maximum exposure to credit risk (excluding government securities) as of 30 June 2017 amounts to Rs. 4,702,013,016 (2016: Rs 2,607,013,776).

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. The credit risk associated with government securities is limited as these are guaranteed by the Federal Government. Banks with which the Fund has maintained balances are rated as follows:

Rating	2017	2016
AA	0.00%	100.00%
AA+	12.72%	0.00%
AAA	87.28%	0.00%
	100.00%	100.00%

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

22 FAIR VALUE MEASUREMENT

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

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

The Fund carries investments in government securities at fair values which are categorised as financial assets at fair value through profit or loss. The fair values of these securities are determined by reference to the quotation obtained from the brokers on the Reuters page. The fair values of all other financial assets and liabilities of the Fund approximate their carrying amounts due to short-term maturities of these instruments.

Fair value hierarchy

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

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

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at 30 June 2017, the Fund does not have any assets or liabilities that are measured at fair values using the aforementioned valuation techniques.

23 UNIT HOLDERS' FUND RISK MANAGEMENT

The unit holders' fund is represented by redeemable units. These units 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 the scheme. The Fund has historically maintained and complied with the requirement of minimum fund size at all times.

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 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 AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

24 UNIT HOLDING PATTERN OF THE FUND

Category	2017			2016		
	Number of unit holders	Investment amount (Rupees)	Percentage of total	Number of unit holders	Investment amount (Rupees)	Percentage of total
Individuals	96	786,791,958	17.00%	97	708,045,660	21.65%
Associated Companies / Directors	7	1,468,364,994	31.72%	8	1,046,398,621	32.00%
Insurance Companies*	9*	113,348,045	2.45%	3	285,117,780	8.72%
Banks / DFIs	-	-	-	1	51,425,854	1.57%
Retirement Funds	10	243,360,395	5.25%	10	154,783,453	4.73%
Public Limited Companies	5	1,367,773,023	29.54%	4	700,846,545	21.43%
Others	6	649,844,011	14.04%	6	323,234,379	9.89%
	133	4,629,482,426	100.00%	129	3,269,852,292	100.0%

* These include investments made by 8 unit linked funds managed by an insurance company.

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

2017		2016	
Name of broker	Percentage of commission paid	Name of broker	Percentage of commission paid
Invest Capital Markets Limited	36.97	Invest Capital Markets Limited	31.11
Invest and Finance Securities Limited	29.70	BMA Capital Management Limited	22.70
Pearl Securities Limited	12.58	Global Securities Pakistan Limited	22.29
JS Global Capital Limited	9.44	Next Capital Limited	7.26
BMA Capital Management Limited	7.42	JS Global Capital Limited	6.24
Next Capital Limited	3.53	Invest and Finance Securities Limited	5.67
Arif Habib Limited	0.36	Arif Habib Limited	4.73

26 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	49 Years
Mr. Ali H. Shirazi	Director	Masters in Law	13.5 years
Mr. M. Abdul Samad	Chief Operating Officer	MBA, M.Com	17 Years
Mr. Khalid Mehmood	Chief Investment Officer	MBA - Finance	13 Years
Mr. Muhammad Umar Khan	Fund Manager	MSc - Finance	9 Years
Mr. Fawad Javaid	Fund Manager	CMA	9 Years
Mr. Faran-ul-Haq	Fund Manager	B.A, CFA	6 Years

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

27 NAME AND QUALIFICATION OF THE FUND MANAGER

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

28 MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

The dates of the meetings of the Board of Directors of the Management Company of the Fund and the attendance of its members are given below:

Names of Directors	Meeting held on					
	11 July 2016	29 August 2016	27 October 2016	27 February 2017	27 April 2017	12 June 2017
Mr. Yusuf H. Shirazi	P	P	P	P	L	P
Mr. Tariq Amin	N/A**	P	P	P	P	P
Mr. Shamshad Nabi	P	L	L	P	P	P*
Mr. Fahim Ali Khan	P	P	P	P	P	P
Mr. Ali H. Shirazi	P	P	P	P	P	P
Mr. Arshad P. Rana	L	L	P	P	P	P*
Mr. M. Habib-ur-Rahman	P	L	P	P	P	P
Ms. Qurrat-ul-ain Jafari (Chief Financial Officer and Company Secretary)	P	P	P	P	P	P

* Attended through teleconference call

** Joined w.e.f. 09 August 2016

P Present

L Leave of absence

29 RATING OF THE FUND AND THE MANAGEMENT COMPANY

The Pakistan Credit Rating Agency Limited (PACRA) has upgraded the asset manager rating of the Management Company to AM2+ (AM Two Plus) [2016: AM2 (AM Two)] on 4 May 2017. The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.

Moreover, PACRA has maintained the stability rating of the Fund at "AA (f)" [2016: "AA (f)"] on 12 July 2017.

30 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 have been made in these financial statements during the current year.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

31 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on 30 August 2017.

32 GENERAL

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

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

Atlas Income Fund

Corporate Information

Trustee

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

Auditors

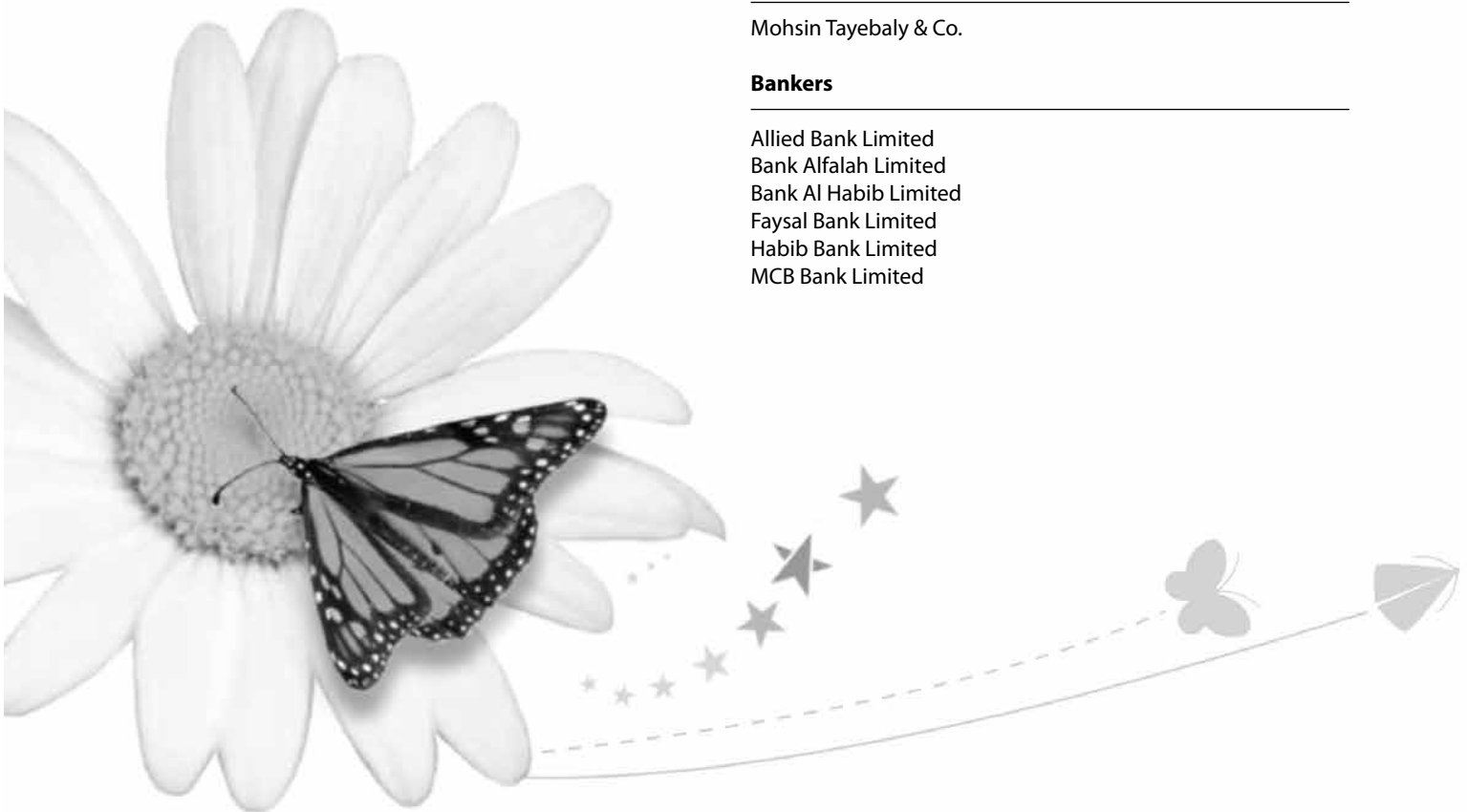
A. F. Ferguson & Co.
Chartered Accountants

Legal Advisers

Mohsin Tayebaly & Co.

Bankers

Allied Bank Limited
Bank Alfalah Limited
Bank Al Habib Limited
Faysal Bank Limited
Habib Bank Limited
MCB Bank Limited



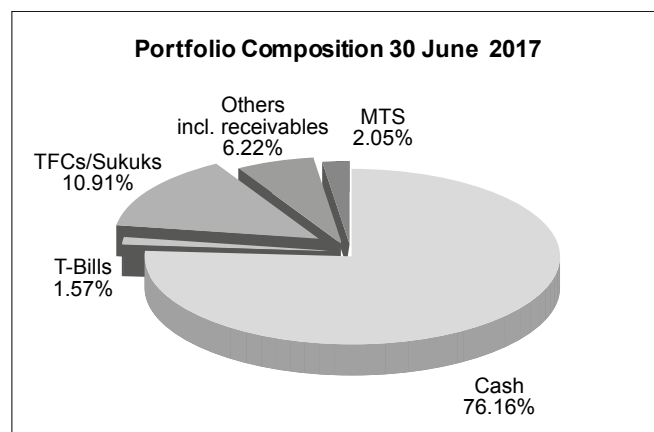
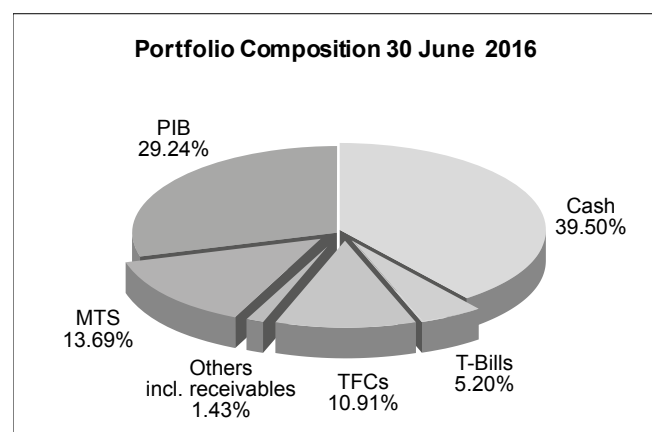
Fund Manager's Report

Atlas Income Fund (AIF) is an Open-ended Income Fund. The objective of AIF 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 4.16% during FY 2016-17, as compared to 2.86% for the FY 2015-16. The YoY uptick in inflation was due to global revival of international commodity and oil prices, along with rise in domestic demand due to pick up of economic activities. However, during FY17, stable rupee, smooth supply of commodities and monitoring of prices at both federal and provincial levels kept the inflation relatively contained.

On the back of better macroeconomic indicators and environment, SBP continued with accommodative monetary policy stance that translated well into stable market interest rate at 5.75 percent, which is the lowest in last 45 years. The realization of monetary easing witnessed in pickup of economic activities supported SBP's decision to reduce the policy rate by 25 bps from 6.0 percent to 5.75 percent w.e.f. 21 May 2016. Historic low interest rate and ongoing stability in money market are the main instruments for private sector credit cycle for fixed investment and for working capital.



AIF Net Asset Value per unit increased by 5.48% to Rs. 512.24 as on 30 June 2017, which includes total payout of Rs. 27 per unit. The benchmark average six months KIBOR rate stood at 6.10% during the period under review. During the year the monthly average exposure of PIBs in AIF stood at 10.0%. AIF's current asset allocation is 1.57% in Treasury bills, 2.05% in MTS, 14.00% in TFC/Sukuks, 76.16% in cash/deposits and 6.22% in others. The Net Assets of the Fund stood at Rs 12.55 billion with 24.50 million units outstanding as of 30 June 2017.

AIF's return was lower than the benchmark. During the year, duration was reduced in AIF to lower the interest rate risk on account of worsening external account balance and possible resurgence in inflation which may lead to increase in interest rates.

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	-	-	13,429.49
AgriTech Limited-II	29,976	29,976	-	-	26,368.75
AgriTech Limited-PPTFC	7,494	7,494	-	-	6,730.72
AgriTech Limited-IV	11,015	11,015	-	-	-
Azgard Nine Limited	7,872	7,872	-	-	5,440.99
Azgard Nine Limited – V	5,375	5,375	-	-	-
Telecard Limited	4,669	4,669	-	-	97.49
AgriTech Limited-Equity Share	-	-	2,717	0.02%	-
Total	81,626	81,626	2,717	0.02%	52,067.45

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 are as under:

Administrative Plans	Proportionate Investment in		Return (period ended)				
	AIF	ASMF	2012-13	2013-14	2014-15	2015-16	2016-17
Income Multiplier	85%	15%	15.8%	11.7%	13.3%	7.6%	9.7%
Balanced	50%	50%	30.4%	19.3%	16.0%	6.5%	19.6%
Growth	15%	85%	44.9%	26.8%	18.6%	5.5%	29.5%

Breakdown of Unit Holding by size:

Type of Investor	No. of Investors	Amount of Investment (Rs.)	% of Total
Individual	276	495,314,861	3.95%
Associated Companies / Director	12	10,825,391,365	86.25%
Insurance Companies*	9	134,851,389	1.07%
Retirement Funds	26	481,308,164	3.83%
Public Limited Company	2	509,601,042	4.06%
NBFC	1	10,182	0.00%
Others	12	1,044,449,660	0.83%
Total	338	12,550,926,663	100.00%

*These include investments made by 8 unit linked funds managed by an insurance company.

The Scheme had maintained prior years' provisions against WWF of Rs. 18,852,977 till 30 June 2015. After Honorable Supreme Court of Pakistan judgment on 10 November 2016, this provision was reversed on 12 January 2017. The Fund has made provision against SWWF, which up till 30 June 2017 amounted to Rs. 13,245,380 (Rs.0.54 per unit). The Scheme has held provision for FED liability that amounted to Rs. 23,582,971 (Rs.0.96 per unit) as on 30 June 2017.

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 27.00 per unit (5.40% on the face value of Rs 500 per unit).

The Total Expense Ratio (TER) of the Fund as at 30 June 2017 is 1.55% which includes 0.35% representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, annual fee to the SECP, etc.

The NAV before distribution stood at Rs 538.79 per unit and after adjustment for cash dividend stood at Rs 511.79 per unit.

During the year under review, the Investment Committee held thirty five meetings to review investment of the Fund and the Risk Committee held twenty nine meetings to review risk management.

Karachi: 30 August 2017

Muhammad Umar Khan
Fund Manager

Performance Since Inception

	2017	2016	2015	2014	2013	2012	2011
Net assets (Rs. in '000)	12,550,927	7,808,327	5,576,232	3,896,867	1,939,998	931,487	786,935
Number of units in issue	24,501,811	15,273,112	10,928,688	7,734,075	3,851,364	1,855,552	1,530,383
Net asset value per unit (Rs.)	512.24	511.25	510.24	503.86	503.72	502.00	514.21
Net income (Rs. in '000)	213,245	444,672	168,149	184,945	139,186	53,314	63,171
Earnings per unit (Rs.)	8.70	29.11	15.39	23.91	36.14	28.73	41.28
Annual return of the Fund (%)	5.48	8.02	10.19	8.45	9.58	6.06	7.24
Offer price ** (Rs.)	512.24	511.25	510.24	503.80	508.56	507.02	519.35
Redemption price ** (Rs.)	512.24	511.25	510.24	503.86	503.52	502.00	514.21
Highest offer price (Rs.)	538.50	550.09	565.53	518.68	523.74	535.51	524.74
Lowest offer price (Rs.)	510.39	510.77	504.10	502.10	507.30	483.57	500.55
Highest repurchase price per unit (Rs.)	538.50	550.09	565.53	518.11	518.55	530.21	519.54
Lowest repurchase price per unit (Rs.)	510.39	510.77	504.10	502.10	502.28	478.78	495.59
Weighted average portfolio (No. of days)	417.19	845.19	98.20	329.65	59.05	87.24	67.57

	2010	2009	2008	2007	2006	2005	2004
Net assets (Rs. in '000)	1,282,287	1,748,265	4,150,406	3,853,940	2,675,604	1,153,856	371,324
Number of units in issue	2,509,323	3,403,895	7,930,536	6,988,480	4,796,790	2,101,528	742,343
Net asset value per unit (Rs.)	511.01	513.61	523.34	551.47	557.79	549.06	500.21
Net income (Rs. in '000)	161,118	154,107	433,326	357,866	276,820	103,093	13,941
Earnings per unit (Rs.)	64.21	45.27	54.64	51.21	57.71	49.06	18.78
Annual return of the Fund (%)	9.98	6.91	9.44	10.23	11.46	9.79	6.17
Offer price ** (Rs.)	516.04	518.75	533.81	557.60	566.65	554.55	505.21
Redemption price ** (Rs.)	510.93	513.61	523.34	546.67	555.54	549.06	500.21
Highest offer price (Rs.)	525.88	528.18	547.01	557.60	566.79	556.84	529.24
Lowest offer price (Rs.)	507.89	474.68	513.92	513.33	511.77	510.90	520.91
Highest repurchase price per unit (Rs.)	520.67	517.82	536.28	546.67	555.54	545.92	518.86
Lowest repurchase price per unit (Rs.)	501.32	466.39	503.84	503.26	500.45	500.88	510.70
Weighted average portfolio (No. of days)	70.58	58.63	76.47	26.19	47.17	21.47	33.70

Date of Launch: 22 March 2004.

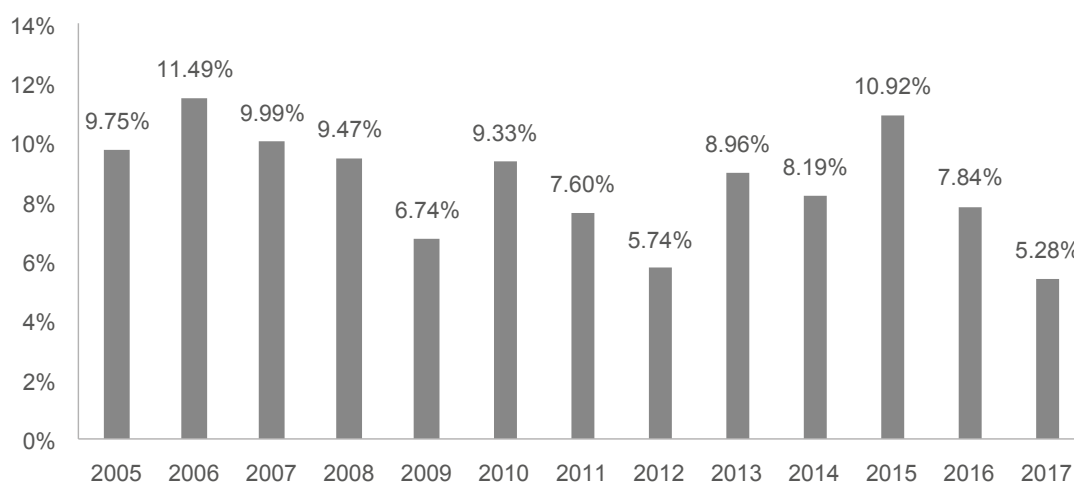
* For the period from 15 September 2003 to 30 June 2004.

** Relates to announced prices.

Yearly Performance (Annualized)



Payout History (% on opening Ex - NAV)



Distribution History

Distribution detail	2017	2016	2015
Interim distribution cash dividend (Rs.)	27.00	40.00	55.00
Interim distribution as a % of opening Ex-NAV of units	5.28	7.84	10.92
Date of distribution	20-June-17	24-June-16	29-June-15

Distribution details	2014	2013	2012	2011	2010	2009	2008
First Interim distribution - Bonus (Rs.)	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 (Rs.)	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 (Rs.)	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 (Rs.)	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 (Rs.)	-	-	28.75	-	-	-	-
Interim distribution as a % of opening Ex-NAV of units	-	-	5.74	-	-	-	-
Date of distribution - Interim	-	-	27 June 2012	-	-	-	-
Final Distribution - Bonus (Rs.)	-	-	-	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 (Rs.)	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

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2017

This statement is being presented to comply with the Code of Corporate Governance (the Code) contained in Regulation No. 5.19 of Listing Regulations of the Pakistan Stock Exchange Limited 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 Pakistan Stock Exchange Limited, 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. Tariq Amin Mr. Shamsad 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 5.19.1.(b) of the Code.

2. The directors have confirmed that none of them is serving as a director in more than seven listed companies, including this company.
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, in his absence, by a director elected by the board for this purpose, 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. The Board Evaluation Committee (BEC) was formed in order to comply with the requirements of the CCG, 2012 requiring the Board of Directors to implement a mechanism for the annual evaluation of the Board's performance. The terms of reference of the BEC require the BEC members to carry out the assessment of the Board members' questionnaires submitted by them, to evaluate the findings therefrom, and apprise the Board in the subsequent Board meeting, with recommendations for improvement. The BEC comprises of three members

both the independent directors of which one is the Chairman of the BEC, and one member from the sponsor family. The CEO serves as the secretary to this committee.

10. Five 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 5.19.7 of the Pakistan Stock Exchange Regulations, whilst the remaining two Board members have completed their Directors' certification programs from institutes meeting the criteria specified by the Securities & Exchange Commission of Pakistan.
11. No new appointment of the Chief Financial Officer & Company Secretary and Chief Internal Auditor was made during the year. The terms of remuneration of the Chief Financial Officer & Company Secretary, and the Chief Internal Auditor have been approved by the Board.
12. 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.
13. The financial statements of the Fund were duly endorsed by CEO and CFO before the approval of the Board.
14. The Directors, CEO and Executives do not hold units other than those disclosed in note 22 to the financial statements "Transactions with Related Parties/Connected Persons", and as disclosed in the pattern of unit holdings disclosed in note 28 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.
15. The Management Company has complied with the corporate and financial reporting requirements of the Code.
16. 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.
17. 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.
18. The Board has formed a Human Resource and Remuneration Committee. It comprises of three members, of whom two are non-executive directors, including the Chairman of the committee who is a non-executive director.
19. 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.
20. 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.
21. 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.
22. 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.
23. Material /price sensitive information has been disseminated among all market participants at once through the Stock Exchange.
24. The Management Company has complied with the requirements relating to maintenance of register of persons having access to inside information designated by a senior management officer in a timely manner and maintained proper records including basis for inclusion or exclusion of names of persons from the said list.
25. We confirm that all other material principles contained in the Code have been complied with.

Karachi: 30 August 2017

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, 2017 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: 15 September 2017

Aftab Ahmed Diwan
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, 2017 to comply with the Listing Regulation No.5.19 of the Pakistan Stock Exchange Limited where the Fund is listed.

The responsibility for compliance with the Code 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 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 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 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 as applicable to the Fund for the year ended June 30, 2017.

Karachi: 13 September 2017

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, 2017, 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 about 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, 2017 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.

A. F. Ferguson & Co.
Chartered Accountants

Karachi: 13 September 2017

Engagement Partner: Salman Hussain

STATEMENT OF ASSETS AND LIABILITIES

AS AT 30 JUNE 2017

	Note	2017	2016
		-----Rupees-----	
Assets			
Cash and bank balances	4	9,679,898,539	3,151,610,471
Investments	5	1,980,963,380	3,614,270,530
Receivable against sale of investments		606,306,265	-
Receivable against issue of units	6	43,351,347	610,369
Receivable against Margin Trading System		260,438,209	1,090,153,567
Interest / profit accrued	7	56,382,183	98,642,061
Deposits, prepayment and other receivables	8	82,601,725	8,488,145
Total assets		12,709,941,648	7,963,775,143
Liabilities			
Payable to Atlas Asset Management Limited - Management Company	9	34,141,339	32,512,009
Payable to the Central Depository Company of Pakistan Limited - Trustee	10	888,411	881,873
Payable to the Securities and Exchange Commission of Pakistan	11	6,911,284	5,716,771
Payable against redemption of units	12	6,399,179	18,310
Unclaimed dividend		40,464	40,464
Accrued expenses and other liabilities	13	110,634,308	116,278,248
Total liabilities		159,014,985	155,447,675
NET ASSETS		12,550,926,663	7,808,327,468
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		12,550,926,663	7,808,327,468
CONTINGENCIES AND COMMITMENTS	14		
NUMBER OF UNITS IN ISSUE		24,501,811	15,273,112
NET ASSET VALUE PER UNIT		512.24	511.25

The annexed notes from 1 to 36 form an integral part of these financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017	2016
		-----Rupees-----	
Income			
Interest income	15	601,581,713	599,104,405
Gain on spread transactions		20,961,625	-
Capital (loss) / gain on sale of investments - net		(42,674,626)	31,552,720
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		28,920,510	39,770,002
		(13,754,116)	71,322,722
Element of loss / capital losses included in prices of units issued less those in units redeemed - net		(271,103,485)	(134,064,111)
Total income		337,685,737	536,363,016
Expenses			
Remuneration of Atlas Asset Management Limited - Management Company	9.1	72,950,970	45,734,144
Sindh Sales Tax on remuneration of the Management Company	9.2	9,483,626	7,427,225
Federal Excise Duty on remuneration of the Management Company	9.3	-	7,317,463
Remuneration of the Central Depository Company of Pakistan Limited - Trustee	10.1	8,048,573	6,935,652
Sindh Sales Tax on remuneration of the Trustee	10.2	1,046,314	970,991
Annual fees to the Securities and Exchange Commission of Pakistan	11.1	6,911,284	5,716,770
Securities transaction cost	16	22,854,044	11,856,586
Auditors' remuneration	17	657,279	639,861
Accounting and operational charges	18	6,534,087	4,069,299
Sindh Sales Tax on accounting and operational charges		522,727	240,168
Annual rating fee		355,704	326,228
Annual listing fee		55,000	40,000
Printing charges		416,204	48,673
Legal and professional charges		123,760	224,368
Bank charges		88,705	143,568
Reversal of provision for Workers' Welfare Fund	13.1	(18,852,977)	-
Provision for Sindh Workers' Welfare Fund	13.1	13,245,380	-
Total expenses		124,440,680	91,690,996
Net income for the year before taxation		213,245,057	444,672,020
Taxation	20	-	-
Net income for the year after taxation		213,245,057	444,672,020

The annexed notes from 1 to 36 form an integral part of these financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	-----Rupees-----	
Net income for the year after taxation	213,245,057	444,672,020
Other comprehensive income for the period		
Income that may be re-classified subsequently to Income Statement		
- Net unrealised appreciation in the value of investments classified as 'available-for-sale'	118,002	269,286
Total comprehensive income for the year	213,363,059	444,941,306

The annexed notes from 1 to 36 form an integral part of these financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

DISTRIBUTION STATEMENT FOR THE YEAR ENDED 30 JUNE 2017

	2017 -----Rupees-----	2016
Undistributed income brought forward [includes unrealised gain on investments: Rs. 53,249,277] (2016: includes unrealised gain on investments: Rs. 17,336,375)	103,767,799	88,641,115
Net income for the year after taxation	213,245,057	444,672,020
Interim cash distribution for the year ended 30 June 2017 of Rs. 27 per unit declared on 20 June 2017 (2016: Rs 40 per unit declared on 24 June 2016)	(188,936,430)	(429,545,336)
Undistributed income carried forward [includes unrealised gain on investments: Rs. 28,976,066] (2016: includes unrealised gain on investments: Rs. 53,249,277)	128,076,426	103,767,799

The annexed notes from 1 to 36 form an integral part of these financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND FOR THE YEAR ENDED 30 JUNE 2017

	2017		2016	
	Units	Rupees	Units	Rupees
Number of units / net assets at the beginning of the year [Rs. 511.25 (2016: Rs. 510.24) per unit]	15,273,112	7,808,327,468	10,928,688	5,576,232,439
Issue of units	27,219,389	13,638,607,030	16,137,230	8,499,223,658
Redemption of units	(17,990,690)	(9,191,537,949)	(11,792,806)	(6,416,588,710)
	9,228,699	4,447,069,081	4,344,424	2,082,634,948
Element of loss and capital losses included in prices of units issued less those in units redeemed - net		271,103,485		134,064,111
Capital (loss) / gain on sale of investments - net	-	(42,674,626)	-	31,552,720
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	-	28,920,510	-	39,770,002
Other income (net of expenses) for the year	-	226,999,173	-	373,349,298
Other comprehensive income for the year	-	118,002	-	269,286
Total comprehensive income for the year		213,363,059		444,941,306
Interim cash distribution for the year ended 30 June 2017 of Rs. 27 per unit declared on 20 June 2017 (2016: Rs 40 per unit declared on 24 June 2016)	-	(188,936,430)	-	(429,545,336)
Number of units / net assets at the end of the year [Rs. 512.24 (2016: Rs. 511.25) per unit]	24,501,811	12,550,926,663	15,273,112	7,808,327,468

The annexed notes from 1 to 36 form an integral part of these financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 -----Rupees-----	2016
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year after taxation		213,245,057	444,672,020
Adjustments for:			
Interest / profit income		(601,581,713)	(599,104,405)
Gain on spread transactions		(20,961,625)	-
Capital gain on sale of investments - net		42,674,626	(31,552,720)
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		(28,920,510)	(39,770,002)
Element of loss and capital losses included in prices of units issued less those in units redeemed - net		271,103,485	134,064,111
Reversal of provision for Workers' Welfare Fund		(18,852,977)	-
Provision for Sindh Workers' Welfare Fund		13,245,380	-
		(343,293,334)	(536,363,016)
(Increase) / decrease in assets			
Receivable against Margin Trading System		829,715,358	(1,064,998,848)
Deposits, prepayment and other receivables		(74,113,580)	(8,033,040)
		755,601,778	(1,073,031,888)
Increase / (decrease) in liabilities			
Payable to Atlas Asset Management Limited - Management Company		1,629,330	7,162,233
Payable to the Central Depository Company of Pakistan Limited - Trustee		6,538	425,889
Payable to the Securities and Exchange Commission of Pakistan		1,194,513	1,808,290
Accrued expenses and other liabilities		(36,343)	48,249,409
		2,794,038	57,645,821
		628,347,539	(1,107,077,063)
Interest received		441,983,021	344,613,534
Investments made during the year		41,783,653,888	(28,498,741,849)
Investments sold / redeemed / matured during the year		(40,348,547,754)	25,952,443,450
Net cash generated from / (used in) operating activities		2,505,436,694	(3,308,761,928)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net receipts from issuance of units		13,595,866,052	8,871,007,308
Net payments against redemption of units		(9,185,157,080)	(6,460,721,913)
Cash payout against distribution		(188,936,430)	(487,919,511)
Net cash generated from financing activities		4,221,772,542	1,922,365,884
Net increase / (decrease) in cash and cash equivalents		6,727,209,236	(1,386,396,044)
Cash and cash equivalents at the beginning of the year		3,151,610,471	4,538,006,515
Cash and cash equivalents at the end of the year	23	9,878,819,707	3,151,610,471

The annexed notes from 1 to 36 form an integral part of these financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Atlas Income Fund (the Fund) is an open ended mutual fund constituted under a Trust Deed entered into on 20 February 2003 between Atlas Asset Management Limited (AAML) as the Management Company and MCB Financial Services Limited (MCBFSL) as the Trustee. MCBFSL resigned on 11 June 2005 as the trustee and the Central Depository Company of Pakistan Limited (CDC) was appointed in its place with effect from that date. The Trust Deed has been revised through the Deed of Change of Trustee and the First, Second, Third and Fourth Supplemental Trust Deeds dated 11 June 2005, 29 October 2007, 23 June 2010 and 12 November 2010 respectively with the approval of the Securities and Exchange Commission of Pakistan (SECP). Furthermore, the Offering Document of the Fund has been revised through the First, Second, Third, Fourth, Fifth, Sixth, Seventh, Eighth, Ninth and Tenth Supplements dated 21 June 2005, 29 October 2007, 29 February 2008, 23 June 2010, 12 November 2010, 14 October 2013, 24 March 2015, 3 August 2015, 13 April 2016 and 29 September 2016 respectively with the approval of the SECP. The investment activities and administration of the Fund are managed by Atlas Asset Management Limited situated at Ground Floor, Federation House, Shahrae Firdousi, Clifton, Karachi.
- 1.2** The Fund has been categorised as an 'income scheme' by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009 and is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription at a par value of Rs 500 per unit. Thereafter, the units are being offered for public subscription on a continuous basis from 22 March 2004 and are transferable and redeemable by surrendering them to the Fund.
- 1.3** According to the trust deed, the objective of the Fund is to provide investors one window facility to invest in a diversified portfolio offering good returns and consistent growth. The Fund aims to deliver this objective mainly by investing in Government securities, cash in bank accounts, Certificate of Investments (COIs), money market placements, deposits, Certificates of Deposits (CODs), Certificates of Musharikas (COMs), Term Deposit Receipts (TDRs), commercial papers, reverse repos, term finance certificates (TFCs) / sukuks, transactions on Margin Trading System (MTS), spread transactions and any other instruments that may be allowed by the SECP. The investment objectives and policies are explained in the Fund's offering document.
- 1.4** The titles to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited (CDC) as the Trustee of the Fund.

2 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.

The Companies Ordinance, 1984 has been repealed after the enactment of the Companies Act, 2017 (the Act) on 30 May 2017. However, the SECP vide its press release dated 20 July 2017 allowed Companies whose FY closes on or before 30 June 2017 to prepare the financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. The Act does not impact the financial statements of the Fund for the year ended 30 June 2017.

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

The following standards, interpretations and amendments with respect to approved accounting standards were effective during the current year:

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Standard, interpretation or amendment	Effective date (accounting periods beginning on or after)
- Amendment to IFRS 11, "Joint arrangements" on acquisition of an interest in a joint operation	01 January 2016
- Amendments to IAS 1, 'Presentation of financial statements' disclosure initiative	01 January 2016
- Amendment to IAS 16, 'Property, plant and equipment' and IAS 38, 'Intangible assets', on depreciation and amortisation	01 January 2016
- Amendments to IAS 16, 'Property, plant and equipment' and IAS 41, 'Agriculture' on bearer plants	01 January 2016
- Amendments to IAS 27, 'Separate financial statements' on equity accounting	01 January 2016

The adoption of the above amendments and improvements to accounting standards and interpretations did not have any effect on the financial statements of the Fund for the year ended 30 June 2017.

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

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

Standard, interpretation or amendment	Effective date (accounting periods beginning on or after)
- Amendments to IAS 7, 'Statement of cash flows'	01 January 2017
- Amendments to IAS 12, 'Income taxes' on Recognition of deferred tax assets for unrealised losses	01 January 2017

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

As stated in note 2.1, the Companies Act, 2017 (the Act) has been enacted on May 30, 2017, superseding the Companies Ordinance, 1984. The Act does not impact the financial statements of the Fund for the year ended June 30, 2017.

The SECP vide its statutory notification (S.R.O) no. 756(I) / 2017 dated 03 August 2017, has amended the NBFC Regulations. The amendments define 'Element of income included in the unit price' and also specifies the accounting treatment for the said income/loss. The amendments also introduced changes in Schedule V of the NBFC Regulations, resulting in certain changes in the presentation of Income Statement and Statement of movement in reserves or Unit holder's fund. The amendments would be applicable for the accounting year ending on June 30, 2018 and will not have any impact on the per unit net asset value of the Fund.

Further, the 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	01 January 2018
- IFRS 14 - Regulatory Deferral Accounts	01 January 2018
- IFRS 15 - Revenue from Contracts with Customers	01 January 2018
- IFRS 16 - Leases	01 January 2019
- IFRS 17 - Insurance contracts	01 January 2021

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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 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. 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 of the Fund relate to classification, valuation and impairment of financial assets (notes 3.2 and 5) and provision for taxation (notes 3.13 and 20).

2.5 Accounting convention

These financial statements have been prepared under the historical cost convention except that 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 in savings and current accounts, cheques in hand and other 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 profits 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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.

3.2.2 **Regular way contracts**

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset. Regular way purchases / sales of assets require delivery of securities within two days from the 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 recognised 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 debt securities

The investments of the Fund in debt securities is valued on the basis of rates determined by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the 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.

Basis of valuation of government securities

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

Basis of valuation of equity securities

The investments of the Fund in equity securities are valued on the basis of closing quoted market prices available at the stock exchange. A security listed on the stock exchange is valued at the closing price determined by such exchange in accordance with its regulations.

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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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 a financial asset or a group of financial assets is impaired. If such an indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds the recoverable amount.

a) Available-for-sale financial assets

Impairment loss on equity securities

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 in determining whether the security is impaired. If the evidence of impairment exists, 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. Impairment losses recognised in the Income Statement on equity securities are not reversed through the Income Statement.

Impairment loss on 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 in accordance with the guidelines issued by the SECP. 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 the provisioning policy duly approved by the Board of Directors and placed 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 an 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 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 the Income Statement.

3.2.7 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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, cancelled or expired. Any gain or loss on derecognition of financial liabilities is taken to the Income Statement.

3.4 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.

3.5 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 an accrual basis using the effective interest method. Cash releases are adjusted against the receivable as a 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.

3.6 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 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.

3.8 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the application received by the Management Company / distributors 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 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.

3.9 Distributions to unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Distribution Committee of the Board of Directors of the Management Company under powers delegated to them by the Board of Directors of the Management Company or declaration and approval by the Board of Directors of the Management Company.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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.

3.10 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 recorded in the Income Statement.

3.11 Revenue recognition

- Capital gains / (losses) arising on sale of investments are recorded at the date at which the transaction takes place.
- Income from investments in term finance certificates / sukuk 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 recorded in the period in which these 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

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 as cash dividend.

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 as cash dividend.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

3.14 Earnings per unit

Earnings / (loss) per unit is calculated by dividing the net income of the year before taxation of the Fund by the weighted average number of units outstanding during the year.

	Note	2017 -----Rupees-----	2016
4 CASH AND BANK BALANCES			
Balances with banks in:			
Savings accounts	4.1	9,678,966,289	3,145,614,591
Current account		7,250	5,000
Cheques in hand	4.2	925,000	5,990,880
		9,679,898,539	3,151,610,471

4.1 The rate of return on these accounts ranges between 3.75% to 6.75% (2016: 5.00% and 6.40%) per annum.

4.2 These cheques were received against issue of units which were cleared subsequent to the period end by 5 July 2017.

	Note	2017 -----Rupees-----	2016
5 INVESTMENTS			
Available-for-sale			
Quoted equity security	5.1	2,717,070	2,599,068
At fair value through profit or loss - held for trading			
Term finance certificates - listed	5.3 & 5.8	1,000,413,868	767,294,778
Term finance certificates - unlisted	5.4 & 5.8	203,399,386	101,938,800
Sukuk certificates - unlisted	5.5 & 5.8	575,511,888	-
Government securities - Market Treasury Bills	5.6	198,921,168	413,945,275
Government securities - Pakistan Investment Bonds	5.7	-	2,328,492,609
		1,978,246,310	3,611,671,462
		1,980,963,380	3,614,270,530

5.1 Quoted equity security

Ordinary shares having a face value of Rs 10 each

Name of the Investee Company	Number of shares				Rupees		Percentage of		
	As at 01 July 2016	Acquired during the year	Sold during the year	As at 30 June 2017	Carrying value as at 30 June 2017	Market value as at 30 June 2017	Market value as a percentage of total investments	Market value as a percentage of net assets	Paid-up value of shares held as a percentage of total paid-up capital of the Investee Company
CHEMICAL									
Agritech Limited	302,569	-	-	302,569	2,329,782	2,717,070	0.14	0.02	0.00
Total - 30 June 2016					2,329,782	2,599,068	0.07	0.03	0.00

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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 a 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 (2016: Rs 18.724 million) out of which Rs.10.589 million (2016: Rs 10.589 million) has been settled as part of this agreement. The balance receivable amounting to Rs 8.135 million remains fully (2016: Rs 8.135 million) provided.

5.2 Equity futures - listed

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

Name of the Investee Company	Number of shares				Rupees		Percentage of	
	As at 01 July 2016	Acquired during the year	Sold during the year	As at 30 June 2017	Carrying value as at 30 June 2017	Market value as at 30 June 2017	Market value as a percentage of total investments	Market value as a percentage of net assets
BANKS								
Askari Bank Limited	-	719,500	719,500	-	-	-	-	-
Bank Alfalah Limited	-	566,000	566,000	-	-	-	-	-
Faysal Bank Limited	-	143,500	143,500	-	-	-	-	-
Habib Bank Limited	-	10,500	10,500	-	-	-	-	-
MCB Bank Limited	-	31,000	31,000	-	-	-	-	-
National Bank of Pakistan	-	505,000	505,000	-	-	-	-	-
The Bank of Punjab	-	16,922,500	16,922,500	-	-	-	-	-
United Bank Limited	-	27,000	27,000	-	-	-	-	-
					-	-	-	-
INSURANCE								
Adamjee Insurance Company Limited	-	36,000	36,000	-	-	-	-	-
					-	-	-	-
TEXTILE COMPOSITE								
Nishat (Chunian) Limited	-	870,500	870,500	-	-	-	-	-
Nishat Mills Limited	-	1,803,500	1,803,500	-	-	-	-	-
					-	-	-	-
CEMENT								
Cherat Cement Company Limited	-	5,500	5,500	-	-	-	-	-
D.G. Khan Cement Company Limited	-	510,500	510,500	-	-	-	-	-
Fauji Cement Company Limited	-	1,809,500	1,809,500	-	-	-	-	-
Maple Leaf Cement Factory Limited	-	48,000	48,000	-	-	-	-	-
Pioneer Cement Limited	-	79,000	79,000	-	-	-	-	-
					-	-	-	-
REFINERY								
Attock Refinery Limited	-	1,326,500	1,326,500	-	-	-	-	-
					-	-	-	-
POWER GENERATION AND DISTRIBUTION								
K-Electric Limited	-	6,033,500	6,033,500	-	-	-	-	-
Kot Addu Power Company Limited	-	227,500	227,500	-	-	-	-	-
The Hub Power Company Limited	-	213,000	213,000	-	-	-	-	-
					-	-	-	-

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Name of the Investee Company	Number of shares				Rupees		Percentage of	
	As at 01 July 2016	Acquired during the year	Sold during the year	As at 30 June 2017	Carrying value as at 30 June 2017	Market value as at 30 June 2017	Market value as a percentage of total investments	Market value as a percentage of net assets
OIL AND GAS MARKETING COMPANIES								
Pakistan State Oil Company Limited	-	435,500	435,500	-	-	-	-	-
					-	-	-	-
OIL AND GAS EXPLORATION COMPANIES								
Oil and Gas Development Company Limited	-	675,000	675,000	-	-	-	-	-
Pakistan Oilfields Limited	-	35,000	35,000	-	-	-	-	-
Pakistan Petroleum Limited	-	66,500	66,500	-	-	-	-	-
					-	-	-	-
ENGINEERING								
Amreli Steels Limited	-	661,000	661,000	-	-	-	-	-
International Steels Limited	-	1,849,500	1,849,500	-	-	-	-	-
					-	-	-	-
CABLES AND ELECTRICAL GOODS								
Pak Elektron Limited	-	1,578,500	1,578,500	-	-	-	-	-
					-	-	-	-
TECHNOLOGY AND COMMUNICATIONS								
Pakistan Telecommunication Company Limited	-	626,000	626,000	-	-	-	-	-
					-	-	-	-
FERTILIZER								
Engro Corporation Limited	-	282,000	282,000	-	-	-	-	-
Engro Fertilizers Limited	-	3,275,500	3,275,500	-	-	-	-	-
Fatima Fertilizer Company Limited	-	241,000	241,000	-	-	-	-	-
Fauji Fertilizer Bin Qasim Limited	-	50,000	50,000	-	-	-	-	-
Fauji Fertilizer Company Limited	-	480,000	480,000	-	-	-	-	-
					-	-	-	-
					-	-	-	-
Total as at 30 June 2017					-	-	-	-
Total as at 30 June 2016					-	-	-	-

- 5.2.1 The movement in equity securities represents spread transactions entered into by the Fund. The Fund purchased equity securities in ready settlement market and sold them in future settlement market earning income on spread transactions due to difference in ready and future stock prices.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

5.3 Term finance certificates - listed

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

Name of Investee Company	Note	Number of certificates				Rupees		Percentage		
		As at 01 July 2016	Purchased during the year	Disposed / matured during the year	As at 30 June 2017	Carrying value as at 30 June 2017	Market value as at 30 June 2017	Market value as a percentage of total investments	Market value as a percentage of net assets	Investment as a percentage of total issue size
BANKS										
Bank Alfalah Limited - V		8,450	30,000	-	38,450	196,544,263	197,421,587	9.97	1.57	3.85
Habib Bank Limited Tier - II (face value of Rs 100,000 per certificate)		6,750	750	-	7,500	749,751,230	751,574,250	37.94	5.99	7.50
Soneri Bank Limited		10,000	-	-	10,000	49,116,362	51,418,031	2.60	0.41	1.67
TELECOMMUNICATION										
Telecard Limited	5.8.1	4,000	-	-	4,000	-	-	-	-	-
PERSONAL GOODS										
Azgard Nine Limited	5.8.1	5,000	-	-	5,000	-	-	-	-	-
Total - 30 June 2017						995,411,855	1,000,413,868	50.50	7.97	13.01
Total - 30 June 2016						767,477,581	767,294,778	21.23	9.83	9.27

5.3.1 The terms and conditions of listed term finance certificates outstanding as at 30 June 2017 are as follows:

Name of the Investee Company	Rating	Tenure	Profit payments / principal redemptions	Maturity date	Rate of return
BANKS					
Bank Alfalah Limited - V	AA-	8 years	Semi-annually	Feb 2021	6 month KIBOR + 1.25%
Habib Bank Limited Tier - II	AAA	10 years	Semi-annually	Feb 2026	6 month KIBOR + 0.50%
Soneri Bank Limited	A+	8 years	Semi-annually	July 2023	6 month KIBOR + 1.35%
TELECOMMUNICATION					
Telecard Limited	NPA	15 years	Quarterly	Dec 2020	3 month KIBOR
PERSONAL GOODS					
Azgard Nine Limited	NPA	7 years	Semi-annually	Sept 2012	6 month KIBOR + 2.40%

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

5.4 Term finance certificates - unlisted (Certificates having a face value of Rs. 5,000 each)

Name of Investee Company	Note	Number of certificates			Rupees		Percentage			
		As at 01 July 2016	Purchased during the year	Disposed / matured during the year	As at 30 June 2017	Carrying value as at 30 June 2017	Market value as at 30 June 2017	Market value as a percentage of total investments	Market value as a percentage of net assets	Investment as a percentage of total issue size
BANKS										
Askari Bank Limited - V		20,000	-	-	20,000	101,898,000	101,891,706	5.14	0.81	2.50
Bank AL Habib Limited		-	20,000	-	20,000	101,084,550	101,507,680	5.12	0.81	2.50
CHEMICALS										
Agritech Limited - I	5.8.1	2,000	-	-	2,000	-	-	-	-	-
Agritech Limited - II	5.8.1	8,000	-	-	8,000	-	-	-	-	-
Agritech Limited - IV	5.8.1	2,203	-	-	2,203	-	-	-	-	-
						-	-	-	-	-
PERSONAL GOODS										
Azgard Nine Limited - V	5.8.1	1,075	-	-	1,075	-	-	-	-	-
MISCELLANEOUS										
Bunny's Limited	5.8.1	214	-	214	-	-	-	-	-	-
Total - 30 June 2017						202,982,550	203,399,386	10.27	1.62	5.00
Total - 30 June 2016						101,139,280	101,938,800	2.82	1.31	2.50

5.4.1 The terms and conditions of unlisted term finance certificates outstanding as at 30 June 2017 are as follows:

Name of the Investee Company	Rating	Tenure	Profit payments / principal redemptions	Maturity date	Rate of return
BANKS					
Askari Bank Limited - V	AA-	10 years	Semi-annually	Sept 2024	6 month KIBOR + 1.20%
Bank Al Habib Limited	AA	10 years	Semi-annually	Mar 2026	6 month KIBOR + 0.75%
CHEMICALS					
Agritech Limited - I	NPA	7 years	Semi-annually	Nov 2014	6month KIBOR + 1.75%
Agritech Limited - II	NPA	7 years	Semi-annually	Jan 2015	6month KIBOR + 1.75%
Agritech Limited - IV	NPA	3.5 years	Semi-annually	Jan 2015	-
PERSONAL GOODS					
Azgard Nine Limited - V	NPA	5 years	Semi-annually	Mar 2017	Zero Coupon

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

5.5 Sukuk certificates - unlisted (Certificates having a face value of Rs. 5,000 each unless stated otherwise)

	Number of certificates					Rupees		Percentage		
Name of Investee Company	Note	As at 01 July 2016	Purchased during the year	Disposed / matured during the year	As at 30 June 2017	Carrying value as at 30 June 2017	Market value as at 30 June 2017	Market value as a percentage of total investments	Market value as a percentage of net assets	Investment as a percentage of total issue size
CHEMICALS										
Agritech Limited (note 5.8.1)		4,060	-	-	4,060	-	-	-	-	-
BANKS										
Meezan Bank Limited Tier - II (face value of Rs. 1,000,000 per certificate)		-	552	-	552	552,000,000	575,511,888	29.05	4.59	7.89
Total - 30 June 2017						552,000,000	575,511,888	29.05	4.59	7.89
Total - 30 June 2016						-	-	-	-	-

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

Name of the Investee Company	Rating	Tenure	Profit payments / principal redemptions	Maturity date	Rate of return
CHEMICALS					
Agritech Limited	NPA	7 years	Semi -annually	Aug 2015	6 month KIBOR + 2.00%
Meezan Bank Limited Tier - II	AA-	10 years	Semi -annually	Sept 2026	6 month KIBOR + 0.50%

5.6 Government securities - Market Treasury Bills

Tenor	Face value (Rupees)				Rupees		Percentage	
	As at 01 July 2016	Purchased during the year	Disposed / Matured during the year	As at 30 June 2017	Carrying value as at 30 June 2017	Market value as at 30 June 2017	Market value as a percentage of total investments	Market value as a percentage of net assets
3 months - T Bills	-	22,742,380,000	22,542,380,000	200,000,000	198,931,395	198,921,168	10.04	1.58
6 months - T Bills	-	8,000,800,000	8,000,800,000	-	-	-	-	-
12 months - T Bills	425,000,000	6,285,000,000	6,710,000,000	-	-	-	-	-
	425,000,000	37,028,180,000	37,253,180,000	200,000,000	198,931,395	198,921,168	10.04	1.58
Total - 30 June 2016					413,580,796	413,945,275	11.45	5.30

5.6.1 Market treasury bills carry purchase yield of 5.99% (2016: 6.17% to 6.21%) per annum and will mature on 03 August 2017 (2016: 4 August 2016 and 2 March 2017). The cost of these investments as on 30 June 2017 is Rs. 197,280,000 (2016: Rs. 406,637,600).

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

5.6.2 These include treasury bills amounting to Rs. 198,921,168 (face value: Rs. 200,000,000) [2016: Rs 149,182,950 (face value: Rs 150,000,000)] which have been pledged with the National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in respect of Margin Trading System (MTS) transactions and spread transactions respectively due to mature on 03 August 2017 (2016: 4 August 2016).

5.7 Government securities - Pakistan Investment Bonds

Tenor	Face value (Rupees)			Rupees		Percentage		
	As at 01 July 2016	Purchased during the year	Disposed / matured during the year	As at 30 June 2017	Carrying value as at 30 June 2017	Market value as at 30 June 2017	Total Investments	Net Assets
3 Years - PIBs	305,000,000	75,000,000	380,000,000	-	-	-	-	-
5 Years - PIBs	1,363,500,000	75,000,000	1,438,500,000	-	-	-	-	-
10 Years - PIBs	425,000,000	-	425,000,000	-	-	-	-	-
	2,093,500,000	150,000,000	2,243,500,000	-	-	-	-	-
Total - 30 June 2016					2,289,703,803	2,328,492,609	64.43	29.82

5.7.1 Pakistan Investment Bonds outstanding as at 30 June 2016 carried purchase yields between 7.00% and 12.00% per annum and were due to mature between 18 August 2016 and 17 July 2024. The cost of these investments as on 30 June 2016 was Rs 2,281,363,876.

5.8 Particulars of non-compliant investments

5.8.1 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
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	-	-	-
		53,860,000	53,860,000	-	-	-
Unlisted						
Agritech Limited	Sukuk certificate	15,225,000	15,225,000	-	-	-
Total - 30 June 2017		81,625,501	81,625,501	-	-	-
Total - 30 June 2016		82,428,001	82,428,001	-	-	

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

5.8.2 The securities stated above have been classified as non-performing as per the requirements of SECP's Circular 1 of 2009 read with SECP's Circular 33 of 2012 dated 24 October 2012, and an aggregate provision of Rs. 81.63 million (30 June 2016: Rs 82.43 million), has been made in accordance with the provisioning requirements specified by the SECP.

	2017	2016
	-----Rupees-----	
5.9 Movement in provision against debt securities for the year		
Provision at the beginning of the year	82,428,001	83,215,501
Less: Reversal of provision for the year	(802,500)	(787,500)
Provision at the end of the year	81,625,501	82,428,001

6 RECEIVABLE AGAINST ISSUE OF UNITS

This denotes units issued to the unit holders of Atlas Stock Market Fund, Atlas Islamic Stock Fund and Atlas Sovereign Liquid Fund amounting to Rs 35,372,917, Rs 2,089,195 and Rs 5,889,235 respectively, based on their requests for transfer of units received on or before 30 June 2017 in respect of which amounts were received subsequent to the year ended 30 June 2017.

	2017	2016
	-----Rupees-----	
7 INTEREST / PROFIT ACCRUED		
Interest / profit accrued on:		
Bank balances and term deposits	12,929,201	3,652,589
Margin Trading System	2,498,039	5,031,219
Term finance certificates	28,740,771	21,835,922
Sukuk certificates	12,214,172	-
Government securities - Pakistan Investment Bonds	-	68,122,331
	56,382,183	98,642,061

	Note	2017	2016
		-----Rupees-----	
8 DEPOSITS, PREPAYMENT AND OTHER RECEIVABLES			
Central Depository Company of Pakistan Limited (CDC)		100,000	100,000
National Clearing Company of Pakistan Limited (NCCPL)		2,750,000	250,000
Margin deposit against futures		71,613,580	-
Prepaid annual fee to the NCCPL		124,209	124,209
Other receivables	8.1	8,013,936	8,013,936
		82,601,725	8,488,145

8.1 As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 151. However, during the year ended 30 June 2016, withholding tax on profit on bank deposits and debt securities paid to the Fund was deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated 12 May 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholders. The amount of tax withheld on profit on bank deposits and debt securities amounts to Rs 2.64 million and Rs 5.37 million respectively.

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. On 28 January 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs to file an appeal in the Honourable Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, a petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgement of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on profit received by the Fund on bank deposits and debt securities has been shown as other receivables as at 30 June 2017 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

	Note	2017	2016
		-----Rupees-----	
9 PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY - RELATED PARTY			
Management fee payable	9.1	5,561,795	4,106,082
Sindh Sales Tax payable on remuneration of the Management Company	9.2	4,245,731	4,097,549
Federal Excise Duty payable on remuneration of the Management Company	9.3	23,582,971	23,582,971
Accounting and operational charges payable		695,224	684,346
Sindh Sales Tax payable on accounting and operational charges		55,618	41,061
		34,141,339	32,512,009

9.1 As per the amendments made in the NBFC Regulations, 2008 vide SRO 1160(1)/2015 dated 25 November 2015, the Management Company is entitled to a remuneration equal to an amount not exceeding 1.50% of the average annual net assets in case of income schemes. Previously, the Management Company was entitled to receive a remuneration during the first five years of the Fund, at the rate not exceeding 3% of the average annual net assets of the Fund and, thereafter, at the rate of 2% of such assets. For the period from 1 July 2016 to 18 July 2016, the fee was charged by the Management Company at a rate of 0.60% per annum of the average annual net assets of the Fund and thereafter the fee is being charged at the rate of 0.80% per annum of the average net assets for the year. The fee is payable to the Management Company monthly in arrears.

9.2 During the year, an amount of Rs. 9,483,626 (2016: Rs 7,427,225) was charged on account of sales tax on management fee levied through Sindh Sales Tax on Services Act, 2011, and an amount of Rs. 9,335,444 (2016: Rs. 6,592,356) has been paid to the Management Company which acts as a collecting agent.

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

On 4 September 2013, a Constitutional Petition was filed in the Honourable Sindh High Court (SHC) jointly by various asset management companies, together with their representative Collective Investment Schemes through their trustees, challenging the levy of FED.

During the year ended 30 June 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from 1 July 2016. However, as a matter of abundant caution the provision for FED made for the period from 13 June 2013 till 30 June 2016 amounting to Rs 23.583 million (30 June 2016: Rs 23.583 million) is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Has the said provision for FED not been recorded in the financial statements of the Fund, the net asset value of the Fund as at 30 June 2017 would have been higher by Re 0.96 per unit (30 June 2016: Rs 1.54 per unit).

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017	2016
		-----Rupees-----	
10 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE - RELATED PARTY			
Trustee fee payable	10.1	616,204	610,190
Sindh Sales Tax payable on trustee fee	10.2	80,107	85,427
Settlement charges payable		170,000	163,382
Sindh Sales Tax payable on settlement charges		22,100	22,874
		888,411	881,873

10.1 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:	Tariff per annum
- up to Rs 1,000 million	Rs 0.6 million or 0.17% per annum of net assets, whichever is higher.
- from 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.

10.2 During the year, an amount of Rs 1,046,314 (2016: Rs. 970,991) was charged on account of sales tax on remuneration of the Trustee levied through Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 1,051,634 (2016: Rs. 945,099) was paid to the Trustee which acts as a collecting agent.

	Note	2017	2016
		-----Rupees-----	
11 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN			
Annual fee payable	11.1	6,911,284	5,716,771

11.1 In accordance with the NBFC Regulations, 2008, a collective investment scheme classified as an income scheme is required to pay to the Securities and Exchange Commission of Pakistan an amount equal to 0.075% of the average annual net assets of the Fund as annual fee.

12 PAYABLE AGAINST REDEMPTIONS OF UNITS

This includes units redeemed from the unit holders of Atlas Stock Market Fund amounting to Rs 215,619, based on re-balancing of units on or before 30 June 2017 in respect of which amounts were received subsequent to the year end 30 June 2017.

	Note	2017	2016
		-----Rupees-----	
13 ACCRUED EXPENSES AND OTHER LIABILITIES			
Auditors' remuneration payable		450,305	442,482
NCCPL charges payable		180,000	20,000
Printing charges payable		209,955	90,000
Brokerage payable		120,425	103,128
Sales Tax payable		14,804	14,438
Legal and professional charges payable		100,000	-
Zakat payable		8,221	32,736
Withholding tax payable		37,346,119	95,928,691
Capital gain tax payable		58,899,103	733,800
Provision for Workers' Welfare Fund	13.1	-	18,852,977
Provision for Sindh Workers' Welfare Fund	13.1	13,245,380	-
Other payable		59,996	59,996
		110,634,308	116,278,248

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

13.1 The Finance Act, 2008 had introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance) as a result of which it was construed that all Collective Investment Schemes (CISs) / mutual funds whose income exceeded Rs 0.5 million in a tax year were brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever was higher. In light of this, the Mutual Funds Association of Pakistan (MUFAP) filed a constitutional petition in the Honourable Sindh High Court (SHC) challenging the applicability of WWF on CISs which is pending adjudication. Similar cases were disposed of by the Peshawar and the Lahore High Courts in which these amendments were declared unlawful and unconstitutional. However, these decisions were challenged in the Supreme Court of Pakistan.

Subsequently, the Finance Act, 2015 introduced an amendment under which CISs / mutual funds have been excluded from the definition of "industrial establishment" subject to WWF under the WWF Ordinance. Consequently, mutual funds are not subject to this levy after the introduction of this amendment which is applicable from tax year 2016. Accordingly, no further provision in respect of WWF was made with effect from 1 July 2015.

On 10 November 2016 the Supreme Court of Pakistan (SCP) passed a judgment declaring the amendments made in the Finance Acts 2006 and 2008 pertaining to WWF as illegal citing that WWF was not in the nature of tax and could, therefore, not have been introduced through money bills. Accordingly, the aforesaid amendments were struck down by the SCP. The Federal Board of Revenue has filed a petition in the SCP against the said judgment, which is pending hearing. While the petitions filed by the CISs on the matter were still pending before the SHC, the Mutual Funds Association of Pakistan (MUFAP) (collectively on behalf of the asset management companies and their CISs) took legal and tax opinions on the impact of the SCP judgement on the CISs petition before the SHC. Both legal and tax advisors consulted were of the view that the judgment has removed the very basis on which the demands were raised against the CISs. Therefore, there was no longer any liability against the CISs under the WWF Ordinance and that all cases pending in the SHC or lower appellate forums would be disposed of in light of the earlier judgement of the SCP.

Furthermore, as a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) was passed by the government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. However, it may be stated that under the Companies Act, 2017 mutual funds are explicitly excluded from the definition of financial institution. Thereafter, MUFAP took up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF.

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

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

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

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

14 CONTINGENCIES AND COMMITMENTS

14.1 Contingencies

There were no contingencies outstanding as at 30 June 2017 and 30 June 2016.

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 2017

Note	2017	2016
	-----Rupees-----	
	-	281,674,516

15 INTEREST / PROFIT INCOME

Interest / profit on:

Savings and term deposits	100,807,534	62,132,365
Income from Margin Trading System	106,504,949	78,432,737
Term Finance Certificates	72,579,880	34,099,568
Sukuk certificates	28,917,390	-
Government Securities - Market Treasury Bills	201,858,570	183,175,060
Government Securities - Pakistan Investment Bonds	90,913,390	241,264,675
	601,581,713	599,104,405

15.1 This includes mark-up received on non-performing term finance certificates amounting to Rs. 0.381 million (2016: Rs. 0.100 million). Furthermore, in accordance with the requirements specified by the SECP, mark-up on non-performing securities amounting to Rs. 52.07 million (2016: Rs. 49.08 million) based on outstanding principal has not been recognised as at year end.

16 SECURITIES TRANSACTION COST

This represents brokerage, BATS charges, laga / levy and MTS transaction charges to the NCCPL and settlement charges to the CDC.

17 AUDITORS' REMUNERATION

	2017	2016
	-----Rupees-----	
Audit fee	322,000	322,000
Half yearly review of condensed interim financial information	161,000	161,000
Review of Statement of Compliance with the Code of Corporate Governance	45,000	45,000
Sindh Sales Tax on services	44,640	33,480
Out of pocket expenses	84,639	78,381
	657,279	639,861

18 ACCOUNTING AND OPERATIONAL CHARGES

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Keeping in view the aforementioned provisions, the Management Company has charged accounting and operational charges to the Fund in respect of the back office accounting function outsourced to ITMINDS Limited (a subsidiary of the Central Depository Company of Pakistan Limited, the Trustee and a connected person of the Fund). Periodic invoices are raised to the Fund for services allowed under the NBFC Regulations, 2008.

19 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 30 June 2017 is 1.55% which includes 0.35% representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 2% prescribed under the NBFC Regulations for a collective investment scheme categorised as an income scheme.

20 TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unitholders. Since the management has distributed the required minimum percentage of income earned by the Fund for the year ended 30 June 2017 to the unit holders in the manner as explained above, no provision for taxation has been made in these financial statements during the year.

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.

21 EARNINGS PER UNIT

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

22 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

22.1 Connected persons include Atlas Asset Management Limited being the Management Company, the 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, directors and their close family members and key management personnel of the Management Company.

22.2 Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load 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.

22.3 Remuneration to the Management Company and the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

22.4 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:

	2017	2016
	-----Rupees-----	
Atlas Asset Management Limited (Management Company)		
Remuneration charged	72,950,970	45,734,144
Remuneration paid	71,495,257	46,724,243
Sindh Sales Tax on remuneration of the Management Company	9,483,626	7,427,225
Federal Excise Duty on remuneration of the Management Company	-	7,317,463
Accounting and operational charges	6,534,087	4,069,299
Sindh Sales Tax on accounting and operational charges	522,727	240,168
Issue of 27,796 (2016: 115,973) units	14,256,702	60,000,000
Redemption of nil (2016: 193,940) units	-	102,604,690
Cash dividend	3,008,936	-
Outstanding 115,852 (2016: 88,056) units - at net asset value	59,343,773	45,018,492
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration of the Trustee	8,048,573	6,935,652
Sindh Sales Tax on remuneration of the Trustee	1,046,314	970,991
Remuneration paid	8,042,559	6,721,446
Settlement charges incurred	2,104,395	1,043,468
Sindh Sales Tax on settlement charges	273,571	146,086
Atlas Battery Limited (Group Company)		
Issue of 1,797,819 (2016: 2,765,339) units	919,890,288	1,440,000,000
Redemption of 1,780,683 (2016: 1,533,270) units	930,406,278	841,350,784
Outstanding 1,797,819 (2016: 1,780,683) units - at net asset value	920,915,045	910,373,943
Atlas Foundation (Trust having common Director / Trustee)		
Issue of 538,835 (2016: 388,557) units	278,140,838	204,357,346
Redemption of 170,152 (2016: 3,326) units	89,500,000	1,800,000
Cash dividend	26,854,450	23,249,794
Outstanding 1,033,963 (2016: 665,280) units - at net asset value	529,637,193	340,497,169
Atlas Services Limited (Group Company)		
Issue of 538,835 (2016: nil) units	70,616,528	-
Cash dividend	3,488,704	-
Outstanding 134,324 (2016: nil) units - at net asset value	68,805,994	-
Atlas Honda Limited (Group Company)		
Issue of 10,606,917 (2016: 1,147,352) units	5,438,200,489	598,418,704
Redemption of 6,196,064 (2016: 141,681) units	3,313,896,085	75,000,000
Cash dividend	-	197,891,606
Outstanding 9,648,704 (2016: 5,237,851) units - at net asset value	4,942,452,193	2,677,851,548
Atlas Insurance Limited (Group company)		
Issue of 161,380 (2016: 311,005) units	85,875,860	167,700,000
Redemption of 161,380 (2016: 594,205) units	86,334,658	321,245,011

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	-----Rupees-----	
Atlas Metals (Private) Limited (Group Company)		
Issue of nil (2016: 1,363) units	-	696,010
Redemption of 24,563 (2016: nil) units	13,057,155	-
Cash dividend	-	928,013
Outstanding nil (2016: 24,563) units - at net asset value	-	12,557,790
Batool Benefit Trust (Trust having common Director / Trustee)		
Issue of 4,424 (2016: 23,902) units	2,264,248	12,477,022
Redemption of 46,184 (2016: 15,613) units	24,383,000	8,218,553
Cash dividend	3,018,997	5,969,362
Outstanding 116,239 (2016: 157,999) units - at net asset value	59,542,199	80,776,868
Cherat Cement Company Limited (Company formerly having common Director)		
Redemption of nil (2016: 353,966) units	-	183,389,901
Cash dividend	-	-
Dividend paid	-	19,468,142
Cherat Cement Company Limited Employees Provident Fund (Trust established by a Company formerly having common Director)		
Issue of nil (2016: 10) units	-	5,182
Redemption of 183 (2016: 4,797) units	96,423	2,500,000
Cash dividend	-	6,909
Outstanding nil (2016: 183) units - at net asset value	-	93,486
Honda Atlas Cars (Pakistan) Limited		
Issue of 5,486,959 (2016: 1,467,595) units	2,812,625,903	750,000,000
Redemption of 3,411,986 (2016: nil) units	1,833,328,277	-
Outstanding 3,542,568 (2016: 1,467,595) units - at net asset value	1,814,645,167	750,308,195
Shirazi Capital (Private) Limited (Group company)		
Issue of nil (2016: 251,086) units	-	133,570,283
Redemption of 830,408 (2016: nil) units	434,411,507	-
Cash dividend	-	31,373,711
Outstanding nil (2016: 830,408) units - at net asset value	-	424,546,256
Shirazi Investments (Private) Limited (Group company)		
Issue of 1,715,788 (2016: 155,179) units	887,873,839	79,265,463
Redemption of nil (2016: 112,666) units	-	61,110,000
Cash dividend	97,949,776	105,687,284
Outstanding 4,513,149 (2016: 2,797,361) units - at net asset value	2,311,815,560	1,430,150,888
Shirazi Investments (Private) Limited - Employees Provident Fund		
Issue of 11,885 (2016: 15,762) units	6,297,934	8,187,172
Redemption of 27,935 (2016: 2,579) units	14,658,098	1,395,000
Cash dividend	77,934	685,172
Outstanding 3,039 (2016: 19,089) units - at net asset value	1,556,554	9,759,131

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	-----Rupees-----	
Shirazi Trading Company (Private) Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)		
Issue of 1,243 (2016: 1,711) units	636,230	874,113
Cash dividend	636,230	874,113
Dividend paid	-	1,201,905
Outstanding 24,807 (2016: 23,564) units - at net asset value	12,707,259	12,047,141
Atlas Insurance Limited - Staff Provident Fund Trust (Retirement benefit plan of group company)		
Redemption of nil (2016: 7,228) units	-	3,823,479
Atlas Honda Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)		
Issue of 12,134 (2016: 93,763) units	6,210,228	48,532,194
Redemption of nil (2016: 15,162) units	-	8,000,000
Cash dividend	6,210,228	8,532,194
Dividend paid	-	8,327,400
Outstanding 242,143 (2016: 230,008) units - at net asset value	124,035,205	117,591,809
Honda Atlas Cars (Pakistan) Limited - Employees Provident Fund (Retirement benefit plan of group company)		
Issue of 44,802 (2016: 73,269) units	23,028,170	37,458,720
Redemption of nil (2016: 68,008) units	-	37,458,721
Cash dividend	3,028,170	-
Dividend paid	-	3,740,431
Outstanding 118,071 (2016: 73,269) units - at net asset value	60,480,818	37,458,720
Atlas Group of Companies - Management Staff Gratuity Fund (Retirement benefit plan of group company)		
Issue of 14,701 (2016: 16,261) units	7,736,411	8,649,260
Redemption of 32,620 (2016: 24,889) units	17,200,000	13,500,000
Cash dividend	236,411	1,079,260
Dividend paid	-	1,966,991
Outstanding 9,218 (2016: 27,137) units - at net asset value	4,721,768	13,873,566
Atlas Engineering Limited - Employees Provident Fund (Retirement benefit plan of group company)		
Issue of 675 (2016: 929) units	345,500	474,681
Redemption of nil (2016: 19,479) units	-	9,961,950
Cash dividend	345,500	474,681
Dividend paid	-	1,724,031
Outstanding 13,471 (2016: 12,796) units - at net asset value	6,900,587	6,542,115
Atlas Honda Limited - Non-management Staff Gratuity Fund (Retirement benefit plan of group company)		
Issue of 9,209 (2016: 1,449) units	4,747,953	740,210
Cash dividend	747,953	740,210
Dividend paid	-	1,233,374
Outstanding 29,163 (2016: 19,954) units - at net asset value	14,938,662	10,201,675

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 -----Rupees-----	2016
Atlas Die Casting (Private) Limited (Group Company)			
Issue of 189,941 (2016: nil) units		101,524,744	-
Cash dividend		2,032,992	-
Redemption of 111,666 (2016: nil) units		60,000,000	-
Outstanding 78,275 (2016: nil) units - at net asset value		40,095,716	-
Honda Atlas Cars (Pakistan) Limited - Employees Gratuity Fund (Retirement benefit plan of group company)			
Issue of 20,880 (2016: 7,807) units		10,735,745	3,991,348
Redemption of nil (2016: 7,246) units		-	3,991,349
Cash dividend		735,745	-
Dividend paid		-	398,555
Outstanding 28,687 (2016: 7,807) units - at net asset value		14,694,833	3,991,348
Atlas Powers Limited - Staff Provident Fund (Retirement benefit plan of group company)			
Issue of 15 (2016: 20) units		7,435	10,214
Redemption of nil (2016: 554) units		-	300,000
Cash dividend		7,435	10,214
Dividend paid		-	44,496
Outstanding 290 (2016: 275) units - at net asset value		148,488	140,774
Directors and their close family members and key management personnel of the Management Company			
	22.6		
Issue of 431,928 (2016: 105,900) units		227,849,862	56,613,187
Redemption of 317,063 (2016: 193,506) units		169,464,436	102,100,636
Cash dividend		11,868,100	12,544,123
Outstanding 462,145 (2016: 347,280) units - at net asset value		236,728,945	177,545,739

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

22.6 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 2016-17.

23	CASH AND CASH EQUIVALENTS	Note	2017 -----Rupees-----	2016
	Cash and bank balances	4	9,679,898,539	3,151,610,471
	Treasury bills (with original maturity of three months)	5.6	198,921,168	-
			9,878,819,707	3,151,610,471

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

24 FINANCIAL INSTRUMENTS BY CATEGORY

	----- As at 30 June 2017 -----			
	Loans and receivables	At fair value through profit or loss	Available for sale	Total
	----- Rupees -----			
Financial assets				
Cash and bank balances	9,679,898,539	-	-	9,679,898,539
Investments	-	1,978,246,310	2,717,070	1,980,963,380
Receivable against sale of investments	606,306,265	-	-	606,306,265
Receivable against issue of units	43,351,347	-	-	43,351,347
Receivable against Margin Trading System	260,438,209	-	-	260,438,209
Interest / profit accrued	56,382,183	-	-	56,382,183
Deposits	74,463,580	-	-	74,463,580
	10,720,840,123	1,978,246,310	2,717,070	12,701,803,503

----- As at 30 June 2017 -----			
	At fair value through profit or loss	At amortised cost	Total
----- Rupees -----			
Financial liabilities			
Payable to Atlas Asset Management Limited - Management Company	-	34,141,339	34,141,339
Payable to the Central Depository Company of Pakistan Limited - Trustee	-	888,411	888,411
Payable to the Securities and Exchange Commission of Pakistan	-	-	-
Payable against redemption of units	-	6,399,179	6,399,179
Unclaimed dividend	-	40,464	40,464
Accrued expenses and other liabilities	-	1,120,681	1,120,681
	-	42,590,074	42,590,074

	----- As at 30 June 2016 -----			
	Loans and receivables	At fair value through profit or loss	Available for sale	Total
	----- Rupees -----			
Financial assets				
Cash and bank balances	3,151,610,471	-	-	3,151,610,471
Investments	-	3,611,671,462	2,599,068	3,614,270,530
Receivable against issue of units	610,369	-	-	610,369
Receivable against Margin Trading System	1,090,153,567	-	-	1,090,153,567
Interest / profit accrued	98,642,061	-	-	98,642,061
Deposits and other receivables	350,000	-	-	350,000
	4,341,366,468	3,611,671,462	2,599,068	7,955,636,998

----- As at 30 June 2016 -----			
	At fair value through profit or loss	At amortised cost	Total
----- Rupees -----			
Financial liabilities			
Payable to Atlas Asset Management Limited - Management Company	-	32,512,009	32,512,009
Payable to the Central Depository Company of Pakistan Limited - Trustee	-	881,873	881,873
Payable against redemption of units	-	18,310	18,310
Dividend payable	-	40,464	40,464
Accrued expenses and other liabilities	-	715,606	715,606
	-	34,168,262	34,168,262

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

25 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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, liquidity risk and credit risk arising from the financial instruments it holds.

25.1 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.

(i) Yield / interest rate risk

Yield / 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 2017, the Fund is exposed to such risk on its balances held with banks, investments in term finance and sukuk certificates and investments in 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 and sukuks certificates and balances with banks which expose the Fund to cash flow interest rate risk. In case of 100 basis points increase/decrease in applicable rates on the last repricing date with all other variables held constant, the net income for the year and net assets of the Fund would have been higher/lower by Rs. 6.151 million (2016: Rs. 34.563 million).

b) Sensitivity analysis for fixed rate instruments

As at 30 June 2017, the Fund holds market treasury bills 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 the Financial Markets Association of Pakistan for market treasury bills and with all other variables held constant, the net income for the year and net assets of the Fund would have been lower by Rs. 0.179 million (2016: Rs. 80.598 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. 0.179 million (2016: Rs. 84.939 million).

The composition of the Fund's investment portfolio, KIBOR rates and the rates announced by the Financial Markets Association of Pakistan are expected to change over time. Accordingly, the sensitivity analysis prepared as of 30 June 2017 is not necessarily indicative of the impact on the Fund's net assets of 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.

The Fund's interest rate sensitivity related to financial assets and financial liabilities as at 30 June 2017 can be determined as follows:

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

As at 30 June 2017					
Effective interest rate (%)	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total
	Up to three months	More than three months and up to one year	More than one year		
Rupees					
Financial assets					
Cash and bank balances	3.75% - 6.75%	9,678,966,289	-	932,250	9,679,898,539
Investments	5.99%	198,921,168	-	2,717,070	1,980,963,380
Receivable against sale of investments		-	-	606,306,265	606,306,265
Receivable against issue of units		-	-	43,351,347	43,351,347
Receivable against Margin Trading System		-	-	260,438,209	260,438,209
Interest / profit accrued		-	-	56,382,183	56,382,183
Deposits		-	-	74,463,580	74,463,580
		9,877,887,457	-	1,779,325,142	1,044,590,904
					12,701,803,503
Financial liabilities					
Payable to Atlas Asset Management Limited - Management Company		-	-	34,141,339	34,141,339
Payable to the Central Depository Company of Pakistan Limited - Trustee		-	-	888,411	888,411
Payable against redemptions of units		-	-	6,399,179	6,399,179
Unclaimed dividend		-	-	40,464	40,464
Accrued expenses and other liabilities		-	-	1,120,681	1,120,681
		-	-	42,590,074	42,590,074
On-balance sheet gap (a)		9,877,887,457	-	1,779,325,142	1,002,000,830
Off-balance sheet financial instruments		-	-	-	-
Off-balance sheet gap (b)		-	-	-	-
Total interest rate sensitivity gap (a+b)		9,877,887,457	-	1,779,325,142	
Cumulative interest rate sensitivity gap		9,877,887,457	9,877,887,457	11,657,212,599	

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

As at 30 June 2016						
Effective interest rate (%)	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total	
	Up to three months	More than three months and up to one year	More than one year			
Rupees						
Financial assets						
Cash and bank balances	5.00% - 6.40%	3,145,614,591	-	-	5,995,880	3,151,610,471
Investments	6.15% - 12%	202,467,164	264,762,325	3,144,441,973	2,599,068	3,614,270,530
Receivable against issue of units		-	-	-	610,369	610,369
Receivable against Margin Trading System		-	-	-	1,090,153,567	1,090,153,567
Interest / profit accrued		-	-	-	98,642,061	98,642,061
Deposits		-	-	-	350,000	350,000
		3,348,081,755	264,762,325	3,144,441,973	1,198,350,945	7,955,636,998
Financial liabilities						
Payable to Atlas Asset Management Limited - Management Company		-	-	-	32,512,009	32,512,009
Payable to the Central Depository Company of Pakistan Limited - Trustee		-	-	-	881,873	881,873
Payable against redemptions of units		-	-	-	18,310	18,310
Dividend payable		-	-	-	40,464	40,464
Accrued expenses and other liabilities		-	-	-	715,606	715,606
		-	-	-	34,168,262	34,168,262
On-balance sheet gap (a)		3,348,081,755	264,762,325	3,144,441,973	1,164,182,683	7,921,468,736
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a+b)		3,348,081,755	264,762,325	3,144,441,973		
Cumulative interest rate sensitivity gap		3,348,081,755	3,612,844,080	6,757,286,053		

(ii) 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 on its investments in 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. 2.717 million on 30 June 2017 (2016: Rs. 2.599 million).

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

In case of 5% increase / decrease in PSX 100 index on 30 June 2017, with all other variables held constant, the total comprehensive income of the Fund for the year would increase / decrease by Rs. 135,854 (2016: Rs. 129,953) 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 PSX 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 PSX 100 Index, is expected to change over time. Accordingly, the sensitivity analysis prepared as of 30 June 2017 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of the PSX 100 Index.

25.2 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 dates. However, the assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month:

	As at 30 June 2017					
	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
	Rupees					
Financial assets						
Cash and Bank Balance	9,679,898,539	-	-	-	-	9,679,898,539
Investments	198,921,168	-	-	197,421,587	1,581,903,555	1,980,963,380
Receivable against sale of investments	606,306,265	-	-	-	-	606,306,265
Receivable against issue of units	43,351,347	-	-	-	-	43,351,347
Receivable against Margin Trading System	260,438,209	-	-	-	-	260,438,209
Interest / profit accrued	15,427,240	40,954,943	-	-	-	56,382,183
Deposits	-	-	-	-	-	74,463,580
	10,804,342,768	40,954,943	-	197,421,587	1,581,903,555	12,701,803,503
Financial liabilities						
Payable to Atlas Asset Management Limited - Management Company	34,141,339	-	-	-	-	34,141,339
Payable to Central Depository Company of Pakistan Limited - Trustee	888,411	-	-	-	-	888,411
Payable against redemption of units	6,399,179	-	-	-	-	6,399,179
Unclaimed dividend	40,464	-	-	-	-	40,464
Accrued expenses and other liabilities	400,425	720,256	-	-	-	1,120,681
	41,869,818	720,256	-	-	-	42,590,074
Net assets / (liabilities)	10,762,472,950	40,234,687	-	197,421,587	1,581,903,555	12,659,213,429

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	As at 30 June 2016						
	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							
Cash and bank balances	3,151,610,471	-	-	-	-	-	3,151,610,471
Investments	-	202,467,164	264,762,325	1,779,000,366	1,365,441,607	2,599,068	3,614,270,530
Receivable against issue of units	610,369	-	-	-	-	-	610,369
Receivable against Margin Trading System	1,090,153,567	-	-	-	-	-	1,090,153,567
Interest / profit accrued	50,184,539	38,206,412	10,251,110	-	-	-	98,642,061
Deposits	-	-	-	-	-	350,000	350,000
	4,292,558,946	240,673,576	275,013,435	1,779,000,366	1,365,441,607	2,949,068	7,955,636,998
Financial liabilities							
Payable to Atlas Asset Management Limited - Management Company	32,512,009	-	-	-	-	-	32,512,009
Payable to Central Depository Company of Pakistan Limited - Trustee	881,873	-	-	-	-	-	881,873
Payable against redemption of units	18,310	-	-	-	-	-	18,310
Dividend payable	40,464	-	-	-	-	-	40,464
Accrued expenses and other liabilities	123,128	592,478	-	-	-	-	715,606
	33,575,784	592,478	-	-	-	-	34,168,262
Net assets / (liabilities)	4,258,983,162	240,081,098	275,013,435	1,779,000,366	1,365,441,607	2,949,068	7,921,468,736

25.3 Credit risk

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

	2017	2016
	Rupees	
Bank balances and term deposits	9,679,898,539	3,151,610,471
Investments in debt instruments	1,779,325,142	869,233,578
Receivable against issue of units	43,351,347	610,369
Receivable against Margin Trading System	260,438,209	1,090,153,567
Interest / profit accrued	56,382,183	30,519,730
Deposits	74,463,580	350,000
	11,893,859,000	5,142,477,715

The maximum exposure to credit risk before any credit enhancement as at 30 June 2017 is the carrying amount of the financial assets. Investment in government securities, however, are not exposed to credit risk and have been excluded from the above analysis as these are guaranteed by the Government of Pakistan.

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 contracts in accordance with internal risk management policies and instruments guidelines approved by the Investment Committee.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

25.3.2 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 investments in term finance and sukuk certificates. The credit rating profile of banks and issuers of TFCs is as follows:

Rating	% of financial assets exposed to credit risk	
	2017	2016
AAA	56.30	16.82
AA+	21.63	-
AA	15.70	78.35
AA-	5.92	3.61
A+	0.45	1.22
	100.00	100.00

25.3.3 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 and sukuk certificates are 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 and sukuk certificates:

	% of debt instruments	
	2017	2016
Banks	100.00	100.00

26 FAIR VALUE MEASUREMENT

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

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

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

Fair value hierarchy

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

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

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at 30 June 2017, the Fund held the following financial instruments measured at fair values:

	Level 1	Level 2	Level 3
	----- Rupees -----		
2017			
At fair value through profit or loss	-	1,978,246,310	-
Available-for-sale	2,717,070	-	-
	2,717,070	1,978,246,310	-
2016			
At fair value through profit or loss	-	3,611,671,462	-
Available-for-sale	2,599,068	-	-
	2,599,068	3,611,671,462	-

27 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 the NBFC Regulations, 2008 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 the scheme. The Fund has historically maintained and complied with the requirement of minimum fund size at all times.

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 25, 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.

28 UNIT HOLDING PATTERN OF THE FUND

Category	2017			2016		
	Number of unit holders	Investment amount (Rupees)	Percentage of total	Number of unit holders	Investment amount (Rupees)	Percentage of total
Individuals	276	495,314,861	3.95	291	445,002,685	5.70
Associated Companies / Directors	12	10,825,391,365	86.25	14	6,825,524,337	87.41
Insurance Companies	9*	134,851,389	1.07	1	100,040,427	1.28
Retirement Funds	26	481,308,164	3.83	24	413,100,612	5.29
Public Limited Companies	2	509,601,042	4.06	1	1,761,042	0.02
NBFCs	-	-	0.00	-	-	-
Others	13	104,459,842	0.83	8	22,898,365	0.29
	338	12,550,926,663	100.00%	339	7,808,327,468	100.00%

* These include investments made by 8 unit linked funds managed by an insurance company.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

29 LIST OF TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

2017		2016	
Name of broker	Percentage of commission paid	Name of broker	Percentage of commission paid
Invest and Finance Securities Limited	14.34	Invest Capital Markets Limited	31.54
Shajar Capital Pakistan (Private) Limited	14.13	Global Securities Pakistan Limited	24.27
ABA Ali Habib Securities (Private) Limited	13.48	KASB Securities Limited	18.89
Topline Securities (Private) Limited	13.23	Next Capital Limited	8.40
Axis Global Limited	11.46	Invest & Finance Securities Limited	6.72
AlFalah Securities (Private) Limited	10.69	BMA Capital Management Limited	6.31
Intermarket Securities (Private) Limited	10.42	JS Global Capital Limited	3.87
Next Capital Limited	3.62		
Invest Capital Markets Limited	2.24		
JS Global Capital Limited	1.84		

30 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	49 Years
Mr. Ali H. Shirazi	Director	Masters in Law	13.5 years
Mr. M. Abdul Samad	Chief Operating Officer	MBA, MCom	17 Years
Mr. Khalid Mehmood	Chief Investment Officer	MBA - Finance	13 Years
Mr. Muhammad Umar Khan	Fund Manager	MSc - Finance	9 Years
Mr. Fawad Javaid	Fund Manager	CMA	9 Years
Mr. Faran-ul-Haq	Fund Manager	B.A, CFA	6 Years

31 NAME AND QUALIFICATION OF THE FUND MANAGER

Name	Designation	Qualification	Other Funds managed by the Fund Manager
Mr. Muhammad Umar Khan	Fund Manager	MSc - Finance	Atlas Gold Fund

32 MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

The dates of the meetings of the Board of Directors of the Management Company of the Fund and the attendance of its members are given below:

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Name of Directors	Meeting held on					
	11 July 2016	29 August 2016	27 October 2016	27 February 2017	27 April 2017	12 June 2017
Mr. Yusuf H. Shirazi	P	P	P	P	L	P
Mr. Tariq Amin	N/A**	P	P	P	P	P
Mr. Shamsad Nabi	P	L	L	P	P	P*
Mr. Fahim Ali Khan	P	P	P	P	P	P
Mr. Ali H. Shirazi	P	P	P	P	P	P
Mr. Arshad P. Rana	L	L	P	P	P	P*
Mr. M. Habib-ur-Rahman	P	L	P	P	P	P
Ms. Qurrat-ul-ain Jafari (Chief Financial Officer and Company Secretary)	P	P	P	P	P	P

* Attended through teleconference call.

** Joined w.e.f. 09 August 2016

P Present

L Leave of absence

33 RATING OF THE FUND AND THE MANAGEMENT COMPANY

The Pakistan Credit Rating Agency Limited (PACRA) has upgraded the asset manager rating of the Management Company to AM2+ (AM Two Plus) [2016: AM2 (AM Two)] on 4 May 2017. The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.

Furthermore, PACRA has maintained the stability rating of "AA- (f)" (Double A minus) to the Fund [2016: "AA- (f)" (Double A minus)] on 12 July 2017.

34 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 have been made in these financial statements during the current year.

35 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on 30 August 2017.

36 GENERAL

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

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

Qurrat-ul-Ain Jafari
Chief Financial Officer

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

Atlas Stock Market Fund

Corporate Information

Trustee

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

Auditors

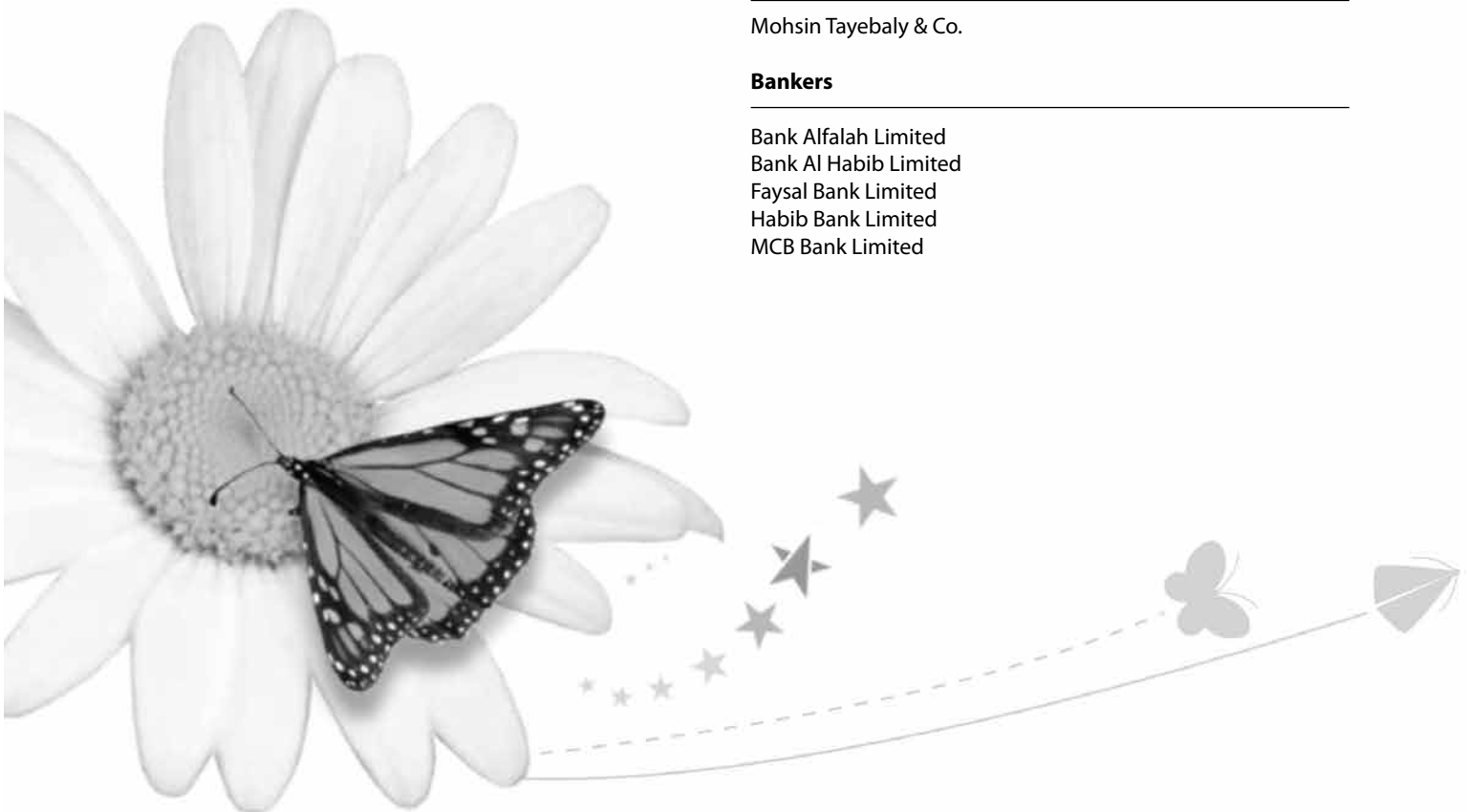
A. F. Ferguson & Co.
Chartered Accountants

Legal Advisers

Mohsin Tayebaly & Co.

Bankers

Bank Alfalah Limited
Bank Al Habib Limited
Faysal Bank Limited
Habib Bank Limited
MCB Bank Limited



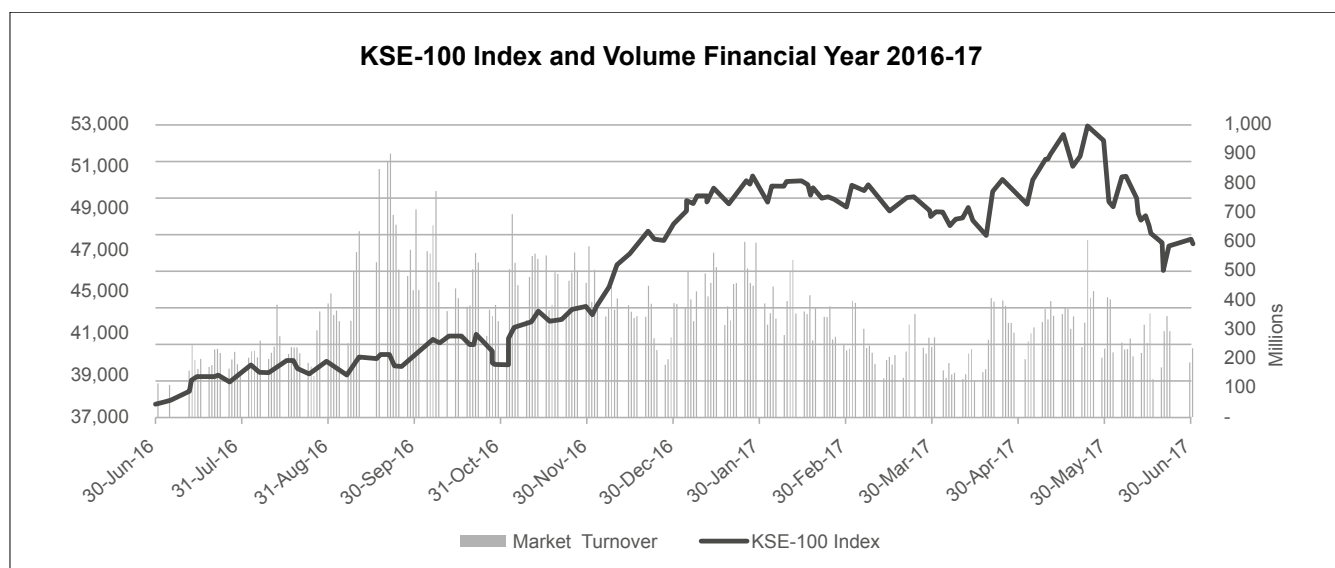
Fund Manager's Report

Atlas Stock Market Fund (ASMF) 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'S 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.

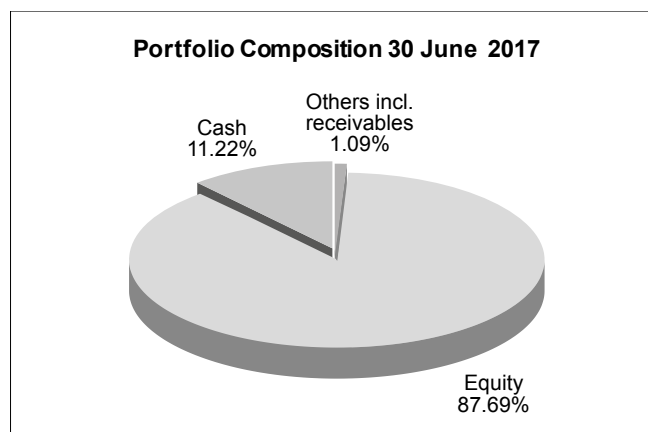
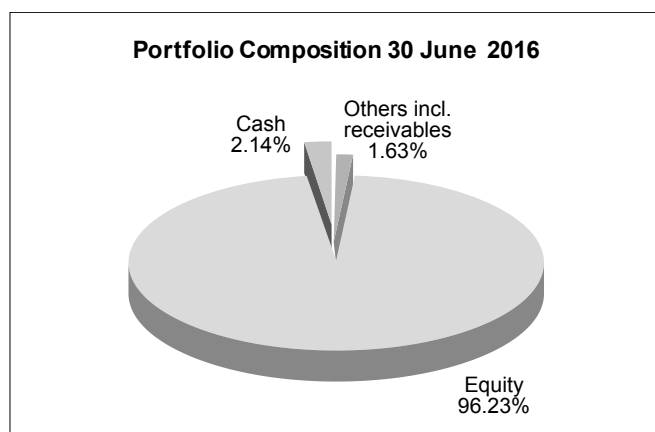
KSE- 100 Index serves as the performance benchmark of Atlas Stock Market Fund.

The KSE-100 index has increased from 37,783.54 points as on 30 June 2016 to 46,565.29 points as on 30 June 2017, increasing by 23.24%. The average volumes during the year increased by 68% to 350 million shares from 208 million shares traded last year. Net Foreign portfolio outflow during the year was recorded at US\$652 million compared to outflow of US\$282 million last year. On the local front Mutual Funds, Insurance Companies, and Companies were the most active participants investing US\$576 million, US\$220 million and US\$127 million during the period. Banks/DFIs and Individuals, on the other hand, reduced their exposure in the equity market by US\$187 million and US\$53 million, respectively.

During the period the sectors that outperformed the market were Engineering, Automobile Assemblers, Automobile & Parts, Oil & Gas Marketing Companies, and Refinery that posted 207%, 97%, 95%, 61% and 33% return respectively.



The Net Asset Value per unit of ASMF has increased by 33.74% to Rs.666.82 as on 30 June 2017. The benchmark KSE-100 index has increased by 23.24% during the same period. The main drivers of return for the index were HBL, UBL, LUCK, SNGP, MTL, ISL, POL, HCAR, MARI & NESTLE as they contributed approximately 4,598 points to the index. It is pertinent to highlight that KSE-30 index yielded only 12.00% return as against KSE- All index that yielded 28.37% return during the same period.



The ASMF equity portfolio exposure was mainly in Commercial Bank, Cement, Oil & Gas Exploration and Fertilizer 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 your Fund stood at Rs 5.53 billion, with 8.29 million units outstanding as of 30 June 2017.

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 are as under:

Administrative Plans	Proportionate Investment in		Return (period ended)				
	AIF	ASMF	2012-13	2013-14	2014-15	2015-16	2016-17
Income Multiplier	85%	15%	15.8%	11.7%	13.3%	7.6%	9.7%
Balanced	50%	50%	30.4%	19.3%	16.0%	6.5%	19.6%
Growth	15%	85%	44.9%	26.8%	18.6%	5.5%	29.5%

Breakdown of Unit holding by size:

Fund Manager Report:	No. of Investors	Amount of Investment (Rs.)	% of Total
Individual	400	527,035,057	9.54%
Associated Companies / Director	9	3,498,596,263	63.29%
Insurance Companies	2	105,549,152	1.91%
Bank	1	166,011,913	3.00%
Retirement Funds	31	911,498,985	16.49%
Others	11	318,984,784	5.77%
Total	454	5,527,676,154	100.00%

The Scheme had maintained prior years' provisions against WWF of Rs. 34,031,289 till 30 June 2015. After Honorable Supreme Court of Pakistan judgment on 10 November 2016, this provision was reversed on 12 January 2017. The Fund has made provision against SWWF, which up till 30 June 2017 amounted to Rs. 38,835,533 (Rs.4.68 per unit). The Scheme has held provision for FED liability that amounted to Rs. 20,301,988 (Rs.2.45 per unit) as on 30 June 2017.

The Board of Directors of Atlas Asset Management Limited, the Management Company of Atlas Stock Market Fund has approved a final cash dividend of Rs 15.00 per unit (3.00% on the face value of Rs. 500 per unit).

The Total Expense Ratio (TER) of the Fund as at 30 June 2017 is 3.63% which includes 1.10% representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, annual fee to the SECP, etc.

The NAV before distribution stood at Rs 666.82 per unit and after adjustment for cash dividend stood at Rs 651.82 per unit.

During the year under review, the Investment Committee held thirty five meetings to review investment of the Fund and the Risk Committee held twenty nine meetings to review risk management.

Karachi: 30 August 2017

Faran-UI-Haq
Fund Manager

Supplementary Non Financial Information as required under clause 38 A (g) of NBFC and NE Regulations, 2008

Summary of actual proxies voted by Atlas Islamic Stock Fund

	Resolution	For	Against	Abstain
Number	234	234	NIL	N/A
(%)	100%	100%	-	-

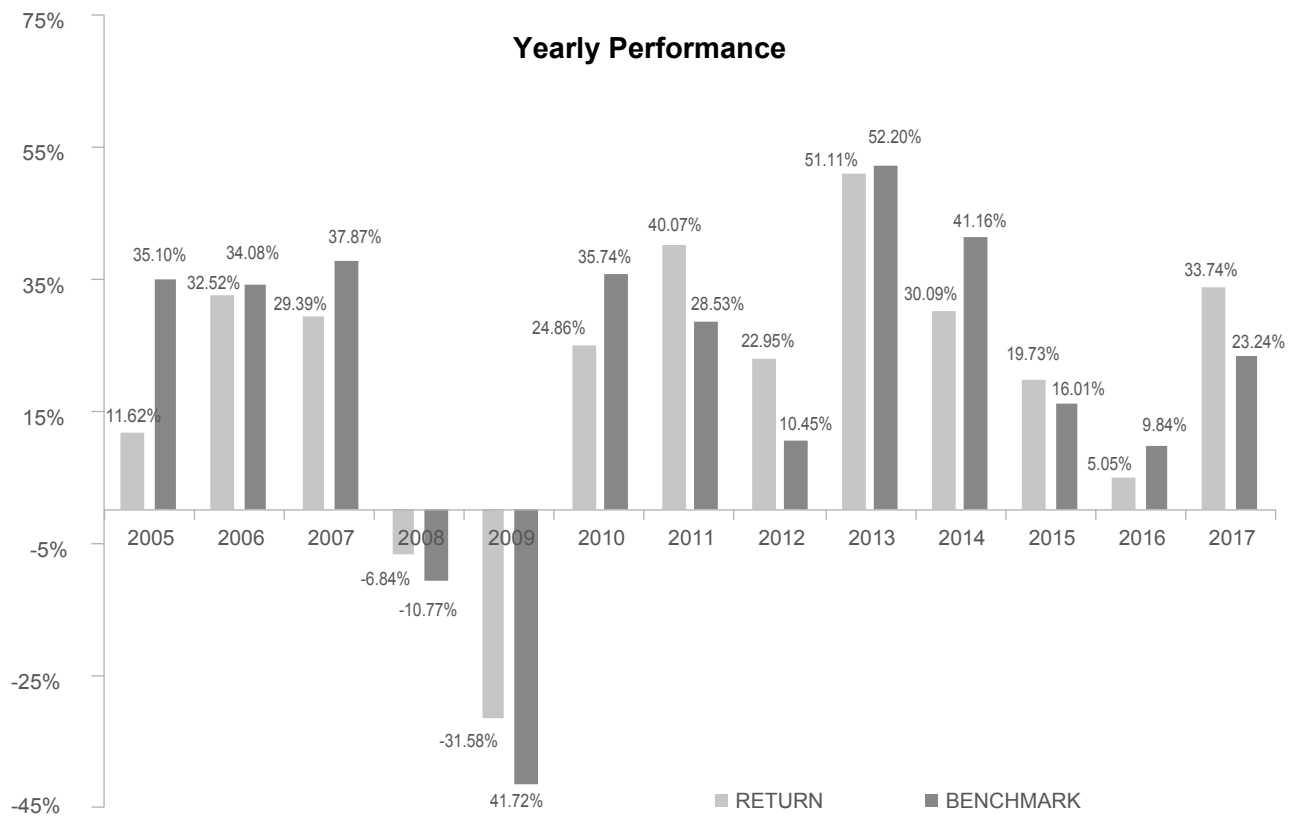
Note: The Proxy voting policy of the Atlas Islamic Stock Fund (AISF) is available on the website of Atlas Asset Management Limited and detailed information regarding actual proxies voted by the Company in respect of the Fund is also available without charge, upon request, to all unit holders.

Performance Since Inception

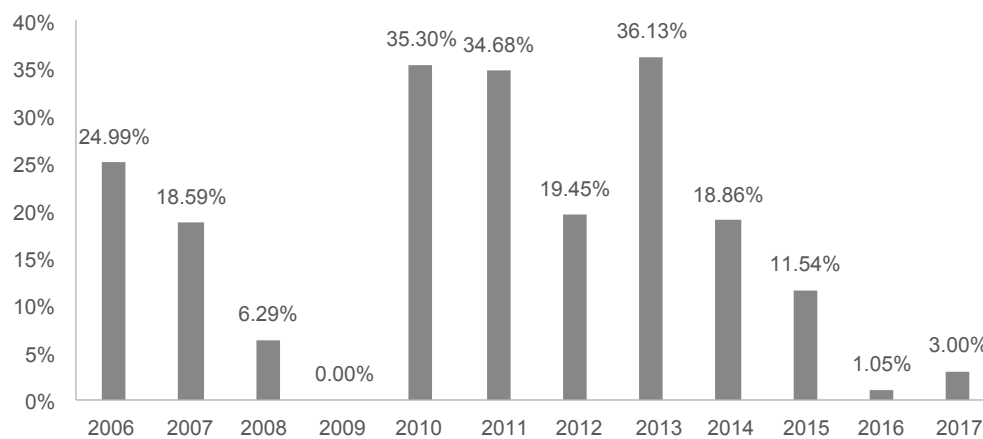
	2017	2016	2015	2014	2013	2012	2011	2010*	2009	2008	2007	2006	2005
Net assets (Rs. in '000)	5,527,676	4,017,187	3,304,662	1,049,717	1,035,727	710,617	650,259	645,129	689,228	1,320,643	1,522,066	1,534,739	918,413
Number of units in issue	8,289,668	7,979,640	6,257,738	2,379,851	1,981,235	1,729,144	1,463,694	1,458,982	1,946,267	2,379,248	2,187,372	2,315,580	1,632,318
Net asset value per unit (Rs.)	666.82	503.43	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)	1,395,859	202,191	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 (Rs.)	168.39	25.34	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 (%)	33.74	5.05	19.73	30.09	51.11	22.95	40.07	24.86	(31.58)	(6.84)	29.39	32.52	11.62
Offer price ** (Rs.)	666.82	503.43	528.09	441.08	533.32	419.21	453.15	451.02	361.21	566.17	709.77	675.85	574.66
Redemption price ** (Rs.)	666.82	503.43	528.09	441.08	522.86	410.99	444.26	442.18	354.13	555.07	695.85	662.60	563.39
Distribution Per Unit (Rs.)	15.00	5.00	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	3.00	1.05	11.34	18.86	36.13	19.45	34.68	35.30	-	6.29	18.59	24.99	12.50
Date of distribution	07-Jul-17	11-Jul-16	07-Jul-15	24-Jun-14	04-Jul-13	05-Jul-12	07-Jul-11	08-Jul-10	-	04-Jul-08	20-Jul-07	19-Jul-06	15-Jul-05
Highest offer price (Rs.)	741.32	519.23	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 (Rs.)	519.17	420.92	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 (Rs.)	741.32	519.23	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 (Rs.)	519.17	420.92	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.



Payout History (% on opening Ex - NAV)



STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2017

This statement is being presented to comply with the Code of Corporate Governance (the Code) contained in Regulation No. 5.19 of Listing Regulations of the Pakistan Stock Exchange Limited 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 Stock Market Fund, being listed at the Pakistan Stock Exchange Limited, 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. Tariq Amin 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 5.19.1.(b) of the Code.

2. The directors have confirmed that none of them is serving as a director in more than seven listed companies, including this company.
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 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, in his absence, by a director elected by the board for this purpose, 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. The Board Evaluation Committee (BEC) was formed in order to comply with the requirements of the CCG, 2012 requiring the Board of Directors to implement a mechanism for the annual evaluation of the Board's performance. The terms of reference of the BEC require the BEC members to carry out the assessment of the Board members' questionnaires submitted by them, to evaluate the findings therefrom, and apprise the Board in the subsequent Board meeting, with recommendations for improvement. The BEC comprises of three members both the independent directors of which one is the Chairman of the BEC, and one member from the sponsor family. The CEO serves as the secretary to this committee.

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10. Five 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 5.19.7 of the Pakistan Stock Exchange Regulations, whilst the remaining two Board members have completed their Directors' certification programs from institutes meeting the criteria specified by the Securities & Exchange Commission of Pakistan.
 11. No new appointment of the Chief Financial Officer & Company Secretary and Chief Internal Auditor was made during the year. The terms of remuneration of the Chief Financial Officer & Company Secretary, and the Chief Internal Auditor have been approved by the Board.
 12. 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.
 13. The financial statements of the Fund were duly endorsed by CEO and CFO before the approval of the Board.
 14. The Directors, CEO and Executives do not hold units other than those disclosed in note 20 to the financial statements "Transactions with Related Parties/Connected Persons", and as disclosed in the pattern of unit holdings disclosed in note 25 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.
 15. The Management Company has complied with the corporate and financial reporting requirements of the Code.
 16. 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.
 17. 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.
 18. 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.
 19. 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.
 20. 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.
 21. 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.
 22. 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.
 23. Material /price sensitive information has been disseminated among all market participants at once through the Stock Exchange.
 24. The Management Company has complied with the requirements relating to maintenance of register of persons having access to inside information designated by a senior management officer in a timely manner and maintained proper records including basis for inclusion or exclusion of names of persons from the said list.
 25. We confirm that all other material principles contained in the Code have been complied with.

Karachi: August 30, 2017

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, 2017 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: 15 September 2017

Aftab Ahmed Diwan
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 Stock Market Fund** (the Fund) for the year ended June 30, 2017 to comply with the Listing Regulation No.5.19 of the Pakistan Stock Exchange Limited where the Fund is listed.

The responsibility for compliance with the Code 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 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 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 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 as applicable to the Fund for the year ended June 30, 2017.

Karachi: 13 September 2017

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, 2017, 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, 2017 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.

A. F. Ferguson & Co.
Chartered Accountants

Karachi: 13 September 2017

Engagement Partner: Salman Hussain

STATEMENT OF ASSETS AND LIABILITIES

AS AT 30 JUNE 2017

	Note	2017 ----- Rupees -----	2016
ASSETS			
Cash and bank balances	4	657,895,685	87,995,286
Investments	5	5,141,997,098	3,951,512,733
Receivable against issue of units	6	446,198	-
Dividend receivable		10,002,401	7,625,450
Profit receivable on bank balances		2,761,535	505,983
Receivable against sale of investments		35,897,649	46,155,287
Deposits, prepayments and other receivables	7	14,691,927	12,641,445
Total assets		5,863,692,493	4,106,436,184
LIABILITIES			
Payable to Atlas Asset Management Limited - Management Company	8	34,515,696	31,090,868
Payable to the Central Depository Company of Pakistan Limited - Trustee	9	683,708	511,785
Payable to the Securities and Exchange Commission of Pakistan	10	5,082,930	3,361,379
Payable against purchase of investments		123,032,718	16,516,818
Payable against redemption of units	11	129,739,015	884,179
Unclaimed dividend		401,733	618,890
Accrued expenses and other liabilities	12	42,560,539	36,264,331
Total liabilities		336,016,339	89,248,250
NET ASSETS		5,527,676,154	4,017,187,934
UNIT HOLDERS' FUNDS (AS PER STATEMENT ATTACHED)		5,527,676,154	4,017,187,934
CONTINGENCIES AND COMMITMENTS	13		
NUMBER OF UNITS IN ISSUE		8,289,668	7,979,640
NET ASSET VALUE PER UNIT		666.82	503.43

The annexed notes from 1 to 34 form an integral part of these financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 ----- Rupees -----	2016
INCOME			
Profit on bank balances		20,387,116	10,870,004
Dividend income		239,236,015	167,722,180
Capital gain / (loss) on sale of investments - net		996,866,327	(57,718,475)
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		317,444,090	202,102,512
		1,314,310,417	144,384,037
Element of loss and capital losses included in prices of units issued less those in units redeemed - net		(17,877,121)	(5,883,006)
Total income		1,556,056,427	317,093,215
EXPENSES			
Remuneration of Atlas Asset Management Limited - Management Company	8.1	107,009,036	70,765,870
Sindh Sales Tax on remuneration of the Management Company	8.2	13,911,175	11,492,377
Federal Excise Duty on remuneration of the Management Company	8.3	-	11,322,539
Remuneration of the Central Depository Company of Pakistan Limited - Trustee	9.1	6,350,452	4,538,743
Sindh Sales Tax on remuneration of the Trustee		825,559	635,424
Annual fee to the Securities and Exchange Commission of Pakistan	10.1	5,082,930	3,361,379
Accounting and operational charges	14	4,403,509	1,880,219
Sindh Sales Tax on accounting and operational charges		352,281	111,203
Auditors' remuneration	16	1,003,499	571,588
Annual listing fee		55,000	40,000
Annual rating fee		-	140,360
Legal and professional charges		123,759	143,248
Securities transaction cost	17	15,480,617	9,773,666
Printing charges		246,046	48,284
Bank charges		549,230	77,712
Reversal of provision for Workers' Welfare Fund	12.1	(34,031,289)	-
Provision for Sindh Workers' Welfare Fund	12.1	38,835,533	-
Total expenses		160,197,337	114,902,612
Net income for the year before taxation		1,395,859,090	202,190,603
Taxation	18	-	-
Net income for the year after taxation		1,395,859,090	202,190,603
Earnings per unit	19		

The annexed notes from 1 to 34 form an integral part of these financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2017

	2017 ----- Rupees -----	2016 ----- Rupees -----
Net income for the year after taxation	1,395,859,090	202,190,603
Other comprehensive income	-	-
Total comprehensive income for the year	1,395,859,090	202,190,603

The annexed notes from 1 to 34 form an integral part of these financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

DISTRIBUTION STATEMENT FOR THE YEAR ENDED 30 JUNE 2017

	2017 ----- Rupees -----	2016 ----- Rupees -----
Undistributed income brought forward [includes unrealised gain on investments of Rs. 202,102,807] (2016: unrealised gain of Rs. 77,101,829)	398,629,142	509,325,429
Cash dividend for the year ended 30 June 2016 at the rate of Rs. 5 per unit declared on 11 July 2016 (2015: Rs. 50 per unit declared on 7 July 2015)	(39,898,199)	(312,886,890)
Net income for the year after taxation	1,395,859,090	202,190,603
Undistributed income carried forward [includes unrealised gain on investments of Rs. 9,897,961,813] (2016: unrealised gain of Rs. 202,102,807)	1,754,590,033	398,629,142

The annexed notes from 1 to 34 form an integral part of these financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND FOR THE YEAR ENDED 30 JUNE 2017

	2017		2016	
	Units	Rupees	Units	Rupees
Number of units / net assets at beginning of the year [Rs. 503.43 (2016: Rs. 528.09) per unit]	7,979,640	4,017,187,934	6,257,738	3,304,661,688
Issue of units	4,335,654	2,719,940,833	2,415,188	1,144,650,908
Redemption of units	(4,025,626)	(2,583,290,625)	(693,286)	(327,311,381)
	310,028	136,650,208	1,721,902	817,339,527
Element of loss and capital losses included in prices of units issued less those in units redeemed - net	-	17,877,121	-	5,883,006
Cash dividend for the year ended 30 June 2016 at the rate of Rs. 5 per unit declared on 11 July 2016 (2015: Rs 50 per unit declared on 7 July 2015)	-	(39,898,199)	-	(312,886,890)
Capital gain / (loss) on sale of investments - net	-	996,866,327	-	(57,718,475)
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	-	317,444,090	-	202,102,512
Other income (net of expenses) for the year	-	81,548,673	-	57,806,566
Total comprehensive income for the year	-	1,395,859,090	-	202,190,603
Number of units / net assets at end of the year [Rs. 666.82 (2016: Rs 503.43) per unit]	8,289,668	5,527,676,154	7,979,640	4,017,187,934

The annexed notes from 1 to 34 form an integral part of these financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 ----- Rupees -----	2016
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year after taxation		1,395,859,090	202,190,603
Adjustments:			
Profit on bank balances		(20,387,116)	(10,870,004)
Dividend income		(239,236,015)	(167,722,180)
Capital (gain) / loss on sale of investments - net		(996,866,327)	57,718,475
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		(317,444,090)	(202,102,512)
Element of loss and capital losses included in prices of units issued less those in units redeemed - net		17,877,121	5,883,006
Reversal of provision for Workers' Welfare Fund		(34,031,289)	-
Provision for Sindh Workers' Welfare Fund		38,835,533	-
		(1,551,252,183)	(317,093,215)
Increase in assets			
Deposits, prepayments and other receivables		(2,050,482)	(9,846,668)
Increase / (decrease) in liabilities			
Payable to Atlas Asset Management Limited - Management Company		3,424,828	15,485,035
Payable to the Central Depository Company of Pakistan Limited - Trustee		171,923	152,512
Payable to the Securities and Exchange Commission of Pakistan		1,721,551	1,793,227
Accrued expenses and other liabilities		1,491,964	(1,275,051)
		6,810,266	16,155,723
Profit received on bank balances		18,131,564	11,317,517
Dividend received		236,859,064	168,386,269
Investments made during the year		(7,920,635,298)	(5,525,577,891)
Investments sold during the year		8,161,234,888	4,621,735,506
		495,590,218	(724,138,599)
Net cash generated from / (used in) operating activities		344,956,909	(832,732,156)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net receipts from issuance of units		2,719,494,635	1,157,179,377
Net payments against redemption of units		(2,454,435,789)	(330,962,685)
Cash payout against distribution		(40,115,356)	(312,268,000)
Net cash generated from financing activities		224,943,490	513,948,692
Net increase / (decrease) in cash and cash equivalents		569,900,399	(318,783,464)
Cash and cash equivalents at the beginning of the year		87,995,286	406,778,750
Cash and cash equivalents at the end of the year	4	657,895,685	87,995,286

The annexed notes from 1 to 34 form an integral part of these financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Atlas Stock Market Fund (the Fund) is an open ended Mutual Fund constituted under a trust deed entered into on 29 May 2004 between Atlas Asset Management Limited (AAML) as the management company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed has been revised through the First, Second, Third, Fourth, and Fifth Supplemental Trust Deeds dated 21 June 2005, 24 July 2006, 29 October 2007, 6 March 2008, 4 December 2009 respectively, with the approval of the SECP. The Offering Document has been revised through the First, Second, Third, Fourth, Fifth, Sixth, Seventh and Eighth Supplements dated 21 June 2005, 24 July 2006, 29 October 2007, 6 March 2008, 4 December 2009, 14 October, 2013, 24 March 2015 and 03 August 2015 respectively, with the approval of the SECP. The registered office of AAML is situated at Ground Floor, Federation House, Shahrae Firdousi, Clifton, Karachi.
- 1.2 The Fund has been categorised as an 'equity scheme' by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009. The Fund is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription at a par value of Rs. 500 per unit. Thereafter, the units are being offered to the public for subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.
- 1.3 According to the trust deed, the objective of the Fund is to provide investors one window facility to invest in a diversified portfolio of equity securities offering consistent returns and growth. The Fund aims to deliver this objective mainly by investing in equity securities of companies that are paying regular dividend, have growth prospects or are actively traded. Any amounts which have not been invested in equity securities may be invested in liquid instruments including bank deposits (excluding TDRs) and treasury bills not exceeding 90 days maturity. The investment objectives and policies are more fully defined in the Fund's Offering Document.
- 1.4 Titles to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These 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.

The Companies Ordinance, 1984 has been repealed after the enactment of the Companies Act, 2017 (the Act) on 30 May 2017. However, the SECP vide its press release dated 20 July 2017 allowed Companies whose FY closes on or before 30 June 2017 to prepare the financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. The Act does not impact the financial statements of the Fund for the year ended 30 June 2017.

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

The following standards, interpretations and amendments with respect to approved accounting standards were effective during the current year:

Standard, interpretation or amendment	Effective date (accounting periods beginning on or after)
- Amendment to IFRS 11, "Joint arrangements" on acquisition of an interest in a joint operation	01 January 2016

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Standard, interpretation or amendment	Effective date (accounting periods beginning on or after)
- Amendments to IAS 1, 'Presentation of financial statements' disclosure initiative	01 January 2016
- Amendment to IAS 16, 'Property, plant and equipment' and IAS 38, 'Intangible assets', on depreciation and amortisation	01 January 2016
- Amendments to IAS 16, 'Property, plant and equipment' and IAS 41, 'Agriculture' on bearer plants	01 January 2016
- Amendments to IAS 27, 'Separate financial statements' on equity accounting	01 January 2016

The adoption of the above amendments and improvements to accounting standards and interpretations did not have any effect on the financial statements of the Fund for the year ended 30 June 2017.

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

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

Standard, interpretation or amendment	Effective date (accounting periods beginning on or after)
- Amendments to IAS 7, 'Statement of cash flows'	01 January 2017
- Amendments to IAS 12, 'Income taxes' on Recognition of deferred tax assets for unrealised losses	01 January 2017

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

As stated in note 2.1, the Companies Act, 2017 (the Act) has been enacted on May 30, 2017, superseding the Companies Ordinance, 1984. The Act does not impact the financial statements of the Fund for the year ended June 30, 2017.

The SECP vide its statutory notification (S.R.O) no. 756(I) / 2017 dated 03 August 2017, has amended the NBFC Regulations. The amendments define 'Element of income included in the unit price' and also specifies the accounting treatment for the said income/loss. The amendments also introduced changes in Schedule V of the NBFC Regulations, resulting in certain changes in the presentation of Income Statement and Statement of movement in reserves or Unit holder's fund. The amendments would be applicable for the accounting year ending on June 30, 2018 and will not have any impact on the per unit net asset value of the Fund.

In accordance with Regulation 60(3)(v) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 the Securities and Exchange Commission of Pakistan (SECP) has issued circular no. 40 of 2016 dated December 30, 2016 (later amended vide circular no. 05 of 2017 dated February 13, 2017) whereby selling and marketing expenses have been allowed to be charged to open end equity, asset allocation and index funds upto a maximum of 0.4% per annum of net assets of the fund or actual expenses, whichever is less for a period of three years (from January 1, 2017 till December 31, 2019). These circulars, however, set down certain preconditions to be met by the AMCs in order to become eligible to charge selling and marketing expenses to collective investment schemes (CISs). During the year ended June 30, 2017, the Management Company has not availed benefit of charging any selling and marketing expenses to the Fund.

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Standard	Effective date (accounting periods beginning on or after)
- IFRS 9 - Financial Instruments	01 January 2018
- IFRS 14 - Regulatory Deferral Accounts	01 January 2018
- IFRS 15 - Revenue from Contracts with Customers	01 January 2018
- IFRS 16 - Leases	01 January 2019
- IFRS 17 - Insurance contracts	01 January 2021

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 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. 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 of the Fund relate to classification and valuation of investments and provision there against (notes 3.2 and 5) and taxation (notes 3.12 and 18).

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 :

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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.

3.2.2 Regular way contracts

All regular way purchases / sales of financial assets are recognised on the trade date, i.e. the date on which the Fund commits to purchase / sell the financial assets. Regular way purchases / sales of financial assets require delivery of securities within two days after the 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 investments of the Fund in equity securities are valued on the basis of closing quoted market prices available at the stock exchange. A security listed on the stock exchange shall be valued at the closing price determined by such exchange in accordance with its regulations.

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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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.

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 / distributors 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,

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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 Distributions to unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Distribution Committee of the Board of Directors of the Management Company under the powers delegated to them by the Board of Directors of the Management Company or 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.

3.9 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

- Gains or losses on sale of investments are included in the Income Statement in the period in which these 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.
- Unrealised gains / losses arising on revaluation of investments classified as 'at fair value through profit or loss' is included in the Income Statement in the period in which these 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.

3.11 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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 as cash dividend.

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 as cash dividend.

3.13 Earnings per unit

Earnings / (loss) per unit is calculated by dividing the net income of the year before taxation of the Fund by the weighted average number of units outstanding during the year.

		2017	2016
	Note	----- Rupees -----	
4 CASH AND BANK BALANCES			
Balances with banks			
- in savings accounts	4.1	657,372,935	87,990,286
- in current account		22,750	5,000
Cheques in hand	4.2	500,000	-
		657,895,685	87,995,286

4.1 The rate of return on these accounts ranges between 3.75% and 6.60% (30 June 2016: 5.00% and 6.40%) per annum.

4.2 These cheques were received against issue of units which were cleared subsequent to the year end by 05 July 2017.

		2017	2016
	Note	----- Rupees -----	
5 INVESTMENTS			
At fair value through profit or loss - held for trading			
Investments in listed equity securities	5.1	5,141,997,098	3,951,512,733

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

5.1 Listed equity securities

At fair value through profit or loss - equity securities

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

Name of Investee Company	Notes	Number of shares					Rupees		Percentage of		
		As at 01 July 2016	Purchases during the year	Bonus / rights shares issued during the year	Sales during the year	As at 30 June 2017	Carrying value	Market value	Market value as a percentage of total investments	Market value as a percentage of net assets	Paid up value of shares held as a percentage of paid-up capital of investee company

Modaraba

First Equity Modaraba	-	500,000	-	500,000	-	-	-	-	-	-	-
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INVESTMENT COMPANIES

Arif Habib Limited	-	1,084,500	-	534,500	550,000	53,549,785	44,225,500	0.86	0.80	1.00
Jahangir Siddiqui & Company Limited	-	1,100,000	-	1,100,000	-	-	-	-	-	-
						53,549,785	44,225,500	0.86	0.80	

COMMERCIAL BANKS

COMMERCIAL BANKS											
Allied Bank Limited		50,000	1,150,000	-	50,000	1,150,000	110,474,429	103,063,000	2.00	1.86	0.10
Askari Bank Limited		-	3,448,000	-	2,948,000	500,000	10,174,515	10,085,000	0.20	0.18	0.04
Bank AL Habib Limited	5.3	4,570,000	1,716,500	-	5,831,000	455,500	25,265,545	25,849,625	0.50	0.47	0.04
Bank Alfalah Limited		2,950,000	9,419,500	-	5,188,500	7,181,000	249,035,387	288,676,200	5.62	5.22	0.45
Faysal Bank Limited		-	6,504,000	-	6,504,000	-	-	-	-	-	-
Habib Bank Limited		1,250,000	724,900	-	940,400	1,034,500	224,841,854	278,425,330	5.41	5.04	0.07
Habib Metropolitan Bank Limited		-	5,950,000	-	5,950,000	-	-	-	-	-	-
MCB Bank Limited		384,300	1,152,100	-	736,400	800,000	185,022,239	168,344,000	3.27	3.05	0.07
Meezan Bank Limited		-	1,004,000	-	1,004,000	-	-	-	-	-	-
National Bank of Pakistan		-	2,325,000	-	2,325,000	-	-	-	-	-	-
Summit Bank Limited		-	5,000,000	-	5,000,000	-	-	-	-	-	-
The Bank of Punjab		-	5,000,000	-	5,000,000	-	-	-	-	-	-
United Bank Limited	5.3	1,200,000	1,300,000	-	836,000	1,664,000	354,770,145	391,905,280	7.62	7.09	0.14
							1,159,584,114	1,266,348,435	24.62	22.91	

INSURANCE

Adamjee Insurance Company Limited	-	2,595,000	-	2,110,000	485,000	28,240,885	33,154,600	0.64	0.60	0.14
EFU General Insurance Limited	-	150,000	-	150,000	-	-	-	-	-	-
EFU Life Assurance Limited	-	121,500	-	120,500	1,000	206,279	275,000	0.01	-	-
Pakistan Reinsurance Company Limited	-	1,200,000	-	1,200,000	-	-	-	-	-	-
						28,447,164	33,429,600	0.65	0.60	

TEXTILE SPINNING

Gadoon Textile Mills Limited	-	42,000	-	42,000	-	-	-	-	-	-
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TEXTILE COMPOSITE

Gul Ahmed Textile Mills Limited	1,000,000	2,600,000	320,000	3,900,500	19,500	487,505	799,110	0.02	0.01	0.01
Nishat (Chunian) Limited	-	4,355,500	-	2,455,500	1,900,000	119,408,676	97,508,000	1.90	1.76	0.79
Nishat Mills Limited	1,450,000	100,000	-	850,000	700,000	78,403,275	111,076,000	2.16	2.01	0.20
The Crescent Textile Mills Limited	-	505,500	-	505,500	-	-	-	-	-	-
						198,299,456	209,383,110	4.08	3.78	

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

5.1 Listed equity securities (Continued...)

Name of Investee Company	Notes	Number of shares					Rupees		Percentage of		
		As at 01 July 2016	Purchases during the year	Bonus / rights shares issued during the year	Sales during the year	As at 30 June 2017	Carrying value	Market value	Market value as a percentage of total investments	Market value as a percentage of net assets	Paid up value of shares held as a percentage of paid-up capital of investee company

-----Percentage-----

SUGAR & ALLIED INDUSTRIES

Habib Sugar Mills Limited
(Face value of Rs 5 per share)

-	400,000	-	400,000	-	-	-	-	-	-	-
							-	-	-	-

CEMENT

Cherat Cement Company Limited
D.G. Khan Cement Company Limited
Dewan Cement Limited
Fauji Cement Company Limited
Kohat Cement Company Limited
Lucky Cement Limited
Pioneer Cement Limited
Thatta Cement Company Limited

308,500	372,000	-	430,500	250,000	43,693,867	44,695,000	0.87	0.81	0.14
1,200,000	520,000	-	1,200,000	520,000	101,446,099	110,843,200	2.16	2.01	0.12
-	2,000,000	-	2,000,000	-	-	-	-	-	-
2,500,000	2,535,500	-	2,100,000	2,935,500	114,553,845	120,443,565	2.34	2.18	0.21
200,000	363,000	-	25,000	538,000	144,311,174	123,341,880	2.40	2.23	0.35
235,000	172,500	-	137,500	270,000	215,278,852	225,790,200	4.39	4.09	0.08
700,000	617,800	-	772,800	545,000	66,753,176	70,850,000	1.38	1.28	0.24
-	700,000	-	700,000	-	-	-	-	-	-
					686,037,013	695,963,845	13.54	12.60	

REFINERY

Attock Refinery Limited
National Refinery Limited
Pakistan Refinery Limited

-	100,000	-	100,000	-	-	-	-	-	0.00
139,300	80,550	-	172,350	47,500	35,345,756	34,484,525	0.67	0.62	0.06
-	400,000	-	400,000	-	-	-	-	-	-
					35.345.756	34.484.525	0.67	0.62	

POWER GENERATION AND DISTRIBUTION

Engro Powergen Qadirpur Limited
K-Electric Limited
(Face value of Rs 3.50 per share)
Nishat Chunian Power Limited
Nishat Power Limited
Saif Power Limited
The Hub Power Company Limited

-	585,000	-	585,000	-	-	-	-	-	
7,000,000	4,305,500	-	8,305,500	3,000,000	25,028,243	20,700,000	0.40	0.37	0.01
836,500	216,500	-	1,053,000	-	-	-	-	-	-
-	5,091,500	-	2,310,500	2,781,000	130,177,366	131,374,440	2.55	2.38	0.79
-	32,500	-	32,500	-	-	-	-	-	-
300,000	2,460,700	-	1,395,700	1,365,000	168,155,904	160,291,950	3.12	2.90	0.12
					323,361,513	312,366,390	6.07	5.65	

OIL AND GAS MARKETING COMPANIES

Attock Petroleum Limited
Hi-Tech Lubricants Limited
Pakistan State Oil Company Limited
Sui Northern Gas Pipelines Limited
Sui Southern Gas Company Limited

-	142,350	-	142,350	-	-	-	-	-	-
650,000	420,000	-	1,070,000	-	-	-	-	-	-
650,000	242,100	-	598,600	293,500	115,432,285	113,687,225	2.21	2.06	0.11
-	3,425,000	-	2,075,000	1,350,000	105,394,623	201,042,000	3.91	3.64	0.21
-	2,150,000	-	1,475,000	675,000	28,180,528	24,576,750	0.48	0.44	0.08
					249,007,436	339,305,975	6.60	6.14	

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

5.1 Listed equity securities (Continued...)

Name of Investee Company	Note	Number of shares					Rupees		Percentage		
		As at 01 July 2016	Purchases during the year	Bonus / rights shares issued during the year	Sales during the year	As at 30 June 2017	Carrying value	Market value	Market value as a percentage of total investments	Market value as a percentage of net assets	Paid up value of shares held as a percentage of paid-up capital of investee company

OIL AND GAS EXPLORATION COMPANIES

Mari Petroleum Company Limited		285,000	148,500	-	283,350	150,150	144,568,019	236,582,346	4.60	4.28	0.14
Oil & Gas Development Company Limited		1,550,000	1,213,500	-	1,775,800	987,700	141,826,184	138,959,513	2.70	2.51	0.02
Pakistan Oilfields Limited		568,000	588,700	-	809,900	346,800	152,228,335	158,886,420	3.09	2.88	0.15
Pakistan Petroleum Limited	5.3	1,100,000	845,400	-	996,200	949,200	148,537,277	140,614,488	2.73	2.54	0.05
							587,159,815	675,042,767	13.12	12.21	

ENGINEERING

Aisha Steel Mills Limited		-	2,500,000	-	2,500,000	-	-	-	-	-	-
Amreli Steels Limited		730,000	570,000	-	1,300,000	-	-	-	-	-	-
International Industries Limited		1,280,500	850,100	-	1,696,100	434,500	99,260,217	160,143,665	3.11	2.90	0.36
International Steels Limited		-	600,000	-	400,000	200,000	28,924,580	25,578,000	0.50	0.46	0.05
Mughal Iron and Steel Industries Limited		502,225	423,000	-	920,000	5,225	752,080	421,814	0.01	0.01	0.00
							128,936,877	186,143,479	3.62	3.37	

AUTOMOBILE ASSEMBLER

Indus Motor Company Limited		58,050	87,200	-	83,770	61,480	103,410,637	110,270,528	2.14	2.00	0.08
Millat Tractors Limited		48,000	30,000	-	59,500	18,500	11,274,352	25,427,140	0.49	0.46	0.04
Pak Suzuki Motor Company Limited		-	105,000	-	105,000	-	-	-	-	-	-
							114,684,989	135,697,668	2.63	2.46	

AUTOMOBILE PARTS AND ACCESSORIES

Agriauto Industries Limited											
(Face value Rs 5 per share)		75,000	28,300	-	103,300	-	-	-	-	-	-
Thal Limited											
(Face value of Rs 5 per share)		-	74,700	-	4,700	70,000	36,937,296	42,422,100	0.83	0.77	0.09
							36,937,296	42,422,100	0.83	0.77	

CABLE AND ELECTRICAL GOODS

Pak Elektron Limited		-	2,171,000	-	1,621,000	550,000	48,061,289	60,676,000	1.18	1.10	0.11
							48,061,289	60,676,000	1.18	1.10	

TRANSPORT

Pakistan International Bulk Terminal Limited		1,000,000	1,000,000	-	2,000,000	-	-	-	-	-	-
Pakistan National Shipping Corporation		-	341,000	-	341,000	-	-	-	-	-	-
							-	-	-	-	-

TECHNOLOGY AND COMMUNICATION

Hum Network Limited											
(face value of Re 1 per share)		-	10,050,000	-	491,500	9,558,500	127,866,767	112,216,790	2.18	2.03	1.01
Netsol Technologies Limited		-	134,500	-	134,500	-	-	-	-	-	-
Pakistan Telecommunication Company Limited		2,500,000	2,500,000	-	5,000,000	-	-	-	-	-	-
							127,866,767	112,216,790	2.18	2.03	

FERTILIZER

Dawood Hercules Corporation Limited		-	150,000	-	148,900	1,100	146,994	149,996	-	-	-
Engro Corporation Limited		600,000	675,000	-	575,000	700,000	226,055,287	228,137,000	4.44	4.13	0.13
Engro Fertilizers Limited	5.3	2,937,000	3,663,500	-	1,250,500	5,350,000	353,609,070	295,534,000	5.75	5.35	0.40
Fauji Fertilizer Bin Qasim Limited		700,000	700,000	-	1,400,000	-	-	-	-	-	-
Fauji Fertilizer Company Limited		600,000	1,800,000	-	1,100,000	1,300,000	128,551,470	107,432,000	2.09	1.94	0.10
							708,362,821	631,252,996	12.28	11.42	

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

5.1 Listed equity securities (Continued...)

Name of Investee Company	Note	Number of shares					Rupees		Percentage		
		As at 01 July 2016	Purchases during the year	Bonus / rights shares issued during the year	Sales during the year	As at 30 June 2017	Carrying value	Market value	Market value as a percentage of total investments	Market value as a percentage of net assets	Paid up value of shares held as a percentage of paid-up capital of investee company

PHARMACEUTICALS

Abbott Laboratories (Pakistan) Limited	19,300	41,700	-	450	60,550	49,313,296	56,590,030	1.10	1.02	0.06
Ferozsons Laboratories Limited	-	60,000	-	60,000	-	-	-	-	-	-
Glaxosmithkline Consumer Healthcare Pakistan Limited	-	57,500	-	57,500	-	-	-	-	-	-
Glaxosmithkline Pakistan Limited	-	475,000	-	230,000	245,000	54,183,864	48,245,400	0.94	0.87	0.08
The Searle Company Limited	-	45,000	4,500	49,200	300	184,256	153,595	-	-	-
						103,681,416	104,989,025	2.04	1.89	

CHEMICAL

Akzo Nobel Pakistan Limited	-	188,100	-	188,100	-	-	-	-	-	-
Archroma Pakistan Limited	-	30,000	-	-	30,000	20,997,000	21,383,700	0.42	0.39	0.09
Engro Polymer & Chemicals Limited	-	5,600,000	-	3,600,000	2,000,000	58,687,260	73,000,000	1.42	1.32	0.30
ICI Pakistan Limited	-	30,000	-	30,000	-	-	-	-	-	-
Lotte Chemical Pakistan Limited	-	3,350,000	-	700,000	2,650,000	31,278,195	26,102,500	0.51	0.47	0.18
Sitara Chemical Industries Limited	-	89,350	-	49,350	40,000	17,999,998	17,784,800	0.35	0.32	0.19
						128,962,453	138,271,000	2.70	2.50	

FOODS AND PERSONAL CARE PRODUCTS

Al Shaheer Corporation Limited	656,250	576,500	162,187	1,378,000	16,937	849,094	679,343	0.01	0.01	0.01
Engro Foods Limited	100,000	100,000	-	200,000	-	-	-	-	-	-
Fauji Foods Limited	-	1,800	-	1,800	-	-	-	-	-	-
Murree Brewery Company Limited	-	26,600	-	-	26,600	20,641,718	20,528,550	0.40	0.38	0.12
Nestle Pakistan Limited	5,500	260	-	260	5,500	40,465,391	56,100,000	1.09	1.01	0.01
Rafhan Maize Products Company Limited	-	6,400	-	200	6,200	44,310,845	42,470,000	0.83	0.77	0.07
Treet Corporation Limited	-	400,000	-	400,000	-	-	-	-	-	-
						106,267,048	119,777,893	2.33	2.17	

GLASS AND CERAMICS

Tariq Glass Industries Limited	-	350,000	-	350,000	-	-	-	-	-	-
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MISCELLANEOUS

Pakistan Services Limited	-	150	-	150	-	-	-	-	-	-
Shifa International Hospitals Limited	130,000	-	-	130,000	-	-	-	-	-	-
Tri-Pack Films Limited	-	21,100	-	21,100	-	-	-	-	-	-

Total as at 30 June 2017

4,824,553,008 **5,141,997,098** **100.00** **93.02**

Total as at 30 June 2016

3,749,410,221 **3,951,512,733**

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

- 5.2** The cost of listed equity securities as at 30 June 2017 is Rs. 4,755,964,715 (30 June 2016: Rs 3,749,409,926).
- 5.3** 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	
	2017	2016	2017	2016
	----- Rupees -----		----- Rupees -----	
Pakistan Petroleum Limited	297,000	297,000	43,997,580	46,049,850
United Bank Limited	100,000	100,000	23,552,000	17,692,000
Engro Fertilizers Limited	425,000	-	23,477,000	-
Bank AL Habib Limited	-	425,000	-	18,326,000
			91,026,580	82,067,850

6 RECEIVABLE AGAINST ISSUE OF UNITS

This denotes Rs 215,619, Rs 166,648 and Rs 63,931 in respect of units issued to the unit holders of Atlas Income Fund, Atlas Money Market Fund and Atlas Pension Fund respectively based on their requests for transfer of units into the Fund received on or before 30 June 2017 against which amounts were received subsequent to the year ended 30 June 2017.

	Note	2017	2016
		----- Rupees -----	
7 DEPOSITS, PREPAYMENTS 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
Prepayments		1,181,732	-
Other receivables	7.1	10,910,195	10,041,445
		14,691,927	12,641,445

- 7.1** As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under sections 150 and 151. However, during the year ended 30 June 2016, several companies (including banks) deducted withholding tax on dividend and profit on bank deposits paid to the Fund based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated 12 May 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholder. The amount of tax withheld on dividend and profit on bank deposits as at 30 June 2017 aggregates to Rs.10.269 million (June 30, 2016: Rs. 9.400 million) and Rs. 0.641 million (June 30, 2016: Rs. 0.641 million) respectively.

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. On 28 January 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs to file an appeal in the Honourable Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, a petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

whereby the Supreme Court granted the petitioners leave to appeal from the initial judgement of the SHC. Pending resolution of the matter, the amount of withholding tax deducted from dividend and profit received on bank deposits by the Fund has been shown as other receivables as at 30 June 2017 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

8	PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY - RELATED PARTY	Note	2017 ----- Rupees -----	2016
	Remuneration of the Management Company	8.1	9,497,182	6,554,764
	Sindh sales tax payable on remuneration of the Management Company	8.2	4,203,679	3,886,712
	Federal Excise Duty payable on remuneration of the Management Company	8.3	20,301,988	20,301,988
	Accounting and operational charges payable	14	474,859	327,738
	Sindh Sales Tax payable on operational charges		37,988	19,666
			34,515,696	31,090,868

8.1 As per the amendments made in the NBFC Regulations, 2008 vide SRO 1160 (1) / 2015 dated 25 November 2015, the Management Company is entitled to a remuneration equal to an amount not exceeding 2% of the average annual net assets in case of equity schemes. Previously, the Management Company was entitled to receive a remuneration during the first five years of the Fund, at a rate not exceeding 3% of the average annual net assets of the Fund and thereafter, at a rate of 2% of such assets. Accordingly, the Management Company has charged its remuneration at a rate of 2% (2016: 2%) per annum of the average annual net assets of the Fund for the year. The fee is payable to the Management Company monthly in arrears.

8.2 During the year, an amount of Rs. 13,911,175 (2016: Rs. 11,492,377) 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 13,594,208 (2016: Rs. 9,628,043) has been paid to the Management Company which acts as a collecting agent.

8.3 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from 13 June 2013. As the asset management services rendered by the Management Company of the Fund are already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund as explained in note 8.2, the Management Company was of the view that further levy of FED was not justified.

On 4 September 2013, a Constitutional Petition was filed in the Honourable Sindh High Court (SHC) jointly by various asset management companies, together with their representative Collective Investment Schemes through their trustees, challenging the levy of FED.

During the year ended 30 June 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

With effect from 1 July 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from 1 July 2016. However, as a matter of abundant caution the provision for FED made for the period from 13 June 2013 till 30 June 2016 amounting to Rs 20.302 million (30 June 2016: Rs 20.302 million) is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the said provision for FED not been recorded in the financial statements of the Fund, the net asset value of the Fund as at 30 June 2017 would have been higher by Rs. 2.45 (30 June 2016: Rs 2.54) per unit.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

9	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE - RELATED PARTY	Note	2017 ----- Rupees -----	2016 ----- Rupees -----
	Trustee fee payable	9.1	557,051	409,706
	Sindh sales tax on trustee fee	9.2	72,417	57,359
	Settlement charges payable		48,000	39,228
	Sindh sales tax on settlement charges		6,240	5,492
			683,708	511,785

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: Tariff per annum

- up to Rs 1,000 million Rs. 0.7 million or 0.20% per annum of Net Assets, whichever is higher
- exceeding Rs 1,000 million Rs. 2.0 million plus 0.10% per annum of Net Assets amount exceeding Rs 1,000 million

9.2 During the year, an amount of Rs. 825,559 (2016: Rs. 635,424) was charged on account of sales tax on remuneration of the Trustee levied through Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 810,501 (2016: Rs. 578,065) was paid to the Trustee which acts as a collecting agent.

10	PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	2017 ----- Rupees -----	2016 ----- Rupees -----
	Annual fee payable	10.1	5,082,930	3,361,379

10.1 In accordance with the NBFC Regulations, 2008, a collective investment scheme classified as an equity scheme is required to pay the Securities and Exchange Commission of Pakistan 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 includes Rs 35,373 million and Rs 94.067 million transferred to Atlas Income Fund and Atlas Money Market Fund respectively against requests for transfer of units made on or before 30 June 2017 by unitholders of the Fund in respect of which payments were made subsequent to the year.

12	ACCRUED EXPENSES AND OTHER LIABILITIES	Note	2017 ----- Rupees -----	2016 ----- Rupees -----
	Auditors' remuneration payable		395,901	389,094
	Printing charges payable		130,091	90,000
	NCCPL charges payable		69,500	58,487
	Transaction charges payable		1,473,492	1,646,380
	Legal and professional charges payable		100,000	-
	Withholding and capital gain tax payable		1,546,594	49,081
	Zakat payable		9,428	-
	Provision for Workers' Welfare Fund	12.1	-	34,031,289
	Provision for Sindh Workers' Welfare Fund	12.1	38,835,533	-
			42,560,539	36,264,331

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

- 12.1** The Finance Act, 2008 had introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance) as a result of which it was construed that all Collective Investment Schemes (CISs) / mutual funds whose income exceeded Rs 0.5 million in a tax year were brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever was higher. In light of this, the Mutual Funds Association of Pakistan (MUFAP) filed a constitutional petition in the Honourable Sindh High Court (SHC) challenging the applicability of WWF on CISs which is pending adjudication. Similar cases were disposed of by the Peshawar and the Lahore High Courts in which these amendments were declared unlawful and unconstitutional. However, these decisions were challenged in the Supreme Court of Pakistan.

Subsequently, the Finance Act, 2015 introduced an amendment under which CISs / mutual funds have been excluded from the definition of "industrial establishment" subject to WWF under the WWF Ordinance. Consequently, mutual funds are not subject to this levy after the introduction of this amendment which is applicable from tax year 2016. Accordingly, no further provision in respect of WWF was made with effect from 1 July 2015.

On 10 November 2016 the Supreme Court of Pakistan (SCP) passed a judgment declaring the amendments made in the Finance Acts 2006 and 2008 pertaining to WWF as illegal citing that WWF was not in the nature of tax and could, therefore, not have been introduced through money bills. Accordingly, the aforesaid amendments were struck down by the SCP. The Federal Board of Revenue has filed a petition in the SCP against the said judgment, which is pending hearing. While the petitions filed by the CISs on the matter were still pending before the SHC, the Mutual Funds Association of Pakistan (MUFAP) (collectively on behalf of the asset management companies and their CISs) took legal and tax opinions on the impact of the SCP judgement on the CISs petition before the SHC. Both legal and tax advisors consulted were of the view that the judgment has removed the very basis on which the demands were raised against the CISs. Therefore, there was no longer any liability against the CISs under the WWF Ordinance and that all cases pending in the SHC or lower appellate forums would be disposed of in light of the earlier judgement of the SCP.

Furthermore, as a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) was passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. However, it may be stated that under the Companies Act, 2017 mutual funds are explicitly excluded from the definition of financial institution. Thereafter, MUFAP took up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF.

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

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

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

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

13 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 30 June 2017 and 30 June 2016.

14 ACCOUNTING AND OPERATIONAL CHARGES

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

Keeping in view the aforementioned provisions, the Management Company has charged accounting and operational charges to the Fund in respect of the back office accounting function outsourced to ITMINDS Limited (a subsidiary of the Central Depository Company of Pakistan Limited, the Trustee and a connected person of the Fund). Periodic invoices are raised to the Fund for services allowed under the NBFC Regulations, 2008.

15 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 30 June 2017 is 3.63% which includes 1.10% representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 4% prescribed under the NBFC Regulations for a collective investment scheme categorised as an equity scheme.

16 AUDITORS' REMUNERATION

	2017	2016
	----- Rupees -----	
Annual audit fee	255,000	255,000
Half yearly review of condensed interim financial information	127,500	127,500
Certification charges	40,000	40,000
Review of Statement of Compliance with the Code of Corporate Governance	50,000	50,000
Professional charges for tax services	375,000	-
Sindh Sales Tax on services	67,800	28,350
Out of pocket expenses	88,199	70,738
	1,003,499	571,588

17 SECURITIES TRANSACTION COST

This represents brokerage, federal excise duty, capital value tax and settlement charges.

18 TAXATION

18.1 The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable there on to the unitholders. Since the management has distributed the required minimum percentage of income earned by the Fund for the year ended 30 June 2017 subsequent thereto to the unit holders in the manner as explained above, no provision for taxation has been made in these financial statements during the year.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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.

- 18.2** During the year ended 30 June 2014, the Additional Commissioner Inland Revenue amended the return of income filed by the Fund in respect of Tax Years 2012 under Section 120 of the Income Tax Ordinance, 2001. The Tax Assessing Officer concluded that bonus issues declared by the Fund should not have been considered as distribution of the accounting income while claiming exemption available under Clause 99 of Part 1 of the Second Schedule to the Income Tax Ordinance, 2001, as the Fund had not deducted withholding tax from bonus distributions. Consequently, the Tax Assessing Officer raised demands aggregating to Rs. 48.146 million (including Rs. 2.653 million relating to Workers' Welfare Fund) on the Fund. Similar amendments were made to returns filed by several mutual funds in the industry.

This industry issue was examined by legal experts and tax advisors and there was unanimity of view that under the provisions of Clause 99 applicable until 30 June 2014, the tax department's contentions were primarily erroneous and not tenable under the law. Subsequently, through the Finance Act, 2014, an amendment was made in Clause 99, whereby issuance of bonus units would not be considered towards distribution of 90% of income, and only cash dividend would 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) decided the matter in favour of the Fund and annulled the assessment order but maintained the levy of WWF. The Fund filed an appeal in the Appellate Tribunal Inland Revenue (ATIR) against the order of the CIR - Appeals with respect to the maintenance of levy of WWF. The tax assessing officer also filed an appeal in the ATIR against the order of annulment of assessment order passed by the CIR - Appeals. On March 14, 2017, ATIR upheld the decision of Commissioner (Appeals).

In respect of the levy of WWF, the Honourable Supreme Court had held the amendments made by the Finance Acts 2006 and 2008 to be unlawful and ultra vires the Constitution as detailed in note 12.1. Therefore, the ATIR has remanded back the matter to the Taxation Officer with the directions to decide the issue following the recent judgment of the Apex Court. Based on the opinion of the tax advisors of the Fund, the management believes that the levy of WWF will be deleted upon re-adjudication in light of the judgement of the Honourable Supreme Court.

19 EARNINGS PER UNIT

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

20 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

- 20.1** Connected persons include Atlas Asset Management Limited being the Management Company, the 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, directors and their close family members and key management personnel of the Management Company.
- 20.2** Transactions with connected persons essentially comprise sale and redemption 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.
- 20.3** Remuneration to the Management Company and the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

20.4 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:

	2017	2016
	----- Rupees -----	
Atlas Asset Management Limited (Management Company)		
Remuneration of the Management Company	107,009,036	70,765,870
Remuneration paid	104,066,618	68,467,708
Sindh Sales Tax on remuneration of the Management Company	13,911,175	11,492,377
Federal Excise Duty on remuneration of the Management Company	-	11,322,539
Accounting and operational charges	4,403,509	1,880,219
Sindh Sales Tax on accounting and operational charges	352,281	111,203
Issue of 1,514 (2016: 70,176) units	754,525	34,225,101
Redemption of 25,550 (2016: nil) units	16,730,565	-
Outstanding 143,646 (2016: 167,672) units - at net asset value	95,785,846	84,411,260
Cash dividend	838,361	4,874,800
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration of the Trustee	6,350,452	4,538,743
Sindh Sales Tax on remuneration of the Trustee	825,559	635,424
Remuneration paid	6,203,107	4,424,058
Settlement charges incurred	670,339	391,229
Sindh Sales Tax on settlement charges	87,144	54,772
Settlement charges paid	661,567	416,253
Atlas Battery Limited (Group Company)		
Issue of 182,652 (2016: 73,089) units	102,163,165	35,000,000
Redemption of 744,132 (2016: nil) units	450,594,691	-
Cash dividend declared	2,807,398	24,419,543
Dividend paid	-	24,419,543
Outstanding Nil (2016: 561,480) units - at net asset value	-	282,665,672
Atlas Honda Limited		
Issue of 37,231 (2016: 218,972) units	25,985,375	99,679,865
Cash dividend declared	1,094,861	-
Outstanding 256,203 (2016: 218,972) units - at net asset value	170,841,037	110,237,174
Atlas Insurance Limited (Group Company)		
Issue of 711,851 (2016: 301,666) units	425,751,342	140,206,903
Redemption of 816,053 (2016: 271,450) units	513,583,170	126,006,812
Cash dividend declared	3,031,871	28,807,889
Outstanding 502,172 (2016: 606,374) units - at net asset value	334,858,311	305,266,948

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	2017 ----- Rupees -----	2016
Atlas Metals (Private) Limited (Group Company)		
Issue of 114 (2016: 1,031) units	56,911	508,189
Redemption of 12,761 (2016: nil) units	8,519,273	-
Cash dividend declared	63,235	580,788
Dividend paid	-	580,788
Outstanding nil (2016: 12,647) units - at net asset value	-	6,366,907
Atlas Foundation (Group Company)		
Issue of 261,129 (2016: 334,533) units	139,810,975	154,273,104
Cash dividend declared	3,123,305	14,506,400
Outstanding 885,790 (2016: 624,661) units - at net asset value	590,662,463	314,473,082
Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement Benefit plan of a Group Company)		
Issue of 10,683 (2016: 17,389) units	7,208,172	8,215,285
Redemption of 5,126 (2016: nil) units	3,544,520	-
Cash dividend declared	163,172	762,285
Outstanding 38,192 (2016: 32,635) units - at net asset value	25,467,422	16,429,159
Shirazi Capital (Private) Limited (Group Company)		
Issue of 5,457 (2016: 120,220) units	2,719,838	56,483,222
Redemption of 609,865 (2016: nil) units	371,413,952	-
Cash dividend declared	3,022,042	24,209,397
Outstanding nil (2016: 604,408) units - at net asset value	-	304,277,272
Atlas Group of Companies Management Staff Gratuity Fund (Retirement Benefit plan of a Group Company)		
Issue of 55,455 (2016: 65,600) units	30,691,061	30,680,000
Cash dividend declared	691,061	3,630,611
Dividend paid	-	3,630,611
Outstanding 193,667 (2016: 138,212) units - at net asset value	129,141,242	69,580,156
Atlas Honda Limited - Non Management Staff Gratuity Fund (Retirement Benefit plan of a Group Company)		
Issue of 226 (2016: Nil) units	112,715	-
Redemption of 1,468 (2016: Nil) units	1,000,000	-
Cash dividend declared	112,715	1,127,149
Dividend paid	-	1,127,149
Outstanding 21,301 (2016: 22,543) units - at net asset value	14,203,897	11,348,811
Atlas Honda Limited - Employees Provident Fund (Retirement Benefit plan of a Group Company)		
Issue of 22,987 (2016: nil) units	15,403,249	-
Redemption of nil (2016: nil) units	-	-
Cash dividend declared	403,248	4,032,485
Dividend paid	-	4,032,485
Outstanding 103,637 (2016: 80,650) units - at net asset value	69,107,057	40,601,478

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 ----- Rupees -----	2016
Atlas Engineering Limited - Employees Provident Fund (Retirement Benefit plan of a Group Company)			
Issue of 161 (2016: nil) units		80,046	-
Cash dividend declared		80,046	800,459
Dividend paid		-	800,459
Outstanding 16,170 (2016: 16,009) units - at net asset value		10,782,334	8,059,504
Atlas Insurance Limited - Staff Provident Fund Trust (Retirement Benefit plan of a Group Company)			
Issue of 260 (2016: 2,453) units		129,560	1,172,932
Redemption of nil (2016: nil) units		-	-
Cash dividend declared		129,560	1,172,932
Outstanding 26,172 (2016: 25,912) units - at net asset value		17,451,983	13,044,887
Honda Atlas Cars (Pakistan) Limited - Employees Gratuity Fund (Retirement Benefit plan of a Group Company)			
Issue of 18,585 (2016: nil) units		10,060,513	-
Cash dividend declared		60,513	605,134
Dividend paid		-	605,134
Outstanding 30,688 (2016: 12,103) units - at net asset value		20,463,301	6,092,849
Shirazi Investments (Private) Limited (Group Company)			
Issue of 632,369 (2016: 483,400) units		382,630,608	237,902,058
Cash dividend declared		12,462,951	100,459,495
Outstanding 3,124,959 (2016: 2,492,590) units - at net asset value		2,083,785,373	1,254,844,701
Batool Benefit Trust (Trust having common Director / Trustee)			
Issue of 1,686 (2016: 75,101) units		840,362	36,484,529
Cash dividend declared		933,735	5,582,319
Outstanding 188,433 (2016: 186,747) units - at net asset value		125,650,888	94,014,030
Directors and their close family members and key management personnel of the Management Company			
	20.6		
Issue of 39,944 (2016: 220,065) units		22,980,282	84,006,178
Redemption of 102,342 (2016: 25,322) units		69,000,000	12,104,478
Cash dividend declared		3,723,178	20,467,189
Dividend paid		-	320,259
Outstanding 682,238 (2016: 744,636) units - at net asset value		454,929,471	374,871,851

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

20.6 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 2016-17.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

21 FINANCIAL INSTRUMENTS BY CATEGORY

----- As at 30 June 2017 -----				
	Loans and receivables	At fair value through profit or loss	Available for sale	Total
	----- (Rupees) -----			
Financial assets				
Cash and bank balances	657,895,685	-	-	657,895,685
Investments	-	5,141,997,098	-	5,141,997,098
Receivable against issue of units	446,198	-	-	446,198
Dividend receivable	10,002,401	-	-	10,002,401
Profit receivable on bank balances	2,761,535	-	-	2,761,535
Receivable against sale of investments	35,897,649	-	-	35,897,649
Deposits	2,600,000	-	-	2,600,000
	709,603,468	5,141,997,098	-	5,851,600,566

----- As at 30 June 2017 -----			
	Liabilities at fair value through profit or loss	At amortise cost	Total
	----- (Rupees) -----		
Financial liabilities			
Payable to Atlas Asset Management Limited - Management Company	-	34,515,696	34,515,696
Payable to the Central Depository Company of Pakistan Limited - Trustee	-	683,708	683,708
Payable against purchase of investments	-	123,032,718	123,032,718
Payable against redemption of units	-	129,739,015	129,739,015
Unclaimed dividend	-	401,733	401,733
Accrued expenses and other liabilities	-	2,168,984	2,168,984
	-	290,541,854	290,541,854

----- As at 30 June 2016 -----				
	Loans and receivables	At fair value through profit or loss	Available for sale	Total
	----- (Rupees) -----			
Financial assets				
Cash and bank balances	87,995,286	-	-	87,995,286
Investments	-	3,951,512,733	-	3,951,512,733
Dividend receivable	7,625,450	-	-	7,625,450
Profit receivable on bank balances	505,983	-	-	505,983
Receivable against sale of investments	46,155,287	-	-	46,155,287
Deposits	2,600,000	-	-	2,600,000
	144,882,006	3,951,512,733	-	4,096,394,739

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	----- As at 30 June 2016 -----		
	Liabilities at fair value through profit or loss	At amortised cost	Total
	----- (Rupees) -----		
Financial liabilities			
Payable to Atlas Asset Management Limited - Management Company	-	31,090,868	31,090,868
Payable to the Central Depository Company of Pakistan Limited - Trustee	-	511,785	511,785
Payable against purchase of investments	-	16,516,818	16,516,818
Payable against redemption of units	-	884,179	884,179
Unclaimed dividend	-	618,890	618,890
Accrued expenses and other liabilities	-	2,183,961	2,183,961
	-	51,806,501	51,806,501

22 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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, the constitutive documents of the Fund 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.

22.1 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.

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

(i) Yield / interest rate risk

Yield / 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 2017, 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

As at 30 June 2017, the Fund holds balances with banks which expose the Fund to cash flow interest rate risk. In case of 100 basis points increase / decrease in market interest rates as at 30 June 2017, with all other variables held constant, the net income for the year and net assets would have been higher / lower by Rs. 6,573,729 (2016: Rs 879,903).

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

b) Sensitivity analysis for fixed rate instruments

As at 30 June 2017, the Fund does not hold any fixed rate instrument that may expose the Fund to fair value interest rate risk.

As stated above out of the total financial assets of Rs 5,851,600,566 (2016: Rs 4,096,394,739), assets aggregating to Rs 657,372,935 (2016: Rs 87,990,286) are subject to yield / interest rate risk. These represents bank balance having effective yield of 3.75% to 6.60% (2016: 5.00% to 6.40%).

The composition of the Fund's assets and profit rates are expected to change over time. Accordingly, the sensitivity analysis prepared as of 30 June 2017 and 30 June 2016 is not necessarily indicative of the impact on the Fund's net assets of the future movement in profit rates.

(ii) Currency risk

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) 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 30% of the net assets.

In case of 5% increase / decrease in PSX 100 index on 30 June 2017, with all other variables held constant, net income of the Fund for the period would increase / decrease by Rs 18.972 million (2016: Rs 197.576 million) 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 PSX 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 PSX 100 Index, is expected to change over time. Accordingly, the sensitivity analysis prepared as of 30 June 2017 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of the PSX 100 Index.

22.2 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 securities are considered readily realisable as these are listed on the Pakistan Stock Exchange Limited.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

As per the NBFC Regulations, 2008, the Fund can borrow in the short-term to ensure settlement the maximum limit of which is fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund. Furthermore, the SECP now requires asset management companies to arrange committed credit lines from banks/DFIs equivalent to 10% of the net assets in case of equity schemes. These approved limits are required to be reviewed by the AMCs at least on a quarterly basis against the net assets of the Funds. Accordingly, the Management Company has obtained current finance from Bank Alfalah Limited with an approved limit of Rs 586.846 million on behalf of the Fund. The facility bears interest at commercial rates but remained unutilised till the year ended June 30, 2017.

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:

-----As at 30 June 2017-----						
	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	657,895,685	-	-	-	-	657,895,685
Investments	-	-	-	-	5,141,997,098	5,141,997,098
Receivable against issue of units	446,198	-	-	-	-	446,198
Dividend receivable	10,002,401	-	-	-	-	10,002,401
Profit receivable on bank balances	2,761,535	-	-	-	-	2,761,535
Receivable against sale of investments	35,897,649	-	-	-	-	35,897,649
Deposits	-	-	-	-	2,600,000	2,600,000
	707,003,468	-	-	-	5,144,597,098	5,851,600,566
Financial liabilities						
Payable to Atlas Asset Management Limited - Management Company	34,515,696	-	-	-	-	34,515,696
Payable to the Central Depository Company of Pakistan Limited - Trustee	683,708	-	-	-	-	683,708
Payable against purchase of investments	123,032,718	-	-	-	-	123,032,718
Payable against redemption of units	129,739,015	-	-	-	-	129,739,015
Unclaimed dividend	401,733	-	-	-	-	401,733
Accrued expenses and other liabilities	1,642,992	525,992	-	-	-	2,168,984
	290,015,862	525,992	-	-	-	290,541,854
Net assets / (liabilities)	416,987,606	(525,992)	-	-	5,144,597,098	5,561,058,712

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

-----As at 30 June 2016-----						
	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	87,995,286	-	-	-	-	87,995,286
Investments	-	-	-	-	3,951,512,733	3,951,512,733
Dividend receivable	7,625,450	-	-	-	-	7,625,450
Profit receivable on bank balances	505,983	-	-	-	-	505,983
Receivable against sale of investments	46,155,287	-	-	-	-	46,155,287
Deposits	-	-	-	-	2,600,000	2,600,000
	142,282,006	-	-	-	3,954,112,733	4,096,394,739
Financial liabilities						
Payable to Atlas Asset Management Limited - Management Company	31,090,868	-	-	-	-	31,090,868
Payable to the Central Depository Company of Pakistan Limited - Trustee	511,785	-	-	-	-	511,785
Payable against purchase of investments	16,516,818	-	-	-	-	16,516,818
Payable against redemption of units	884,179	-	-	-	-	884,179
Unclaimed dividend	618,890	-	-	-	-	618,890
Accrued expenses and other liabilities	1,704,867	479,094	-	-	-	2,183,961
	51,327,407	479,094	-	-	-	51,806,501
Net assets / (liabilities)	90,954,599	(479,094)	-	-	3,954,112,733	4,044,588,238

22.3 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 investments, 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 2017 amounts to Rs. 709,603,468 (2016: Rs. 144,882,006).

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 bank balances and mark-up accrued thereon, cheques in hand, dividend receivable and receivable against sale of units and against investments. The credit ratings of banks with which deposits are maintained by the Fund are as follows:

Ratings of banks with which amounts are placed	2017	2016
AA	16.33	100.00
AA+	0.01	-
AAA	83.66	-
	100.00	100.00

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

The maximum exposure to credit risk before any credit enhancement as at 30 June 2017 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.

23 FAIR VALUE MEASUREMENT

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

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

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

Fair value hierarchy

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

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

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

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

24 UNIT HOLDERS' FUND RISK MANAGEMENT

The unit holders' fund is represented by redeemable units. These units 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 the scheme. The Fund has historically maintained and complied with the requirement of minimum fund size at all times.

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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

In accordance with the risk management policies as stated in note 22, 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.

25 UNIT HOLDING PATTERN OF THE FUND

Category	2017			2016		
	Number of unit holders	Investment amount (Rupees)	Percentage of total	Number of unit holders	Investment amount (Rupees)	Percentage of total
Individuals	400	527,035,057	9.54%	313	375,173,459	9.34
Associated Companies / Directors	9	3,498,596,263	63.29%	14	2,979,845,895	74.18
Insurance Companies	2	105,549,152	1.91%	2	69,141,717	1.72
Banks / DFIs	1	166,011,913	3.00%	1	53,604,253	1.33
Retirement Funds	31	911,498,985	16.49%	25	539,404,119	13.43
Others	11	318,984,784	5.77%	1	18,491	0.00
	454	5,527,676,154	100.00%	356	4,017,187,934	100.00

26 LIST OF TOP TEN BROKERS BY PERCENTAGE OF THE COMMISSION PAID

2017		2016	
Name of broker	Percentage of commission paid	Name of broker	Percentage of commission paid
Optimus Capital Management (Private) Limited	8.02	Shajar Capital Pakistan (Private) Limited	8.64
Shajar Capital Pakistan (Private) Limited	7.07	Optimus Capital Management (Private) Limited	8.54
JS Global Limited	6.53	JS Global Limited	6.66
Taurus Securities Limited	5.97	Next Capital (Private) Limited	6.45
Topline Securities (Private) Limited	5.92	Taurus Securities Limited	6.36
AlFalah Securities (Private) Limited	5.84	Global Securities Pakistan Limited	5.96
Next Capital Limited	4.59	IGI Finex Securities Limited	5.39
Summit Capital (Private) Limited	4.54	Al-Hooqani Securities & Investment Corporation (Private) Limited	5.10
Habib Metropolitan Financial Services Limited	4.46	Habib Metropolitan Financial Services Limited	5.08
Intermarket Securities (Private) Limited	4.44	Summit Capital (Private) Limited	4.84

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

27 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	49 Years
Mr. Ali H. Shirazi	Director	Masters in Law	13.5 years
Mr. M. Abdul Samad	Chief Operating Officer	MBA, M.Com	17 Years
Mr. Khalid Mahmood	Chief Investment Officer	MBA - Finance	13 Years
Mr. M. Umar Khan	Fund Manager	MSc. - Finance	9 Years
Mr. Fawad Javaid	Fund Manager	CMA	9 Years
Mr. Faran-ul-Haq	Fund Manager	B.A, CFA	6 Years

28 NAME AND QUALIFICATION OF THE FUND MANAGER

Name	Designation	Qualification	Other funds managed by the Fund Manager
Mr. Faran-ul-Haq	Fund Manager	B.A, CFA	Atlas Islamic Stock Fund

29 MEETINGS OF THE BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

The dates of the meetings of the Board of Directors of the Management Company of the Fund and the attendance of its members are given below:

Names of Directors	Meeting held on					
	11 July 2016	29 August 2016	27 October 2016	27 February 2017	27 April 2017	12 June 2017
Mr. Yusuf H. Shirazi	P	P	P	P	L	P
Mr. Tariq Amin	N/A**	P	P	P	P	P
Mr. Shamshad Nabi	P	L	L	P	P	P*
Mr. Frahim Ali Khan	P	P	P	P	P	P
Mr. Ali H. Shirazi	P	P	P	P	P	P
Mr. Arshad P. Rana	L	L	P	P	P	P*
Mr. M. Habib-ur-Rahman	P	L	P	P	P	P
Ms. Qurrat-ul-ain Jafari (Chief Financial Officer and Company Secretary)	P	P	P	P	P	P

* Attended through teleconference call

** Joined w.e.f. 09 August 2016

P Present

L Leave of absence

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

30 RATING OF THE MANAGEMENT COMPANY

The Pakistan Credit Rating Agency Limited (PACRA) has upgraded the asset manager rating of the Management Company to AM2+ (AM Two Plus) [2016: AM2 (AM Two)] on 4 May 2017. The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.

31 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 have been made in these financial statements during the current year.

32 NON-ADJUSTING EVENT AFTER REPORTING PERIOD

The Board of Directors of the Management Company in the meeting held on 07 July 2017, approved a final cash dividend of Rs 15 per unit (2016: Rs 5 per unit) on the face value of Rs. 500 each (i.e. 3%) amounting to Rs. 124,345,020 (2016: Rs 39,898,199). The financial statements of the Fund for the year ended 30 June 2017 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 2018.

33 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on 30 August 2017.

34 GENERAL

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

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
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

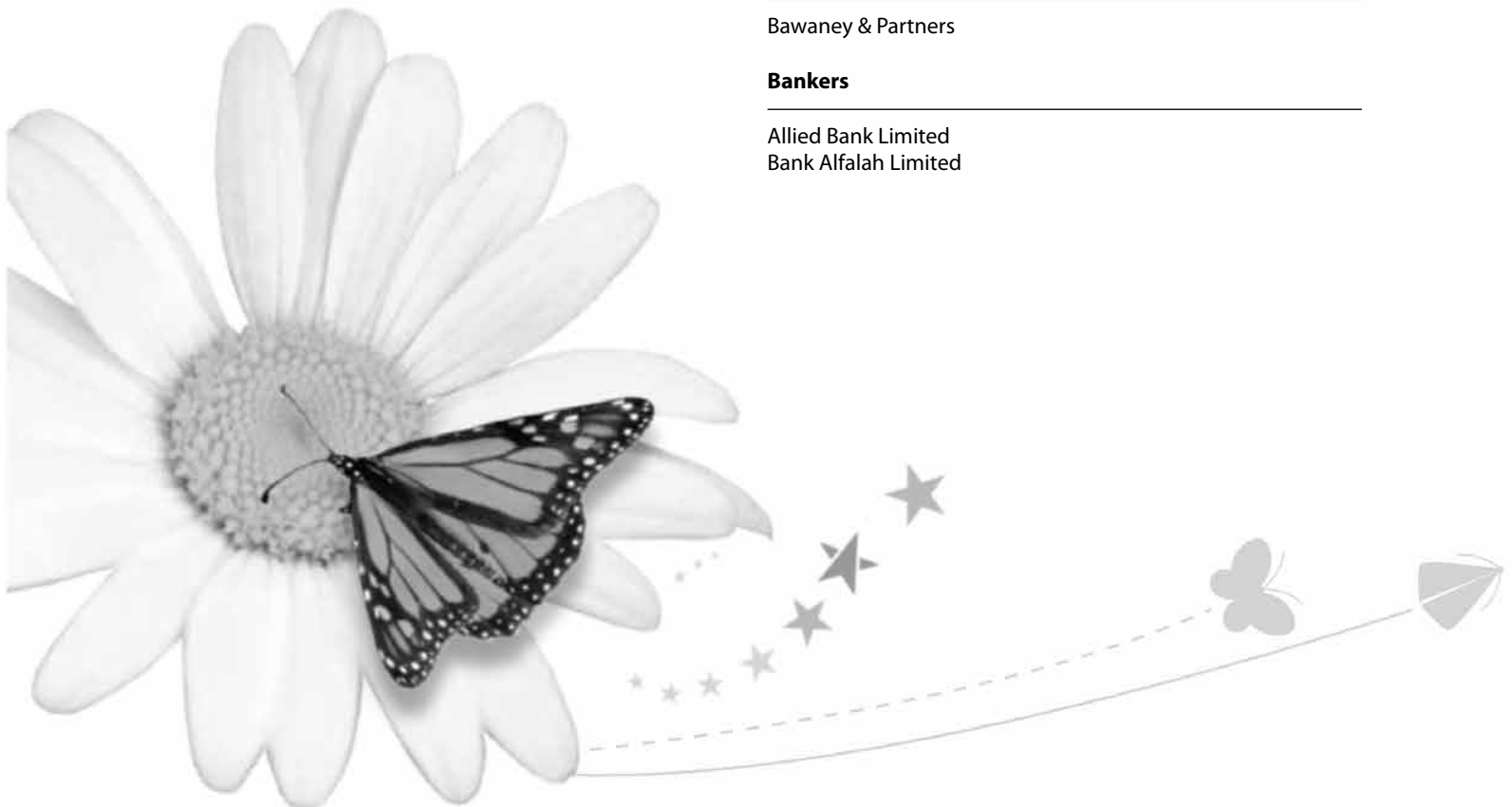
EY Ford Rhodes
Chartered Accountants

Legal Advisers

Bawaney & Partners

Bankers

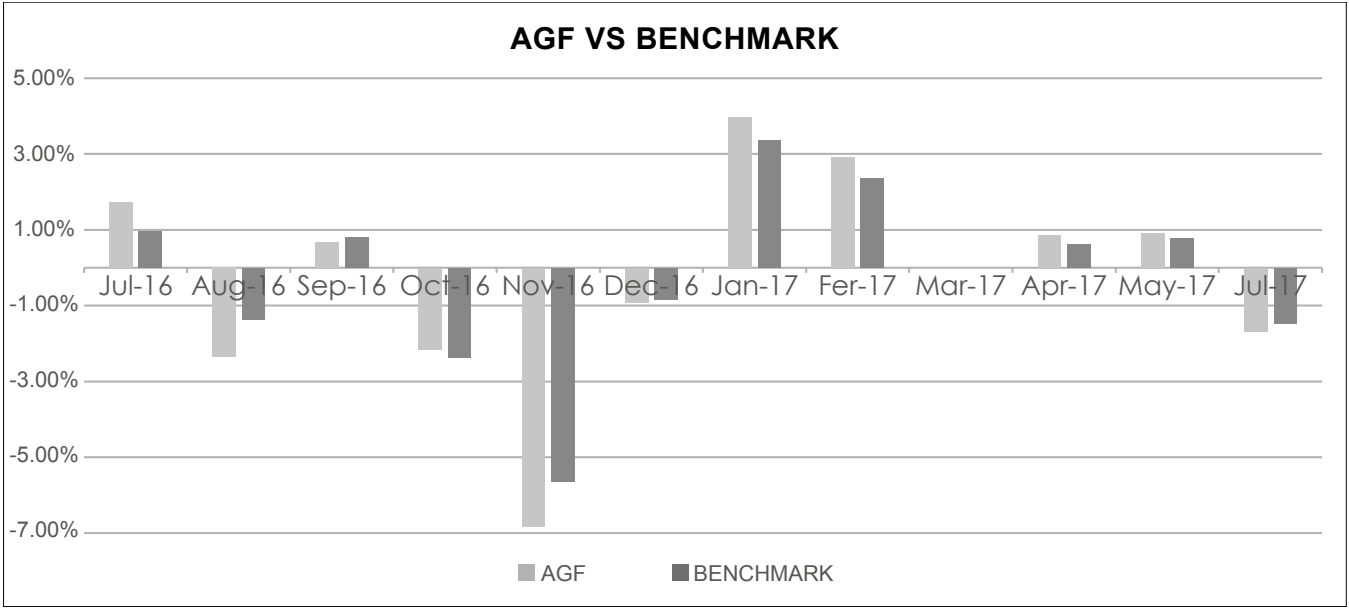
Allied Bank Limited
Bank Alfalah Limited



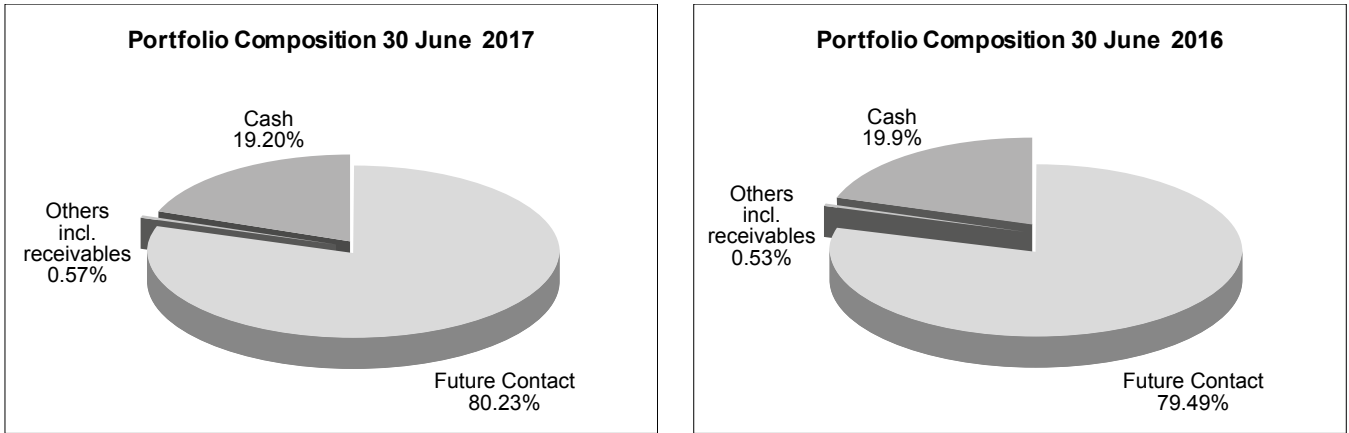
FUND MANAGER’S REPORT

Atlas Gold Fund (AGF) 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 as selected by MUFAP.



Spot Gold prices/ounce have decreased from US\$ 1,322.15 as on 30 June 2016 to US\$ 1,241.42 as on 30 June 2017, showing a decline of 6.11%. Spot Gold prices declined after U.S. Federal Reserve announced a much expected interest rate increase during December 2016 and raised interest rates for the second time by 25 basis points to 1.25% in June’17. Subsequently, dollar surged higher against the basket of major currencies. Fed chairperson Janet Yellen signaled three possible rate hikes in 2017 supported by better-than-expected U.S. economic data. Furthermore, US dollar neared its nine-month high on expectations that inflation will increase and that Trump administration will boost U.S. economy, resulting in an increase in US bond yields. Additionally, U.S. Existing Home Sales data rose to their highest level in more than nine years in October 2016.



Assets under management (AUM) in gold-backed ETFs increased as political uncertainty fueled European ETF inflows. Investors focused on the continued rise of anti-establishment parties associated with the growing populist movement across Europe, as well as the potential outcome of elections in the Netherlands and France – particularly in the aftermath of the Brexit vote. On top of a fragile political environment,

conditions in financial markets gave investors a further incentive to build their positions in gold-backed ETFs. Negative real and nominal yields coupled with a period of relative calm in regional stock markets improved the appeal of gold. US investors maintained their underlying positivity towards gold. China's quarterly bar and coin demand breached 100 tons for only the fourth time on record. Currency weakness, concerns over the property market and a seasonal boost from Chinese New Year underpinned the market. Gold jewelry demand was broadly steady, but remains weak in the longer-term context. Higher YoY prices restrained demand. Indian jewelry demand increased from last year's exceptionally low level as market conditions improved after a very tough 2016. Reserve Bank of India (RBI) continued to remonetize India's economy, thereby easing pressure on cash trapped consumers. By the end of March, 85% of the value of currency removed from circulation under demonetization had been returned. RBI also gradually eased temporary restrictions on the amount of money that could be withdrawn from bank accounts, aiding cash dependent demand in particular. Across the globe, the central banks continued to purchase gold, however, the pace was slow.

The Net Asset Value per unit of Atlas Gold Fund has decreased by 3.32% to Rs. 102.27 as on 30 June 2017. The benchmark decreased by 3.13% during the same period. The exposure in Gold Future Contracts was 80.23% as on 30 June 2017. The Net Assets of your Fund stood at Rs 201.87 million with 1.97 million units outstanding as of 30 June 2017.

Breakdown of Unit holding by size:

Type of Investor	No. of Investors	Amount of Investment (Rs.)	% of Total
Individual	25	4,083,595	2.02%
Associated Companies / Director	7	155,184,572	76.88%
Retirement Funds	3	42,601,928	21.10%
Total	35	201,870,095	100.00%

The Scheme had maintained prior years' provisions against WWF of Rs. 194,578 till 30 June 2015. After Honorable Supreme Court of Pakistan judgment on 10 November 2016, this provision was reversed on 12 January 2017. The Fund has made provision against SWWF, which up till 30 June 2017 amounted to Rs. 542,573 (Rs.0.27 per unit). The Scheme has held provision for FED liability that amounted to Rs. 1,319,911 (Rs.0.67 per unit) as on 30 June 2017.

The Total Expense Ratio (TER) of the Fund as at 30 June 2017 is 2.32% which includes 0.40% representing government levies on the Fund such as sales taxes, annual fee to the SECP, etc.

During the year under review, the Investment Committee held thirty five meetings to review investment of the Fund and the Risk Committee held twenty nine meetings to review risk management.

Karachi: 30 August 2017

Muhammad Umar Khan
Fund Manager

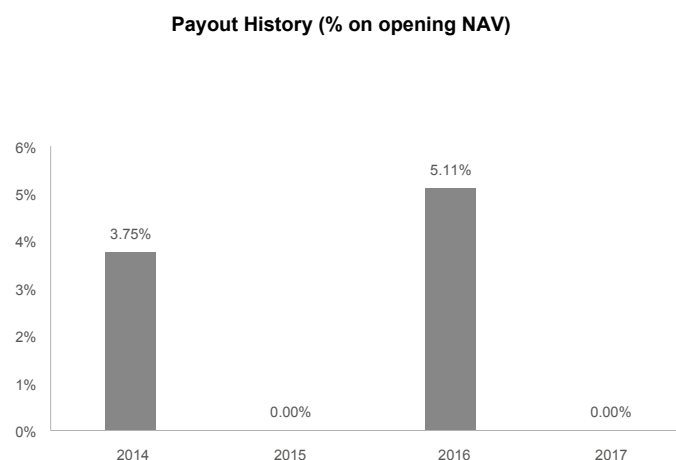
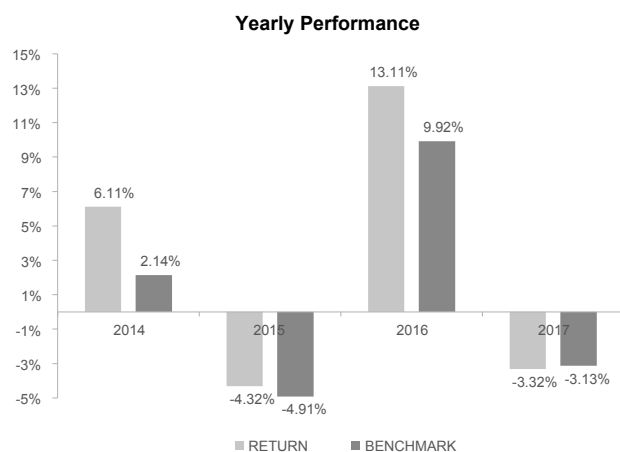
PERFORMANCE SINCE INCEPTION

	2017	2016	2015	2014*
Net Assets (Rs. in '000)	201,870	234,096	200,749	165,659
Number of units in issue	1,973,817	2,113,174	2,049,681	1,561,249
Net assets value per unit (Rs.)	102.27	110.78	97.94	106.11
Net income / (loss) (Rs. in '000)	(6,919)	27,128	(9,051)	9,534
Earnings / (loss) per unit (Rs.)	(3.51)	12.84	(4.42)	6.11
Annual return of the fund (%)	(3.32)	13.11	(4.32)	6.11
Offer Price ** (Rs.)	102.27	110.78	97.94	106.11
Redemption Price ** (Rs.)	102.27	110.78	97.94	106.11
Cash Dividend (Rs.)	-	5.00	-	3.75
Dividend as a % of opening EX - NAV of units	-	5.11	-	3.75
Date of distribution	-	11-Jul-16	-	7-Jul-14
Highest offer Price (Rs.)	108.50	111.02	104.49	107.34
Lowest offer Price (Rs.)	93.57	91.41	92.98	93.68
Highest repurchase price per unit (Rs.)	108.50	111.02	104.49	107.34
Lowest repurchase price per unit (Rs.)	93.57	91.41	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 godown, as well as up.



STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2017

This statement is being presented to comply with the Code of Corporate Governance (the Code) contained in Regulation No. 5.19 of Listing Regulations of the Pakistan 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 Pakistan Stock Exchange Limited, 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. Tariq Amin 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 meet the criteria of independence under clause 5.19.1. (b) of the Code.

2. The directors have confirmed that none of them is serving as a director in more than seven listed companies, including the Management Company.
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, in his absence, by a director elected by the board for this purpose, 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. The Board Evaluation Committee (BEC) was formed in order to comply with the requirements of the CCG, 2012 requiring the Board of Directors to implement a mechanism for the annual evaluation of the Board's performance. The terms of reference of the BEC require the BEC members to carry out the assessment of the Board members' questionnaires submitted by them, to evaluate the findings therefrom, and apprise the Board in the subsequent Board meeting, with recommendations for improvement. The BEC comprises of three members – both the independent directors of which one is the Chairman of the BEC, and one member from the sponsor family. The CEO serves as the secretary to this committee.
10. Five 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 5.19.7 of the Pakistan Stock Exchange Regulations, whilst the remaining two Board members have completed their Directors' certification programs from institutes meeting the criteria specified by the Securities & Exchange Commission of Pakistan.

-
11. No new appointment of the Chief Financial Officer & Company Secretary and Chief Internal Auditor was made during the year. The terms of remuneration of the Chief Financial Officer & Company Secretary, and the Chief Internal Auditor have been approved by the Board.
 12. 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.
 13. The financial statements of the Fund were duly endorsed by CEO and CFO before the approval of the Board.
 14. The Directors, CEO and Executives do not hold units other than those disclosed in note 18 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.
 15. The Management Company has complied with the corporate and financial reporting requirements of the Code.
 16. 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.
 17. 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.
 18. 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.
 19. 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.
 20. 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.
 21. 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.
 22. 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.
 23. Material /price sensitive information has been disseminated among all market participants at once through the Stock Exchange.
 24. The Company has complied with the requirement relating to maintenance of register of persons having access to inside information designated by senior management officer in a timely manner and maintained proper record including basis for inclusion or exclusion of names of person from the list.
 25. We confirm that all other material principles contained in the Code have been complied with.

Karachi: August 30, 2017

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, 2017 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: 15 September 2017

Aftab Ahmed Diwan
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 2017 to comply with the requirements of Listing Regulation No.5.19 of the Pakistan Stock Exchange Limited where the Fund is listed.

The responsibility for compliance with the Code 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 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 2017.

Karachi: 30 August 2017

EY Ford Rhodes
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** (hereinafter referred to as the 'Fund'), which comprise the statement of assets and liabilities as at 30 June 2017, 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 30 June 2017 and of its financial performance, its 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: 30 August 2017

EY Ford Rhodes
Chartered Accountants

Arslan Khalid
Audit Engagement Partner

STATEMENT OF ASSETS AND LIABILITIES

AS AT 30 JUNE 2017

	Note	2017 ----- Rupees -----	2016 ----- Rupees -----
ASSETS			
Bank balances	4	185,681,068	193,747,341
Investments in government securities	5	-	-
Financial assets at fair value through profit or loss	8	-	9,854,024
Interest accrued		624,138	446,064
Deferred formation cost	6	238,235	477,135
Other receivables	7	332,396	332,396
Margin deposits with Pakistan Mercantile Exchange Limited against future contracts		24,063,679	32,435,953
Total assets		210,939,516	237,292,913
LIABILITIES			
Financial liabilities at fair value through profit or loss	8	2,945,112	-
Payable to Atlas Asset Management Limited - Management Company	9	2,208,108	2,469,919
Payable to Central Depository Company of Pakistan Limited - Trustee	10	32,664	36,309
Annual fee payable to the Securities and Exchange Commission of Pakistan	11	174,553	151,492
Payable against redemption of units		2,816,896	-
Accrued expenses and other liabilities	12	889,896	536,737
Dividend payable		2,192	2,192
Total liabilities		9,069,421	3,196,649
NET ASSETS		201,870,095	234,096,264
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		201,870,095	234,096,264
CONTINGENCIES AND COMMITMENTS	13		
NUMBER OF UNITS IN ISSUE		1,973,817	2,113,174
NET ASSET VALUE PER UNIT		102.27	110.78

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

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 ----- Rupees -----	2016
Income			
Interest income	14	12,459,938	11,751,982
Net (loss) / gain on investments and derivatives			
Net gain / (loss) on sale of government securities		707	(20,770)
Realized (loss) / gain on gold future contracts		(15,153,265)	8,596,849
Net unrealised (loss) / gain on gold future contracts		(2,945,112)	9,854,024
		(18,097,670)	18,430,103
Element of income and capital gains included in prices of units sold less those in units redeemed - net		4,116,660	1,784,564
		(1,521,072)	31,966,649
Expenses			
Remuneration of Atlas Asset Management Limited - Management Company	9.1	2,327,372	2,019,904
Sindh sales tax on remuneration of the Management Company	9.2	302,558	328,032
Federal Excise Duty on remuneration of the Management Company	9.3	-	323,185
Remuneration of Central Depository Company of Pakistan Limited - Trustee	10.1	395,634	343,384
Sindh sales tax on remuneration of the Trustee	10.2	51,432	48,074
Annual fee - Securities and Exchange Commission of Pakistan	11	174,553	151,492
Accounting and operational charges	9.4	232,758	124,239
Sindh Sales Tax on accounting and operational charges		18,621	7,454
Auditors' remuneration	15	333,850	333,686
Annual listing fee		44,000	30,000
Fund rating fee		-	137,940
Printing charges		25,635	48,284
Legal and professional charges		123,760	54,564
Securities transaction cost		764,231	641,421
Amortisation of formation cost		238,900	238,900
Bank charges		16,716	7,429
Reversal of provision for workers' welfare fund	12.1	(194,578)	-
Provision for sindh workers' welfare fund	12.1	542,573	-
		5,398,015	4,837,988
Net (loss) / income for the year before taxation		(6,919,087)	27,128,661
Taxation	17	-	-
Net (loss) / income for the year after taxation		(6,919,087)	27,128,661

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

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	----- Rupees -----	
Net (loss) / income for the year after taxation	(6,919,087)	27,128,661
Other comprehensive income	-	-
Total comprehensive (loss) / income for the year	(6,919,087)	27,128,661

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

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

DISTRIBUTION STATEMENT FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	----- Rupees -----	
Undistributed income / (loss) brought forward	21,756,978	(5,371,683)
[Includes unrealized gain on future contracts of gold Rs. 9,854,024]		
(2016: Includes unrealized loss on future contracts of gold Rs. 3,689,544)		
Net (loss) / income for the year after taxation	(6,919,087)	27,128,661
Cash dividend for the year ended 30 June 2016 at the rate of Rs.5.00 per unit declared on 11 July 2016 (2016: Nil)	(10,565,869)	-
Undistributed income carried forward	4,272,022	21,756,978
[Includes unrealized loss on future contracts of gold Rs. 2,945,112]		
(2016: Includes unrealized gain on future contracts of gold Rs. 9,854,024)		

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

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND FOR THE YEAR ENDED 30 JUNE 2017

	2017		2016	
	Units	Rupees	Units	Rupees
Net assets at the beginning of the year [Rs. 110.78 (2016: Rs.97.94) per unit]	2,113,174	234,096,264	2,049,681	200,749,138
Issue of units	986,496	104,657,306	383,314	41,066,719
Redemption of units	(1,125,853)	(115,281,859)	(319,821)	(33,063,690)
	(139,357)	(10,624,553)	63,493	8,003,029
Element of income and capital gains included in prices of units sold less those in units redeemed - net	-	(4,116,660)	-	(1,784,564)
Cash dividend for the year ended 30 June 2016 at the rate of Rs.5.00 per unit declared on 11 July 2016 (2016: Nil)	-	(10,565,869)	-	-
Net gain / (loss) on sale of government securities	-	707	-	(20,770)
Realized (loss) / gain on gold future contracts	-	(15,153,265)	-	8,596,849
Net unrealised (loss) / gain on gold future contracts	-	(2,945,112)	-	9,854,024
Net other income for the year	-	11,178,583	-	8,698,558
Total comprehensive (loss) / income for the year	-	(6,919,087)	-	27,128,661
Net assets at the end of the year [Rs. 102.27 (2016: Rs. 110.78) per unit]	1,973,817	201,870,095	2,113,174	234,096,264

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

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 ----- Rupees -----	2016
Cash flows from operating activities			
Net (loss) / income for the year after taxation		(6,919,087)	27,128,661
Adjustments:			
Interest income		(12,459,938)	(11,751,982)
Net (gain) / loss on sale of government securities		(707)	20,770
Realized loss / (gain) on gold future contracts		15,153,265	(8,596,849)
Net unrealised loss / (gain) on gold future contracts		2,945,112	(9,854,024)
Amortization of formation cost		238,900	238,900
Element of income and capital gains included in prices of units sold less those in units redeemed - net		(4,116,660)	(1,784,564)
Reversal of provision for workers' welfare fund		(194,578)	-
Provision for sindh workers' welfare fund		542,573	-
		2,107,967	(31,727,749)
		(4,811,120)	(4,599,088)
(Increase) / decrease in assets			
Other receivables		-	(332,396)
Margin deposits with Pakistan Mercantile Exchange Limited against future contracts		8,372,274	(12,209,284)
		8,372,274	(12,541,680)
Increase / (decrease) in liabilities			
Payable to Atlas Asset Management Limited - Management Company		(261,811)	57,095
Payable to Central Depository Company of Pakistan Limited - trustee		(3,645)	8,130
Annual fee payable to the Securities and Exchange Commission of Pakistan		23,061	(351)
Accrued expenses and other liabilities		5,164	(180,120)
		(237,231)	(115,246)
Interest received		8,013,078	11,565,412
Investments made during the year		(789,749,588)	(779,165,067)
Investments sold / matured during the year		788,719,840	933,823,605
Net cash generated from operating activities		10,307,253	148,967,936
Cash flows from financing activities			
Proceeds from issue of units		104,657,306	41,066,719
Payment on redemption of units		(112,464,963)	(33,063,690)
Dividend paid		(10,565,869)	(6,748)
Net cash (used in) / generated from financing activities		(18,373,526)	7,996,281
Net (decrease) / increase in cash and cash equivalents during the year		(8,066,273)	156,964,217
Cash and cash equivalents at the beginning of the year		193,747,341	36,783,124
Cash and cash equivalents at the end of the year	4	185,681,068	193,747,341

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

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Atlas Gold Fund (the Fund) is an open ended Fund constituted by a trust deed entered into on 6 May 2013 between Atlas Asset Management Limited (AAML) as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the trustee. The Trust Deed has been amended through the First Supplemental Trust deed dated 13 May 2014, with the approval of the Securities and Exchange Commission of Pakistan (SECP). The Offering Document of the Fund has been amended through the First, Second, Third and Forth Supplements dated 13 May 2014, 24 March 2015, 03 August 2015 and 30 September 2016 respectively, with the approval of the SECP. The investment activities and administration of the Fund are managed by AAML situated at Ground Floor, Federation House, 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 Pakistan Stock Exchange (formerly Karachi Stock Exchange in which Lahore Stock Exchange and Islamabad Stock Exchange have amalgamated).
- 1.3** According to the Trust Deed, the objective of the Fund is to provide investors with capital appreciation through investment in gold or gold futures contracts traded on the Commodity Exchange. The Fund aims to deliver this objective mainly by investing at least 70% of the net assets in gold or gold futures contracts during the year based on quarterly average investments calculated on daily basis. The remaining net assets of the Fund shall be invested in cash and near cash instruments which includes cash in bank accounts (excluding TDR), and treasury bills not exceeding 90 days maturity. At least 10% of the net assets of the Fund shall remain invested in cash and near cash instruments at all times. The investment objectives and policy are more fully defined in the Fund's offering document.
- 1.4** Titles to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These 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 (repealed-note 2.1.1), 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.

- 2.1.1** The Companies Ordinance, 1984 has been repealed after the enactment of the Companies Act, 2017 (the Act) on 30 May 2017. However, the SECP vide its press release dated 20 July 2017 allowed Companies whose FY closes on or before 30 June 2017 to prepare the financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. The Act does not impact the financial statements of the Fund for the year ended 30 June 2017.

New Standards, Interpretations and Amendments

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

Standard

IFRS 12 Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements – Investment Entities: Applying the Consolidation Exception (Amendment)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

IFRS 11 Joint Arrangements - Accounting for Acquisition of Interest in Joint Operation (Amendment)

IAS 1 – Presentation of Financial Statements - Disclosure Initiative (Amendment)

IAS 16 Property, Plant and Equipment and IAS 38 intangible assets - Clarification of Acceptable Method of Depreciation and Amortization (Amendment)

IAS 16 Property, Plant and Equipment IAS 41 Agriculture - Agriculture: Bearer Plants (Amendment)

IAS 27 – Separate Financial Statements – Equity Method in Separate Financial Statements (Amendment)

Improvements to Accounting Standards Issued by the IASB in September 2014

IFRS 5 Non-current Assets Held for Sale and Discontinued Operations - Changes in methods of disposal

IFRS 7 Financial Instruments: Disclosures - Servicing contracts

IFRS 7 Financial Instruments: Disclosures - Applicability of the offsetting disclosures to condensed interim financial statements

IAS 19 Employee Benefits - Discount rate: regional market issue

IAS 34 Interim Financial Reporting - Disclosure of information 'elsewhere in the interim financial report'

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

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 2017

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

- IFRS 10 – Consolidated Financial Statements
- IFRS 11 – Joint Arrangements
- IFRS 12 – Disclosure of Interests in Other Entities
- IFRS 13 – Fair Value Measurement
- IAS 27 – Separate Financial Statements – (Amended)
- IAS 28 – Investment in Associates and Joint Ventures – (Amended)

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

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:

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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

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

Standard, interpretation or amendment	Effective date (accounting periods beginning on or after)
- IFRS 2: Share-based Payments – Classification and Measurement of Share-based Payments Transactions (Amendments)	01 January 2018
- IAS 28 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet Finalized
- IAS 7 Statement of Cash Flows - Disclosure Initiative - (Amendment)	01 January 2017
- IAS 12 Income Taxes – Recognition of Deferred Tax Assets for Unrealized losses (Amendments)	01 January 2018
- IFRS 4 Insurance Contracts: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts – (Amendments)	01 January 2018
- IAS 40 Investment Property: Transfers of Investment Property (Amendments)	01 January 2018
- IFRIC 22 Foreign Currency Transactions and Advance Consideration	01 January 2018
- IFRIC 23 Uncertainty over Income Tax Treatments	01 January 2019

The above standards and amendments are not expected to have any material impact on the Fund financial statements in the period of initial application.

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB in December 2016. Such improvements are generally effective for accounting periods beginning on or after 01 January 2018 (see note 2 below). The Fund expects that such improvements to the standards will not have any impact on the Fund's financial statements in the period of initial application.

2.2.2 The SECP vide its statutory notification (S.R.O) no. 756(I) / 2017 dated 03 August 2017, has amended the NBFC Regulations. The amendments define 'Element of income included in the unit price' and also specifies the accounting treatment for the said income/loss. The amendments also introduced changes in Schedule V of the NBFC Regulations, resulting in certain changes in the presentation of Income Statement and Statement of movement in reserves or Unit holder's fund. The amendments would be applicable for the accounting year ending on June 30, 2018 and will not have any impact on the per unit net asset value of the Fund.

2.2.3 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
- IFRS 16 – Leases	01 January 2019
- IFRS 17 – Insurance Contracts	01 January 2021

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

2.3 Critical accounting estimates and judgments

The preparation of financial statements requires management to make judgments, 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 judgments about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis.

The estimates and judgments 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 AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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.

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 declaring and approval by the Distribution Committee of the Board of Directors of Management Company under powers delegated to them by the Board of Directors of the Management Company or declaration and approval by the Board of Director 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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.

		2017	2016
	Note	Rupees	Rupees
4 BANK BALANCES			
In PLS saving accounts	4.1	185,681,068	193,747,341

4.1 The rate of return on these accounts is varies between 5.3% to 6.6% per annum (2016: 5.00% to 6.40% per annum).

5 INVESTMENTS - at fair value through income statement

Government securities

Market Treasury Bills - held-for-trading	5.1	-	-
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5.1 Market Treasury Bills - held-for-trading

Treasury bills	Face value (Rupees)				Rupees		Percentage of		
	As at 1 July 2016	Acquired during the period	Sold / Matured during the period	As at 30 June 2017	Amortised cost as at 30 June 2017	Market Value as at 30 June 2017	Total investment	Net assets	
3 Months - T-bills	-	294,000,000	294,000,000	-	-	-	-	-	-
6 Months - T-bills	-	230,000,000	230,000,000	-	-	-	-	-	-
12 Months - T-bills	-	265,000,000	265,000,000	-	-	-	-	-	-
	-	789,000,000	789,000,000	-	-	-	-	-	-

		2017	2016
	Note	Rupees	Rupees
6 DEFERRED FORMATION COST			
Deferred formation cost		477,135	716,035
Amortisation of deferred formation cost		(238,900)	(238,900)
		238,235	477,135
7 OTHER RECEIVABLES			
Other receivables	7.1	332,396	332,396

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

7.1 As per Clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 151. However, during the year ended 30 June 2016, several Companies (including banks) deducted withholding tax on profit on bank deposits paid to the Fund based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOLII-66417-R dated 12 May 2015.

In this connection, a petition has been filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Pending resolution of the matter, the cumulative amount of withholding tax deducted on profit received by the Fund on bank deposits till 30 June 2017 has been shown as other receivables as, in the opinion of the management, the amount of tax deducted at source will be refunded.

8	FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT AND LOSS Held-for-trading - derivative financial instruments	Note	2017	2016
			-----Rupees-----	
	- Future Gold Contracts			
	Financial liability at fair value through profit and loss	8.1	2,945,112	-
	Financial asset at fair value through profit and loss		-	9,854,024

8.1 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. 2017	27 July 2017	10 oz	1,614,080	169,236,288	0.84
Liability against gold futures at contracted rates - US\$ 1,642,169				172,181,400	
Unrealised loss on future contracts of gold				2,945,112	

9	PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY - RELATED PARTY	Note	2017	2016
			-----Rupees-----	
	Management fee	9.1	170,057	187,355
	Formation cost payable		477,800	716,700
	Sindh Sales Tax payable on Remuneration of the Management Company	9.2	221,967	226,093
	Federal Excise Duty payable on remuneration of the Management Company	9.3	1,319,911	1,319,911
	Accounting and operation charges	9.4	17,012	18,736
	Sindh Sales Tax payable on Operational Charges		1,361	1,124
			2,208,108	2,469,919

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

- 9.1** In accordance with the provisions of the NBFC Regulations amended vide S.R.O 1160(I) / 2015 dated 25 November, 2015, the Management Company is entitled to receive a remuneration at the rate not exceeding 1% of the average annual net assets of the Fund. The Management Company has charged its remuneration at the rate of 1% (30 June 2016: 1%) per annum of the average annual net assets for the year. The fee is payable to the Management Company monthly in arrears.
- 9.2** During the year, an amount of Rs. 302,558 (2016: Rs 328,032) 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. 306,684 (2016: 293,864) has been paid to the Management Company which acts as a collecting agent.
- 9.3** The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from 13 June 2013. As the asset management services rendered by the Management Company of the Fund are already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund as explained in note 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.

During the year, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from 1 July 2016. However, as a matter of abundant caution the provision for FED made for the period from 13 June 2013 till 30 June 2016 amounting to Rs 1.319 million (2016: Rs 1.319 million) is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the said provision for FED not been recorded in the financial statements of the Fund, the net asset value of the Fund as at 30 June 2017 would have been higher by Re 0.67 per unit (2016: Re 0.62 per unit).

9.4 ACCOUNTING AND OPERATIONAL CHARGES

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

10	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE - RELATED PARTY	Note	2017	2016
			-----Rupees-----	
	Trustee fee	10.1	28,906	31,850
	Sindh Sales Tax payable on trustee fee	10.2	3,758	4,459
			32,664	36,309

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

10.1 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:	Tariff per annum
- 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

10.2 During the year, an amount of Rs. 51,432 (2016: Rs. 48,074) was charged on account of sales tax on remuneration of the Trustee levied through Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 52,133 (2016: Rs. 43,615) was paid to the Trustee which acts as a collecting agent.

11 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.

12 ACCRUED EXPENSES AND OTHER LIABILITIES

	Note	2017	2016
		-----Rupees-----	
Auditors' remuneration payable		237,798	243,686
Printing charges payable		4,691	90,000
Transaction Charges payable		-	1,027
Legal and professional charges		100,000	-
Withholding tax payable		4,834	7,446
Provision for Workers' Welfare Fund	12.1	-	194,578
Provision for Sindh Workers' Welfare Fund		542,573	-
		889,896	536,737

12.1 The Finance Act, 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance) as a result of which it was construed that all Collective Investment Schemes / Mutual Funds (CISs) whose income exceeded Rs 0.5 million in a tax year were brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever was higher. In light of this, the Mutual Funds Association of Pakistan (MUFAP) filed a constitutional petition in the Honourable Sindh High Court (SHC) challenging the applicability of WWF on CISs which is pending adjudication. Similar cases were disposed of by the Peshawar and the Lahore High Courts in which these amendments were declared unlawful and unconstitutional. However, these decisions were challenged in the Supreme Court of Pakistan.

Subsequently, the Finance Act, 2015 introduced an amendment under which CISs / mutual funds have been excluded from the definition of "industrial establishment" subject to WWF under the WWF Ordinance. Consequently, mutual funds are not subject to this levy after the introduction of this amendment which is applicable from tax year 2016. Accordingly, no further provision in respect of WWF was made with effect from 1 July 2015.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

On November 10, 2016 the Supreme Court of Pakistan (SCP) has passed a judgment declaring the amendments made in the Finance Acts 2006 and 2008 pertaining to WWF as illegal citing that WWF was not in the nature of tax and could, therefore, not have been introduced through money bills. Accordingly, the aforesaid amendments have been struck down by the SCP. The Federal Board of Revenue has filed a petition in the SCP against the said judgment, which is pending hearing. While the petitions filed by the CISs on the matter are still pending before the SHC, the Mutual Funds Association of Pakistan (MUFAP) (collectively on behalf of the asset management companies and their CISs) has taken legal and tax opinions on the impact of the SCP judgment on the CISs petition before the SHC. Both legal and tax advisors consulted were of the view that the judgment has removed the very basis on which the demands were raised against the CISs. Therefore, there was no longer any liability against the CISs under the WWF Ordinance and that all cases pending in the SHC or lower appellate forums will now be disposed of in light of the earlier judgment of the SCP.

Furthermore, as a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) was passed by the government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. However, it may be stated that under Companies Act, 2017 mutual funds are explicitly excluded from the definition of financial institution. Thereafter, MUFAP took up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF.

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

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

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

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

13 CONTINGENCIES AND COMMITMENTS

13.1 There were no contingencies outstanding as at 30 June 2017 and 30 June 2016.

13.2 COMMITMENTS	Note	2017 -----Rupees-----	2016
Purchase of:			
Ounce Gold Contracts US \$ 1,642,169 (30 June 2016: US \$ 1,706,958)	13.2.1	<u>172,181,400</u>	<u>178,769,733</u>

13.2.1 This represents the investment in future gold contracts with settlement date of 27 July 2017 (2016: 26 July 2016).

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	-----Rupees-----	
14 INTEREST INCOME		
Profit on PLS savings account and deposits	8,191,152	7,596,464
Government Securities - Market Treasury bills	4,268,786	4,155,518
	12,459,938	11,751,982
15 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	23,600	17,700
Out of pocket expenses	15,250	15,250
Charge against Audit of previous FY	-	5,736
	333,850	333,686
16 EXPENSE RATIO		
The Total Expense Ratio (TER) of the Fund as at 30 June 2017 is 2.32% which includes 0.40% representing government levies on the Fund such as sales taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 2% prescribed under the NBFC Regulations for a collective investment scheme categorised as a Commodity scheme.		
17 TAXATION		
The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unitholders.		
18 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS		
18.1	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.	
18.2	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.	
18.3	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.	
18.4	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 AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	-----Rupees-----	
Atlas Asset Management Limited (Management Company)		
Remuneration of the Management Company	2,327,372	2,019,904
Remuneration paid	2,344,670	2,081,263
Sindh Sales Tax on Remuneration of the Management Company	302,558	328,032
Federal Excise Duty on Remuneration of the Management Company	-	323,185
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration of the Trustee	395,634	343,384
Sindh sales tax on remuneration of the Trustee	51,432	48,074
Remuneration paid	398,578	339,713
Atlas Battery Limited (Group Company)		
Issue of 18,225 (2016: Nil) units	1,927,825	-
Outstanding 532,311 (2016: 514,086) units - at net asset value	54,439,496	56,950,517
Atlas Foundation (Group Company)		
Issue of 5,467 (2016: Nil) units	578,348	-
Outstanding 159,693 (2016: 154,225) units - at net asset value	16,331,849	17,085,155
Atlas Honda Limited (Group Company)		
Issue of 17,248 (2016: Nil) units	1,824,459	-
Outstanding of 503,770 (2016: 486,522) units - at net asset value	51,520,560	53,896,945
Atlas Insurance Limited (Group Company)		
Issue of 3,702 (2016: Nil) units	391,611	-
Outstanding 108,132 (2016: 104,429) units - at net asset value	11,058,623	11,568,702
Batools Benefit Trust (Trust having common Director / Trustee)		
Issue of 5,467 (2016: Nil) units	578,348	-
Outstanding 159,693 (2016: 154,225) units - at net asset value	16,331,849	17,085,155
Atlas Group of Companies, Management Staff Gratuity Fund (Retirement benefit plan of a Group Company)		
Issue of 15,543 (2016: Nil) units	1,644,181	-
Outstanding 344,380 (2015: 328,836) units - at net asset value	35,219,707	36,428,480
Atlas Honda Limited Non Management Staff Gratuity Fund (Retirement benefit plan of a Group Company)		
Issue of 1,084 (2016: Nil) units	114,622	-
Outstanding 24,008 (2016: 22,924) units - at net asset value	2,455,292	2,539,559
Atlas Honda Limited Employee Provident Fund (Retirement benefit plan of a Group Company)		
Issue of 2,174 (2016: Nil) units	229,929	-
Redemption of Nil (2016: 53,844) units	-	5,000,000
Outstanding 48,159 (2016: 45,986) units - at net asset value	4,925,266	5,094,306
Key Management Personnel of Management Company		
Issue of 2,193 (2016: Nil) units	231,969	-
Outstanding 53,741 (2016: 51,548) units - at net asset value	5,496,137	5,710,543

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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

18.6 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 (2016: Rs. 4 million) and above, as set by the Board of Directors of the Management Company for FY 2016 -17.

19 FINANCIAL INSTRUMENTS BY CATEGORY

As at 30 June 2017				
	Loans and receivables	At fair value through profit or loss	Available for sale	Total
	----- (Rupees) -----			
Assets				
Bank balances	185,681,068	-	-	185,681,068
Financial assets at fair value through profit or loss	-	-	-	-
Interest accrued	624,138	-	-	624,138
Margin deposits with Pakistan Mercantile Exchange Limited against future contracts	24,063,679	-	-	24,063,679
Other receivable	332,396	-	-	332,396
	210,701,281	-	-	210,701,281

As at 30 June 2017			
	Liabilities at fair value through profit or loss	Others	Total
	----- (Rupees) -----		
Liabilities			
Financial liabilities at fair value through profit or loss	2,945,112	-	2,945,112
Payable to Atlas Asset Management Limited - Management Company	-	2,208,108	2,208,108
Payable to Central Depository Company of Pakistan Limited - trustee	-	32,664	32,664
Payable against redemption of units	-	2,816,896	2,816,896
Accrued expenses and other liabilities	-	342,489	342,489
Dividend payable	-	2,192	2,192
	2,945,112	5,402,349	8,347,461

As at 30 June 2016				
	Loans and receivables	At fair value through profit or loss	Available for sale	Total
	----- (Rupees) -----			
Assets				
Bank balances	193,747,341	-	-	193,747,341
financial assets at fair value through profit/loss	-	9,854,024	-	9,854,024
Investment in government securities	-	-	-	-
Interest accrued	446,064	-	-	446,064
Margin deposits with Pakistan Mercantile Exchange Limited against future contracts	32,435,953	-	-	32,435,953
other receivable	332,396	-	-	332,396
	226,961,754	9,854,024	-	236,815,778

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Liabilities	As at 30 June 2016		
	Liabilities at fair value through profit or loss	Others	Total
	----- (Rupees) -----		
Financial liabilities at fair value through profit or loss	-	-	-
Payable to Atlas Asset Management Limited - Management Company	-	2,469,919	2,469,919
Payable to Central Depository Company of Pakistan Limited - trustee	-	36,309	36,309
Dividend payable	-	2,192	2,192
Payable against redemption of units	-	-	-
Accrued expenses and other liabilities	-	334,713	334,713
	-	2,843,133	2,843,133

20 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

20.1 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.

20.2 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 2017, 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.

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 a June 30, 2017, with all other variables held constant, the net loss for the year and net assets would have been lower by Rs. 2,097,447 (2016: Rs.2,261,833). In case of 100 basis points decrease in market interest rates as at 30 June 2017, with all other variables held constant, the net income for the year and net assets would have been higher by Rs. 2,097,447 (2016: Rs 2,261,833).

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

The fund's interest rate sensitivity related to financial assets and financial liabilities as at 30 June 2017 can be determined as follows:

2017					
Effective yield / interest rate	Exposed to yield / interest 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 - 6.40	185,681,068	-	-	185,681,068
Financial assets at fair value through profit or loss		-	-	-	-
Interest accrued		624,138	-	-	624,138
Margin deposits with Pakistan Mercantile Exchange Limited					
against future contracts	2.00	24,063,679	-	-	24,063,679
Other receivable		332,396	-	-	332,396
		210,701,281	-	-	210,701,281
Financial Liabilities					
Financial liabilities at fair value through profit or loss		-	-	2,945,112	2,945,112
Payable to Atlas Asset Management Limited - Management Company		-	-	2,208,108	2,208,108
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	32,664	32,664
Payable against redemption of units		-	-	2,816,896	2,816,896
Accrued expenses and other liabilities		-	-	342,489	342,489
Dividend payable		-	-	2,192	2,192
		-	-	8,347,461	8,347,461
Total interest rate sensitivity gap		210,701,281	-	(8,347,461)	202,353,820

2016					
Effective yield / interest rate	Exposed to yield / interest 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 - 6.40	193,747,341	-	-	193,747,341
Interest accrued		446,064	-	-	446,064
financial assets at fair value through profit or loss		-	-	9,854,024	9,854,024
Margin deposits with Pakistan Mercantile Exchange Limited against future contracts	2.00	32,435,953	-	-	32,435,953
Other receivables		332,396	-	-	332,396
		226,961,754	-	9,854,024	236,815,778
Financial Liabilities					
Financial liabilities at fair value through profit or loss		-	-	-	-
Payable to Atlas Asset Management Limited - Management Company		-	-	2,469,919	2,469,919
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	36,309	36,309
Dividend payable		-	-	2,192	2,192
Accrued expenses and other liabilities		-	-	334,713	334,713
		-	-	2,843,133	2,843,133
Total interest rate sensitivity gap		226,961,754	-	7,010,891	233,972,645

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

(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 2016, 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 2017 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. 15,981 (2016: Rs.17,832) 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 2017, the exposure of the Fund to other price risk was Rs. 169,236,288 (2016: Rs.188,623,757). A decrease / increase of 5% in the quoted price of future gold contracts of Pakistan Mercantile Exchange would have an impact of approximately Rs. 8,461,814 (2016: Rs. 9,431,188) 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.

20.3 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 AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

As at 30 June 2017					
Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Total	
----- Rupees -----					
Assets					
Bank balances	185,681,068	-	-	185,681,068	
Financial assets at fair value through profit or loss	-	-	-	-	
Interest accrued	624,138	-	-	624,138	
Other receivables	332,396	-	-	332,396	
Margin deposits with Pakistan Mercantile Exchange Limited against future contracts	-	-	24,063,679	24,063,679	
186,637,602	-	24,063,679	-	210,701,281	
Liabilities					
Financial liabilities at fair value through profit or loss	2,945,112	-	-	2,945,112	
Payable to Atlas Asset Management Limited - Management Company	1,492,073	238,900	-	2,208,108	
Payable to Central Depository Company of Pakistan Limited - Trustee	32,664	-	-	32,664	
Payable against redemption of units	2,816,896	-	-	2,816,896	
Accrued expenses and other liabilities	-	342,489	-	342,489	
Dividend Payable	2,192	-	-	2,192	
7,288,937	581,389	-	477,135	8,347,461	
Net assets / (liabilities)	179,348,665	(581,389)	24,063,679	(477,135)	202,353,820

As at 30 June 2016					
	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Total
----- Rupees -----					
Assets					
Bank balances	193,747,341	-	-	-	193,747,341
financial assets at fair value through profit or loss	9,854,024	-	-	-	9,854,024
Investments in government securities	-	-	-	-	-
Interest accrued	446,064	-	-	-	446,064
other receivables	332,396	-	-	-	-
Margin deposits with Pakistan Mercantile Exchange Limited against future contracts	-	-	32,435,953	-	32,435,953
	204,379,825	-	32,435,953	-	236,483,382
Liabilities					
Financial liabilities at fair value through profit or loss	-	-	-	-	-
Payable to Atlas Asset Management Limited - Management Company	1,253,173	238,900	-	716,035	2,208,108
Payable to Central Depository Company of Pakistan Limited - Trustee	36,309	-	-	-	36,309
Payable against redemption of units	-	-	-	-	-
Dividend Payable	2,192	-	-	-	2,192
Accrued expenses & other liabilities	-	334,713	-	-	334,713
	1,291,674	573,613	-	716,035	2,581,322
Net assets / (liabilities)	203,088,151	(573,613)	32,435,953	(716,035)	233,902,060

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

20.4 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 2017 amounts to Rs. 210,368,885 (2016:Rs.226,629,233).

20.4.1 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'.

20.5 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.

20.6 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 2017, the Fund has financial assets at fair value through profit or loss using level 1 valuation technique.

20.7 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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	2017			2016		
	Number of unit holders	Amount Rupees	% of total	Number of unit holders	Amount Rupees	% of total
Individuals	25	4,083,595	2.02%	29	27,737,832	11.85%
Associated Companies/ Directors	7	155,184,572	76.88%	7	162,296,286	69.33%
Retirement Funds	3	42,601,928	21.10%	3	44,062,146	18.82%
	35	201,870,095	100.00%	39	234,096,264	100.00%

22 LIST OF TOP TEN BROKERS BY PERCENTAGE OF THE COMMISSION PAID

Name of broker	2017 Percentage of commission paid %	2016 Percentage of commission paid %
Shajar Capital Pakistan (Private) Limited	16.45%	16.13%
Arif Habib Limited	16.29%	15.52%
Topline Securities (Private) Limited	15.09%	15.53%
Invest Capital Market Limited	14.65%	14.54%
Summit Capital (Private) Limited	13.56%	1.36%
IGI Finex Securities Limited	12.77%	12.84%
Elixir Securities Pakistan (Private) Limited	9.19%	16.57%
AKD Securities Limited	1.79%	7.51%
Invest and Finance Securities Limited	0.21%	0.00%
	100.00%	100.00%

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	49 Years
Mr. Ali H. Shirazi	Director	Masters in Law	13.5 years
Mr. M. Abdul Samad	Chief Operating Officer	MBA, M.Com	17 Years
Mr. Khalid Mehmood	Chief Investment Officer	MBA - Finance	13 Years
Mr. Muhammad Umar Khan	Fund Manager	MSc - Finance	9 Years
Mr. Fawad Javaid	Fund Manager	CMA	9 Years
Mr. Faran-ul-Haq	Fund Manager	BA, CFA	6 Years

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

24 NAME AND QUALIFICATION OF FUND MANAGER

Name	Designation	Qualification	Other Funds managed by the Fund Manager
Mr. Muhammad Umar Khan	Fund Manager	MSc - Finance	Atlas Income 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					
	11 July. 2016	29 Aug. 2016	27 Oct. 2016	27 Feb. 2017	27 Apr. 2017	12 Jun. 2017
Mr. Yusuf H. Shirazi	P	P	P	P	L	P
Mr. Tariq Amin (w.e.f. August 09, 2016)	N/A	P	P	P	P	P
Mr. Shamshad Nabi	P	L	L	P	P	P*
Mr. Fahim Ali Khan	P	P	P	P	P	P
Mr. Ali H. Shirazi	P	P	P	P	P	P
Mr. Arshad P. Rana	L	L	P	P	P	P*
Mr. M. Habib-ur-Rahman	P	L	P	P	P	P
Ms. Qurrat-ul-ain Jafari (CFO / Company Secretary)	P	P	P	P	P	P

* Attended through teleconference call.

P Present

L Leave of absence

26 RATING OF THE FUND AND THE MANAGEMENT COMPANY

The Pakistan Credit Rating Agency Limited (PACRA) has upgraded the asset manager rating of the Management Company to AM2+ (AM Two plus) [2016: AM2 (AM Two)] on 04 May 2017.

27 GENERAL

Figures have been rounded off to the nearest Rupee.

28 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the management company on 30 August 2017

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

مستحکم فنڈ درجہ بندی (اے ایس ایل ایف):

۱۲ جولائی ۲۰۱۷ کو (پی اے سی آر اے) نے اس فنڈ کو اے اے ایف (ڈبل اے ایف) کے درجہ پر فائز کیا۔ یہ درجہ بندی سرمایہ کاری کے کم خطرے اور اس پر حاصل ہونے والی آمدنی میں استحکام کی صلاحیت کو ظاہر کرتی ہے۔

مستحکم فنڈ درجہ بندی (اے ایم ایف):

۱۲ جولائی ۲۰۱۷ کو (پی اے سی آر اے) نے اس فنڈ کو اے اے ایف (ڈبل اے ایف) کے درجے میں برقرار رکھا ہے۔ یہ درجہ بندی سرمایہ کاری کے کم خطرے اور اس پر حاصل ہونے والی آمدنی میں استحکام کی صلاحیت کو ظاہر کرتی ہے۔

مستحکم فنڈ درجہ بندی (اے آئی ایف):

۱۲ جولائی ۲۰۱۷ کو (پی اے سی آر اے) نے اس فنڈ کو اے اے منفی ایف (ڈبل اے منفی ایف) کے درجے میں برقرار رکھا ہے۔ یہ درجہ بندی سرمایہ کاری کے کم خطرے اور اس پر حاصل ہونے والی آمدنی میں استحکام کی صلاحیت کو ظاہر کرتی ہے۔

آڈیٹرز:

بورڈ آف ڈائریکٹرز کی آڈٹ کمیٹی نے اپنے اجلاس منعقدہ ۲۸ اگست ۲۰۱۷ کو میسرز اے ایف فرگوئن انڈیا کمپنی، چارٹرڈ اکاؤنٹنٹس، کراچی کو ٹالس منی مارکیٹ فنڈ کے ۳۰ جون ۲۰۱۷ کو ختم ہونے والے مالی سال کے لئے بطور آڈیٹرز دوبارہ تعیناتی کی منظوری دی۔ مزید میسرز ای وائی فورڈر ہوڈ چارٹرڈ اکاؤنٹنٹس کو ٹالس سورین لیکوئید فنڈ، ٹالس انکم فنڈ، ٹالس اسٹاک مارکیٹ فنڈ اور ٹالس گولڈ فنڈ کے ۳۰ جون ۲۰۱۸ کو ختم ہونے والے مالی سال کے لئے بطور آڈیٹرز تعیناتی کی منظوری دی۔ بورڈ آف ڈائریکٹرز نے آڈیٹرز کی تعیناتی کی توثیق کردی ہے۔

اقرارنامہ

منتظم کمپنی کا بورڈ آف ڈائریکٹرز، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کا ان کی مسلسل اور قابل قدر رہنمائی پر شکریہ ادا کرتا ہے۔ بورڈ کمپنی کے ملازمین اور اسٹی کا ان کی انتھک محنت اور خلوص کے لئے اور یونٹ ہولڈرز کا منتظم کمپنی پر بھرپور اعتماد کرنے کے لیے بھی تہہ دل سے شکر گزار ہے۔

از طرف بورڈ

ایم حبیب الرحمن

چیف ایگزیکٹو آفیسر

کراچی: ۳۰ اگست ۲۰۱۷ء

☆ ہیومن ریسورس اینڈ ریمونیریشن کمیٹی (ایچ اینڈ آر سی) دوران تین (ایچ اینڈ آر سی) کے دو اجلاس منعقد ہوئے اور مندرجہ ذیل ڈائریکٹر صاحبان نے شرکت کی:

نمبر شمار	ڈائریکٹر کا نام	عہدہ	تعداد شرکت
۱	جناب فراہیم علی خان	نان ایگزیکٹو ڈائریکٹر	۳
۲	جناب علی ایچ شیرازی	نان ایگزیکٹو ڈائریکٹر	۲
۳	جناب ایم حبیب الرحمن	چیف ایگزیکٹو آفیسر	۳

☆ انویسٹمنٹ کمیٹی (آئی سی) دوران سال (آئی سی) کے ۳۵ اجلاس منعقد ہوئے جس میں شرکت کے اعداد و شمار مندرجہ ذیل ہیں:

نمبر شمار	ڈائریکٹر / افسر کا نام	عہدہ	تعداد شرکت
۱	جناب علی ایچ شیرازی	نان ایگزیکٹو ڈائریکٹر	۱۳
۲	جناب ایم حبیب الرحمن	چیف ایگزیکٹو آفیسر	۲۳
۳	جناب ایم عبدالصمد (ایگزیکٹو مینجمنٹ)	چیف آپریٹنگ آفیسر، ممبر (آئی سی)	۲۹
۴	جناب خالد محمود (ایگزیکٹو مینجمنٹ)	چیف انویسٹمنٹ آفیسر، ممبر (آئی سی)	۲۹
۵	جناب ایم عمر خان (ایگزیکٹو مینجمنٹ)	فنانس ممبر (آئی سی)	۳۰
۶	جناب فواد جاوید (ایگزیکٹو مینجمنٹ)	فنانس ممبر (آئی سی)	۳۴
۷	جناب فاران الحق (ایگزیکٹو مینجمنٹ)	فنانس ممبر، سیکریٹری (آئی سی)	۳۵

ڈائریکٹر صاحبان کے لئے تربیتی پروگرام کی شرط:

منتظم کمپنی کے بورڈ آف ڈائریکٹرز کے پانچ ممبران کو پاکستان اسٹاک ایکسچینج قواعد کی شق نمبر ۷.۱۹ کے تحت ڈائریکٹرز کے تربیتی پروگرام سے استثنیٰ حاصل ہے۔ جبکہ بقیہ دو ڈائریکٹر صاحبان سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی شرائط پر پورا اترنے والے منظور شدہ اداروں سے مطلوبہ سرٹیفکیٹ حاصل کر چکے ہیں۔

یونٹس کے سودے:

دوران سال ڈائریکٹر صاحبان، چیف ایگزیکٹو آفیسر، اُن کی بیویوں اور زیر کفالت بچوں نے فنڈز کے یونٹس کی خرید و فروخت نہیں کی، سوائے ان کے جن کی تفصیل (اے ایس ایل ایف)، (اے ایف ایف)، (اے آئی ایف)، (اے ایس ایم ایف) اور (اے جی ایف) کے مالیاتی گوشواروں کے علی الترتیب نوٹس نمبر ۱۹، ۲۲، ۲۰، ۱۸ اور ۱۷ میں دی گئی ہے۔

تازہ ترین درجہ بندی:

منتظم کمپنی کی درجہ بندی:

پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (پی اے سی آر اے)، نے ۴ مئی ۲۰۱۷ کو منتظم کمپنی کو اے ایم ۲ پلس کے درجہ پر فائز کیا ہے، (۲۰۱۶ میں اے ایم ٹو کے درجے پر تھی)۔ یہ درجہ اس بات کی نشاندہی کرتا ہے کہ منتظم کمپنی میں مختلف النوع سرمایہ کاری خطرات سے بہتر طریقے سے نپٹنے کی صلاحیت موجود ہے اور کمپنی سرمایہ کاری کے اعلیٰ معیار اور مرتبہ کی شرائط پر پوری اترتی ہے۔

☆ گوشواروں کی تیاری میں وہ بین الاقوامی معیارات جو پاکستان میں لاگو ہوتے ہیں، کو مدنظر رکھا گیا ہے اور اگر کہیں انحراف ہوا ہے تو اسے مناسب طریقے سے ظاہر کر دیا گیا ہے۔

☆ اندرونی نظم و ضبط کا نظام موثر نگرانی میں مستحکم بنیادوں پر نافذ ہے۔

☆ فنڈز کے مستقل بنیادوں پر جاری رہنے پر کوئی شبہ نہیں ہے۔

☆ کارپوریٹ نظم و ضبط کے اصولوں سے، جن کی تفصیل لسٹنگ قواعد میں دی گئی ہے، کوئی انحراف نہیں ہے کیا گیا ہے۔

☆ قانونی ادا کیوں، ٹیکس اور عائد کردہ محصولات کو مالیاتی گوشواروں میں مناسب طور پر ظاہر کر دیا گیا ہے۔

☆ اہم مالیاتی اعداد و شمار / کارکردگی کے چارٹ، (اے ایس ایل ایف)، (اے ایم ایف)، (اے آئی ایف)، (اے ایس ایم ایف) اور (اے جی ایف)، کی سالانہ رپورٹس کے صفحات ۲۵، ۶۲، ۱۰۳، ۱۵۴، اور ۱۹۹ پر علی الترتیب شائع کئے گئے ہیں۔

☆ کفالتی فنڈ کی سرمایہ کاری کی قدر کے گوشوارے کا اطلاق میوچل فنڈ پر نہیں ہوتا کیوں کہ ملازمین کے ریٹائرمنٹ فوائد سے متعلق اخراجات منتظم کمپنی برداشت کرتی ہے۔

☆ یونٹس کی ملکیت کا انداز (اے ایس ایل ایف)، (اے ایم ایف)، (اے آئی ایف)، (اے ایس ایم ایف) اور (اے جی ایف) کے مالیاتی گوشواروں کے علی الترتیب نوٹس نمبر ۲۱، ۲۴، ۲۸، ۲۵ اور ۲۱ میں دیا گیا ہے۔

منتظم کمپنی کا بورڈ آف ڈائریکٹرز اور مختلف کمیٹیاں:

منتظم کمپنی کا بورڈ آف ڈائریکٹرز ایک ایگزیکٹیو اور چھ نان ایگزیکٹیو ڈائریکٹرز پر مشتمل ہے۔ دوران سال اتفاقہ طور پر بورڈ میں کوئی آسامی خالی نہیں ہوئی۔

مالیاتی سال ۲۰۱۶ء کے دوران بورڈ کے چھ اجلاس منعقد ہوئے۔ این بی ایف سی قواعد ۲۰۰۸ء کے تحت اجلاس منعقد ہونے کی تاریخ اور شریک ہونے والے ڈائریکٹرز سے متعلق اعداد و شمار (اے ایس ایل ایف)، (اے ایم ایف)، (اے آئی ایف)، (اے ایس ایم ایف) اور (اے جی ایف) کے مالیاتی گوشواروں کے علی الترتیب نوٹس نمبر ۲۵، ۲۸، ۳۲، ۲۹ اور ۲۵ میں ظاہر کر دیے گئے ہیں۔

بورڈ کی قائم کردہ کمیٹیاں، آڈٹ، بورڈ ایلوایشن، ہیومن ریسورس اینڈ ریمونیریشن اور انوسٹمنٹ کمیٹی (جس میں این بی ایف سی قواعد ۲۰۰۸ء کے تحت منتظم کمپنی کے افسران بھی شامل ہیں)، میں ڈائریکٹر صاحبان کی شرکت کے اعداد و شمار مندرجہ ذیل ہیں۔

☆ آڈٹ کمیٹی (اے سی)۔ دوران سال (اے سی) کے چار اجلاس منعقد ہوئے اور مندرجہ ذیل ڈائریکٹر صاحبان نے شرکت کی:

نمبر شمار	ڈائریکٹر کا نام	عہدہ	تعداد شرکت
۱	جناب طارق امین	انڈیپنڈنٹ ڈائریکٹر	۴
۲	جناب شمشاد نبی	انڈیپنڈنٹ ڈائریکٹر	۲
۳	جناب فراہیم علی خان	نان ایگزیکٹیو ڈائریکٹر	۴

☆ بورڈ ایلویشن کمیٹی (بی ای سی)، دوران سال (بی ای سی) کا کوئی اجلاس منعقد نہیں ہوا۔

تقسیم آمدنی برائے (اے آئی ایف):

اٹلس ایسٹ منیجمنٹ لیمیٹڈ، منتظم برائے، (اے آئی ایف)، کے بورڈ آف ڈائریکٹرز کی کمیٹی نے بورڈ کے تفویض کردہ اختیارات کے تحت اپنے اجلاس منعقدہ ۲۰ جون ۲۰۱۷ میں برائے اختتام سال ۲۰۱۷ کیلئے ۲۷ روپے عبوری منافع منقسمہ فی یونٹ، ۵۰۰ روپے قیمت والے یونٹ کا ۵.۴۰ فیصد کی منظوری دی، (۲۰۱۶ کے لیے عبوری منافع منقسمہ ۵۰۰ روپے قیمت والے یونٹ کے لئے ۲۰ روپے، ۸ فیصد فی یونٹ تھا)۔ کسی حتمی منافع منقسمہ کا اعلان نہیں کیا گیا۔

تقسیم آمدنی برائے (اے ایس ایم ایف):

اٹلس ایسٹ منیجمنٹ لیمیٹڈ، منتظم برائے، (اے ایس ایم ایف)، کے بورڈ آف ڈائریکٹرز نے اپنے اجلاس منعقدہ ۷ جولائی ۲۰۱۷ میں برائے اختتام سال ۲۰۱۷ کیلئے ۱۵ روپے حتمی منافع منقسمہ فی یونٹ، ۵۰۰ روپے قیمت والے یونٹ کا ۳ فیصد کی منظوری دی، (۲۰۱۶ کے لیے حتمی منافع منقسمہ ۵۰۰ روپے قیمت والے یونٹ کے لئے ۵ روپے، ۱ فیصد فی یونٹ تھا)۔

تقسیم آمدنی برائے (اے جی ایف):

اٹلس ایسٹ منیجمنٹ لیمیٹڈ، منتظم برائے، (اے جی ایف)، کے بورڈ آف ڈائریکٹرز نے اپنے اجلاس منعقدہ ۷ جولائی ۲۰۱۷ میں برائے اختتام سال ۲۰۱۷ کیلئے کسی منافع منقسمہ کا اعلان نہیں کیا، (۲۰۱۶ کے لیے حتمی منافع منقسمہ ۱۰۰ روپے قیمت والے یونٹ کے لئے ۵ روپے ۵ فیصد فی یونٹ تھا)۔

چیئر مین کا جائزہ:

یہ جائزہ (اے ایس ایل ایف)، (اے ایم ایف)، (اے آئی ایف)، (اے ایس ایم ایف) اور (اے جی ایف) کی سالانہ رپورٹس میں شامل ہے جو کہ منجملہ دوسرے پہلوؤں کے، فنڈز کی کارکردگی اور مستقبل کے امکانات و توقعات کا بھی احاطہ کرتا ہے۔ بورڈ میں شامل ڈائریکٹر صاحبان اس جائزے کے مندرجات سے متفق ہیں اور اس کی تصدیق کرتے ہیں۔

کارپوریٹ نظم و ضبط:

کمپنی کارپوریٹ نظم و ضبط کے معیارات، ضابطہ اخلاق اور بہترین کاروباری طریقوں پر سختی سے عمل کرنے پر یقین رکھتی ہے۔ اور یہ سب اٹلس گروپ کی کاروباری تہذیب کا ایک جزو ولا ینفک ہے۔ جولائی ۲۰۱۲ میں کارپوریٹ نظم و ضبط کے اصولوں کی منظوری دی گئی جس میں بورڈ کے ممبران، ملازمین اور کمپنی پر مختلف حلقوں، آپس کے معاملات اور معاشرے کی فلاح و بہبود کے سلسلے میں عائد کردہ فرائض اور ذمہ داریوں کو صراحت کے ساتھ بیان کر دیا گیا ہے۔ یہ ضابطہ اخلاق کمپنی کی ویب سائٹ پر دستیاب ہے۔

کارپوریٹ نظم و ضبط کے تقاضوں کو مد نظر رکھتے ہوئے ۲۰۱۴ میں بورڈ ایلو ایٹن کمیٹی کا قیام عمل میں لایا گیا تاکہ بورڈ کی سالانہ کارکردگی کو جانچنے کے طریقہ کار پر عمل ہو سکے، بی ای سی تین ممبران پر مشتمل ہے، دو خود مختار ڈائریکٹر جس میں سے ایک کمیٹی کے چیئر مین ہیں، جبکہ دوسرے سرپرست خاندان کی نمائندگی کرتے ہیں۔ بی ای سی نے بورڈ کی کارکردگی کو جانچنے کا عمل مکمل کر لیا ہے۔ بورڈ ایلو ایٹن کمیٹی کا اجلاس دو سال میں ایک بار منعقد ہوتا ہے۔ بورڈ ایلو ایٹن کمیٹی کا اگلا اجلاس اپریل ۲۰۱۸ میں منعقد ہوگا۔

کارپوریٹ نظم و ضبط کے اصولوں پر عمل درآمد:

بورڈ آف ڈائریکٹر تصدیق کرتا ہے کہ (اے ایس ایل ایف)، (اے ایم ایف)، (اے آئی ایف)، (اے ایس ایم ایف) اور (اے جی ایف) کے:

☆ منظم کمپنی کی جانب سے تیار کردہ مالیاتی گوشوارے تمام فنڈز کی کارکردگی، سالانہ آمدنی، کیش فلو اور یونٹ ہولڈرز کے سرمائے میں نقل و حرکت کی ایک منصفانہ تصویر پیش کرتے ہیں۔

☆ تمام فنڈز کے کھاتوں کو مناسب طریقہ سے تیار کیا گیا ہے۔

☆ گوشواروں کی تیاری میں حساب داری کے اصولوں کو تسلسل کے ساتھ لاگو کیا جا رہا ہے اور گوشواروں کی تیاری میں احتیاط اور فہم و فراست کا استعمال کیا جا رہا ہے۔

ڈائریکٹر رپورٹ:

اٹلس ایسٹ مینجمنٹ لیمیٹڈ، منتظم برائے اٹلس سویرین لکویڈ فنڈ (اے ایس ایل ایف)، اٹلس منی مارکیٹ فنڈ (اے ایم ایف)، اٹلس انکم فنڈ (اے آئی ایف)، اٹلس اسٹاک مارکیٹ فنڈ (اے ایس ایم ایف) اور اٹلس گولڈ فنڈ (اے جی ایف)، کے ڈائریکٹر صاحبان مذکورہ فنڈز کے آڈٹ شدہ مالیاتی نتائج برائے اختتام سال ۲۰۱۶ء، آڈیٹر کی رپورٹ کے ہمراہ پیش کرتے ہوئے دلی مسرت محسوس کرتے ہیں۔

تفصیلات	اے ایس ایل ایف		اے ایم ایف		اے آئی ایف		اے ایس ایم ایف		اے جی ایف	
	۲۰۱۶	۲۰۱۷	۲۰۱۶	۲۰۱۷	۲۰۱۶	۲۰۱۷	۲۰۱۶	۲۰۱۷	۲۰۱۶	۲۰۱۷
آمدنی فی یونٹ (روپے)	۹.۳۹	۱.۷۱	۸.۳۹	۸.۶۳	۸.۷۰	۲۹.۱۱	۱۶۸.۳۹	۲۵.۳۳	(۳.۵۱)	۱۲.۸۳
منافع	۹.۳۹ فیصد	۵.۷۹ فیصد	۶.۱۳ فیصد	۶.۰۲ فیصد	۵.۳۸ فیصد	۸.۰۲ فیصد	۳۳.۷۳ فیصد	۵.۰۵ فیصد	(۳.۳۲) فیصد	۱۳.۱۱ فیصد
خالص اثاثہ جات (روپے پلین میں)	۲۵۰.۵۱	۷۲۶.۹۶	۲۶۲۹.۲۸	۳۶۲۹.۸۵	۱۲۵۵۰.۹۳	۷۸۰۸.۳۳	۵۰۵۲۷.۶۸	۲۰۱۷.۱۹	۲۰۱.۸۷	۲۳۳.۱۰
یونٹس کی فروخت (روپے پلین میں)	۹۰۵۰۲.۵۳	۹۰۱.۸۳	۱۱۰۹۲۹.۷۳	۷۰۱۰۳.۸۷	۱۳۰۶۳۸.۶۱	۸۰۲۹۹.۲۲	۲۷۱۹.۹۲	۱۰۱۲۳.۶۵	۱۰۲.۶۶	۱۱.۰۷
یونٹس کی فروخت (کل یونٹس)	۹۰۷۷۰.۸۷	۸۰۸۸۰.۲۳	۲۶۰۳۵۷.۸۳	۱۳۰۸۶۷.۰۲	۲۷۰۲۱۹.۳۸	۱۶۰۱۳۷.۲۳	۲۷۳۳۵.۶۵	۲۰۱۷.۱۸	۹۸۶.۲۹	۳۸۳.۳۱
یونٹس کی خرید (روپے پلین میں)	۱۰۰۰۳۲.۲۲	۷۶۸.۱۵	۱۰۰۸۲۲.۵۳	۷۰۷۲۰.۶۲	۹۰۱۹۱.۵۳	۶۰۲۱۶.۵۹	۲۷۵۸۳.۲۹	۳۲۷.۳۱	۱۱۵.۲۸	۳۳.۰۶
یونٹس کی خرید (کل یونٹس)	۹۵۰۹۱۲.۲۳	۷۷۵۰۳۲۵.۳۱	۲۷۰۶۵۸۰.۵۱	۱۳۰۶۸۶.۷۲	۱۷۰۹۹۰.۶۹	۱۱۰۷۹۲۰.۸۰	۲۷۰۲۵۰.۶۲	۲۰۱۷.۱۸	۱۰۲.۶۶	۳۸۳.۳۱
سال کے آخر میں واجب الادا یونٹس	۲۰۲۸۷.۶۵	۷۰۶۱۰.۲۰	۹۰۲۲۲.۷۰	۶۰۵۲۵.۳۸	۲۰۵۰۱.۸۱	۱۵۰۲۷۳.۱۱	۸۰۲۸۹.۶۸	۷۰۹۷۰.۶۲	۱۰۲.۶۶	۳۸۳.۳۱

آمدنی فی یونٹ، خالص اثاثہ جات اور خرید و فروخت کا خلاصہ:

(اے ایس ایل ایف)، (اے ایم ایف)، (اے آئی ایف)، (اے ایس ایم ایف) اور (اے جی ایف) کی آمدنی فی یونٹ، خالص اثاثہ جات اور یونٹس کی خرید و فروخت کا جدول برائے اختتام مالی سال ۲۰۱۶ء۔ ۲۰۱۷ء حسب ذیل ہے:

تقسیم آمدنی برائے (اے ایس ایل ایف):

اٹلس ایسٹ مینجمنٹ لیمیٹڈ، منتظم برائے اٹلس سویرین لکویڈ فنڈ (اے ایس ایل ایف)، کے بورڈ آف ڈائریکٹرز نے اپنے اجلاس منعقدہ ۷ جولائی ۲۰۱۷ء میں برائے اختتام سال ۲۰۱۶ء جون ۲۰۱۷ء کیلئے ۹.۵۰ روپے حتمی منافع منقسم فی یونٹ، ۱۰۰ روپے قیمت والے یونٹ کا ۵.۹۰ فیصد کی منظوری دی، (۲۰۱۶ء کے لیے عبوری منافع منقسم ۱۰۰ روپے قیمت والے یونٹ کے لئے ۵.۷۵ روپے، ۵.۷۵ فیصد فی یونٹ تھا)۔

تقسیم آمدنی برائے (اے ایم ایف):

اٹلس ایسٹ مینجمنٹ لیمیٹڈ، منتظم برائے اٹلس منی مارکیٹ فنڈ (اے ایم ایف)، کے بورڈ آف ڈائریکٹرز کی کمیٹی نے بورڈ کے تفویض کردہ اختیارات کے تحت اپنے اجلاس منعقدہ ۲۰ جون ۲۰۱۷ء برائے اختتام سال ۲۰۱۶ء جون ۲۰۱۷ء کیلئے ۳۰ روپے عبوری منافع منقسم فی یونٹ، ۵۰۰ روپے قیمت والے یونٹ کا ۶ فیصد کی منظوری دی، (۲۰۱۶ء کے لیے عبوری منافع منقسم ۵۰۰ روپے قیمت والے یونٹ کے لئے ۳۳ روپے، ۶.۶۰ فیصد فی یونٹ تھا)۔ کسی حتمی منافع منقسم کا اعلان نہیں کیا گیا۔

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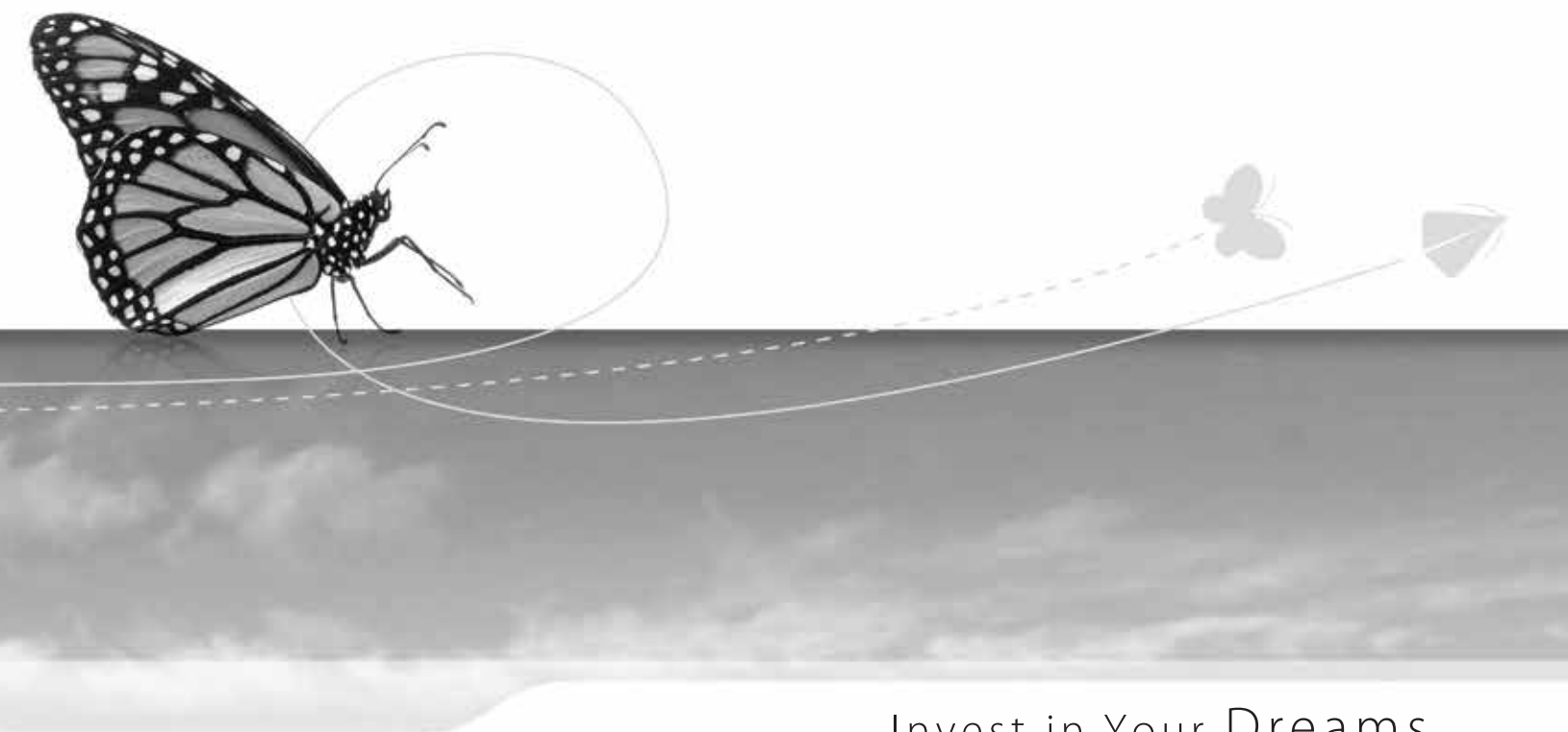


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